

CHAPTER V

LIVELIHOODS OF THE VALLANGIRIYA VILLAGERS

The urban poor living in the slum area, most come from rural areas, but some have been urban dwellers. When they resettle in suburban areas, the poor do not change their previous social and economic activities completely. In the suburban area, there is a variety of both legitimate or illegitimate income opportunities available for the poor. Their struggle for urban livelihoods involves not only production but consumption as well. Both men and women work in the informal sector, not only to generate income but they also engage in multiple strategies for survival and betterment. The main cause of urban poverty is the severely limited income earned by the poor through gainful employment.

The economic functions of the urban and suburban are reflected in the composition of its labor force. Most urban jobs are concentrated in the public, manufacturing and service sectors with the latter increasing in relative importance as public sector jobs decline and manufacturing employment becomes more insecure. For the majority of the people are (especially poor) cannot find work in the formal waged sector, so their only choice is to seek a livelihood in the "informal" economy.

Some estimates show that cities in Latin America and Asian countries, two fifths to two thirds of the labor force work in the informal sector as explain in chapter one. This means that the poor rely largely on their labor to earn a living. However, poor nutrition and frequent illness, combined with lack of education and skills, together undermine the returns they are able to earn from the use of their labor. Because of the importance of labor as their primary asset, the poor have little choice but to work. Rather, the poor are confined by their lack of assets, to low-productivity, easy-entry activities in highly segmented labor and commodity.

In this chapter, I describe the economic activities of resettlement slum dwellers in Vallangiriya village. They are low-income earners, workers in the informal sector, and also struggle with poverty everyday. Most of the people in the village are employed in self-managed low paying jobs in the informal urban sectors

like three-wheel driving, street vending and selling, construction work, driving and transport work, factory work and personal servicing. A few work in government and semi-government organizations. Their livelihood strategies are similar to their previous settlement, but compared with the city, the economic environment of suburban areas is a disadvantage for the poor. First, I explain about some occupations and their economic activities, at the same time I will examine how poverty alleviation programs support their search for a better way of life.

5.1 Economic Activities of the People in Vallangiriya Village

There are a number of characteristics of the economic activities of people in the Vallangiriya village. Most of the people are engaged in, what we call the informal sector as explained in the chapter one. In this section, I explain the situation of some occupations to give a better understanding of the economic activities of people in the village and also hope to describe how the poverty alleviation program has been helpful in developing their economic activities. Resettlement of the Paspatiya slum dwellers in the Vallangiriya village has had no direct and significant impact on their livelihoods in the better way. Because interviews with the residents at the village revealed that the situation at their former settlements with respect to intra-community relations were worse in comparison to the new habitat. From the results of this survey it becomes clear that the livelihoods of the resettled people have not necessarily changed for the better although their living conditions have improved. Settlers by and large continue to engage in the same economic activities as before.

5.1.1 Wage Labor

People, who live in the poor community, usually say 'our main income is from wage labor.' A large number of villagers, who are unable to engage in any such economic activities, get employed as wage laborers. The main sources of income are from activities such as three-wheel driving, working in contraction sites, cleaning work and small trading or hawking (fruit, fish, vegetables etc) and often the women work as maids in high income houses around the village or in Colombo city.

What kind of work they do depends on their skills, what they like, and their connection with others.

Most of the men in the village engaged in a very hard work sector, such as building construction, porter, and so on. The daily life of a wage laborer is almost the same every day, leave from the house early in the morning and go to work by themselves. Working hours depend on which kind of work they are engaged in. Some day they come back home very early in the afternoon, some days they work more than 12 hours per day, because of some irregular work such as public construction or other kinds of service work at night until they finish their target. In terms of incomes, those workers or helpers earn a daily wage ranging from Rs. 300 to Rs. 500 (unskilled and skilled respectively). Thus an average unskilled worker can earn about Rs. 4000 to 6000 per month while a skilled worker can earn more than 8000 or 10000 per month. But wage also depends on how many days they can work and also the situation of the daily expenditures. Because, of this there are a number of problems in the low status wage labor market. Wage work is not available every day so poor workers always think about what to do next or tomorrow. If they have a good relationship with a contractor or workplace and each other, they can think about the next job.

However, considering the cost of daily urban life, wage labor is very cheap. Construction laborers may also receive a very low. Sometime the poor borrow some money from contractor for their emergency needs such as their children's illness. They have to work, but they can't demand their wage. But some poor men do demand their wage, and wait until they can find a good salary. They may work only a few days each month. In poor society, this is main problem for their poverty. Because, they don't even have money for their daily food, their children suffer. But for some poor their attitude may be behind their poverty.

Some households women choose to stay at home, a significant number of the women in the village (70 percent) in households interviewed were housewives. But some poor women work hard in road construction and with a in the mettle crusher (rock-breaking) especially female headed households. For example, a poor woman in the village, she had a lot of aspirations and plan when she was young and settled

in this village. She was hopeful for a comfortable life with her husband and the children like other families. Her dream was to build a new house for the family and to give a good education to her children, because she understood that it is the only way that she can avoid her children going into socially unacceptable life. It has been very difficult to fulfill her dreams due to the absence of regular and sufficient income and untimely got accident of her husband. She said

“Before, my husband was working in road construction. When he was working in the road one of his legs was burned by tar. His daily wage was the family's main income. Today my husband is disabled and the construction company hasn't paid for any insurance or other kind of compensation for our family. Now, I am working for the same road construction company and facing many problems. We cannot take action against the company, because our family's main income is from the contractor. I can work only a few days per month, because I have to go to the hospital with my husband every week and also because I am becoming physically weak.”

This shows that some of the poor wage workers face many risks due to their livelihood and that one problem can create many other problems. The suburban poor people's income source is very limited in the village. They have to go to work or very far from the village. Most of the work places are located in the city or suburban center. Unlike slums in the city, there is less opportunity to earn wages in resettlement villages. Some men went to the free trade zone to collect small pieces of cloth material from the garment factory. Women have been sewing bed-sheets, pillows, tablecloths, and make many things using this cloth material. After that they sold their product to a wholesaler. They are not paid back money at the same time, and don't get their money back for two weeks or one month. Most of the women are housemaids, especially married old women. This is a typical job for the village women.

Most of the formal sector workers are facing a big problem of how to take care of the small children. The poor have more opportunities to work in rich families' houses. Village women work in the rich families' house; take care of the

children and also clean rooms, wash their clothes and so on. Some rich families pay per hour or one time in day Rs. 100 for wash their cloth. There are more opportunities for housemaids, and they usually find jobs using connection through friends or neighbors. Some people say they cannot recommend certain people, because some women and men are not honest and sometimes steal others' property. But some of them work very well, so they also gain other benefits.

5.1.2 Self-employment

The village people engage with many kinds of jobs, such as fish selling, fruits and vegetable selling, making handicrafts, sewing clothes, home-based mushroom products, small-scale animal husbandry and many kinds of other products. Some family engaged in petty trade and petty business. Petty businesses are basically running small shops in the village and mobile trade of spices and so on. All of these jobs what we are considered self-employment. These microenterprises are classified under four sectors: services, trade, manufacturing and agriculture. There are a number of poor people employed in this sector, especially women. Most of microenterprises workers are family members, run by female. Some microenterprises were providing job for less than three people. Female run means that usually only women were participate with credit programs borrow money and invest in this project. Although mostly women are involved men also contribute their wages or knowledge in the production process.

Waste collection is one of the self-employment of people in village; this occupation (garbage collector) mostly limited to males. Although few people do it, they can earn a significant income from garbage collection. For example, Nimal and Athula are young married men. Both of them are poor and uneducated. They are deciding to collect plastic tin bottles, vehicle parts, and so on. After that they are sell these things to a wholesaler. Their wives are members in the poverty alleviation program. They received a Rs. 10,000 loan from the Samurdhi Bank for this business. They said that in the first month they each earn Rs. 8,000, and they fine garbage collection interesting. When their husbands collected garbage such as plastic, bottles, iron, aluminum, both of men's wives, also helped to separate the garbage

into different materials. Sometime they collect only paper. However, work hard; they collect waste using a cart and bring it back home by bicycle. A development officer also pays more attention to this project, and she was helping people to operate it to better their way of life.

A common characteristic of small enterprises in other countries is their informality, which implies that they are not registered and therefore pay no taxes. These results do not correspond in Vallangiriya village and are country in general level. Most of the enterprises are registered with the local authority; also they are maintaining accounts such as book-keeping. The main problem is market competition, because of the large enterprises dominated by the local market. However, their low prices make these goods available for a wide range of poor people. Some researchers show that the market in Sri Lanka for these cheap products is growing narrower, with even poor people demanding higher-quality products. The poor people also usually use local raw materials, less use new technology, and these is also weak management structure, and working conditions. The result is low quality of their products compared with other products. Market mechanism is always a disadvantage for their products.

Many households have been able to move out of poverty and improve their living conditions through certain livelihood choices, such as foreign employment. Most of the foreign employment is women. There are three women were foreign employed out of 72 occupants in my survey sample. Foreign employment was the single most frequently cited factor in causing change of household well-being. Some households, which had in the past depended on lower paying, irregular sources of livelihoods such as wage labor, have progressed to more sustainable and stable sources of income in the present. Income earned from foreign employment frequently formed the initial investment. Most experience shows that foreign employment and enterprise were the main push factors in households moving up to a higher well being level.

Nevertheless, some families were having a negative experience from foreign employment. Some women went to the Middle East and they didn't return, because they died while working there. Some men became addicted to drugs while women

were working in a foreign county. Their children also suffer from hunger, insecurity, and child abuse when they work in a foreign country. Some of the poor obtain their income from many sources. One woman point out that

"In the past, my husband was employed by a cleaning service. However, his income alone was insufficient to support the household so I took out a loan from the Samurdhi Bank and started to make cement blocks and flower pots. But currently the main source of income is from my husband who works in a garment factory. In addition, my brother, who is a three wheel driver, and mother, who works in a house, also contribute towards household income."

However, more poor families on multiple sources of unstable income reduce vulnerability of the household. The women and children work for family income, because to answer the problems of inconsistent and low income in many families. Only those who are either old or having sufficient base for living are found to be not employed. In women headed families and in families where men are either old or too old or too sick to work, women's burden to run the family is acute.

5.1.3 Unemployment

Unemployment is a main problem in the village especially among young people. In the village, the unemployment rate is higher than the national average of 9.2 percent recorded by the Central Bank Report for 2002. In the Vallangirya village, more than 35 percent of population is unemployed. On the one hand, they lack education, skills, knowledge of technology or social connections. On the other hand, government policy is not creating employment opportunities for the people. For example, national unemployment level of educated youth was evident from the higher unemployment rate of 29 percent.

Young men's unemployment was especially higher than that of women, because, women have more opportunities for jobs in the informal sector such as in a garment factory or as a housemaid. Most of the men were drug or alcohol addicted (the village is also famous for illegal activities) and there may be other reasons why for they cannot find jobs. Almost all social mobilization programs in the poverty

alleviation program focus their activities around the females, and there was no attention paid to men. For example in the poverty alleviation program 100 percent participation was from women. Within this situation men mobilized very little.

5.2 Problem of Drug, Alcohol and Domestic Violence

Social problems in Vanlangiriya village are significant. The main problem is drug and alcohol abuse. It has created many other problems, such as illness, domestic violence, destroyed family income, and so on. During my survey, the issue of drug and alcohol addictions was highlighted by many participants. According to them this issue has been perceived for a long time. Alcohol plays a large and important role in all the social settings we looked at other than in the village. Some poor men see it as a part of life. Alcohol, and the consequences of alcohol use, influences greatly the everyday life of poor people. Not only are the lives severely affected of those who drink, but, perhaps even more, the lives of others such as their wives and children. Chandima is one of the affected poor women. Point out that:

“My husband is a drug addict. He earns about four hundred rupees a day. He gives about a hundred rupees a day for household expenses. The rest he spends on drugs. I am facing many economic difficulties; I have to protect our two children. I do not think about me, but only my children who are suffering so much and I worry about this thousands of times a day.”

This is only one example, but those who are addicted to heroin are like that. They don't care about their wife and children. They don't think about providing for them. Those who drink come home and start fighting with the wife and children. After all he is drunk isn't he? That is their nature when they are drunk.

Mrs Sumanawathi is 58 years old. Her son-in-law was drug addicted. He is now in prison for many years. Sumanawath said that, “I have to care for their two children, so I don't have much income. I cannot go out to earn more money.” In other settings members of the extended family would more likely take on the upbringing of these children; most often the grandparents would provide shelter and care. The economic burden from drugs and alcohol use is large. Other substances

too, compete with alcohol for significance of the economic burden. The majority of the villagers smoke cigarettes too. For example, some claim they smoke as many as twenty cigarettes a day. Sylvester has been a drug and alcohol addict for more than ten years. He is 32 years old, but looks more than 40 years old. He has two children, and he is living with his parents. His main income is from a daily wage. More than Rs. 100 to 200 are spent for drugs each day. He said that

“For the last month, I have been working in a cleaning service center, so now I have a monthly salary. Consequently, I don’t have money to buy drugs every day. Now I am going to reduce my drug use, because I have a very limited daily income.”

He also noted that daily wages are one reason for drug addictions. There are several places in the village, which sell illegal “arrack” and “ganja.” Some people sell alcohol, and they said that they don’t have any other income; this is an easy way for them to find money. They have relationships with drug and illegal alcohol suppliers or producers in the city or, some villagers in the area are dealers. Drug dealers did not only sell to people in the village, but students are also good customers. This is not recent phenomenon, according to neighboring people. It has been a problem for problem for whole society in the area for a long time.

Local people in the area were against this problem but there are so many difficulties for them, because the big seller is also company with police or powerful society. Police arrested many drug sellers and users, but after a few days they go back to the village and do the same thing. Some people have a good relationship with politicians; they always use that power and the police cannot do anything. A village leader said that one year before, the police station had a head of police, who arrested most of the sellers and users, and also organized some rehabilitation programs. The new situation is better than compared to before. People are reporting to police about the situation and who is selling or using drugs. Even some mothers report to police about their son or son-in-law or son. There have a so been immediate searching in the village. But police have not arrested all the dealers. Dealers used many strategies for drug selling. Some people who were not found were therefore continuing the business. The police arrested some dealers and

released them after a few days, because according to some people, the policemen did something illegal. It shows that police could gain benefit drug dealers.

Addiction to drugs and alcohol or critical illness of the males in the household is a primary reason for women to seek employment in order to provide for the household. One woman explained,

"My husband became an alcoholic after a while and stopped working. I was forced to start working to support the family. There hasn't been much change in my life. My eldest son died from an alcohol-induced disease and another son is a drug addict. I have to bring up the two children left by my eldest son as well. However, I am very appreciative towards my neighbors because they support me during some difficult times."

Many dwellers said that it is very difficult to bring up children in this settlement, because of the drug and alcohol problems. However, the villagers are suffering so much. Most of the householders said that at least one person in the house is addicted to drugs or alcohol, and some people are in the rehabilitation institute being treated for drug addiction. Their families are suffering from so many problems and also insecurity.

The village has overcrowded housing, poor sanitation, drug abuse problems and low incomes due to uncertain and daily employment opportunities. These livelihoods contributed to income poverty and vulnerability to wage losses caused by incapacitating illness. A significant numbers of people in the village suffer from illness. Health care spending and income losses reduced household budgets and threaten members minimum basic needs such as food consumption or education, triggering coping strategies such as borrowing or asset sale. Most of the poor in the village use public hospitals.

Recently, in the village all community societies made a request to local government asking them to provide a medical center in the village. Consequently, one doctor has been coming to the village and providing medicine few hours each day. However, most of the poor families have one or two members suffering from illness. According to the health service center in the Kaduwella, more than one third

of the women and children are suffering malnutrition, and low weight. The basic needs of the children of the village are not well met. As a consequence the level of nutrition, health and education is at a very low level. The women were more active in the village, but most get married at a very young age and have troubled marriages. Some adults were not educated, meaning that they had little formal schooling. Most children quit school when they reach grade 6-7. Some start working in garages while some join tea shops or stores.

However, an increasing number of social problems such as drug addicts, alcoholism, high unemployment rates among youth, rising crime, marital instability, and child labor have become serious concerns in society. Due to these social problems an increasing number of destitute families are found among the village poor. The children and women seem to have been the victims of these social evils.

5.3 Expenditure and Purchasing Pattern

The poor villagers mostly spend their earnings to fulfill their basic needs especially food and shelter. The poor spend a very small percentage of their earnings on clothing, medicine, education and other incidentals. The expenditure of male-headed households is higher than that of the female-headed households. The urban poor mainly buy food items like rice, spices, vegetables, and sugar at a low cost from retail shops located in their neighborhoods. They rarely go to wholesale markets to buy such a small amount of goods though the price of goods in those markets is comparatively lower. Moreover, they can not afford expensive items like meat, milk and fruit. It was found that more than half did not buy milk or fruit in the week they were interviewed. The poor people rarely buy new clothes from the market.

5.4 Summary

This chapter is an investigation of socio-economic activity in Vallangiriya village in an urban context. Both women and men, work hard to cope with poverty, though an increasing number of unemployed indicates increasing hardship. Most of the working style of wage labor has caused insecurity in economic activities for the

suburban poor. Their main income is from the informal sector. Many of the poor people in the village are engaged in this sector, including many kinds of jobs, petty traders, and drivers of non-public and privatized public transport services, street vendors, domestic workers, small factory workers, self-employment and so on.

Unemployment is a common phenomenon for the urban poor, but not only limited to the poor, but also rich and educated people. The development projects on poverty alleviation are focusing their programs to support and mobilize the poor's economic activities and at the same time their social and cultural situation. Many people in the village poor borrow money from money lenders who impose higher rates of interest. With microfinance credit system under the poverty alleviation program, the poor people have been able to enjoy significant credit. Some poor can save money and develop their self-employment as well, meanwhile some can not. The poor are not suffering only in terms of the credits. Another main problem is market competition, because of large enterprises dominating the local market.

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