

# Coping Strategies of the Poor and Vulnerability in greater Rangpur: What Matters Most?

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# Why Coping?

- Extreme poverty and Consumption Shock during Monga in greater Rangpur
- Lack of formal insurance mechanisms
- Lack of employment opportunities
- Frequent occurrences of natural calamities

# Coping Mechanisms: Issues

- How households in greater Rangpur cope with monga?
- What are the determinants in the adoption of coping mechanisms?
- Is the placement and distribution of support programs efficient?
- No coping – does it reflect ability or inability to adopt any coping mechanism at all?

# Data and Methodology

- PKSF-InM Census of Poor Households Survey in Lalmonirhat, 2006, and in Kurigram, Gaibandha and Nilphamari, 2007.
- The Census Survey in Lalmonirhat district contains data of 102,000 households and some 154,000 households of 8 upazillas of Kurigram, 126,000 households in of 4 upazillas of Gaibandha district and 57,000 households in 3 upazillas of Nilphamari district.
- Multinomial Logistic Estimation method has been used.

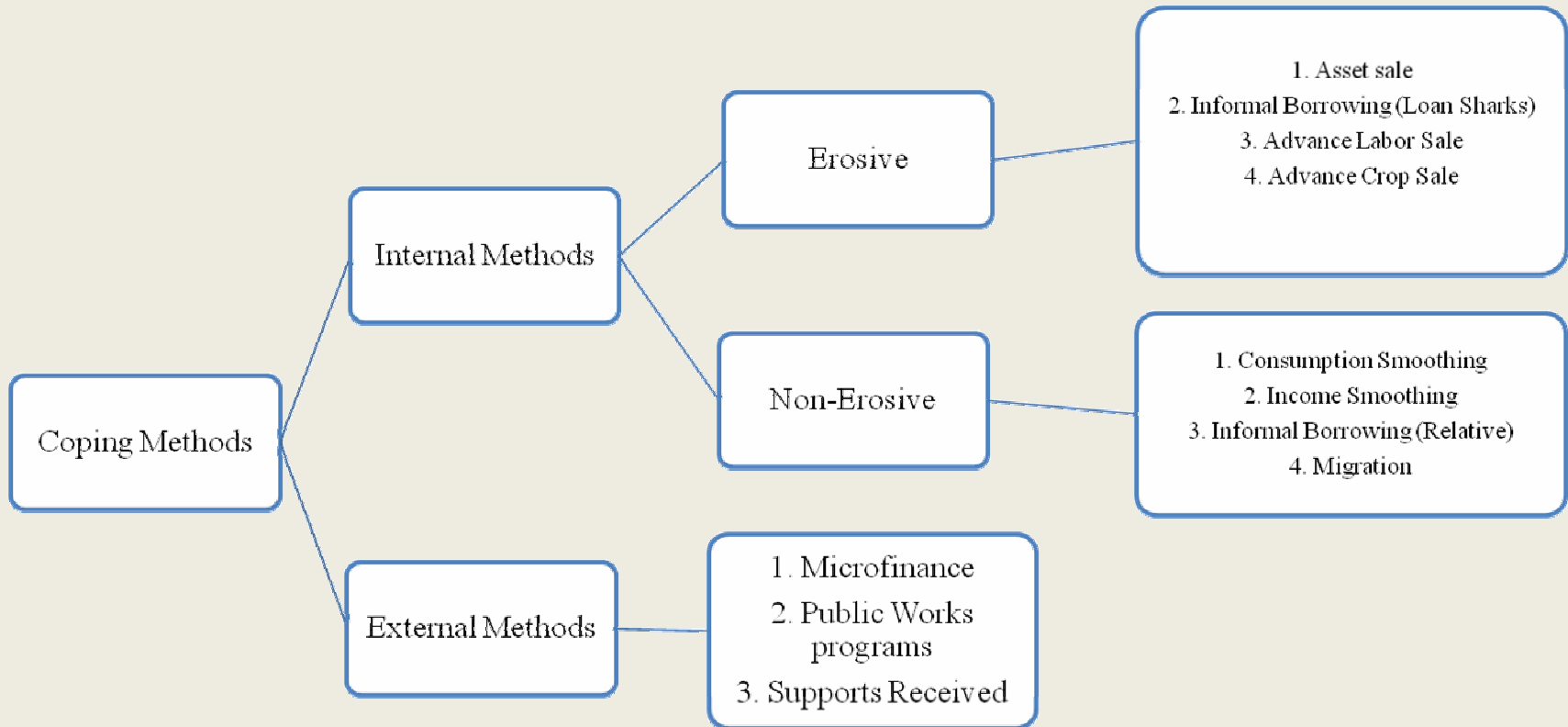
# Coping Mechanism – A Classification

- Coping Mechanisms can broadly be divided into two: Internal Coping Mechanisms and External Support.
- Internal Coping Mechanisms: Governed by the households decisions.
- External support: is not a household choice variable
- Migration: Also depends on households decisions
- Households may adopt a mixture of mechanisms to cope with risk

## Coping Mechanism – A Classification (cont.)

- From the perspective of long run impact, coping mechanisms can be classified into two:
  - Erosive Coping Mechanisms  
(e.g. Borrowing from Informal Sources, Asset Selling, Advance Crop Selling etc.)
  - Non- Erosive Coping Mechanisms  
(e.g. public works program, support mechanisms etc.)

# Coping Mechanism – A Classification (cont.)

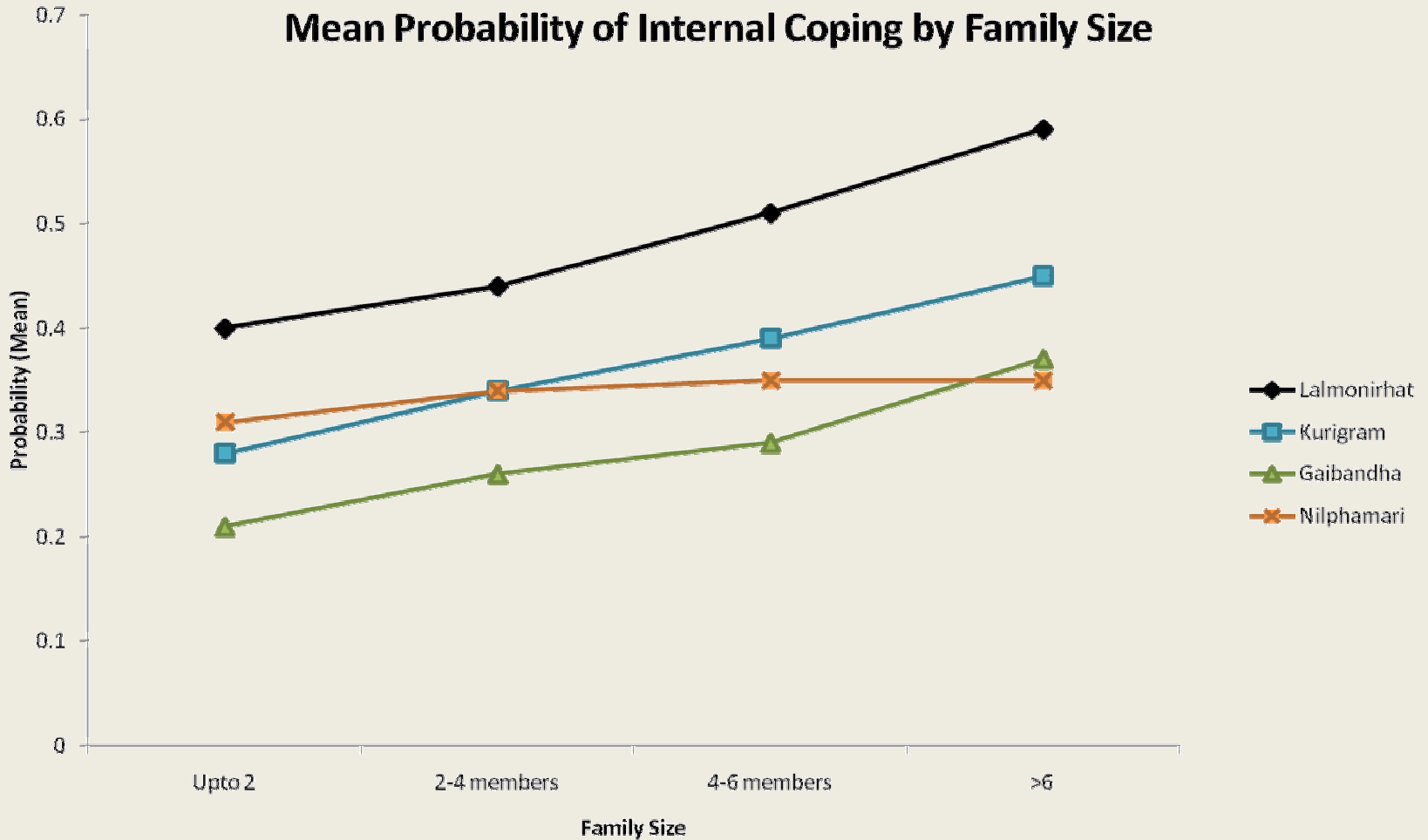


# Internal Coping Mechanisms

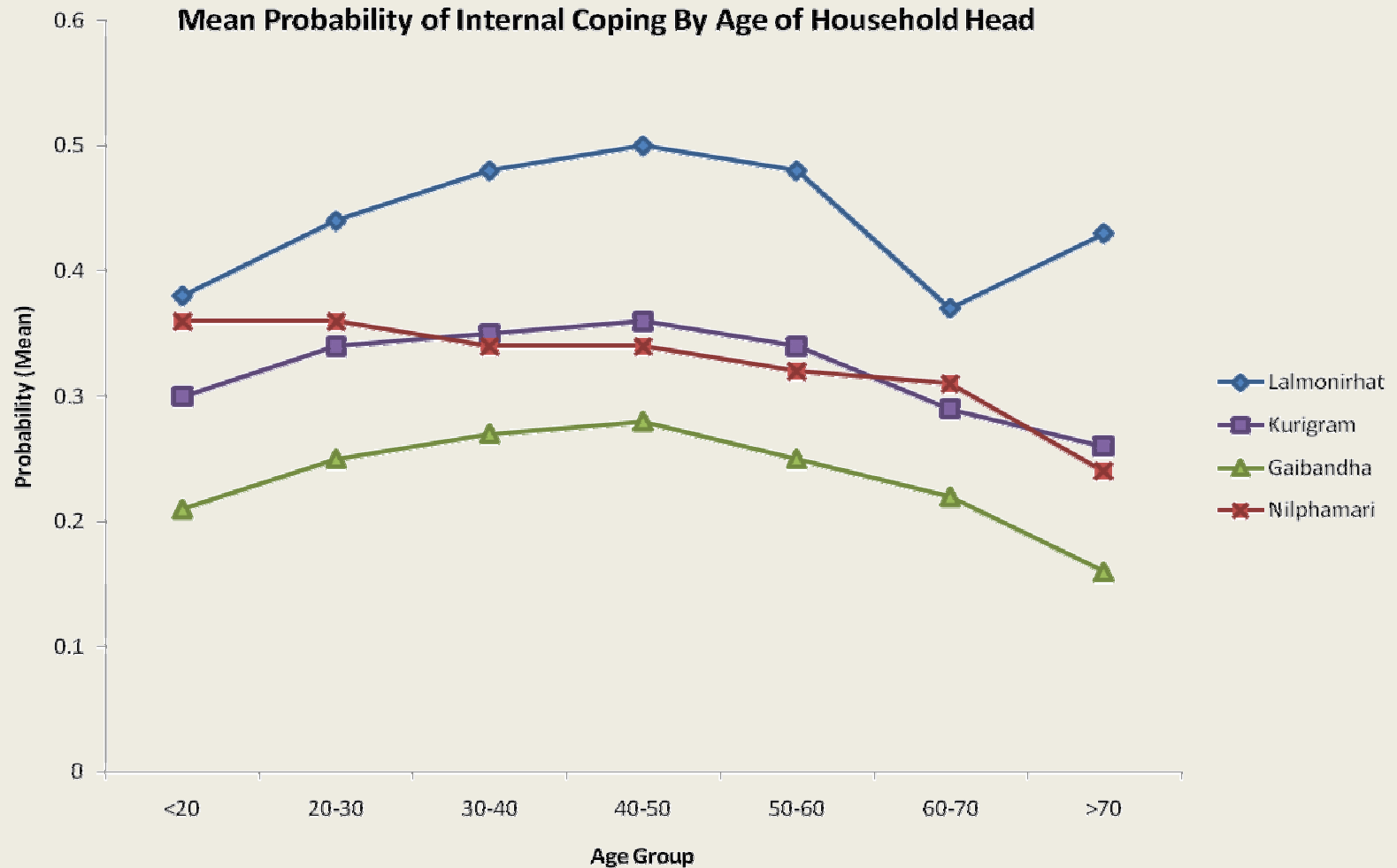
- Advance Labor sale, Advance Crop sale, Asset sale and Borrowing from informal sources
- This mechanism is the most erosive coping mechanism
- But they are the most potent source of liquid cash available to the households.

<i>Percentage of households adopting internal mechanisms</i>	<b>Lalmonirhat</b>	<b>Kurigram</b>	<b>Gaibandha</b>	<b>Nilphamari</b>
	42%	25%	17%	28%
<b>Borrowing form informal sources</b>	25.28	6.81	4.61	17.02
<b>Asset sale</b>	13.60	15.26	12.35	12.67
<b>Advance Labor sale</b>	6.29	1.56	1.46	10.41
<b>Advance Crop sale</b>	1.32	0.18	0.48	1.06

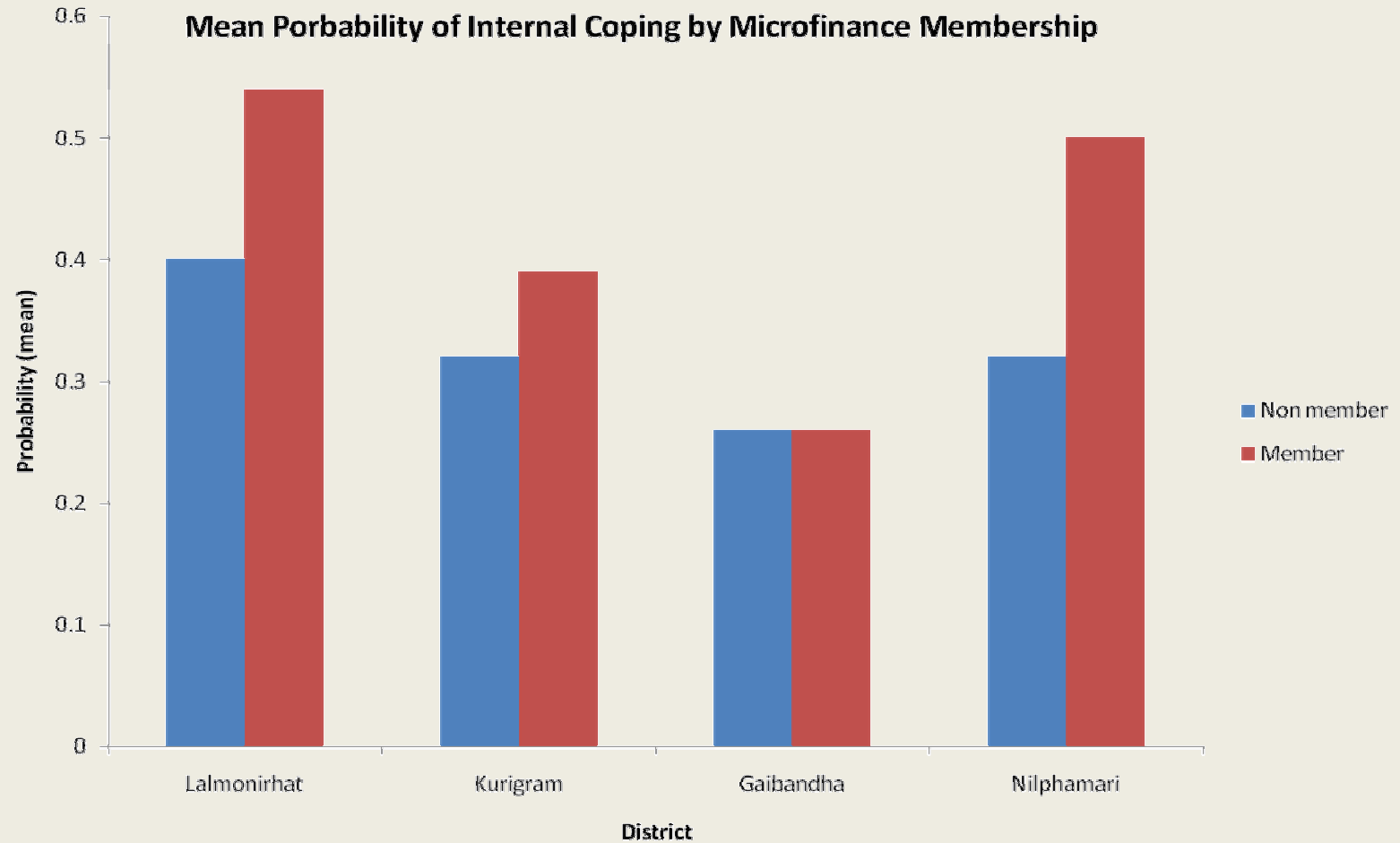
# Internal Coping Mechanism



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# Internal Coping Mechanism



# Internal Coping Mechanism

- Age of Household Head between 20-60 years:

	<b>Lalmonirhat</b>	<b>Kurigram</b>	<b>Gaibandha</b>	<b>Nilphamari</b>
Have Livestock	70%	80%	50%	25%
Have more than one job	25%	25%	20%	25%

- Member of MFI:

	<b>Lalmonirhat</b>	<b>Kurigram</b>	<b>Gaibandha</b>	<b>Nilphamari</b>
Have Livestock	40%	83%	60%	79%
Have Savings	66%	83%	94%	91%

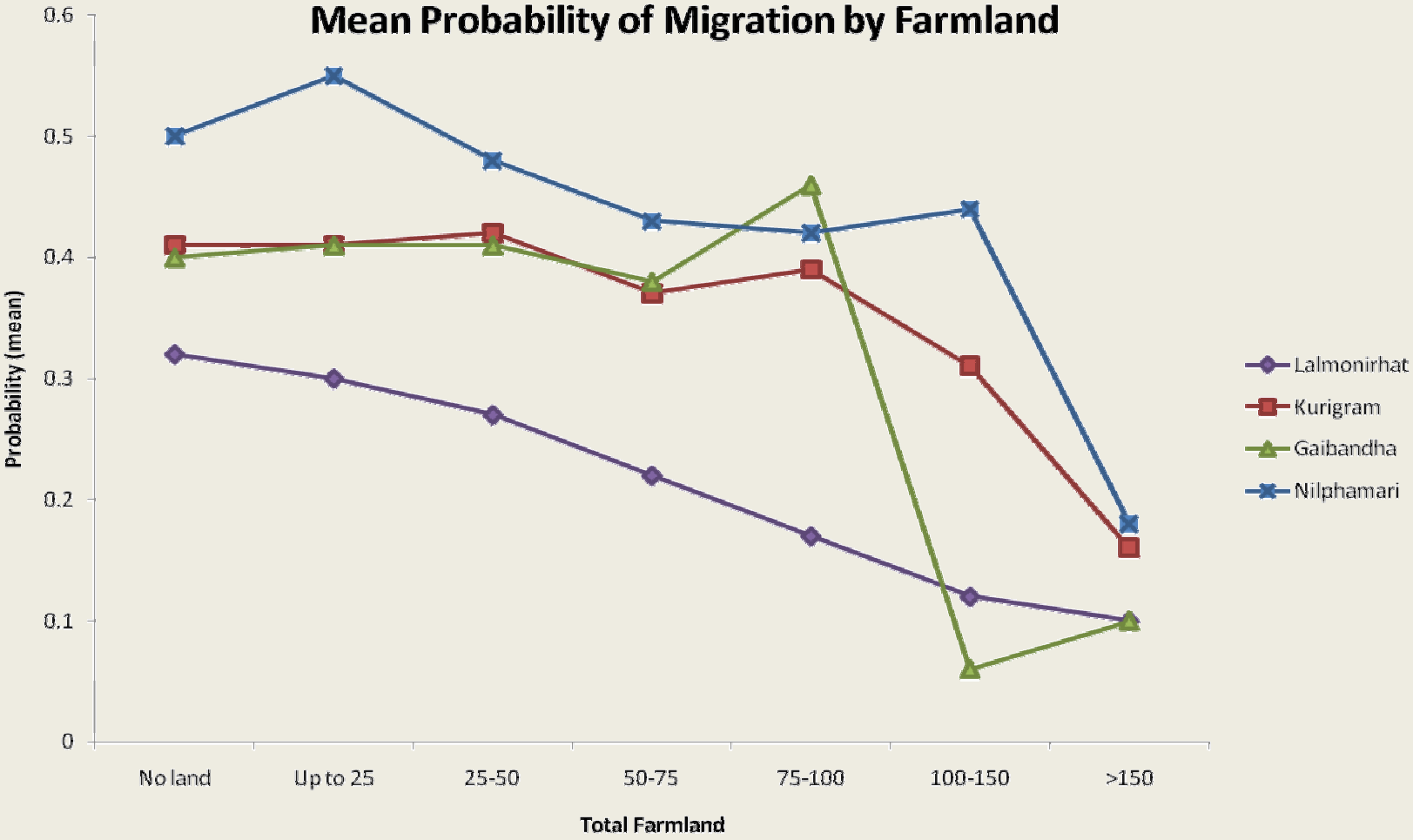
# Migration

- Migration is the Most used coping mechanism in all 4 districts.

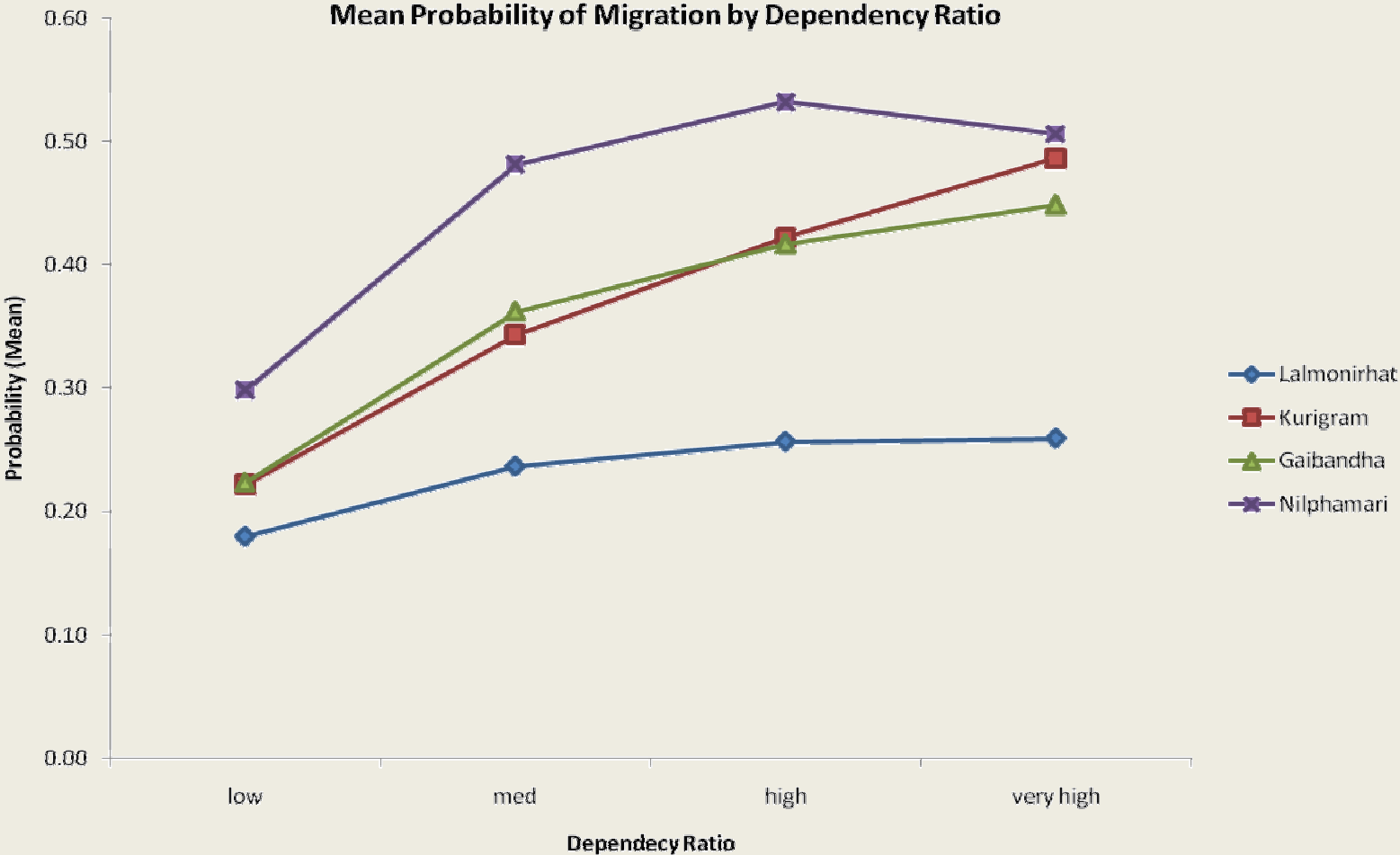
	<b>Lalmonirhat</b>	<b>Kurigram</b>	<b>Gaibandha</b>	<b>Nilphamari</b>
Migration (Percentage of Households)	24%	41%	40%	50%

- In the more vulnerable districts migration is more prevalent.
- Reasons for Migration:
  - Unemployment (lack of regular income)
  - Lack of Assets (landlessness etc.)
  - Dependency

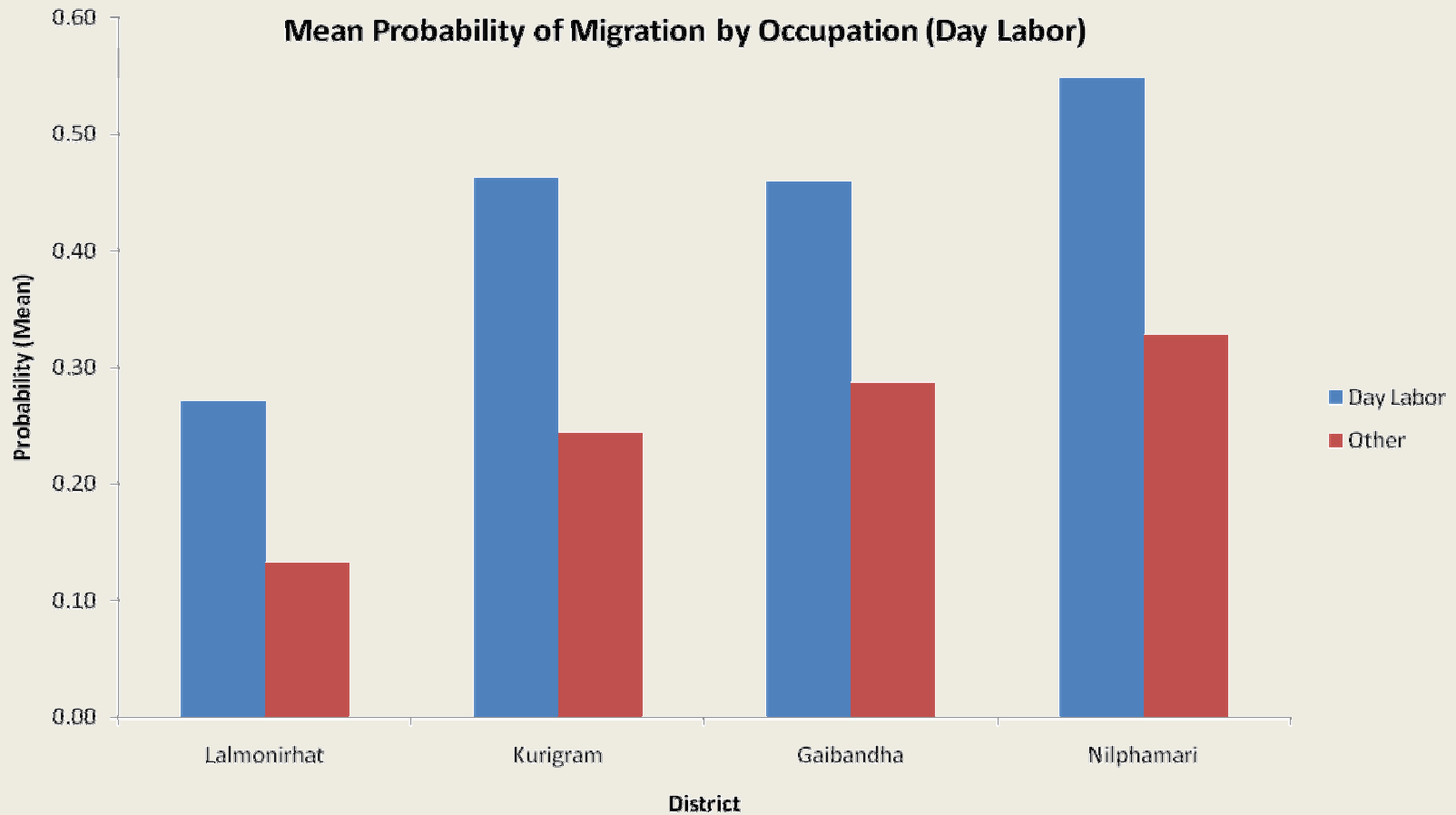
# Migration



# Migration



# Migration



# External Support Mechanisms

- External Support includes cash, food, clothing, livestock and housing equipment support.
- Support program placements are largely random is not a choice variable for the households.

	<b>Lalmonirhat</b>	<b>Kurigram</b>	<b>Gaibandha</b>	<b>Nilphamari</b>
Food Support	39.93	28.11	27.95	20.77
Cash Support	0.77	2.40	0.92	2.65
Livestock Support	0.88	0.72	0.51	0.84
Clothing Support	2.91	1.93	0.61	4.28
Housing Equipment Support	0.45	0.14	0.15	0.51

- Food support is more common in all the districts.
- In this region long term programs like VGD/VGF, Old age pension Scheme programs are also running.
- We have see whether the programs are well targeted and equitably distributed.

# External Support

- In all the districts older household heads are the major recipient of external support (Almost 40% of household heads above 40 years receive support).
- Older household heads are more probable to receive external support.
- External Support is negatively related with total landholdings.
- External Support Programs are relatively well targeted.
- Probability of a VGD/VGF card holder and receiver of old age pension scheme to receive external support programs is very high in the region (over 40%).

## No Coping: Ability or Lack of Ability

- In all the districts almost 30% households do not use any coping mechanisms.

<i>Adoption of no coping mechanisms</i>	<b>Lalmonirhat</b>	<b>Kurigram</b>	<b>Gaibandha</b>	<b>Nilphamari</b>
<b>No. of households</b>	29,118	52,968	47,926	18,395
<b>Percentage</b>	28.29	34.25	38.00	32.19

- Households might not use any coping mechanisms if they have:
  - Savings
  - Assets
  - Steady flow of Income

## No Coping: Ability or Lack of Ability (cont.)

Adoption of no coping mechanisms	Lalmonirhat		Kurigram		Gaibandha		Nilphamari	
	Percentage of Households	Probability	Percentage of Households	Probability	Percentage of Households	Probability	Percentage of Households	Probability
Do not have savings	77.59	<b>0.35</b>	71.07	<b>0.35</b>	59.48	<b>0.39</b>	75.50	<b>0.33</b>
Landless	73.00	<b>0.31</b>	86.92	<b>0.34</b>	83.71	<b>0.35</b>	88.09	<b>0.32</b>
Day Labor	79.52	<b>0.31</b>	69.53	<b>0.32</b>	60.59	<b>0.34</b>	70.89	<b>0.30</b>
VGD	94.54	<b>0.33</b>	99.12	<b>0.35</b>	98.35	<b>0.40</b>	98.07	<b>0.32</b>

- Households do not use any coping mechanisms because of lack of ability to adopt any.

# Summary and Conclusion

- Lack of formal insurance mechanisms.
- Migration is the key coping mechanism. So, more migration friendly policies (e.g. remittance facilities, insurance mechanisms for migrants, training etc.) should be adopted.
- Distribution of External Support Programs should be more equitable.
- VGD/VGF programs reduce vulnerability significantly, this programs should be implemented more extensively.
- Policies targeted towards increasing the resource base of the households who do not implement any coping mechanism.

Thank You