

Informal Work and Wellbeing in Urban South Asia: Who Succeeds, Who Fails and Under What Conditions?

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Executive Summary

This summarises the findings of the **Informal Work and Wellbeing in Urban South Asia (IWUSA)** study,² conducted from April 2014-April 2015. The research was led by the Institute of Development Studies, in partnership with the Society for the Promotion of Area Resources Centres (SPARC) and the Monitoring and Research Systems (MaRS) Pvt Limited in India, and BRAC University and ActionAid in Bangladesh.³

Understanding and managing urbanisation in developing countries is one of the major global policy challenges for the first half of the 21st century. Rapidly growing towns and cities are increasingly recognised as powerhouses of economic development, employment generation and as having the potential to be great drivers of improvements in human wellbeing. At the same time they can also be the sites of extreme impoverishment, substandard housing, dominated by informal employment, insecure and hazardous working conditions, vulnerability, environmental degradation and unrest. “The problem is, we don’t know which cities are performing well, and which are not, and therefore our ability to explore the determinants of wellbeing in cities, and hence to inform urban policy is limited” (Burdett and Taylor 2011: 3-4).

This study sets out to explore the associational relationships between a variety of institutional conditions and the wellbeing outcomes for informal workers living in informal settlements in Bangladesh and India. In Bangladesh, urbanisation has been characterised by a limited range of economic diversification and has been strongly concentrated in a few cities; Dhaka contains nearly 40% of the total urban population (Islam 2013). India’s urbanisation has been more widespread, fuelled by economic and industrial diversification, and supported through large-scale national public investment mechanisms like the Jawaharlal Nehru National Urban Renewal Mission (JNNURM)). Many informal workers operate and reside in urban informal settlements; globally, these are the home of 828 million people (UN Habitat 2011). India’s 2011 slum census conservatively identified 13.8 million households, or about 64 million people as located in urban slums. According to UN population estimates 61.6% of the urban population of Bangladesh lives in informal settlements. Typically, these settlements produce inferior health and education outcomes for their inhabitants due to limited public services, substandard housing, environmental fragility and unsanitary conditions. Focusing on informal settlements enables us to pay particular attention to the plight of the poorest 10% of the population (DFID Bangladesh 2012). Yet, critically, informal settlements are also spaces of opportunity (Hansen and Verkaaik 2009) and hives of economic activity.

The informal economy is important for various reasons. Evidence for the period 2005-2010 shows that 76.9% of employment in Bangladesh and 84.2% in India (outside of the agricultural

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sector) is informal and is characterised by a lack of labour contracts and lack of social protection (Charmes 2012). Excluding agriculture, the informal sector in India contributes 38.4% of GDP, and such data is representative of the South Asia region. Key types of informal work include self-employment such as street vending, home-based work and informal employees however women and men are often differentially engaged in informal work (Chen 2007; Charmes 2012).

While there is strong evidence suggesting that economic, socio-political and governance conditions relating to informal living and work significantly impact development outcomes, relatively little is known about the ways that informal workers actually make their urban lives, the priorities that they have, the trade-offs that they have to make in their efforts to achieve wellbeing, and the barriers that they face in trying to escape poverty. The ways in which informal settlements divergently produce wellbeing outcomes is also likely to depend on a range of institutional conditions, relating to labour markets and to socio-economic and physical spatial features of these settlements. This study accordingly seeks to answer the following three **research questions**:

1. *What patterns and gradations of wellbeing outcomes (success and failure) do we observe for informal workers in informal settlements in different kinds of urbanising towns and cities in Bangladesh and India?*
2. *What kinds of institutional conditions of informal settlements explain the patterns of wellbeing failure and success outcomes that we observe and support informal workers to escape poverty or entrap them in it?*
3. *What do these insights into wellbeing outcomes and processes tell us about what methods and instruments should be employed in anti-poverty policy for informal workers in urbanising contexts?*

The approach

This study's application of a human wellbeing framework departs from standard income, or multi-dimensional poverty assessment approaches by considering material, relational and subjective wellbeing outcomes. It further considers how such outcomes are produced in relation to institutional conditions that govern informal workers' access to labour markets; security within living environments; and relations with urban governments and other governance actors. The study uses a combination of secondary data analysis and a 'bottom-up' human wellbeing assessment methodology, to present solid empirical evidence on *patterns and gradations* of wellbeing success and failure that are emerging for women and men engaged in informal work and living in informal settlements. It places the wellbeing of urban informal workers at the centre of the analysis by paying greater attention to the ways that people actually make their urban lives, the priorities that they have, the trade-offs that they make in their efforts to achieve wellbeing, and the barriers that they face in trying to escape poverty.

Achievements in methodological innovation

This research project developed and implemented an innovative Rapid Assessment of Wellbeing (RAW) methodology, and devised an Integrated Wellbeing Survey (IWS). It has demonstrated that it is possible to meaningfully operationalise a thoroughly multidimensional conception of human wellbeing for application in urban contexts. The methodology involves iteration between 'bottom-up' and 'top-down' perspectives on human wellbeing. The RAW methodology deliberately employs both universal and highly local reference points and parameters of wellbeing. A bottom up research process entailed building community profiles and conducting FGDs with male and female community members. These exercises were designed to identify community priorities of wellbeing, drawing on the collective aspirations, values and experiences of individuals in the investigated settlements. We next situated these community specific wellbeing indicators and priorities within a global body of research on wellbeing. In specific, we drew on the OECD model of wellbeing, to identify 10 wellbeing domains that are globally applicable and that offer a broad framing of wellbeing. We then constructed an Integrated Wellbeing Survey that populates 10 domains with locally relevant indicators of wellbeing identified by urban slum communities, together with indicators emerging from the global

wellbeing literature. The survey instrument was administered to the main earner and their spouse in a household across 14 informal settlements in six cities in India and Bangladesh, resulting in a sample of 2858 individuals (1448 women and 1410 men) in 1454 households. We also collected detailed information on unpaid work. The IWS incorporates objective and subjective aspects of wellbeing across ten domains:

- Domain 1: Education and skills
- Domain 2: Jobs and earnings
- Domain 3: Consumption and assets
- Domain 4: Social connections
- Domain 5: Housing and related infrastructure
- Domain 6: Empowerment
- Domain 7: Safety and security
- Domain 8: Living conditions (access)
- Domain 9: Health status and related facilities
- Domain 10: Overall subjective outlook on life

The RAW methodology has proven to be relevant not only to academics, but also to communities and policymakers. The methodology allows policy agents who are concerned with the wellbeing of particular segments of the population to focus in on the wellbeing achievements of this population across a broad range of domains.

The ‘jagged teeth diagrams’ can be used either by those who are supposed to be responsible for supporting the wellbeing of people in particular communities or by the communities themselves, to hold service providers to account where they are evidently failing in their duties. By presenting a ranking for people’s wellbeing priorities and then showing that in relation to the level of satisfaction that people report we can get an immediate visual insight into where there may be important development problems. Either this points to issues where there is a real problem of provision (for example, of water provision) or of dissatisfaction with how the service is being provided. Validation meetings with community members in Bangladesh have affirmed the value and empowering potential of the jagged teeth diagrams in stimulating deliberation about development priorities and the performance of government and other service providers in urban contexts.

The juxtaposition of objective and subjective data may also reveal important dissonances: either where people are objectively doing badly but subjectively report that they are doing well or *vice versa*. This kind of objective-subjective pairing analysis can provide further important policy relevant information about where motivations and (mis)apprehensions need to be confronted with further information (for example, about sanitation needs and its relation to the objective reporting of particular illnesses).

Key research findings

The data that has been generated by the IWS instrument has produced valuable insights into a wider range of dimensions of wellbeing than any other research instrument at this time and thus provides understandings into the complexity and unevenness of people’s wellbeing performance. We investigate patterns of gradations of wellbeing outcomes, and investigated the following institutional conditions: city typology; presence of urban government authorities; types of labour market arrangements for informal workers; and safety and security in the settlement. We find that:

1. **Only small proportions of the sampled labouring poor living in informal settlements thrive, and if they do, on only a limited number of wellbeing domains.**
2. **Wellbeing priorities and satisfaction levels on wellbeing goals differ substantively across the surveyed informal settlements,** in particular in the sites surveyed in Bangladesh. Sensitivity to such diversity could enhance the relevance of anti-poverty policy and programming approaches. A ranking of wellbeing priorities showed us that in the sites sampled in India, ownership of dwelling and ease of access to drinking water were ranked in the top ten priorities of communities most often. In the Bangladeshi sites, ease of access to drinking water was the ranked in the top ten most often. Having an enclosed toilet and having access to one's dwelling were also important goals. Overall, satisfaction levels in the sites sampled in India were significantly higher than those in sites sampled in Bangladesh, while the latter displayed a much higher degree of variability on levels of satisfaction. We also found that men and women have a very similar set of priorities when it comes to their wellbeing.
3. **Wellbeing outcomes for informal workers are highly gendered.** Even though our findings show that relatively small proportions of *both* women and men obtain high wellbeing scores, men in our sample are *more* likely to obtain high wellbeing scores than women, at least on five out of ten wellbeing domains. This gendered divide could well reflect the fact that globally women are typically engaged in the most insecure, unstable and poorest paid jobs.
4. **Wellbeing outcomes differ not only by gender but also for diverse types of workers.** We find variations in outcomes for workers operating in the formal and informal sector, and labouring under formal (with contracts, with social protection) and informal working conditions.
5. **Impact of urbanisation on wellbeing is driven by complex and non-linear relationships.** Wellbeing outcomes differ by city typology, and are shown to be affected by the nature of urban governance. However, this interaction does not occur in linear fashion. While our findings suggests that wellbeing outcomes in our sampled sites in Mumbai and Dhaka tended to be better than those from sites in emergent cities (Raipur, Bogra) and secondary established cities (Vizag, Chittagong) in some domains, there were other significant findings, which challenged the idea that mega-cities are more likely to generate positive wellbeing outcomes. For instance, we expected outcomes in Domain 7 (Safety and security) to be worse in the context of rapidly growing emergent cities, as these are often typified as prone to crime and insecurity. We however found that the exact opposite is true for our sampled sites, as respondents from emerging cities were *most* likely to thrive in this domain. This is an area we highlight for further investigation.
6. **Significant differences in service provision.** One striking difference between Indian and Bangladeshi sites was the very low presence, or outright absence, of the municipalities in providing basic services such as street lighting (associated with safety concerns), water, sanitation and waste collection in Bangladesh, despite these being part of the mandate of urban authorities.
7. **Labour market arrangements also had important effects for wellbeing outcomes.** As expected, workers with contracts tend to achieve significantly higher outcomes in terms of their jobs. Conversely, we do not find any significant differences between proportions of 'casualised' paid workers in the *formal* sector achieve higher wellbeing outcomes and those in the *informal* sector. We therefore do not find evidence of any

positive spill-over effects of simply being in the formal sector, when employed without contracts or social protection.

8. **Outcomes for those purely involved in *unpaid* care work are complex and highly gendered.** While those purely involved in unpaid care work achieve lower wellbeing outcomes than paid workers in some domains, they nevertheless achieve higher outcomes in other domains. Smaller proportions of men than women obtain high wellbeing scores on the Safety and security (D7) and Subjective outlook on life (D10) domains. We suggest that this may be reflective of patriarchal social norms that govern men and women's engagement in urban labour markets, however other factors may also underlie such findings. It is unclear why significantly lower proportions of men achieve high wellbeing scores on the security and safety domain; we postulate that it may be that their unpaid care work makes them targets of bullying and abuse.
9. **Insecure sites are associated with lower proportions of residents achieving high wellbeing scores on several key domains.** Importantly, *both* men and women are impacted by insecurity, and this has important consequences for how safety and security interventions in cities are conceptualised and implemented. Our data also shows that people who have faced violence at the behest of the state, in the form of demolitions, are more likely to obtain very low wellbeing outcomes, as compared with those who have not had their dwellings demolished. While this associational relationship fades over time, which we suggest is reflective of resilience and coping mechanisms at play, the far-reaching impacts of demolition imply that this type of an intervention can have devastating, and potentially unintended, consequences.

We conclude that anti-poverty policy, particularly in a context of weak urban governance, should be sensitive to the multidimensional nature of wellbeing, comprising material as well as relational and subjective aspects. The tools and methods presented in this study offer an approach that is sensitive to local indicators of wellbeing, while situating this in a globally applicable wellbeing framework. They allow anti-poverty policy to be responsive to the highly gendered nature of informal work and its wellbeing outcomes. More so, they enable anti-poverty policy to recognise that informal work is rarely only about income, as other aspects such as regularity (e.g. in contract based employ) and autonomy (for self-employed informal workers) and social protection may be traded off against one another.

Policy interventions can have positive as well as negative effects on these dimensions, sometimes simultaneously in opposite directions, for instance in the case where itinerant traders are located to urban market stalls. Our findings suggest that wellbeing needs and priorities of urban informal workers are highly context specific, and it is thus imperative on policymakers to recognise this possibility and to make anti-poverty policy sufficiently nimble and agile to respond to local needs.

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The full report can be downloaded from:

http://r4d.dfid.gov.uk/pdf/outputs/InformalWorkWellbeing/61262_IWWUSA-FINAL-REPORT-IDS.pdf

