

Chapter 12

Picking the People up From Poverty: Urban Labour Market Deregulation vs. Encouraging the Development of Micro-Enterprises

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ABSTRACT

Being a multidimensional phenomenon, it is hard to confine poverty within any definitive parameters and even harder to send the word poverty back to dictionary. Poverty eradication needs both short and long term strategic interventions; policies regarding employment opportunities should also be planned in such way. As an economic strategy, deregulation targets to eliminate the regulating authorities of labour market and decrease the interference of legal aspects within the relationship between companies and individuals to a minimum level with a great decline in the cases of collective bargaining. Labour market deregulation creates ample employment opportunities for poor people especially women. This paper looks for an effective and efficient way to alleviate poverty between Urban Labour Market Deregulation and the development of micro-enterprises with a sketch of possibilities and vulnerabilities of both approaches and a comparative approach to find the best possible way within these two to remove poverty's shadow from humankind.

INTRODUCTION

Poverty, historically being seen as an economic phenomenon, is much more a socio-cultural entity rather than solely financial. Though the economic side of poverty seems to be the major area of concern of today's development practitioners, poverty also includes lack of access to proper health care, education, information and so on. That's why, when poverty exists in certain area, it cohabits with social instability, increased mortality, petty to hefty crimes, poor health etc. Creating employment opportunities for poor is

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certainly one of the best options to reduce poverty but if we really tend to send the word poverty back to dictionary it will take more than that. Creating and maintaining income sustainability, providing social protection and structural change; a proper synchronization of all of these actions is needed to take out the poor people from the jaws of poverty.

According to International Labour organization (1996-2012), decent job is a bunch of virtues including prospects to productive work with handsome remuneration, physical and social security for workers and their families, freedom of expression and integration, equality of opportunities regardless gender, participation in decision making process regarding the work or organization related matters. With the increasing instances of globalization, modernization and urbanization, every day a massive number of people are migrating from rural to urban areas to search for a decent job, better income earning opportunities, better living condition and moreover to find a better future. Cities are the hub of all major economic activities in most of the countries that combine business, service providers and consumers under one roof. For most of the residents of urban sphere, a well-paid job and income generated from urban labour market determines their financial successes (Eberts, 1995). The urban labour market is not a level playing field and that's why, almost every city in the world creates blatant dichotomies between successful and unsuccessful people; and generates not only a huge share of national fortune but also a massive share of poverty and destituteness among the nation's financially deprived low income workers (Eberts, 1995).

When it comes about creating employment opportunities for poor, there are many ways to do so; from decent job creations and encouraging labour migration to promoting small and medium enterprises. The main focus of this study is about debating the ideas of alleviating poverty through two major instruments of income generations, namely decent job creation through urban labour market deregulation and encouraging the development of micro-enterprise. I will try to jumble with both ideas to find a more suitable option to snatch poor people back from the claws of extreme poverty to an esteemed life.

POVERTY FROM A GLOBAL PERSPECTIVE

Poverty always equals with the words like inequality, discrimination and deprivation. If we follow the definition of poverty by United Nations (1998) we see poverty as:

...a denial of choices and opportunities; it is a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or a clinic to go to, not having the land on which to grow one's food or a job to earn one's living, nor having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence and it often implies living on marginal and fragile environments, not having access to clean water and sanitation.

As a multidimensional phenomenon it's not easy to confine poverty within any definitive parameters. As Mencher (1967) stated the problem of measuring poverty comprises with instituting a comprehensive structure of theory to address poverty, and then applying effective and consistent methods to attain appropriate information. According to Sen (1976, 1979), two different problems to be faced while

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