

The Impact of Price Hike on the Children of Poor households in Bangladesh

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Abstract

In this paper, the authors examine the impact of price hike of essentials on the children of poor households living in some selected areas of Bangladesh. The average daily rice consumption dropped from 323 gram in 2006 to 306 gram in 2008 for children of poor households. When glasses of milk drunk per month were considered the drop was remarkable from 4 glasses to 1 glass. The increase in child labour due to price hike was substantial. When household work is included in child labour, 1 in every 3 children was found working as a child labourer in 2008 in contrast to 1 in every 4 in 2006. This means children take up more economic activities during economic hardship as adults are already occupied in jobs. The decrease in child labour hour in unpaid jobs associated with an increase in child labour hour in paid jobs indicates a switching of child labour from unpaid family enterprises to paid jobs during economic hardship. The average education cost experienced a sharp increase in 2008 compared to 2006. For a few regions, average total education cost was more than double of what it was in 2006. The primary dropout rate escalated from 4.9% in 2005 to 6.5% in 2006 and 6.8% in 2007. Some households sent their children to work withdrawing them from school due to poor economic conditions exacerbated further by the price hike. Some parents also said that they removed their children from school and admitted them to madrasha because they couldn't afford to bear the high cost of educating their children in school and thus shifted them to low cost or free madrasha.

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1. Introduction

There was a huge price surge in Bangladesh during 2007- 2008. The prices of key staples increased by 50% over the two year time span till price declines started since April 2008. Factors such as cyclones (like Sidr) and floods in Bangladesh and Nargis in Myanmar, global crisis in terms of rice and wheat production etc. stimulated the price hike. According to Deb and Hossain (2009), a small price increase was observed during July 2000 to January 2003, and retail prices of coarse rice were less than Tk 15 per kg. Between February, 2003 and January, 2007 the prices of coarse rice increased at over 10 percent per year reaching almost Tk 20 per kg. These prices started to increase rapidly since February 2008 and reached Tk 35 per kg within three months. A substantial decline in these prices was observed from late December 2008 and by late January 2009 the price almost followed the normal trend (Deb and Hossain, 2009). Since 2000 the wholesale and retail price of atta (flour) followed the same trend as in the case of rice price.

A particular reason for concern about the impact of high food prices on poor households is that the share of food in total expenditure is 65% for the low income groups in Dhaka city while it is 82% for the same groups in rural areas of Bangladesh (Raihan and Haque, 2007). Thus, a large segment of Bangladesh population is perceived to have been adversely affected by the mounting price increases of daily essentials.

The livelihood status of poor households largely depends on how their members adjust to economic shocks, such as the recent price hike, by adapting to changes in their food expenditure as well as by undertaking other expenditure-saving and income-enhancing activities. Price hike of this magnitude may have forced many low and/ or fixed income people to rearrange their household expenditure on food items, particularly through changing the food basket, by dropping many essential items with adverse nutritional implications. Therefore, this study aims to identify the impact of price changes on the children of poor households living in different parts of the country with special emphasis on the most vulnerable households such as day laborers, landless farmers in rural areas and garment workers, rickshaw pullers in urban areas.

The objective of the study is to:

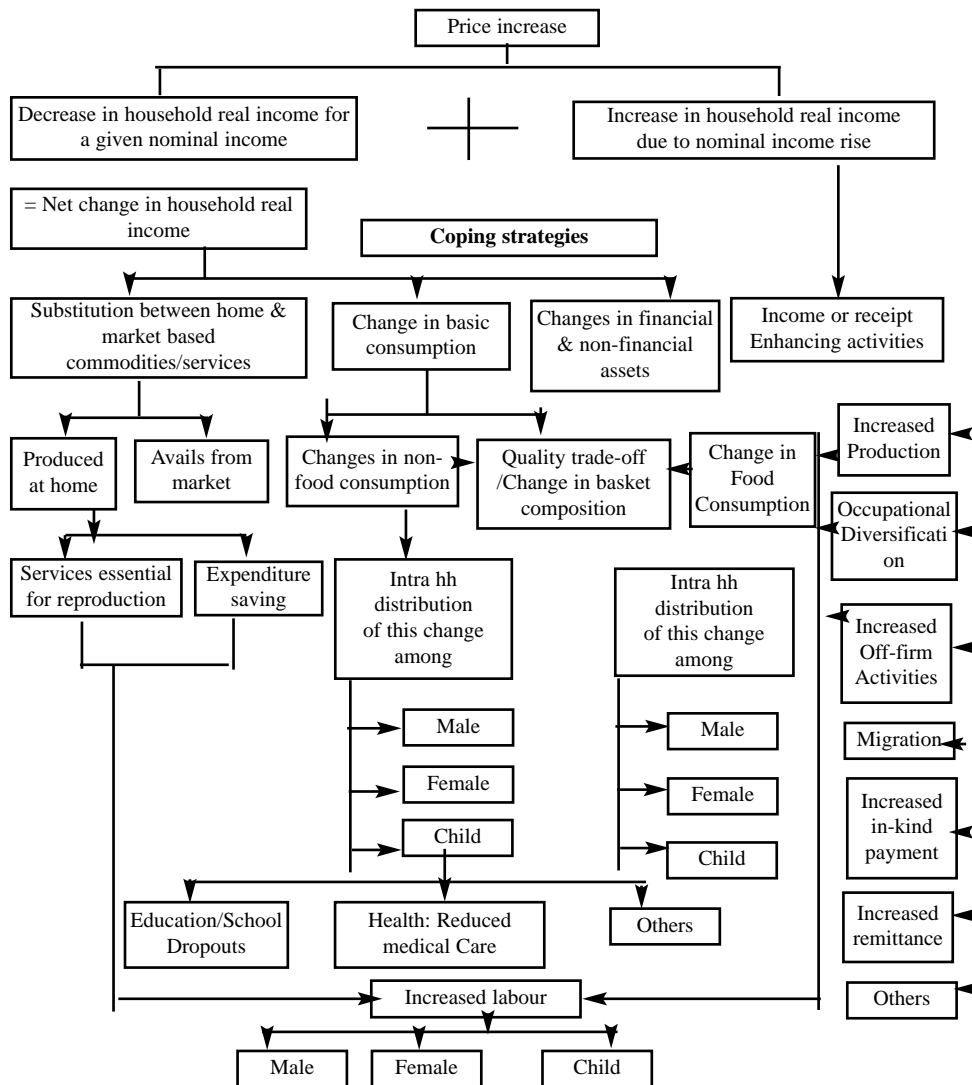
- i. Measure changes in consumption of poor children due to price hike
- ii. Capture the changes in child labour participation rates and labour hours
- iii. Compare changes in education cost across regions for both rural and urban poor children and

- iv. Capture the dynamics of the changes in education costs through school dropouts.

2.1 Conceptualization of the study

Price hike of food and other essentials is expected to increase or decrease the household real income depending on whether the household is a net producer or consumer of these essentials. If everything else remains the same, real income

Chart 1: Household optimization behavior in flow chart



might decrease (increase) if a household is net consumer (producer) of an essential, the price of which has risen.² For a fixed nominal income or fixed salaried household, real income decreases. However, presuming everything else unchanged goes against household optimization behavior. A household potentially adjusts income by undertaking various income-enhancing activities to cope with the price change. Thus, a price increase may lead to two contrasting changes: (i) decrease in household real income for a given nominal income, and (ii) increase in household real income through income enhancing activities. This optimization behavior of households is presented in Flow Chart 1.

Depending on the net change in household real income, a household determines its coping strategies on consumption and savings. Price increase changes the relative prices of different goods and services, leading households to substitute between homemade and market based commodities and services and change basic consumption. Substitution might take place among different homemade goods and services as well. Services produced at home are aimed for production of essential services and savings of household expenditures. Households with reduced real income may be forced to dispose some of their financial and non-financial assets.

Change in consumption may arise from change in the absolute and relative consumption of food and non-food items, as well as due to the tradeoff between high and low quality goods and services. Besides, the change in food and non-food consumption is likely to be different for women and children than men making the children more likely to be vulnerable to price hike. Thus, a crucial change in intra-household distribution (among men, women and children) is worth researching to better understand price impact. On the other hand, income enhancing activities include several possibilities, such as increased production, occupational diversification, off-farm activities, migration, remittance and in-kind payment and so on. These income enhancing activities are likely to demand increased labour supply from men, women and children.

The focus of this study is on children of poor households to better understand how they are affected by the price hike of essentials.

2.2 Methodology and data

Information on the correlates required for this study is obtained from the primary dataset generated through recall method asking questions on household aspects

² This can be extended for a number of commodities, even when the household is a net producer of some and a net consumer of the rest, leaving the conclusions unchanged.

like how much a household spent on child education two years ago in the year 2006 when the price hike was not a phenomenon as in 2008. The household survey in the context of this price hike study anchored by ERG and funded by the Save the Children, UK. The survey respondents were asked in the questionnaire if they were cutting their food consumption, consuming cheaper, lower quality food, reducing their non-food expenditures on items such as child education and health, spending from savings, selling livestock, agricultural land and other assets, borrowing from various sources, working more, sending non-working members or children to work, removing children from schools etc. to deal with the high prices of essentials. Then by combining the two year data we analyze how the dynamics of cost of education evolved overtime. The same procedure is followed for consumption of children and child labour.

To capture regional variation a survey of the rural, urban, and metropolitan poor households has been completed to capture all the relevant aspects of households in 2006 and 2008. For this purpose Economic Research Group (ERG) has conducted a study entitled “Impact of price Increase on Poor Household and Children Well being”. Besides Dhaka and Chittagong metropolitan areas, the information on households is collected from the North-West, the *Haor* areas, the Coastal areas, and the Chittagong Hill Tracts, where there is a large concentration of extreme poor. To avoid misleading conclusions we excluded certain areas that received considerable external help for one reason or the other. For example, we excluded the rat infested districts in the CHT, the *Sidr*-affected upazilas in the coastal areas and the *Monga*-affected upazilas in the North-West. We then purposively selected one upazila from each of the four areas. The selected upazilas are Ulipur of Kurigram, Shyamnagar of Satkhira, Darampasha of Sunamganj, and Khagrachari sadar of Khagrachari.

For the urban sample, all upzaila centers (towns) from the four selected upazilas are included in the survey. For selection of a rural sample, 3 villages are randomly chosen from the list of all villages in that upazila with an exception for Khagrachari where only 2 villages are chosen. This exception is made for Khagrachari sadar to account for a large fraction of urban population there. For each of the villages selected in an upazila, 20 households are randomly selected with appropriate representation of vulnerable occupational groups such as day laborers, landless farmers, and marginal farmers in rural areas.

For each of the two metropolitan cities and the four upazila towns, the clusters of residence with higher concentration of poor people are identified. From this subset, 2 clusters for each of the four upazila towns and Chittagong metropolitan city and 3 clusters for Dhaka metropolitan city are randomly selected. The final

stage we randomly drew 50 households from each of the clusters in metropolitan cities and 30 households from each of the clusters in upazila town. In addition, 50 families/households, representing the floating population, are surveyed from several key spots in Dhaka metropolitan city.

Representation of vulnerable occupational groups such as rickshaw pullers and garment-workers are ensured in these areas. Thus, of the 664 households used in this analysis, 99 are from Kurigram, 95 are from Satkhira, 92 are from Sunamganj, 96 are from Khagrachhari, 187 are from Dhaka, and the rest 95 are from Chittagong metropolitan areas (table 1).

It might at first appear that garment-workers are under-represented as one of the poorest groups. But the total number of household members who reported work in garment factory as their occupation is 142, in rural, urban and metro altogether.

Table 1 : Breakdown of sample households

| Area | of hou- seholds | % | Farmer | Rickshaw | Agri-l abor | Non- agrilabor | Garments worker | Other |
|--------------|--------------------|-----|--------|----------|----------------|-------------------|--------------------|-------|
| Kurigram | 99 | 15 | 18 | 11 | 33 | 4 | 0 | 33 |
| Satkhira | 95 | 14 | 22 | 9 | 23 | 6 | 0 | 35 |
| Sunamganj | 92 | 14 | 19 | 3 | 19 | 8 | 0 | 43 |
| Khagrachhari | 96 | 15 | 17 | 8 | 4 | 14 | 0 | 53 |
| Chittagong | 95 | 14 | 0 | 17 | 1 | 22 | 4 | 51 |
| Dhaka | 187 | 28 | 0 | 49 | 1 | 26 | 11 | 100 |
| Total | 664 | 100 | 76 | 97 | 81 | 80 | 15 | 315 |

Source: ERG Survey data (2008)

The corresponding figures are 103, 130 and 180 for farmer, agricultural labor and nonagricultural labor, respectively. Most of the garments-worker households are headed by a non-garment worker.

However, a structured questionnaire may fail to capture certain aspects of household responses, those related to intra-household resource and burden allocations. Also, certain community level characteristics may not be captured in a household survey. Thus, in addition to the structured questionnaire survey, qualitative information on different aspects of households and local communities is obtained through Focus Group Discussions (FGDs). The participants of an FGD are drawn from children, teachers, doctors, businessmen and other occupational groups such as rickshaw pullers, day laborers, and landless and marginal farmers.

3. Impact on Children of Poor Households

As argued earlier, the change in food and non-food consumption is likely to be different for children than men and women. Thus, a complete, separate investigation into the children's aspect is required and this is what is explored in this paper. Section 3.1 looks into children's food intake status, section 3.2 looks into child labour status, and finally Section 3.3 looks into children education status and school dropouts at primary level classes.

3.1 Changes in children's food intake

The relative consumption pattern for men, women and children remained almost the same across the years despite the change in the intra-household dynamics of consumption. In terms of the relative quantity of food consumed by men, women, and children, the general perception of women eating less than men and children eating less than women is observed here.

Table 2 shows that the average number of meals consumed per week was smaller in 2008 than 2006 for all members. However, the magnitude of the fall varied

Table 2: Change in food consumption of men, women, and children

| Variable | 2006 | | | 2008 | | |
|---------------------|--------|--------|----------|--------|--------|----------|
| | Men | Women | Children | Men | Women | Children |
| meals/week | 19.72 | 20.15 | 20.50 | 19.12 | 19.36 | 19.93 |
| rice(gm)/day | 648.60 | 535.28 | 322.62 | 537.02 | 469.42 | 306.31 |
| egg(no.)/week | 1.82 | 1.61 | 1.84 | 0.58 | 0.47 | 0.58 |
| fish(times)/week | 9.58 | 9.44 | 8.99 | 7.08 | 7.18 | 6.69 |
| fish(no.)/week | 1.32 | 1.18 | 1.12 | 0.84 | 0.76 | 0.71 |
| meat(times)/month | 2.69 | 2.64 | 2.50 | 1.12 | 1.08 | 1.06 |
| meat(pieces)/month | 2.02 | 1.78 | 1.75 | 0.95 | 0.86 | 0.81 |
| milk(glasses)/month | 2.25 | 1.96 | 3.54 | 0.07 | 0.58 | 0.94 |

Source: Estimated from ERG survey (2008)

across men, women, and children. When average daily rice consumption per meal is considered, the average daily rice consumption dropped from 649 and 535 gram in 2006 down to 537 and 469 gram in 2008 for men and women, respectively, whereas the average daily rice consumption dropped from 323 gram in 2006 to 306 gram in 2008 for children. The opposite pattern is observed when glasses of milk drunk per month are considered.

When food consumption of only children is considered, it is found that there were drops in all the items. The drop in rice consumption per day was small compared to other items. Glasses of milk drunk per month dropped from 4 to 1 glass (table 3). The second largest fall was for the number of eggs consumed per week which fell from 1.84 in 2006 to 0.58 in 2008. Similar drop is observed for other items though by a smaller extent. Therefore, the price hike of essentials created a severe nutritional lacking for children of poor households.

Table 3: Food consumption of children across years

| Variable | Meals/ week | Rice/ day (gram) | Egg/ week (no.) | Fish/ week (times) | Fish/ week (no.) | Meat/ month (times) | Meat/ month (pieces) | Milk/ month (glasses) |
|----------|----------------|------------------------|-----------------------|--------------------------|------------------------|---------------------------|----------------------------|-----------------------------|
| 2006 | 20.50 | 323 | 1.84 | 8.99 | 1.123 | 2.50 | 1.75 | 3.54 |
| 2008 | 19.93 | 306 | 0.58 | 6.69 | 0.71 | 1.06 | 0.81 | 0.94 |

Source: Estimated from ERG survey(2008)

3.2. Impact on child labour

Child labor is defined as the total hours spent working in economic activities and chores, i.e., substituting adult labour in the reproductive economy. Economic activities for children consist predominately of working for an extra earning, working in family enterprises or business, and farming. We differentiate between unpaid work in family enterprises and household activities. Thus, the focus is on the three different forms of child labour: paid labour, unpaid labour in family enterprises or businesses and household activities. To understand the change in the child labour status, we need to know what happened to child labour participation rates and child labour hours across years.

Child labor participation rates

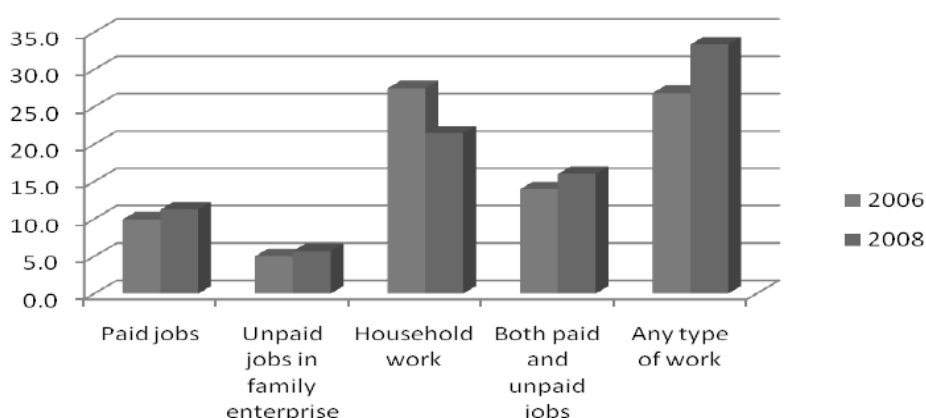
Child labor participation rate is the ratio of the number of children aged between 6 to 16 years who work to the total number children of that age group. Obviously, more children in the first two categories imply fewer children in the third category since more outside work leave children to do less household work. When household work is considered in addition to two other categories, that is, when any type of labour is considered then 1 in every 3 children was found working as a child labourer in 2008 in contrast to 1 in every 4 in 2006 (Chart 2).

The participation rate for paid jobs in 2006, presented in Table 4, showed up highest for the urban children of Kurigram, which was 15%, and the lowest, 1.3%,

was for rural Sunamganj. Participation rate for urban children except Satkhira is quite high ranging from 5.6% to 15%.

Shyamnagar of Satkhira is not a proper urban area in the sense that it is not a municipality and there is not much difference in terms of employment and other facilities and amenities between urban and rural areas of Shyamnagar. The

Chart 2: Changes in child labour participation rates across years (%)



Source: Constructed from ERG survey (2008)

participation rate for urban children experienced an increase over the two periods with exceptions for Kurigram and Satkhira. A slight decrease in child labour participation rate is also observed for rural areas.

A similar mixed scenario is observed for the participation rates of unpaid jobs in family enterprises. These enterprises are entities of any type owned by households that enhance income of the households. In a rural setting, children help their parents in farming, fishing (both capture and culture fishing), weaving (handloom), rearing livestock and poultry, making bamboo/cane products, begging and so on. In an urban setting, children help their parents in small enterprise (shop), small business (vegetable selling, tea stall), begging and so on. These helps are classified as child labour on unpaid jobs in family enterprises. In fact, all but paid labour and unpaid household activities in rural, urban and metros are included in this child labour category.

The participation rates for household work decreased for all the regions. A fraction of the sampled households are mostly subsistence farmers who rely on agriculture and some animal farming activities; agricultural participation of children (classified as unpaid labour in family enterprises) is not uncommon and overall child labour, including household activity, is commonplace. The rest of the

Table 4. Child labour participation rates across regions (%)

| Region | Participation rate for paid job | | Participation rate for family enterprise | | Participation rate for household work | | Participation rate for any of the first | | Participation rate in any of the three cate | |
|------------------|---------------------------------|------|--|------|---------------------------------------|------|---|------|---|------|
| | 2006 | 2008 | 2006 | 2008 | 2006 | 2008 | 2006 | 2008 | 2006 | 2008 |
| Kurigram Rural | 8.9 | 7.6 | 7.6 | 6.3 | 32.9 | 25.3 | 13.9 | 12.7 | 39.2 | 31.6 |
| Urban | 15.1 | 11.3 | 5.7 | 1.9 | 39.6 | 26.4 | 17.0 | 11.3 | 43.4 | 32.1 |
| Sathkira Rural | 11.2 | 9.7 | 0 | 1.1 | 14.6 | 11.8 | 11.2 | 10.8 | 23.6 | 21.5 |
| Urban | 3.8 | 2.0 | 1.9 | | 3.8 | 2.0 | 5.7 | 2.0 | 7.5 | 4.1 |
| Khagrachh Rural | 10.3 | 1.1 | 5.1 | 6.4 | 38.5 | 35.1 | 5.1 | 6.4 | 39.7 | 36.2 |
| Urban | 10.4 | 14.0 | 8.3 | 7.0 | 37.5 | 34.9 | 14.6 | 18.6 | 52.2 | 53.5 |
| Khagrachh Rural | | 24 | | | 9.5 | 4.8 | 2.4 | 2.4 | 9.5 | 7.1 |
| Urban | | 1.3 | 1.4 | 1.3 | 23.6 | 15.0 | 1.4 | 2.5 | 25.0 | 15.0 |
| Dhaka met Slums | 10.3 | 13.2 | 4.3 | 6.4 | 25.4 | 21.9 | 14.6 | 19.2 | 36.7 | 35.6 |
| floating | 12.8 | 13.7 | 6.4 | 17.6 | 21.3 | 19.6 | 19.1 | 31.4 | 29.8 | 37.3 |
| Chittagong Slums | 5.6 | 5.7 | 3.4 | 2.6 | 19.1 | 14.5 | 9.0 | 8.3 | 25.3 | 19.2 |

Source: Constructed from ERG survey (2008)

households are from the poor section of upazila towns and slums in metro cities where child labour in household activity is also a common feature. These household activities include cooking, washing cloth and dishes, cleaning house, caring children, shopping groceries, feeding animals, teaching children, gardening, helping other members and so on. In this category the change in participation rates is sometimes misleading because working hours are loosely defined. When slums and the floating population of Dhaka are considered, the participation rates are increased.

In many of these cases where reduction in participation rates observed there was no decrease in the number of children with work but the increase was smaller than the increase in the total number of children in that age group. The increase in the number of children with work depends largely on the demand for labour by the existing and potential employers. This supply side story is not covered in detail in this study.

Child labour hours

Child laborers worked on average more in 2008 than 2006 through more days per month or more hours per day or both (Table 5). For instance, child laborers of rural Kurigram work on average 21.73 days per month and 7.8 hours per day for paid jobs in 2008 in contrast to 14.8 days per month and 7.9 hours per day in 2006. More than 50 percent of them were involved as agricultural and non-agricultural laborers while a few reported to working as domestic help and garment-workers.

However, child labour hours per month provides a better picture of the trend as presented in Table 6. The average child labour hours per month on paid jobs increased substantially with exceptions for urban areas of Kurigram and Sunamganj. However, the average child labour hours per month on unpaid jobs decreased with exceptions for urban areas of Kurigram, Sunamganj and Chittagong metro. Interestingly, the decrease in unpaid labour hours per month is often associated with the increase in labour hour per month in paid jobs. This indicates a switching of child laborer from unpaid family enterprises to paid jobs.

3.3 Impact on child education

Expenditure on child education

Table 7 presents average total educational expenses and average of their components (fee, private tutor, book, and tiffin) borne by households across the years. These figures are presented for the entire sample and for different regions separately. Obviously, the average education cost for the entire sample

Table 5 : Child labour days/month & hours/day across regions

| Region | days/month | | Hours/day | | days/month | | hours/day | | |
|--------------|------------|------|-----------|------|------------|------|-----------|------|-----|
| | 2006 | 2008 | 2006 | 2008 | 2006 | 2008 | 2006 | 2008 | |
| Kurigram | Rural | 14.8 | 21.3 | 7.9 | 7.8 | 5.2 | 4.8 | 3.8 | 2.4 |
| | Urban | 11.3 | 11.6 | 8.4 | 8.6 | 6.0 | 4.0 | 2.7 | 3.0 |
| Sathkira | Rural | 21.0 | 20.1 | 8.5 | 9.1 | | 20.0 | | 1.5 |
| | Urban | 24.0 | 24.0 | 8.5 | 9.0 | 28.0 | | 6.0 | |
| Sunamganj | rural | 24.0 | 22.0 | 7.0 | 10.0 | 15.2 | 19.3 | 8.3 | 8.7 |
| | Urban | 19.4 | 16.3 | 8.0 | 9.8 | 17.8 | 18.0 | 7.8 | 8.0 |
| Khagrachhari | Rural | - | 20.0 | | 10.0 | | | | |
| | Urban | | 15.0 | | 10.0 | 15.0 | 17.0 | 12.0 | 1.0 |
| Dhaka | Slums | 24.5 | 25.4 | 10.5 | 11.3 | | 21.3 | 8.3 | 6.4 |
| | Floating | 26.8 | 26.4 | 7.7 | 7.9 | 20.4 | 18.9 | 6.0 | 3.9 |
| Chittagong | Slums | 23.2 | 25.8 | 9.7 | 9.9 | 18.0 | 21.3 | 4.2 | 4.2 |
| | | | | | | | | | |

Source: Constructed from ERG survey (2008)

Table 6 : Child labour hours/month across regions

| Region | | Rours/month | | | | | |
|-----------|---------|-------------|--------|----------|--------|-------|---------|
| | | Paid | | | Unpaid | | |
| | | 2006 | 2008 | % Change | 2006 | 2008 | %change |
| Kurigram | Rural | 119 | 166 | 38.7 | 33 | 21 | 36.9 |
| | Urban | 99 | 94 | 5.0 | 11 | 12 | 12.5 |
| Satkhira | Rural | 178 | 180 | 105 | | 30 | |
| Sunamga | Rural | 168 | 220 | 31.0 | 184 | 179 | 2.5 |
| | Urban | 168 | 167 | 0.5 | 160 | 164 | 2.5 |
| Khagrach | Rural | - | 200 | - | - | - | - |
| | Rural | - | 150 | - | 180 | 17 | -90.6 |
| Dhaka | Slums | 271 | 294 | 8.3 | 180 | 136 | -24.7 |
| | Roating | 208 | 208 | 0.0 | 132 | 83 | -37.3 |
| Chittagor | Slums | 248.44 | 264.09 | 6.3% | 63.00 | 82.50 | 31.0% |

Source: Constructed from ERG survey (2008)

experienced a sharp increase of 66% in 2008 compared with 2006, as shown in the last column of Table 7. For a few regions, average total education cost was more than double of what it was in 2006. In metropolitan Dhaka, slums faced greater increment in educational expenses compared with floating group. Sunamganj experienced the lowest 13% increase when slums in Dhaka experienced the highest 128% increase in total educational cost over the two year period. The lowest education cost is observed for floating households in Dhaka which were Tk.163 in 2006 and Tk. 258 in 2008.

However, if we look into the item-wise costs the highest 105% increase is observed for private tutoring while the lowest 4% is observed for fees. The second highest increase is observed for tiffin which is 87%. Tiffin is more directly linked with price hike and thus its big increase is not surprising.

Another interesting observation is that the share of education cost as a percentage of total non-food expenditure decreased significantly for Kurigram and Satkhira when a slight increase is observed for the others (Table 7). Obviously, a relatively smaller increase in education costs left a greater scope for other non-food consumption by households in these regions.

Primary school dropouts

In almost all developing countries, primary school dropout or low completion rates have been a subject of interest to academics, researchers, and policy makers

Table 7: Mean educational Expenses

| | fee | | private | | book | | tiffin | | educost | | % Increase |
|----------------|------|------|---------|------|------|------|--------|------|---------|------|------------|
| | 2006 | 2008 | 2006 | 2008 | 2006 | 2008 | 2006 | 2008 | 2006 | 2008 | |
| Total | 238 | 247 | 250 | 512 | 231 | 401 | 181 | 339 | 902 | 1499 | 66 |
| Kurigram | 66 | 98 | 39 | 80 | 159 | 253 | 74 | 115 | 341 | 548 | 61 |
| Satkhira | 189 | 358 | 638 | 902 | 518 | 768 | 304 | 544 | 1650 | 2573 | 56 |
| Sunamgong | 913 | 185 | 331 | 726 | 272 | 505 | 417 | 762 | 1934 | 2179 | 13 |
| Khagrachari | 91 | 336 | 193 | 510 | 300 | 506 | 121 | 202 | 705 | 1556 | 121 |
| Dhaka | 132 | 226 | 120 | 359 | 99 | 219 | 119 | 267 | 471 | 1072 | 128 |
| Chittagong | 169 | 299 | 318 | 664 | 171 | 337 | 123 | 238 | 783 | 1539 | 97 |
| rural | 411 | 154 | 178 | 305 | 270 | 462 | 187 | 366 | 1048 | 1288 | 23 |
| urban | 151 | 333 | 410 | 783 | 336 | 515 | 261 | 399 | 1160 | 2032 | 75 |
| Metro | 148 | 265 | 198 | 497 | 122 | 264 | 118 | 272 | 588 | 1300 | 121 |
| slum_Dhaka | 170 | 284 | 145 | 456 | 114 | 262 | 139 | 326 | 569 | 1330 | 134 |
| floating_Dhaka | 14 | 44 | 40 | 53 | 52 | 80 | 56 | 79 | 163 | 258 | 58 |

Source: Estimated from ERG survey (2008)

Table 8 : Total education cost as a share of non-food expenditure

| Year\region | kurigram | Satkhira | Sunamgong | Khagrachari | Dhaka | Chittagong |
|-------------|----------|----------|-----------|-------------|-------|------------|
| 2006 | 0.09 | 0.13 | 0.08 | 0.05 | 0.03 | 0.03 |
| 2008 | 0.08 | 0.12 | 0.09 | 0.09 | 0.04 | 0.04 |

Source: Estimated from ERG survey (2008)

for a long time. Bangladesh is no exception to such a concern. In this section, we discuss the findings of this study pertaining to dropout rates.

The primary dropout rate escalated from 4.9% in 2005 to 6.5% in 2006 and 6.8% in 2007 (Table 8).³ The enrollment ratio at primary level classes went up from 64% in 2006 to 66% in 2008. Still it is likely that the enrollment ratio remains below the trend. One explanation of this increase could be that much of the shock occurred in first gust of price hike in 2006 and 2007. Thus, in 2008 enrollment occurred more because the households absorbed much of the shock from price hike and thus did not stop their children from going to school. One would expect a lower enrollment ratio in 2008 had they not absorbed much of the shock. Another possibility is that the direct financial benefit from going to school or tiffin

Table 9 : Dropout rates at primary level classes

| Year | 2005 | 2006 | 2007 | 2008 |
|------------------|------|-------|------|-------|
| Dropout Rates | 4.90 | 6.5. | 6.80 | |
| Enrollment Ratio | | 64.00 | | 66.00 |

Source: Estimated from ERG survey (2008)

during lunch break induced poor children into schools. Here financial benefit means cash for education. But this might not be the case for children of urban and metro areas since they do not receive such benefits.

Insights from FGD

All participants in FGDs including teachers, guardians, dropout and current students and others agreed unequivocally that parents were more conscious and a

³ However, it was not possible to obtain data on dropouts in 2008 due to the fact that the survey was administered in October and November of 2008, making it impossible to collect complete information on 2008 dropouts. Dropout rate in 2005 is calculated based on the history of the children's education which is included in the questionnaire.

positive change has occurred over the last few years. Being conscious means they understood the benefits of education because they could perceive long term gains from education and thus they were better motivated to send their kids to school. Then the question is how these conscious parents let their children be dropped off from schools. Being better motivated, they were more interested then to keep their children in school and wanted to see them self dependent and respected by the society.

At no surprise, some households were forced to send their children to work withdrawing from school due to poor economic conditions exacerbated further by the price hike. Some parents reported withdrawing their children from school as one of their expenditure saving coping strategies. Some parents also said that they removed their children from school and admitted them into madrasha because they couldn't afford to bear the high cost of educating their children in school and thus shifted them to low cost or free madrasha. In some cases, free food and accommodation from madrasha entices such shifting because poor households cannot provide these to their children when they (children) are in mainstream education or NGO schools.

Many parents and students claimed that the cost of education at school has increased significantly and the worst scenario is that sometimes teachers forced their students directly or indirectly to take private tuitions from them that parents can't afford. This is the case mainly for urban and metro, but it happens in rural settings too. During the preparation of primary scholarship examination; teachers mainly in towns, make coaching mandatory for students, and thus parents get forced directly by teachers on private tuition. Most of the times they receive only part of the assistance in hand because teachers keep part of it for tutoring. This happens mostly in rural settings.

Some reported withdrawing their children from schools for sending them (children) to work as one of their income enhancing coping strategies. Many households in Kurigram said that the main challenge was to manage three meals per day and they didn't need to educate their children, and that they wanted to see all the members in the family alive. All parents agreed that they would send their children to school if they got some assistance from the government or other organizations. Here assistance means cash for education or stipend. Not that all poor households receive these assistance in a rural setting. There are some conditions and limitations. For instance, only one member of a household can receive it. It depends on economic conditions. Managing committee decides on them and in many cases genuinely poor people do not receive them.

4. Conclusions

The results of this study provide a number of important insights regarding the impact of price hike of essentials on children of poor households. The average daily rice consumption dropped from 323 gram in 2006 to 306 gram in 2008 for children of poor households. When glasses of milk drunk per month were considered the drop was remarkable with its fall from 4 glasses to 1 glass. While 1 in every 10 children worked as a child labourer in paid jobs in 2006, 1 in every 9 got engaged in similar jobs in 2008. When paid jobs and unpaid jobs in family enterprises are combined, 1 in every 6 children worked as a child labourer in 2008 in contrast to 1 in every 7 in 2006. When household work is also considered, 1 in every 3 children was found working as a child labourer in 2008 in contrast to 1 in every 4 in 2006.

The mean hours per month that children spent on paid jobs and family enterprises jumped up substantially over the two year period. This shows that children take up more economic activities during economic hardship as adults are already occupied in jobs and household enterprises. Interestingly, the decrease in child labour hour in unpaid jobs was often associated with an increase in child labour hour in paid jobs indicating a switching of child labour from unpaid family enterprises to paid jobs.

The average education cost experienced a sharp increase in 2008 compared to 2006. For a few regions, average total education cost was more than double of what it was in 2006. In metropolitan Dhaka, slums faced a greater increase in educational expenses compared with the floating group. The primary dropout rate escalated from 4.9% in 2005 to 6.5% in 2006 and 6.8% in 2007. Some households sent their children to work withdrawing them from school due to poor economic conditions exacerbated further by the price hike. Some parents also said that they removed their children from school and admitted them into madrasha because they couldn't afford to bear the high cost of educating their children in school and thus shifted them to low cost or free madrasha.

The primary enrollment ratio went up from 64% in 2006 to 66% in 2008. It could be that most of the adversity occurred in first gust of price hike and the households absorbed part of the shock from price hike in 2008 and thus did not stop many of their children from going to school. Also, it is plausible that direct financial benefit for going to school or free tiffin in school during lunch break induced more poor children into schools. From the policy perspective, we need to place more supportive or safety net programs targeting slum households in big cities.

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