

Home Based Economic Activities: A Way of Sustainable Development in Urban, Sub-urban and Rural Areas of Greater Dhaka Region

Zannatul Ferdous

Lecturer, Department of Environmental Science, Bangladesh University of Professionals (BUP), Mirpur Cantonment, Dhaka-1216, Bangladesh

Abstract: The paper aims at understanding the importance of Home Based Economic Activities (HBEAs) which acts as a way of sustainable development in third world nations specially in Bangladesh. Both the combination of quantitative and qualitative methods, this paper has been shown how to use home as an extra source of income that can be performed in a convenient room inside and examine the satisfaction and development of Home Based Workers (HBWs) in urban, sub-urban and rural areas of greater Dhaka region. HBWs basically started their business by-self with their own shake of interests in a little investment and engaged in different types of HBEAs as their primary source of occupation to develop and secure livelihoods. In three study areas, an excellent improvement and satisfaction can be seen among the HBWs. It is important to mention that HB workers generate significant revenue and employment opportunities for people in an area, while supporting local as well as regional economies through their networking, purchasing and selling of goods and services.

Key words: Home-Based Economy, Sustainable Development, Income Inequality, Greater Dhaka

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I. INTRODUCTION

Home Based Economic Activities (HBEAs) can be considered invisible but vital to value chains of production. The concept 'workplace' has been explained in this paper as an informal way of earning place chosen by individuals or a group within or adjacent to their dwelling place for livelihood. Poor households in Bangladesh attempt to escape the clutches of poverty and to enhance their income by using the home as a workplace to aid income-generation. In Bangladesh, in 2009-10 there were 2 million home-based workers representing 12.1 per cent of women in the non-agricultural workforce, and 5.9 per cent of men in the non-agricultural workforce. The estimated size of the workforce in home-based work increased from 1.43 million in 2005-06 to 2 million in 2009-10, an increase of 41 percent. Home-based work was largely located in rural areas and the growth of the workforce was three times higher in rural area than in urban areas (Mahmud 2014). According to Zahir (2016), the workplace is a place which creates community in an idealistic environment or environment of peers.

People in the low income settlements of Bangladesh have very limited access to residential space, however, a substantial number of such people accommodate themselves with various housing alternatives despite an extremely bad conditions; a lack of basic requirements; and almost no empty spaces (Hussain and Haq, 2006). It has also been noticed that there are some HBEAs where all the family members, including household head, wife and the children, are involved, such as making food, cloths, grocery, crafts or workshops. Several factors, including financial need, support from organizations and many other things drive home-based workers to do this work. Over three-quarters of HB workers said their households rely entirely on earnings from informal work which play a critical role in meeting basic family needs (IEMS, 2014).

II. OBJECTIVES OF THE STUDY

The specific objectives of the study are:

- To know the driving forces behind this home based economic activities in three study areas
- To know the satisfaction level of home based workers by doing this activity in three study areas of greater Dhaka region

III. METHODOLOGY OF THE STUDY

Study Areas

The study considered three different geographical areas (Pallabi, Narayanganj and Munshiganj) of Greater Dhaka Region (GDR). Pallabi located north western part of Dhaka Metropolitan Area (DMA) has been considered as an urban area, Narayanganj located outside the boundary of DMA but periphery of RAJUK area has been chosen as sub-urban area and Munshiganj located outside the boundary of RAJUK has been considered as rural area.

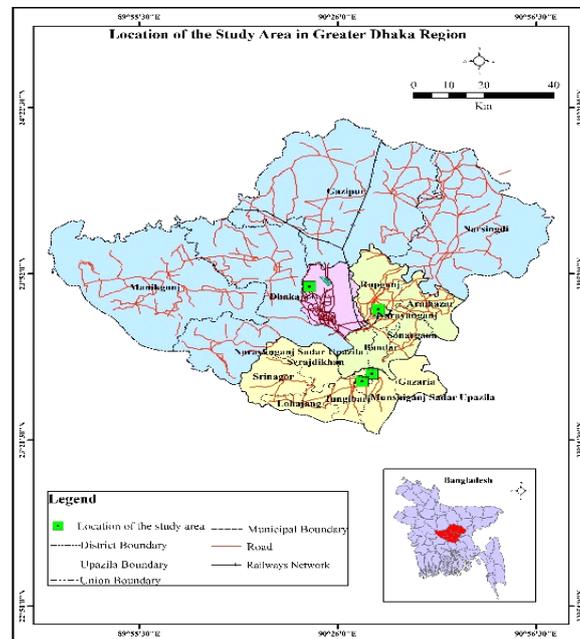


Figure 1: Location of the study area in greater Dhaka (Source: Asian Development Bank and Centre for Urban Studies,

Both quantitative and qualitative methods have been used for this study. Quantitative method performs through questionnaire survey and qualitative method performs through in-depth interview and case study.

Quantitative Methods

Household Questionnaire Survey

The study was conducted using semi structured questionnaire. The study surveyed a total of 170 HBWs households in three study areas. 60, 50 and 60 respondents were taken from urban, sub-urban and rural areas respectively. For questionnaire survey, HBW households was selected using simple random sampling technique as it is the most straightforward probability sampling strategy.

Qualitative Methods

In-depth Interview

Five respondents were selected for the study with their experiences and expertise related to the topic. An urban and regional expert and academician, two expert of Home- Based Economic Activities and two planners were selected for in-depth interview through snow balling sampling technique. The interview was performed with open ended questions, recorded the interview and then transcribed.

Case Study

Case study has been performed with three successful people in three different study areas through purposive sampling technique. They have answered the questions which linked with the objectives of the study like how they have started, what types of hindrance they faced, what are the story behind their success and so on. After recording their story, it was transcribed and analysed.

IV. RESULT AND FINDINGS

Demography of the Home Based Workers

In doing HBEAs there is no condition regarding gender issue that's why it can be seen that both the male and female are engaged in HBEAs. But, the percentage of male are higher than female. In rural area, it has been found that the equal percentage of male and female are engaged in HBEAs and in sub-urban area male are higher than those of female workers. The reverse scenario has been seen in urban area the percentage of female are more than the male because in urban area lots of job facilities are available for males compared to rural and sub-urban areas. Besides, age of respondents is an important personal characteristic that influences the development and maintenance of small businesses (Blawatt 1998). All age types of people are willing to do this activity as it can be performed inside home. In addition, almost half of the respondents, are middle aged (25 to 40). Older member of the families has been found to be interested to do this activity and to take part in this. About 8% of the respondents are found to be above 50 years old. In this study, most of the home-based workers (about 62.5%) have knowledge of primary and secondary education and 28.5% of the respondents are found to be illiterate. That is why this HB workers could not manage any other formal jobs as they have no technical skills and higher level of education. In addition, a very few respondents (9.3%) have knowledge of higher secondary level.

Types of HBEAs

Different types of HBEAs are performed in urban, sub-urban and rural areas. Almost 23 different occupations were found in three areas. These occupations can be categorized into some major categories like cloth related (dress making, boutique, tailoring, jory/ karchupi, sequins works/beads/puti, banarasi/ jamdani loom etc.), petty business related (groceries, food making etc.) and so on. Most of the variation in HBEAs can be seen in rural areas. In urban area (Pallabi), nine different occupations were found like banarasi work, karchupy, carpentry, dyeing, thonga packaging, tailoring, clothing businesses, boutiques, online business. In sub-urban area (Narayanganj), jamdani work, tailoring, tuition and having general store in home were found and in rural area (Munshiganj), dress making business, tailoring, chumki, puti, clothing business, weaving fishing net, food making, tuition, ayurvedic treatment, and having general store were found.

Why HBWs are Involve in HBEAs

Most of the respondents (about 63%) do home based work for maintaining their livelihood and have taken it as their major source of income. Significant portions (30%) of home based workers do their job for additional income. A small portion of workers do home based economic activities due to their physical inability. Almost 78% reported that they have taken this job consider their main occupation.

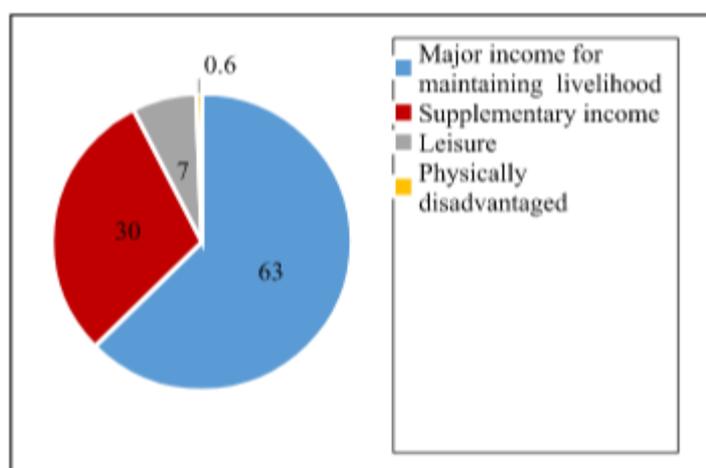


Figure 2: Purposes of doing HBEAs

Driving Forces in HBEAs

The home based workers highlighted some positive factors that have helped them in their work and enabled the creation of a helpful environment. This study shows that most of the people in sub-urban area get loan facilities. Different NGOs give them loan. Physical infrastructure acts as the main support in between the production place and market place. Physical infrastructures like home environment, road structure etc. are developed in urban area compared to rural and sub-urban areas. Organizations like Bangladesh Home Worker Women Association (BHWA) are supporting home based workers in rural area. BHWA give them order,

providing training and money to make different products. Then they sell it through fair and also outside the country. In urban area, UNDP frequently give them training about how people can earn money in a number of ways with a little investment specially to female. No government support is available in urban and rural areas. Only 14% of the respondents in sub-urban area got government support. In sub-urban area, government gave them plot for doing this activity. Family support is also an another factor for maintaining the commitment with the factories where they get order. Study finds that, urban and rural people got more support than the sub-urban area. One thing noticed in sub-urban area that the area is basically prominent for jamdani work and it needs a special training for weaving jamdani loom that's why those who have no training they cannot attend to help out.

Table 1: Positive forces in doing HBEAs

Positive Forces	Urban (%)	Sub-urban (%)	Rural (%)	Total (%)
Physical infrastructure	36.7	30	25	30.6
Loan facility from NGOs	10	42	25.4	25.8
Family support	25	6	30	20.3
Take order from small factory	18.3	2	3.3	7.9
Organizational support	1.7	6	11.9	6.6
Government support	0.0	14	0.0	4.8
Others	8.3	0.0	3.4	3.9
Total	100	100	100	100

They have also mentioned some negative forces that hindered or hampered work. The most commonly reported negative driving force was the cost of raw materials need to make goods are increasing day by day. Around 44% of the respondents in three study areas are reported this issue. The other issues included inconsistent demand of goods by customer (19.1%), inability to bargain with contractor (14.9%), lack of training or skills required (6.4%), electricity shortage (8.8%), natural hazard (5.9%) and difficulty in accessing markets (0.5%). Long distance problem only seen in rural areas as they have to come across in urban area to collect raw materials and to sell their finish product for getting profit.

Sources of idea in doing HBEAs

Majority of home based business owners (61.7%) in urban areas and 55% in rural areas indicated that they relied on their own initiative, dream or innovation to establish their home-based businesses. Similarly, 38% of the respondents in sub-urban areas relied on personal ideas to start their businesses. Nevertheless, in sub-urban area the second most important source of information for starting a business generated from family members, relatives or friends. Some of the workers handled their family business like banarasi work, jamdani work and dress making business are respectively the generation business in urban, sub-urban and rural areas. The sources of initial ideas to establish home based economic activities in rural settings are not different from those for starting other new activities. A few respondents said they obtained the idea from multiple sources like internet, organizations and neighborhoods.

Way of learning HBEAs

It is necessary to learn any kind of activities before starting. This study shows that, it was family business in sub-urban areas, for that most of the respondents learnt this from their family. About 22% of the respondents in rural area learnt HBEAs from somiti named "Char Muktarpur Mohila Somiti" found in Munshiganj. They give training on tailoring, poultry, making show piece by puti, chumki and many other things. On the other hand, most of the respondents in urban area learnt HBEAs from other business holders, their family and inspired to do this. In Pallabi, UNDP also gave them training on various livelihood activities. Only a few respondent (16.7%) learnt HBEAs by own.

Income Inequality from HBEAs in Urban, Sub-urban and Rural Areas

Most of the HBWs in urban, sub-urban and rural area have their HH income ranges between Tk. 11000-20000. Only a small percentage have more than Tk. 30000. Poverty improvement scenario is persistent in all selected study areas. When they started, most of the respondents earn below Tk. 10000/month from HBEAs. But the situation has changed over time. It just been doubled over time. Initially, no one earned more than Tk. 30000 but at present some of the respondents earn more than Tk. 30000/month by doing HBEAs. Income inequality through the lorentz curve in urban, sub-urban and rural areas are shown in the following figure 3. The lorentz curve for urban area are closer to the line of equality which means the income from HBEAs are more evenly distributed. Whereas in sub-urban area the curve sags away from the perfect line of equality which means income is more unevenly distributed among the HB workers. And the Lorentz curve sags far away from

the line of equality which means the income is more unevenly distributed of the workers who are engaged in HBEAs in rural area.

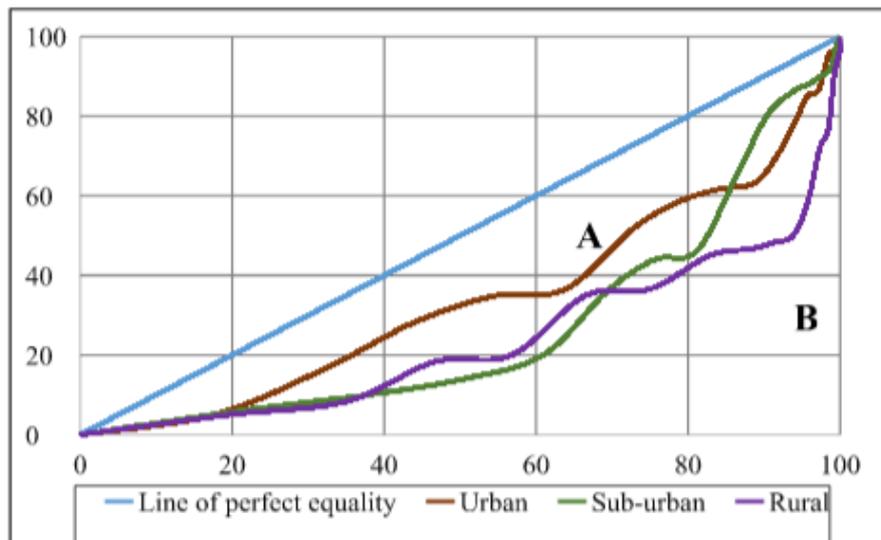


Figure 3: Economic inequality in three areas

Gini-coefficient is the mathematical visualization to understand the income inequality using the following formula:

$$Gini - coefficient = \frac{A}{A + B}$$

Where, A is beneath the area of line of equality

B is beneath the area of line of Lorentz curve

Table 2: Value of Gini-coefficient in three study areas

Geographic Region	Gini-coefficient
Urban	0.45
Sub-urban	0.58
Rural	0.50

In urban area has a gini-coefficient of 0.45 that is comparatively smaller than the other two areas. So, in urban area income from HBEAs are more evenly distributed compared to other two areas. The persons who are engaged in banarasi, carpentry, dyeing, boutiques and online business their income is evenly equal. In sub-urban area has a gini-coefficient of 0.58. The more uneven distribution of income have been found in sub-urban area particularly between the mohajan and workers. In this area, the person who are engaged in jamdani occupation their income is much more than the occupation of tailoring, tuition or general stores. The same indication have been noticed in rural areas where the gini-coefficient is 0.50. The persons who are engaged in children's dress making business earned more profit than the other occupations like puti, tailoring, weaving fishing net, clothing business and others. The rural sector with HBEAs seems to have grown more rapidly than the urban sector; but this high income growth appears to have increased inequality among rural households.

Level of Satisfaction in Home Based Workers

Based on the overall study, satisfaction level on their economic situation has been classified into five point likert scale: highly satisfied, satisfied, moderately satisfied, dissatisfied and highly dissatisfied. Satisfaction of doing HBEAs, HH income and HH assets are discussed below. A *Satisfaction Index* (Yeh and Lee, 1975) has been used to determine the HB workers' satisfaction about income, civic amenities and environmental pollution. The highest value of satisfaction index is +1, means highly satisfaction and lowest value of satisfaction index is -1, means highly dissatisfaction.

Satisfaction on their current Economic Situation

Various types of HBEAs have been found in three study areas. Mostly engaged in for maintaining their livelihoods. Almost half of the respondents are moderately satisfied on their current HB activities. Satisfaction

level on HBEAs are high in rural area than compared to other two areas. As their production as well as profit are expanding day by day. But one important things noticed in urban area, that 30% of the respondents are dissatisfied on their HBEAs. Because they cannot make profit as before and get proper money compared to their giving time and hard work.

Satisfaction on Household Head Income

As household head is the main earner of the family, the entire family depends on him. Mostly household head was found to be engaged with HBEAs in the study areas. More than half of the respondents in urban, sub-urban and rural areas are moderately satisfied on HH head income. They reported that whatever the earn money from HBEAs they maintain their livelihoods easily. Whereas a little percentage of the respondents are found satisfied in HBEAs. A significant portion are dissatisfied on this income. For that it was difficult for them to pass their modest life with this income.

Satisfaction on Household Assets

Financial assets held by households form an important part of overall wealth. Household assets are things found in home that are for maintenance and for all-around general use. Intangible assets are considered here. Improvement of household assets depicts the improvements of economic situation. Study reveals that 50% of the respondents in urban, 62% in sub-urban and 66.7% in rural areas are moderately satisfied on their assets. They want to decorate their household with more assets but cannot due to lack of enough income. A little percentage of the respondents are satisfied with whatever they have and a significant portions of the respondents are dissatisfied because they cannot buy new amenities for their livelihoods. Which directly related with their income. Whenever the HB workers gain more profit they decorate their households with more asset. Besides the satisfaction of some other factors which are related in HBEAs are shown in the following table 3.

Table 3: Level of satisfaction of the home based workers

Variables	Urban	Sub-urban	Rural
HBEAs	-0.08	0.24	0.56
Household head income	-0.15	0.16	0.35
HH income structure	-0.10	0.18	0.35
Household assets	-0.20	-0.06	-0.03
Dwelling unit	-0.20	0.04	0.03
Electricity	0.13	-0.3	0.25
Water supply	-0.16	0.56	-0.30
Sanitation	-0.3	0.46	-0.06
Gas supply	-0.55	0.68	0.45
Garbage disposal	-0.60	0.86	-0.26
Road	0.13	-0.32	0.26
Transport	0.95	0.74	0.96

Study reveals that the life of HB workers in rural area have comparatively better than the urban area. Only agriculture cannot be an occupation for livelihoods in rural area. This nonagricultural activity also enhances the development of rural areas. So, by establishing this HBEAs in rural area and make the environment favorable for doing this work which make the area more develop.

Institutional Support for doing HBEAs

Barely 6% of HB workers had acknowledged to be receiving various types of benefits or supports for themselves or their family members in the form of social protection like social allowance, poverty alleviation assistance, food support, health assistance, maternity benefit, skill development training etc. (HomeNet, 2016). Like other informal economic activities, HB workers do not receive much support from the government, Bangladesh Small and Cottage Industries Corporation (BSCIC) provide plots, give loan and training to the poor in specific areas of Bangladesh.

During an in-depth interview Planning Director of BSCIC stated,
“Home based economic activities are mainly established by the geographical location of the area. If the home based workers let us know their situation we will provide them places, loans and manage to sell the products”.

Table 4: Institutional support for HB workers

Organizations	How They Help
Bangladesh Labor Welfare Foundation (BLWF)	<ul style="list-style-type: none"> • Give training and education • Creating forum and networking • Give innovative ideas
HomeNet Bangladesh	<ul style="list-style-type: none"> • Give information and access to institutions • Give training to cooperate with one another • Arranged skill development opportunities • Give money to make products • Help to create a network • Arrange a fair to sell their products
Microfinance Institutions (Asha, BRAC)	<ul style="list-style-type: none"> • Give them credit with low interest • Give loan in case of business for alleviating poverty • ASHA gives loan for women empowerment
Membership based Organization (Samiti)	<ul style="list-style-type: none"> • They linked them with HomeNet Bangladesh • Give training
Bangladesh Small and Cottage Industries Corporation (BSCIC)	<ul style="list-style-type: none"> • Provides loan • Give training • Distribute plot

V. CONCLUSION

The paper detects that the HB workers are also very much important to create work opportunities for others within their own sphere of activities as well as, they can also create positive impact on the social environment and community development by their presence as protectors and custodians around the vicinity. Home cannot be used only for living space it also be a source of income but it needs some techniques to make it as a way of earning income. Government and other should give them proper environment for doing this activity in a comfortable way. If the HBWs are satisfied with their current HBEAs then obviously the problem of unemployment might be solved.

VI. RECOMMENDATIONS

Based on the overall study, the paper would like to give some recommendations regarding the betterment of the home based workers and to make it more sustainable.

- Government should take proper care to them and give them loan win low interests
- Create a communication bridge between the market place and the workers where they can easily sell their products
- Develop physical infrastructure and make home ambient comfortable for doing HBEAs without any disturbance
- Give proper training on skill and idea in a digital way so that HBWs can innovate new business

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