

Report on
Urban Livelihood Profiling Study

Survey Location: Jagatpura, Jaipur

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Context of Study

In Rajasthan, in urban areas, a significant proportion of the poor are daily wage labourers working on construction sites and other works, followed by those employed in shops, factories on salary basis, followed by those who are self-employed (but comprise less than 20% of the urban poor). They are a heterogeneous group consisting of recent migrants/ fresh settlers at one hand and permanent settlers at another end. Urban poor live in slums which typically lack even meagre infrastructure. Around 16.9% of the urban population consists of slum dwellers in Rajasthan. Most of urban poor have irregular cash flows. Majority of their income is spent on procuring basic necessities like medicines, food, child education, debt servicing etc. The average annual income of urban household is estimated to be Rs. 77,000.

These urban slums are characterized by mass illiteracy, lack of skill, reliance to monetized and informal economy, inadequate housing, lack of basic amenities, and vulnerability to diseases, environmental hazards and social fragmentation. The city economy and services depend largely on the urban poor, yet their livelihoods remain illegal and illegitimate in the eyes of the city authorities in many cases.

In urban areas, though the poor make a significant contribution to the economy, most of their livelihoods are self financing. However, they get minimal assistance from state run organizations like urban local bodies and financial institutions. The colonies/slums in which they live have minimal infrastructure and are often illegal. The social and spatial marginalization of this economically weaker group makes it a very vulnerable group.

Urban poor definitely comprise one of most neglected set of people as, In spite of estimated 29.7 lakh urban poor households in Rajasthan as of March, 2010, government interventions are deficient. Majority of livelihoods are self-financing and receive almost negligible support from government agencies in form of business development services, market linkages, technical assistance, price discovery, tax sops and infrastructure. State run agencies like financial institutions, local agencies offer negligible livelihood developmental support. The slums and colonies that these urban poor live in have extremely deplorable and poor infrastructure. Therefore, immediate policy level interventions are needed to enhance livelihood of urban poor.

Given the poor economic situation of urban poor and minimal assistance from state run organizations towards promoting their livelihoods, an intermediation from donor agencies is required to explore, identify and promote livelihoods for urban poor.

Given this context, a survey of 350 urban poor families was conducted in Jagatpura Area in Jaipur, to understand the characteristics of urban poor. Objective was to list out interventions that can be made towards livelihood enhancement of urban poor.

Objective

The working paper analyses the findings of Jagatpura Urban Households. The underlying aim is to explore possible livelihoods interventions to enhance lives of urban poor.

Research Methodology

Sample size is 300 households comprising 1586 members. Analysis has been done using advanced statistical tools. Common statistical concepts used are arithmetic average, mean, median, percentile, standard deviation and correlation. Unless specified, normal distribution has been assumed in the data. Since data reveals present status of urban poor, correlation of data with time is irrelevant and has been totally ignored. Confidence interval has been taken as 95%, unless specified.



Findings

Demographic Profile of Urban Poor

The representative sample of urban poor comprise of mostly backward caste. Out of 300 households, 71% belong to Scheduled caste, 6% belong to Scheduled tribe and 20% belong to other backward caste while rest belong to general category. Over 65% possess ration card. Almost 96% have migrated from remote places within Rajasthan. The migration has happened in phases with majority arriving 15-20 years back. Some families also migrated 10 years back. The family size of urban poor varies mostly from 4-7 members with average being 5.3 members per household. Almost 93% are not beneficiaries of any government scheme.

Adult women

An analysis of adult women surveyed in 300 households indicates that average age of women is 32 years (with standard deviation of 8 years and median of 30 years). Almost 72% of women fall in age band of 24 to 40 years. It is disturbing to see that 33% are totally illiterate while 47% are just literate. This indicates that almost 80% of adult women are practically illiterate. Over 70% have irregular employment.

Further analysis of these 238 illiterate and just literate women throws some interesting insights. Almost 46% of them are employed as mason, labour or painter etc in construction sites with almost half (22%) working as labour. Masonry work, which demands masonry skills, pays more than physically demanding labour job. Table below elaborates on activities taken by women, along with proportion of women in a particular livelihood. The table also suggests approximate time spent by women in particular livelihood, along with average earning per day.

Livelihood activity	Proportion of women taking up the livelihood	Number of days of employment for majority of sample	Average earning per day
Mason at construction site	17% (40 women)	22 days	Rs. 240 per day
Labour at construction site	22% (51 women)	22 days	Rs. 150 per day
Painter, Plumber, Flooring at construction site	7% (16 women)	20 days	Rs. 170 per day
Sweeper	7% (17 women)	30 days	Rs. 55 per day
Puppet Making	5% (12 women)	29 days	Rs. 60 per day
Domestic Help	5% (12 women)	30 days	Rs. 67 per day
Rag picker	5% (12 women)	27 days	Rs. 110 per day
Stitching & embroidery	4% (9 women)	25 days	Rs. 200 per day
Miscellaneous	30% (69 women)		

As sweeper, women clean roads in communities and other areas in vicinity. The monetary benefits in this livelihood and are compensated, to some extent, by receipt of soft items like eatables etc from community.

In contrast, an analysis of 57 adult women who are literate indicates that even though proportion of women working in construction industry (at 41%) is almost similar to that of illiterate women, the proportion of women working as 'physical labour' is very low (at 4% only). This indicates that education level of women does make a difference in quality of job. Literate women seem to fetch skilled jobs with better pay. This is also manifested in higher proportion of women in jobs at factory and export oriented company. Adding to this, proportion of literate women working in 'Stitching & embroidery', which demands certain amount of skills, is higher as compared to illiterate women.

Livelihood activity	Proportion of women taking up the livelihood	Number of days of employment for majority of sample	Average earning per day
Mason at construction site	14% (8 women)	25 days	Rs. 240 per day
Labour at construction site	4% (2 women)	22 days	Rs. 150 per day
Painter, Plumber, Flooring at construction site	23% (13 women)	20 days	Rs. 170 per day
Sweeper	7% (4 women)	30 days	Rs. 125 per day
Puppet Making	2% (1 women)	29 days	Rs. 60 per day
Domestic Help	0% (0 women)	30 days	Rs. 67 per day
Rag picker	2% (1 women)	27 days	Rs. 110 per day
Stitching & embroidery	11% (6 women)	25 days	Rs. 200 per day
High skill job (Teaching, LIC etc)	6% (3 women)		
Labour at factory/ export company	9% (5 women)	30 days	Rs. 75 per day
Miscellaneous	25% (14 women)		

Girl Child

An analysis of girl children in households indicates that practically most of them are dependent. Out of 284 girl children falling above 4 years of age, 16% are illiterate or just literate. On analysing further, it can be deduced that almost 26% have dropped out of school after class 5th and almost 8% have dropped out of school after class 8th. Over 50% are found to be school going.

Boy child

An analysis of boy children in households indicates that more than 85% are dependents. Out of 391 boy children falling above 4 years of age, 11% are illiterate or just literate. On analysing further, it can be deduced that over 26% have dropped out of school after class 5th, 10% have dropped out of school after class 8th and 5% have dropped out of school after class 10th. Less than 50% are found to be school going. This minute difference between proportion of girls and boys going to school is due to added pressure on boy child to start earning early. For instance, an analysis of boy children who are not dependents and are earning members

indicates that they drop out of school early to earn for family. They drop out of school to work as sweeper, catering, labour at hospital, factory/export company/shop, driver, rag picking, puppet making, mason, painter etc

It should be noted that almost 62% of children, be it boy or girl, go to private schools.

Adult men

An analysis of adult men surveyed in 300 households indicates that average age of men is 37 years (with standard deviation of 10 years and median of 35 years). The literacy levels of men are drastically better off than that of women. Out of these 304 men surveyed, 40% are illiterate or just literate, which means just 40% of adult men are practically illiterate as against 80% of adult women who are practically illiterate. Almost 50% of males are educated up to class 5 – 8th.

Further analysis of these 123 illiterate or just literate men indicates that 18% of them are employed as mason, labour or painter etc in construction sites with most (14%) working as mason. Data for almost 36% of men is not available. Table below elaborates on activities taken by men, along with proportion of men in a particular livelihood. The table also suggests approximate time spent by men in particular livelihood, along with average earning per day.

Livelihood activity	Proportion of men taking up the livelihood	Number of days of employment for majority of sample	Average earning per day
Mason at construction site	14% (17 men)	22 days	Rs. 240 per day
Labour at construction site	10% (12 men)	22 days	Rs. 150 per day
Painter, Plumber, Flooring at construction site	4% (5 men)	20 days	Rs. 170 per day
Sweeper	7% (9 men)	30 days	Rs. 55 per day
Puppet Making	4% (5 men)	29 days	Rs. 60 per day
Rag picker	7% (8 men)	27 days	Rs. 110 per day
Stitching & embroidery	3% (4 men)	25 days	Rs. 200 per day
Data Not Available	36% (44 men)		
Miscellaneous	15%		

As sweeper, men work in hospitals, hotels, municipal areas etc in vicinity.

An analysis of 181 adult men who are literate indicates that 26% of them are employed as mason, labour or painter etc in construction sites with most (14%) working as mason. Data for almost 43% of men is not available. Table below elaborates on activities taken by men, along with proportion of men in a particular livelihood. The table also suggests approximate time spent by men in particular livelihood, along with average earning per day.

Livelihood activity	Proportion of men taking up the livelihood	Number of days of employment for majority of sample	Average earning per day
Mason at construction site	12% (22 men)	25 days	Rs. 240 per day
Labour at construction site	7% (13 men)	22 days	Rs. 150 per day
Painter, Plumber, carpenter at construction site	7% (12 men)	20 days	Rs. 170 per day
Sweeper	3% (6 men)	30 days	Rs. 125 per day
Driver	4% (7 men)	30 days	Rs. 150 per day
Puppet Making	2% (4 men)	29 days	Rs. 60 per day
Labour at factory, export company, hotel, hospital, motor garage, shop, govt dept etc	10% (19 men)	30 days	Rs. 165 – Rs. 300 per day
Data not available	43% (78 men)		
Miscellaneous	12%		

Livelihood pattern of families

An analysis of pattern of livelihood among households throws an interesting insight. In majority of households, same livelihood is pursued by more than one family member. For instance, in considerable number of households, men work as mason while women work as labour. Possible inference from this observation is that once a member enters a livelihood, one ends up making necessary contacts to help other family members fetch upcoming employment opportunities at employers' site. In such cases, skill orientation or knowledge transfer may be happening at family level internally.

Poors' assets

An analysis of household assets and business assets of urban poor households indicates that mobile, fan and TV is owned by over two-thirds of the sample. Analysis of precious metals owned by households indicates that average value of holding stands at Rs. 33000, which is equivalent to 750 gm of silver.

Household Assets	% of households who own
Mobile	76%
Fan	76%
TV	67%
Gas Connection	43%
Cooler	42%
Gold Silver	38%
Bicycle	35%
DVD Player	28%
Most own Silver	
Average value of gold/silver who own	Rs. 33,000 equivalent to around 750 gm Silver

Analysis of business assets owned by households is as follows -

Business Asset	% of families who own
Machine/ Equipment	15%
Thela Rickshaw	4%
Cycle Rickshaw	3%
Shop	2%
Auto Rickshaw	1%

House Ownership

An analysis of house ownership of urban poor households indicates that almost 83% of families own houses. Almost 67% have semi-pacca/ tin shed houses, 32% have concrete houses while only 2% have kaccha/ tarpaulin houses. Majority (almost 75%) of households have market value of their houses less than Rs. 500,000. Over 50% own houses with market value ranging between Rs. 2 lacs to 5 lacs.

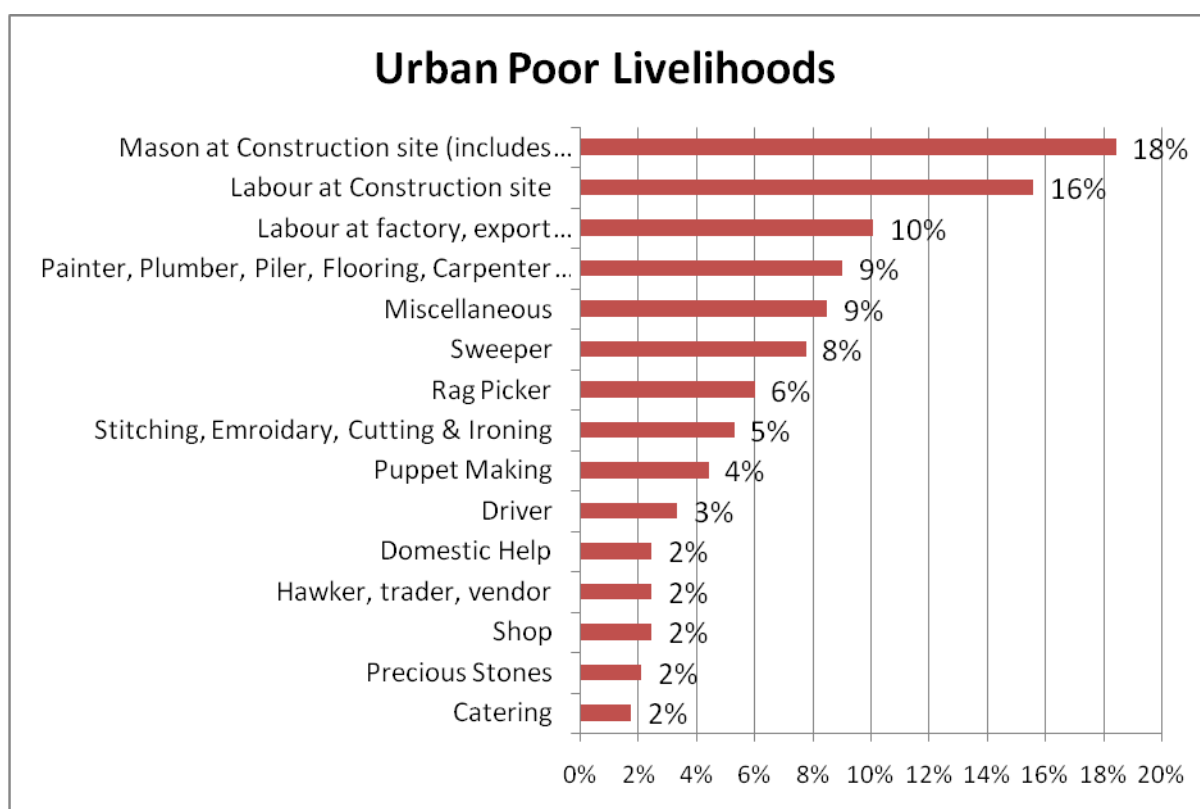
Market Value of House (M)	% of households with h
100000	5.3%
150000	14.7%
200000	21.4%
250000	39.2%
300000	47.7%
500000	74.5%

15% have more than 1 Floor
29% have more than 2 rooms
30% have Kitchen
69% have Toilet
71% have Bathroom
74% have Govt electricity connection
30% have water connection in neighbourhood
43% have water connection at home
19% get water through community connection
7% get water through private tank

Livelihoods of Urban Poor

Overall analysis of livelihoods

An overall analysis¹ of livelihoods of urban poor indicates that almost 43% of urban poor are employed in building and construction industry. Almost 18% are employed as mason, 16% are employed as labour while 9% are employed as painters, plumbers, carpenter, floorer, piler etc. Almost 10% are employed as labour in factory, export company, hotel, hospital, motor garage, shop, govt dept etc. Sweeping and Rag Picking are other livelihoods which employ more than 5% each of urban poor.



In the families surveyed², almost 69% of earning members have irregular employment. Majority of families (over 180 families from 300 households surveyed) have all their earning family members with irregular employment.

Economics of Livelihoods

An analysis of economics of livelihoods pursued by urban poor throws interesting insights as tabulated below –

¹ One livelihood (be it primary, secondary or tertiary) has been taken as one data point. In all, there are 564 data points

² On basis of analysis of 579 data points.

Livelihood	Number of people employed	Average days of employment	Average earning per day	Average earning per month ³
Mason at Construction site (includes contractors)	104	22	240	5300
Labour at Construction site	88	22	150	3300
Labour at factory, export company, hotel, hospital, motor garage, shop, govt dept etc	57	30	166	3000-6000
Painter, Plumber, Piler, Flooring, Carpenter	51	20	170	3500
Miscellaneous	48	-	-	-
Sweeper	44	30	125	3500
Rag Picker	34	27	110	2800
Stitching, Emroidary, Cutting & Ironing	30	25	200	5000
Puppet Making	25	29	60	1800
Driver	19	30	150	4500
Shop	14	30	270	5000-8000
Hawker, trader, vendor	14			2000-5000
Domestic Help	14	30	67	2000
Precious Stones	12			2600
Catering	10	15	140	2000

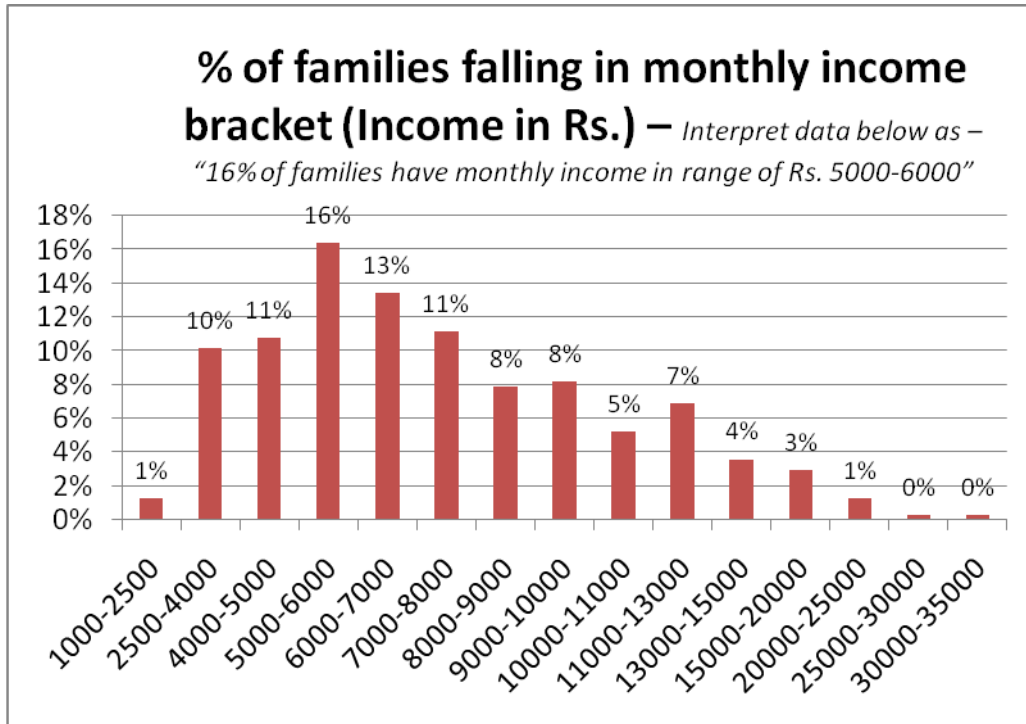
Owning a shop pays the most. Shop owners report an average earning of Rs. 270 a day. They are closely followed by masons at construction sites. Masons take home around Rs. 200 - 240 a day. Puppet makers earn the least and their earning stands at Rs. 60 a day.

Family Income

A deeper analysis of family income of households⁴ indicates that over 50% of households have monthly income less than or equal to Rs. 7000 per month. Over 75% of households have monthly income less than or equal to Rs. 10000.

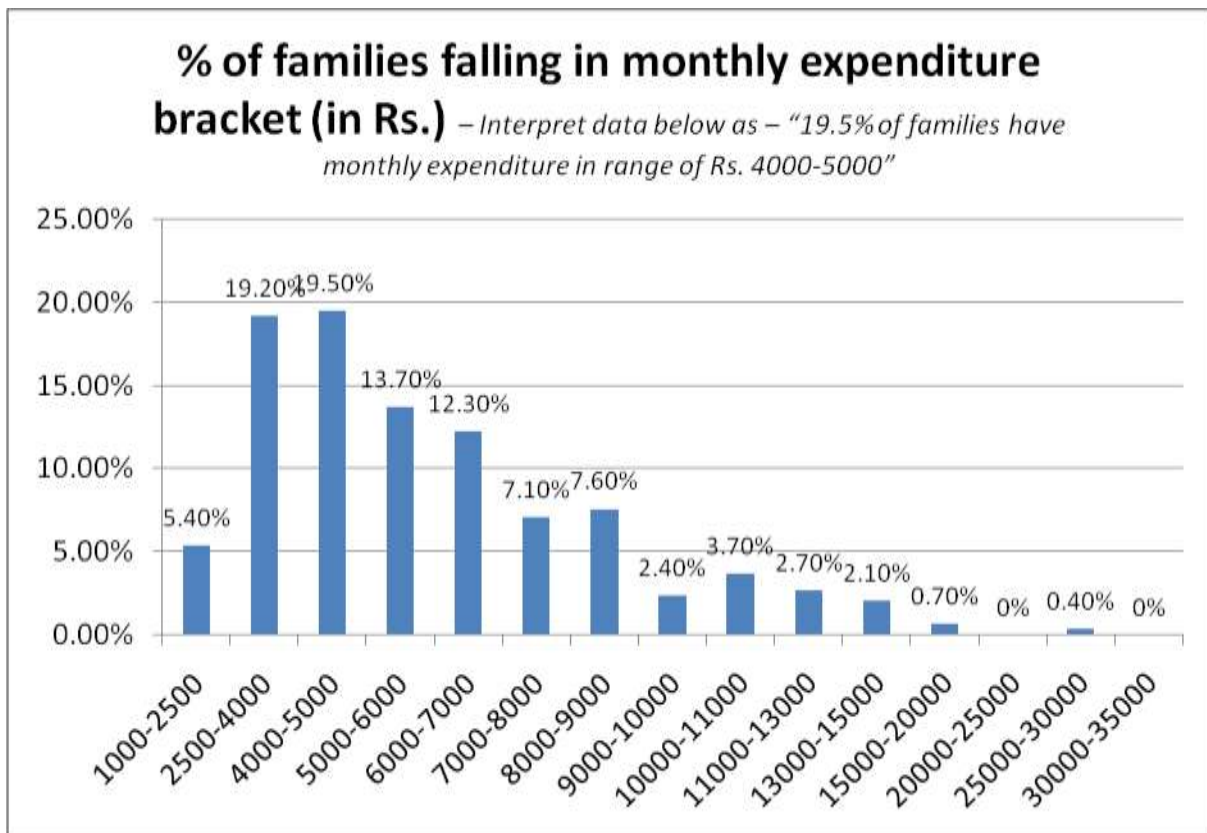
³ Equivalent to 65% confidence interval (+/- σ one standard deviation)

⁴ On basis of survey of 300 urban poor households



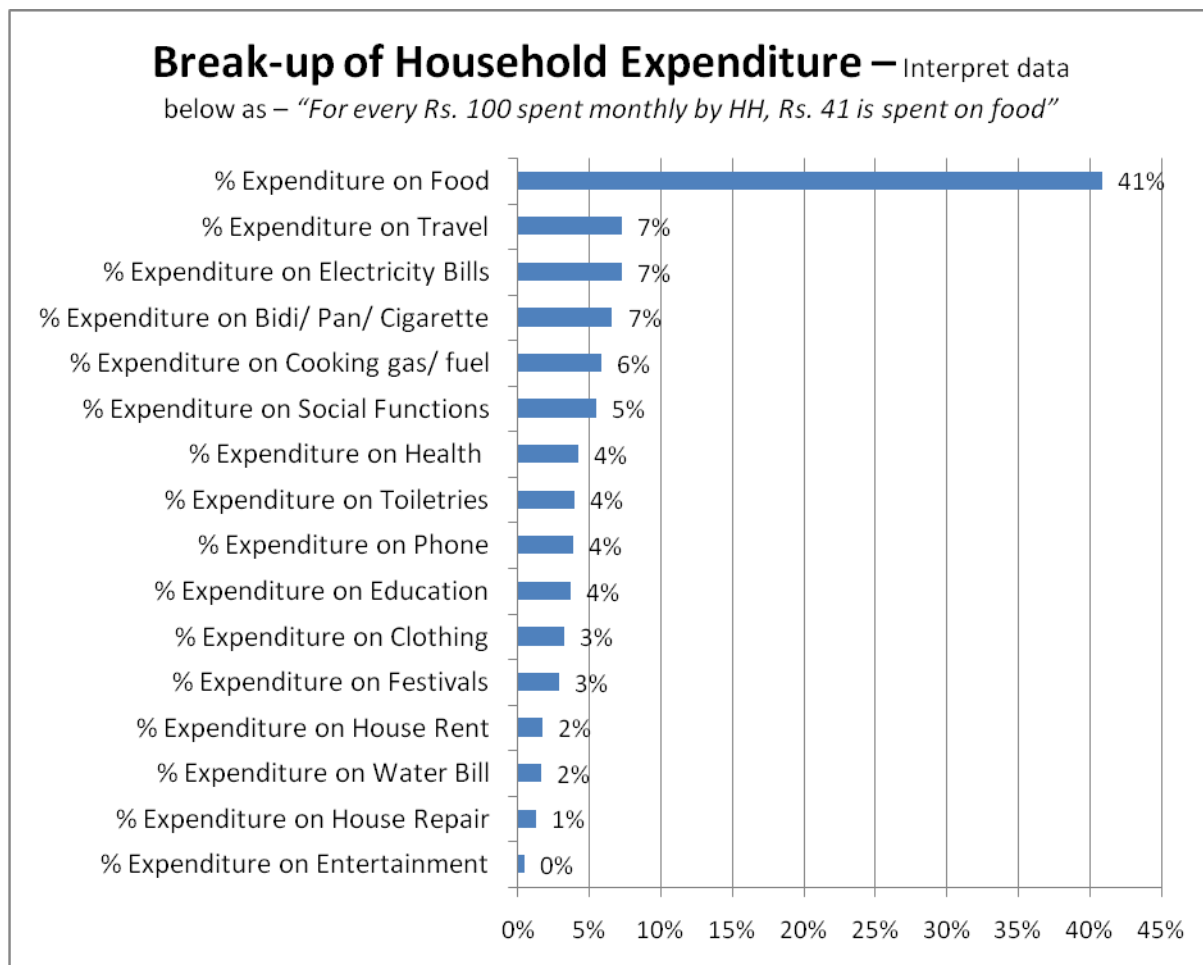
Family expenditure

A similar analysis of family expenditure of households⁵ indicates that around 60% of households have monthly expenditure less than or equal to Rs. 6000.



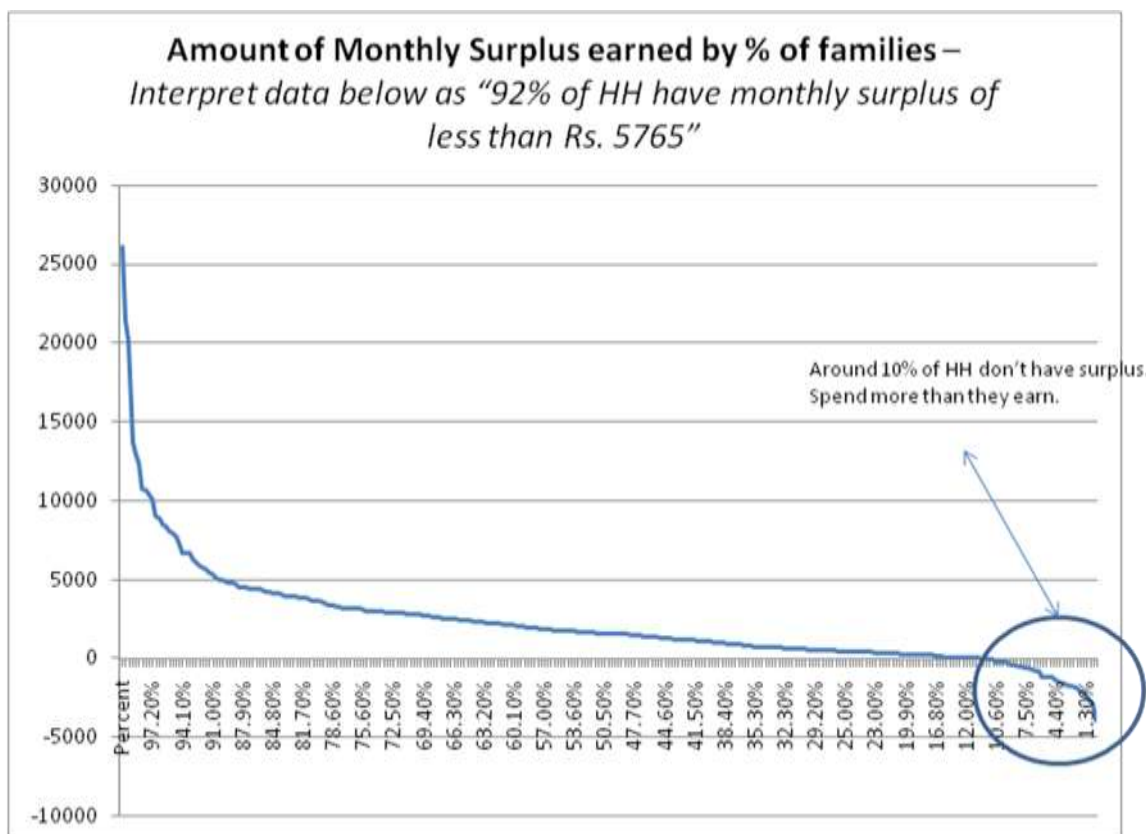
⁵ On basis of survey of 300 urban poor households

A further analysis of expenditure pattern of families indicates that Food is the major expense head that consumes almost 40% of total expenditure.



Family surplus

Even though survey didn't ask the amount of cash surplus of households, data from income and expenditure of households has been used to deduce the amount of surplus with families. It indicates that almost 25% of households have monthly surplus of less than or equal to Rs. 450; 50% of households have monthly surplus of less than or equal to Rs. 1600; 75% of households have monthly surplus of less than or equal to Rs. 3000. Therefore, it can be assumed that practically most households do not save more than Rs. 3000 per month. Further, around 10% of households don't have surplus. Such households spend more than they earn and stand very likely to fall into debt trap.



Dissatisfaction with existing livelihoods

Almost 54% of 295 respondents are not satisfied with their existing livelihood. Over 60% of 289 respondents said that they want to change existing livelihood. Primary reason⁶ for dissatisfaction with existing livelihood is ‘low income’. Due to rampant exploitation owing to lack of organised voice, urban poor end up taking home very low income. Another reason cited for dissatisfaction with existing livelihood is ‘lack of work’.

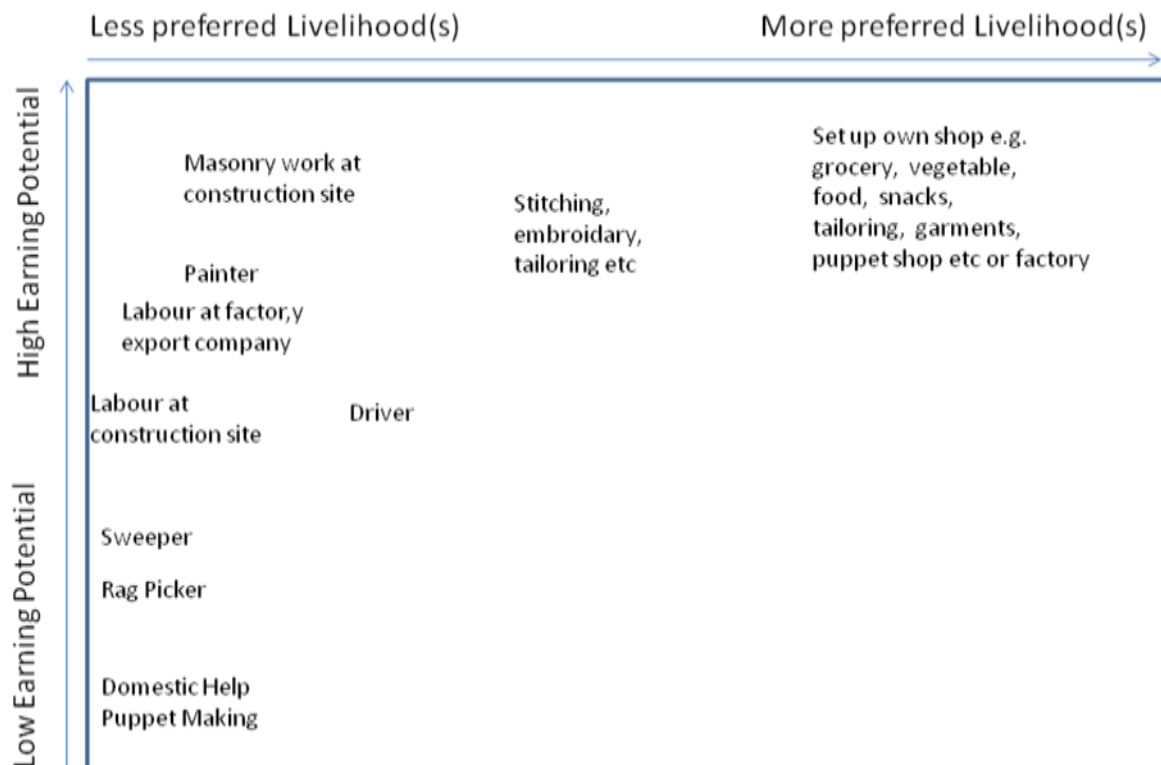
Livelihood preference and earning potential matrix

When asked which livelihood one will like to pursue, interestingly, almost 40% said they want to set up shop⁷. Stitching was second favourite which almost 15% would like to pursue followed by setting up factory, hawking and driving⁸. A deeper analysis assessing the pattern of dissatisfaction among the urban poor throws some interesting insights. Urban poor have preference for certain livelihoods over their existing livelihoods as depicted in figure below –

⁶ Based on response of one individual each from 111 families. Almost 57% of response claim this as primary reason for dissatisfaction

⁷ Based on answers of 154 respondents.

⁸ Respondents said that they require Rs. 75000 to switch to a new livelihood



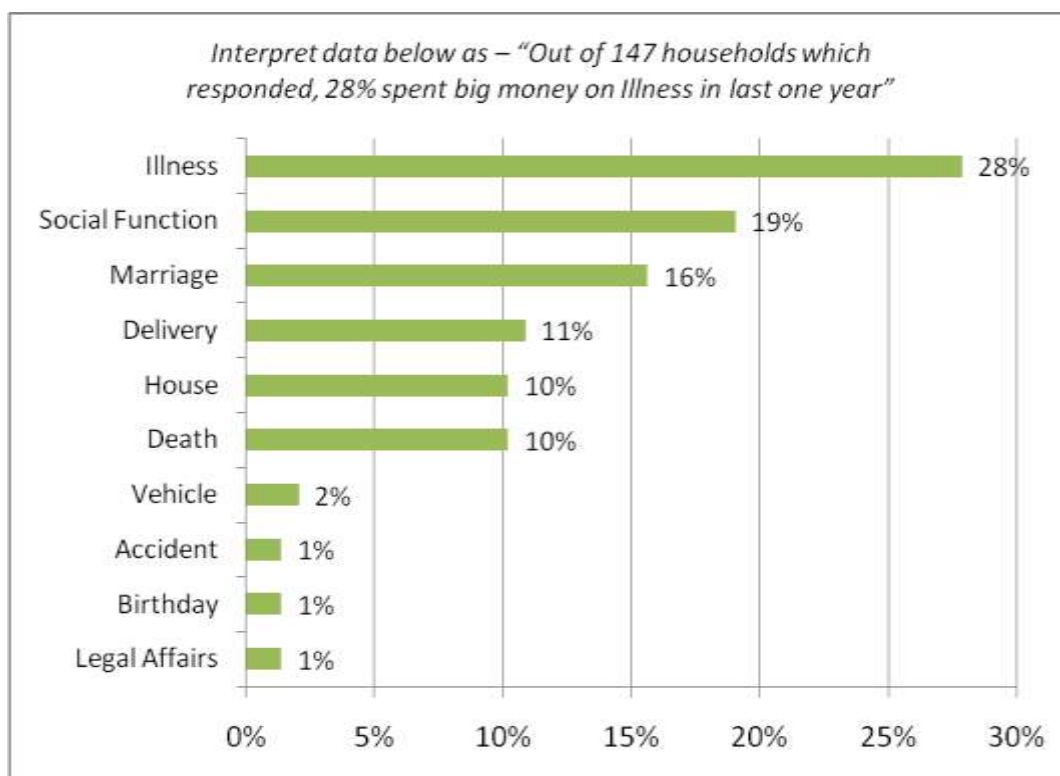
In spite of high earning potential in masonry or painting at construction site, poor from these livelihoods want to switch to new livelihood. Most of them intend to set up own shop e.g. grocery, vegetable, food, snacks, tailoring, garments etc. Similarly, labourers at construction sites, sweepers, rag pickers intend to switch to stitching, embroidery, tailoring etc. Those already doing stitching, embroidery, tailoring etc intend to set up their own shop. Labourers at factory or export company desire to set up their own factory one day. Out of 44 respondents interested in setting up shop, around 60% expect not more than Rs. 50,000 to start up shop⁹.

⁹ Average capital expected to set up shop is Rs. 70000 based on responses from 44 respondents.

Personal Finance of Urban Poor

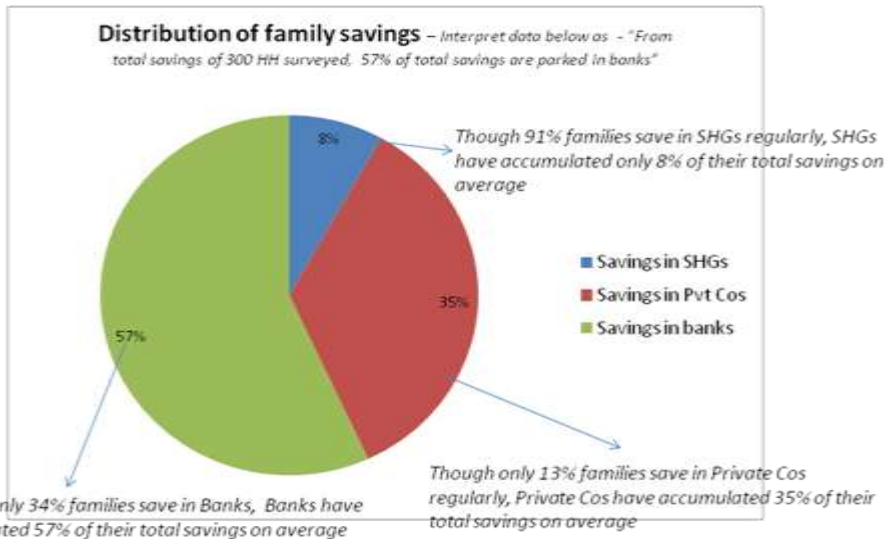
Extraordinary Expenditure

An analysis of extraordinary expenditure items of urban poor in last one year indicates that the biggest extraordinary expenditure item on which poor spent is 'illness'. Out of 147 households which responded, 28% spent extraordinarily on 'illness' in last one year. Almost 19% spent large amount of money on 'social functions' e.g. child birth while 16% spent large amount of money on 'marriage'. Around 10% spent on death festive, delivery and house repair each.



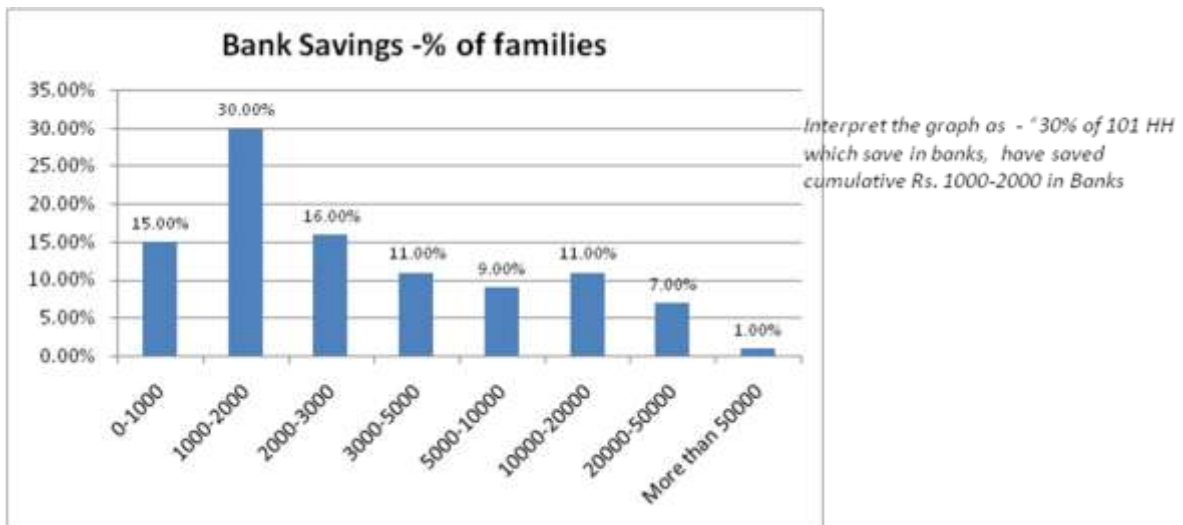
Pattern of Savings

An analysis of saving pattern of urban poor indicates that most of their savings are parked in banks. Since the SHGs were newly formed at the time of survey, SHG savings form small portion of respondent's saving avenues. It is interesting to note that though only 34% families save in banks, banks have accumulated 57% of respondents' total savings on average. Similarly, though only 13% families save in Private Cos regularly, Private Cos have accumulated 35% of their respondents' total savings on average.



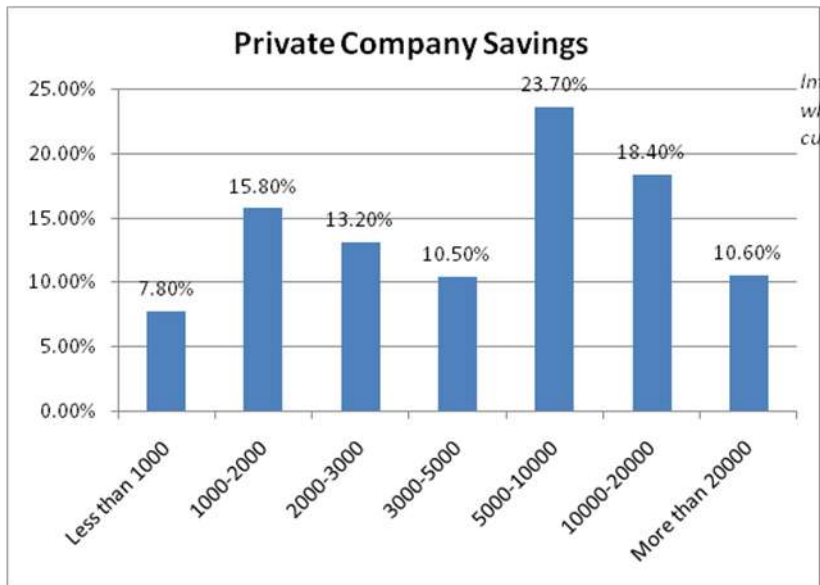
Savings

An analysis of SHGs as saving avenue indicates that majority of SHGs have saved between Rs. 100 – 400¹⁰. Most of SHGs save Rs. 20-25 per week. In contrast, almost 46% of respondents have savings of Rs. 1000 – 3000 in banks. Almost 55% of respondents have bank accounts.



Similar analysis of Private Cos as saving avenue indicates that almost 40% of urban poor have savings of Rs. 5000 – 20000 with Private Cos. Thus, Private Cos serve as the main avenue of savings for urban poor.

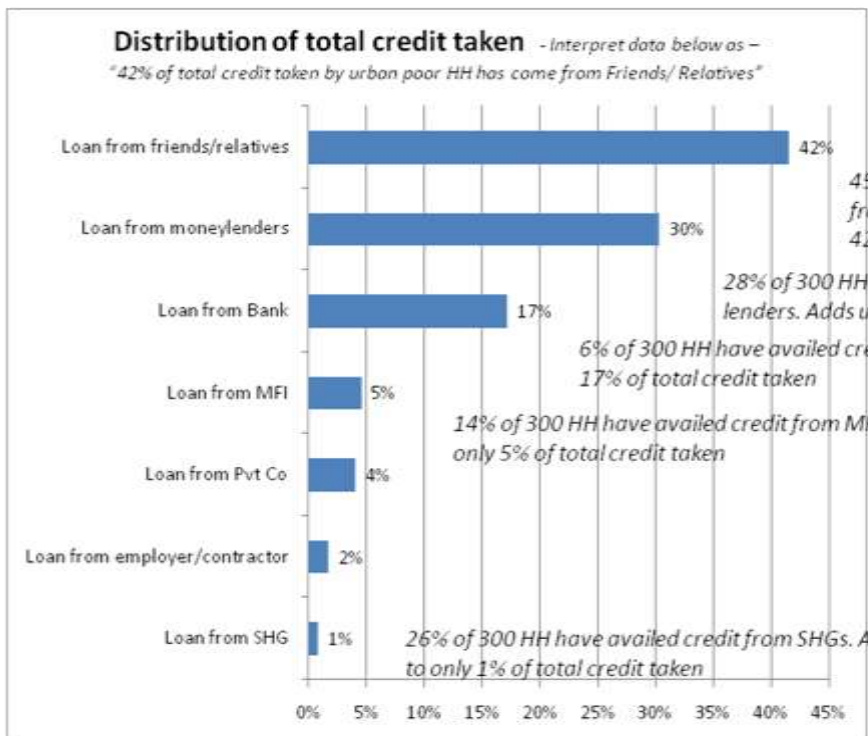
¹⁰ Based on responses of 272 households.



Interpret the graph as - "23.7% of 39 HH which save in Private Cos, have saved cumulative Rs. 5000-10000 in Private Cos"

Credit

An analysis of credit availing pattern of urban poor indicates that friends and relatives form the primary source of credit. Almost 45% of 300 households which responded have availed credit from friends/relatives. This credit from friends and relatives adds up to 42% of total credit taken. The second most frequent source of credit for urban poor is local moneylender. Almost 28% of 300 households have availed credit from money lenders. This credit from moneylenders adds up to 30% of total credit taken.



- Interpret data below as -
 "42% of total credit taken by urban poor HH has come from Friends/ Relatives"

45% of 300 HH have availed credit from Friends/Relatives. Adds up to 42% of total credit taken

28% of 300 HH have availed credit from money lenders. Adds up to 30% of total credit taken

6% of 300 HH have availed credit from MFIs. Adds up to 17% of total credit taken

14% of 300 HH have availed credit from MFIs. Adds up to only 5% of total credit taken

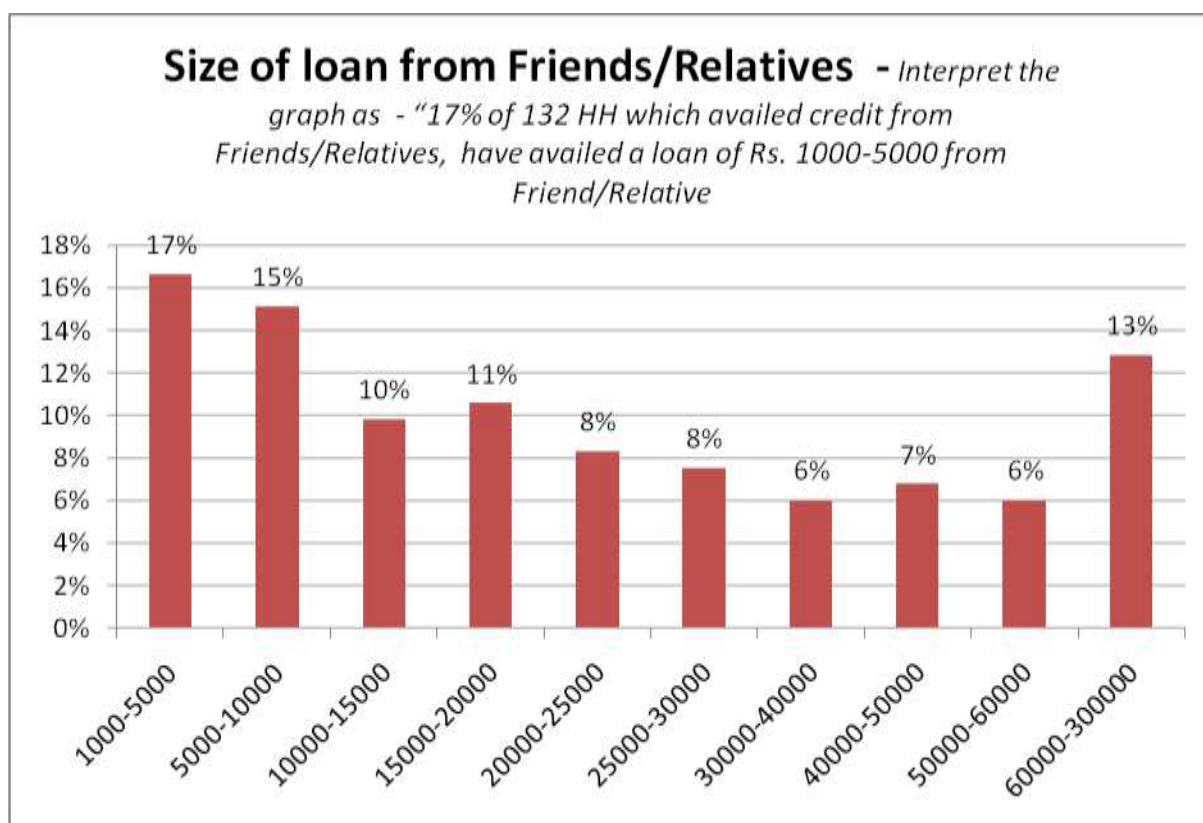
26% of 300 HH have availed credit from SHGs. Adds up to only 1% of total credit taken

It is also interesting to see the sizes of loan taken from various sources. Credit from SHGs has small ticket sizes with most loans (almost 70%) falling below Rs. 1000. Interest rate is 2% for SHG loan. Almost all are consumption loans e.g. (e.g. paying old debt, education, house, illness, marriage, delivery etc).

Credit from microfinance institutions (MFIs) has relatively larger ticket size with most loans (almost 53%) varying from Rs. 5000-10000 while rest ranging between Rs. 15000-35000. Interest rate charged is 2-3%. Purpose of loan is similar to that of SHG loan.

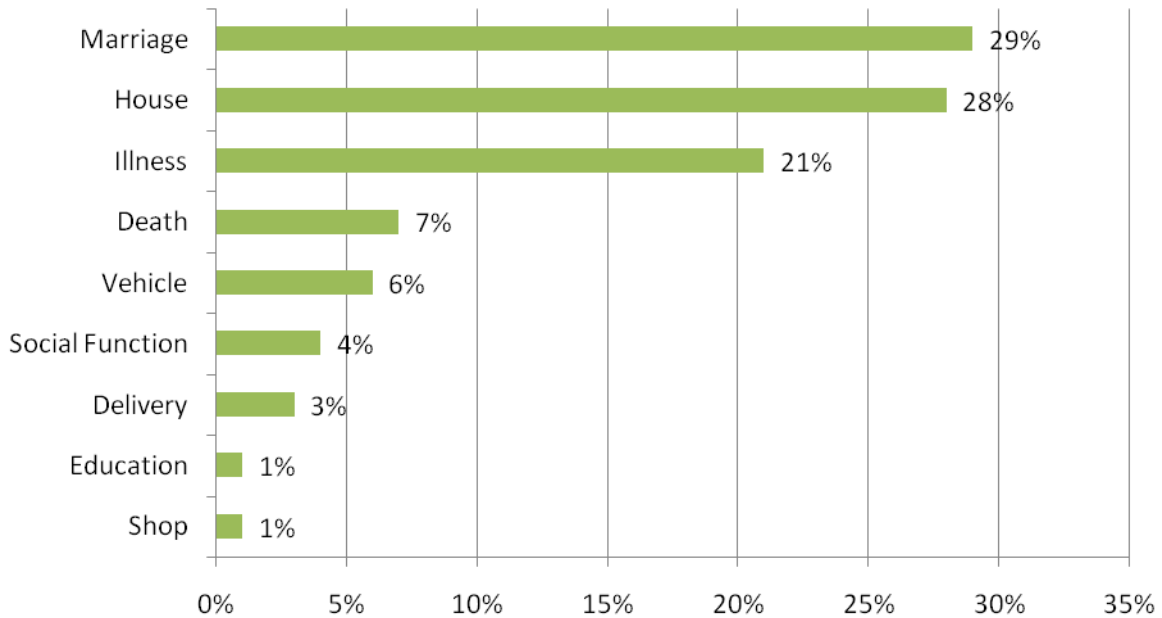
Credit from bank has largest ticket size with majority (74%) varying from Rs. 30000 to Rs. 200000. However, very few are able to fetch a bank loan. This credit from bank is typically used for buying property, house or plot.

Credit from friends and relatives has varied ticket sizes ranging almost uniformly from Rs. 1000 to Rs. 60000.

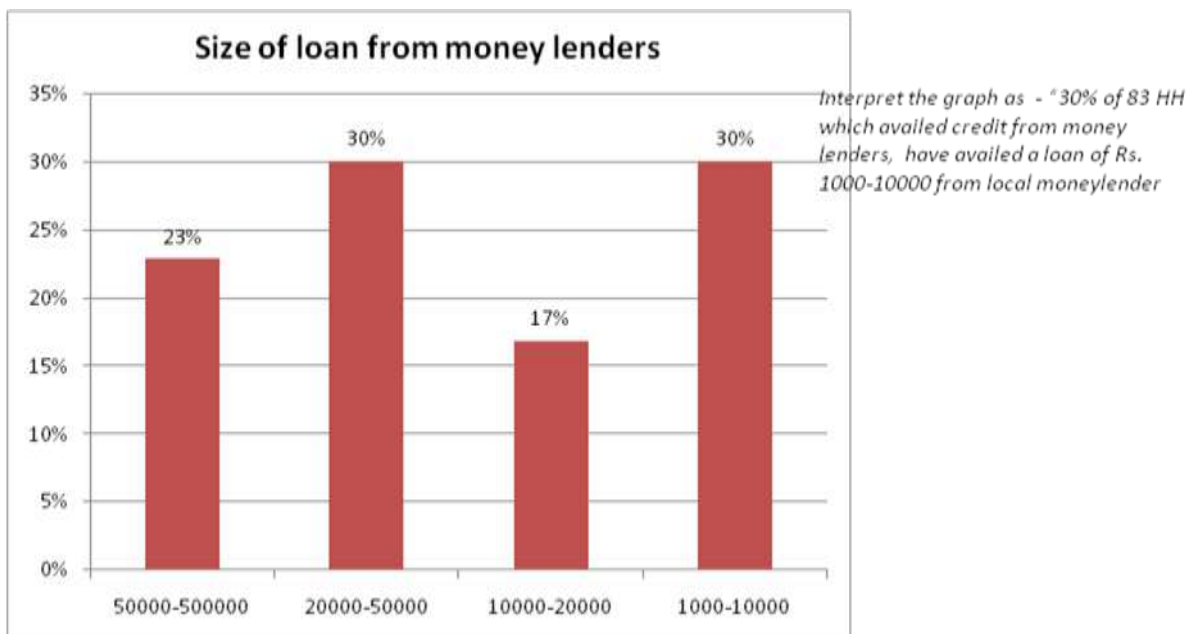


Moreover, an analysis of use of credit taken from friends and relatives throws some interesting insights. Almost 29% of 132 households, who availed loan from friends/ relatives, have taken loan for marriage. Almost equal proportion of households has taken loan for buying or reconstruction of houses. Around 21% have taken loan for 'illness' purposes. Average interest rate charged is 3%.

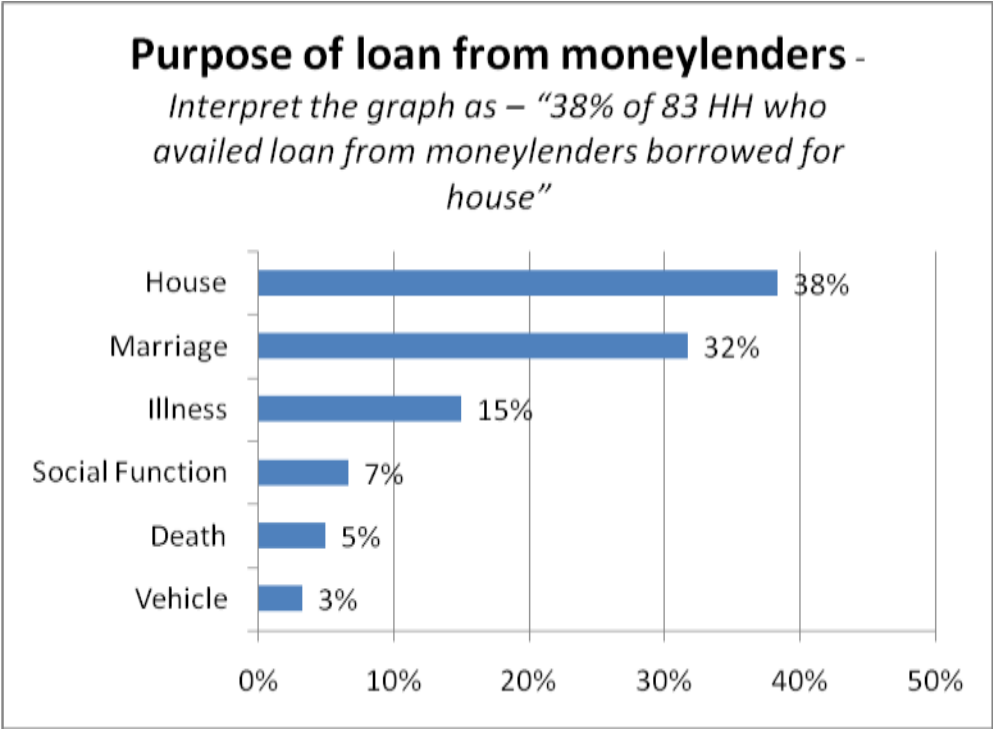
Purpose of loan from friends/relatives – Interpret the graph as – “29% of 132 HH who availed loan from friends/relatives borrowed for marriage”



The ticket size of credit taken from moneylenders varies from Rs. 1000 – 50000.



Moreover, an analysis of use of credit taken from moneylenders indicates that the purpose of availing loan from moneylender is pretty much similar to that from friends/ relatives. Average interest rate charged is 2-5%.



Insurance

An analysis of insurance taken by urban poor indicates that almost 82% of 119 families, which responded, have insurance. Since the data has not captured appropriately, it is hard to conclude penetration of insurance in urban poor segment. However, survey does indicate that average sum insured is Rs. 1.43 lacs while the average annual premium is Rs. 5000. A positive correlation was found between illiteracy and lack of insurance. It can be concluded that illiterate lack insurance. It may have to do with lack of awareness and orientation.