

# Chapter 1

## Voices of Subsistence Consumers and Entrepreneurs<sup>1</sup>

The voices of subsistence consumers and entrepreneurs are voices that many of us have not heard before. In this chapter you will hear two such voices. No two such voices are alike, but listening to their stories and perspectives gives you a window into their world.

We also have placed additional interviews on our web portal to provide you a glimpse into the lives of many other consumers and entrepreneurs. The interview transcripts from the native Tamil language were translated and minimally edited to preserve authenticity.



Image 1.01: An elderly woman shopping for food in Colombia. Photograph by World Bank Photo Collection; Creative Commons licensed image via [Flickr](#).

### Sumitra, a Low-Literate Buyer

Sumitra is a 46-year-old woman with no formal education, who lives in a low-income neighborhood in urban Chennai, India. She has two sons who were of the ages 18 and 16 at the time of the interview. Sumitra's husband expired a few years back, an event that drove the household into deep debt. Her sons had to discontinue their schooling and find work to ameliorate the financial difficulties of the family. Presently, Sumitra works as a housemaid earning Rs. 500 per month. Both her sons work as electricians, earning a wage of Rs. 100 and Rs. 40 per day if they find work. During the interview Sumitra spoke about how she strives to balance the needs of today as well as tomorrow. Despite her efforts, she said, "I struggle and I don't know what would be tomorrow". With regard to her aspirations, Sumitra put it succinctly—"I prefer to live like you (interviewer), I wish to wear clothes like you, as then only people will respect me".

Sumitra's situation illustrates how low-literate, low-income individuals cope and how adult literacy programs can lead to quantum increases in consumer skills. She reported having been abused and controlled by her husband for a long time. Thrust into the role of primary decision-maker after her husband's death, she enrolled in adult literacy classes that had a transformational effect on her. Lacking the ability to read numbers, she would rarely travel.

Due to very low literacy, she used pattern matching to identify bus numbers, at a great cost to her in terms of taking the wrong bus, or in being treated rudely by strangers whom she approached for help. Before he died, her husband would write the bus number on her hand and she would try to memorize it. But sometimes it would be washed away, and she was left to depend on her memory or ask people around her or the bus conductor.

Following are parts of an interview we conducted with her.

**Interviewer:** Could you check the bus number before you attended the [adult literacy] class?

**Sumitra:** I tried to remember the number, otherwise my husband would write on my hand and advise me not to forget it. Sometimes it would be erased while washing the hand or washing the plate after serving the food. I would notice it after reaching the bus stand, what do I do? I would ask the conductor to give the ticket for the Periyar road stop [nearest stop to her house], but he would drop me at Liberty [a stop next to the Periyar stop].

Sumitra was forced to travel often in the years preceding her husband's death, when he was in hospitals.

**Sumitra:** I took him there and admitted him in the hospital. 37D alone would go there; 37 wouldn't. I believed that 37 would go and caught the bus. He [the conductor] told me that it wouldn't go and dropped me halfway. What do I do after getting down midway? When I enquired of people, they would advise me to go to the next bus stop, where the 37D would stop. I would walk with the lunch boxes and luggage in the hot summer. I struggled like this and took lunch to my husband. I visited different hospitals for five years in Madras for the treatment of my husband. If I had the money spent for him, I could have built a big building. I struggled like this without knowing the places and identifying the bus numbers.

Now, it is okay [after attending an adult literacy program]. Now, I go to Genjee [a village located 140 km away]. I visited Cuddalore last Saturday and returned on Sunday. I went alone by train to Cuddalore. I used to be afraid earlier. I would be afraid to go alone at night after 9:00 pm and when it became dark. Now, I do not fear. ... I know the numbers and can speak well. I can say the address, my children's name, and other members' names. Now I know everything. Do I not? Suppose I go there, I could add the letters, read slowly and know the name of the place.

**Interviewer:** You said that you could not read the number. How did you read, and know what he wrote when your

husband wrote the number on your hand?

**Sumitra:** He wrote 20. He wrote 2 and 0 then the initial ... I would show [the number written on my hand] and ask whether this particular bus would stop here. ... Whether the 37 would stop here or the 27 would stop here. I would show it and ask the people in the bus stand, and then I would catch the bus.

I didn't want to ask anyone in the middle of the journey. ... I wouldn't ask anyone who was standing in the bus stand. First, I would judge the people around, whether they were good, then I would ask them. I could identify the right people from their faces and appearances. ... [The wrong people] wouldn't tell or guide, but criticize. So I would decide that we should not ask such people; instead I should catch whatever bus comes. I would catch the bus and enquire from the bus conductor in the middle of the travel. Suppose he was a good person, he would say that this bus wouldn't go on the route I asked and he would guide me to get down and show the proper stop to catch the right bus. Sometimes, the conductor was not in a good mood or was an irresponsible person, and he would shout at me in anger with filthy words and ask me to get down from the bus.



Image 1.02: An elderly woman offers a bag of food to a monk in Thailand. Photograph by David Levitz of The Giver; Creative Commons



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Image 1.03: Fish vending, India. Photo courtesy of students of the course “Product and Market Development for Subsistence Marketplaces.”





Image 1.04: A subsistence entrepreneur sewing clothes in Harar, Ethiopia. Photograph by Charles Roffey; Creative Commons licensed image via [Flickr](#).

## Difficulties as a Buyer

Sumitra had no formal education, very low income, and little experience as a customer — she primarily had bought basic necessities at the nearest retail store on instructions from her husband. She did not inquire about prices, did not compute her bill, and always shopped at the same outlet. She had been cheated on numerous occasions through unfair weighing and other means, but never took action either by switching stores or by arguing with sellers.

**Sumitra:** [My husband] didn't ask me anything. Yes, he would give me his weekly salary of rupees [Rs.] 500 to Rs. 600. I would take all the money and buy the necessities. There wouldn't be any balance to spend or save. Sometimes, he used to shout. I used to tell him, "What do I do?," and to check the bill if he needed any clarification. [The local shopkeeper] would have issued the bill with many mistakes. I managed my family in this manner in the past.

Now, it is better. I ask him to give the right weight even when I go to the ration shop. I would fight. I would demand of him to give the full amount, otherwise I wouldn't accept. Now I can speak all the rules. ... It was the situation. What do we do? You have to simply accept whatever is given. Now [after adult literacy classes], that is impossible; I could fight. I used to tell him that I would complain to the appropriate authority. The ration supplier says that this is nonsense and that every month I had become a headache, whereas earlier I used to buy and go silently with whatever was given. He says now: "Okay, you take the full amount and don't shout."

## Budgeting under Constraints and Uncertainty

Sumitra is faced with the task of managing the household budget in the face of unsteady and inadequate income. Since both her sons are daily wage laborers, the household income is not only inadequate, but also fluctuates based on factors outside of their control. The twin characteristics of income constraints and income uncertainty further compound the problem of managing even basic household needs such as food, soap and toothpaste.

**Sumitra:** My younger son earns when he attends the job. He gives me his salary, Rs.100, if he attends the job. I could get Rs.3,000 per month if he attends his work in all 30 days. I don't have to worry. He gives Rs.100, supposing he attends the job a day. I use [most of the money] to buy the needs of the day and save Rs.10 from that money. Supposing it is not sufficient, I would reserve Rs.20 for the future.

My elder son may come and ask Rs.5 or Rs.2 to buy anything to eat. I used to ask him, "Why are you going to buy, when I have in the house?" Sometimes, he may demand the money to buy tender coconut; I won't deny I would give them. Later they would ask the account for the money given to me. I would tell them the expenses incurred, like what I bought: toothpaste, soap, etc. I would ask them how I could have balanced money if they used 3 or 4 soaps in a month, and why they couldn't use less soap.

[Note: as per current exchange rate, one dollar is approximately equivalent to Rs. 50).]

## Social Support and Social Pressures

During times of need, Sumitra harnesses the support of individuals in her social network, such as her family back in the village, her sister, or even her employer. The forms of support vary from borrowing money or provisions to using the refrigerator of her employer to store her perishables. However, maintaining the social network also imposes significant financial pressures on her.

**Sumitra:** Sometimes my relatives from [home] would send oil, groundnut and gingili each 5 kgs during the harvesting seasons. We would share it here. I would take the major share. I would ask my brother-in-law's families to give me more, as my husband is no more and [we have no] sufficient income when compared with them. They too would give me the major share, as I have to manage the family without the support of others. I could manage with these items received from [home] for a maximum of 4 to 5 months. Then, I may face problems, by the time I would borrow money from my sister or aunt and manage... If I buy other vegetables (perishables), I keep them in the [refrigerator] available at the employer's house. They use little space, so I too would use it.

**Sumitra:** Expenses [sometimes arise when we need] to attend a marriage or funeral or visit the celebration of puberty attainment of any young female relatives. These are all unexpected. We [sometimes] have to visit relatives who are dying. We may have to borrow Rs.100 and go, supposing it is important function. I plan to repay the loan later. Many times I have had to bear these waste expenses. I used to decide at the moment and spend. Sometimes I shouted at my sister, who invited me to attend the relative's function, and asked her to repay the loan when I could not afford it. I would ask them who would be here to support me. Sometimes my sister or her daughter would give Rs.100 to repay the loan. I have been managing like this.

## Increased Confidence Through Literacy

The adult literacy classes have transformed Sumitra, increasing her skills and confidence. Before enrolling in the adult-literacy program, her children would check the bills for her; now, she is empowered by checking the bills herself. Her consumer skills were previously extremely low. However, after becoming the primary decision-maker and attending the

adult literacy classes that her husband had forbidden her from taking in the past, the difference is night and day.

Now, she argues, bargains, threatens action against sellers who engage in unfair practices, makes inquiries at several shops before buying, purchases wholesale whenever possible, weighs packaged products for accuracy, reads information on packages, avoids high-interest loans, saves money, and takes actions, such as taking her business elsewhere. She is much more confident about effectively managing her purchasing environment through conversation, argument, and action.

**Sumitra:** [The shopkeeper] would give the bill; I would show it to my children to check it. My younger son doesn't know to calculate; my elder son would calculate the bill. If the bill total shows an extra Rs. 2 or 3, he would ask me why I paid more. I would tell him, "What do I know!"

But now, I am commanding the shopkeeper. I make the calculation the moment I receive the bill. The moment I calculated, I would recall the price for what I bought yesterday and check the discrepancies in today's bill... Nowadays, I am asking with a commanding tone. [The shopkeeper] would tell me that a drumstick was Rs. 2. I would ask him whether he would be ready to sell it for Rs.1; otherwise, I would go to next shop. I would ask everything very assertively and in a high tone...

**Interviewer:** One month ago you didn't join the [adult literacy] course. At that time, you bought the same vegetables. The situation was the same as it is now. What would have happened?

**Sumitra:** Nothing. He would have exploited me.

**Interviewer:** So, you wouldn't have calculated?

**Sumitra:** I wouldn't have calculated. I wouldn't know the price. It was just what he told me. I have just followed the same [pattern] for the past 36 years. I was 13 years old when I got married. Now, my age is 46 [sic]. I had been buying for the same price that he fixed and stated. I paid the same.

**Interviewer:** Would you ask the price in other shops?

**Sumitra:** I wouldn't ask the price.

**Interviewer:** You wouldn't ask the price in the same shop too?

**Sumitra:** Now, it has been okay for the past month. I would check and verify as they coached me. I would verify the bill. I know all this. I would ask [the shopkeeper] why he cheated me. It happens in the wholesale shop too. [The local shopkeeper recently] asked why I am not like I used to be earlier. [The wholesale shopkeepers] realize that I have changed. [The local shopkeeper] asked like that. He sells soap for Rs. 11, which is sold for Rs. 10 at the wholesale stores. I would ask him how he could sell like that. I would ask him to justify. He would ask me to pay the wholesale price and not to shout there. He cheats well. It is the place for cheating. We earn hard money. Here, we could earn good money if we know [how to avoid] cheating.

## Opening Pathways to New Relationships and a New Life

Attaining literacy changes lives in many ways. In Sumitra's case, the adult literacy program has also changed the way she relates to others and in how she lives.

**Sumitra on her employers:** Now, [my employers] say to me that I am confident after attending the classes; I may dominate them if I am a literate. Even this morning [my employer] told me, “You are performing at this level though you are unable to read and write well; if you were literate, you would command us.”

**Sumitra on shopkeepers:** They should approach me in a respectable way and inquire politely, and then it is okay. I don’t like indecent treatment or rough words. I would slap him, whoever attempted it. I would get angry. Now, I try to reduce [my anger] gradually. But even now I have a little of a bad temper. My employer madam advises me to reduce my anger. I used to slap the moment anyone scolded me or disrespected me and warn him that he should not keep the shop in the vicinity. I did once.

Now, I don’t do it. I am quiet and calm, because I have attended the [adult literacy] classes. People wonder whether I am in the house or not, and say that I was seen but they couldn’t hear my voice. Today, this is the first time I am talking much in the past month. [My employer] has advised me to talk less, especially in the summer, and suggests that I speak selectively with good people. She told me to talk less when I know well that they are not good people. She said that I have the capacity to analyze and understand whatever she says and adjust, though I am low-literate.

Although she has completely transformed herself since her husband’s death using the adult literacy program, Sumitra has not changed some things, living her life the way her husband “would have wanted” her to.

She is sensitive to comments by others that she is now enjoying “luxuries” after her husband’s demise. She states that she is living today the way she lived when her husband was alive and the way he would have liked her to live. This is a striking feature of many women we interviewed. Despite psychological and physical abuse, they have an idealistic notion of what it is to be a wife and live by that ideal.

**Interviewer:** Would you go to a restaurant or films? Do you visit hotels?

**Sumitra:** We visited, when my husband was alive. Supposing I go now, there is a chance that my neighbors would notice it. If someone noticed me in the restaurant, they would tell others that so-and-so’s wife is eating in the restaurant. They wouldn’t say that I was in the restaurant to have food because I was hungry. But, they would pass sarcastic comments like “Look at her, she goes to the restaurant instead of cooking at home.”

I would get angry if I heard such comments. So, I won’t even buy and have a snack from the shop nearby. You could check with others. Even when I am hungry, I prefer to prepare rice porridge and eat it. I don’t have the habit of eating in hotels.





Image 1.05: Road side barbers and their customers in Mumbai, India. Photograph by Jon Hurd; Creative Commons licensed image via [Flickr](#).



Image 1.06: Women selling fruit by boat in Cambodia. Photograph by Fran Tapia; Creative Commons licensed image via [Flickr](#).





Image 1.07: Men

buying and selling fish in Oman. Photograph by Jan Tito; Creative Commons licensed image via [Fotopedia](#).

## Velamma, a Low-Literate Seller

Velamma, a 45-year-old woman with a 5th-grade education, shows how adult education and business training empowered her to successfully run a business and support a family. Having no formal education, minimal experience as a customer, and very poor consumer skills, she managed her household with her husband and two children for many years with next to nothing to eat and substituting regular meals with inexpensive alternatives (e.g., an inexpensive beverage rich in carbohydrates, often used as a last resort).

She never borrows, but lives within very limited means. After 15 years of staying at home, she had to be the primary breadwinner because her husband became dysfunctional. She decided to start a business, buying utensils from stores and reselling them to residents in her community. Early in this endeavor, adult education, business training, and financial assistance from an NGO enabled her to buy a vehicle to transport products, and helped her develop her ability to manage her business.

In one of her initiatives, she runs an installment plan wherein people pay a fixed sum each month for 15 months, at the end of which they choose a large utensil from an assortment of comparably-priced items. She offers gifts to customers who sign up at the beginning of the installment plan and has a monthly lottery witnessed by some subscribers to give out a large utensil to a lucky winner. She also offers an incentive plan for customers to buy large vessels through installments. Such a plan requires considerable skills to implement in a one-on-one environment. It requires upfront planning, witnesses for a monthly lottery, collection of money every month, and a gift at the beginning of the plan, as well as distribution of large vessels at the end.

Following are portions of an interview we conducted with Velamma about her marketplace dealings.

## Building Her Clientele

**Velamma:** I introduced a chit [a savings scheme] in which the members have to pay Rs. 20 per month. There would be 200 members in total. From that, I gained courage. I would give them a prize when they joined the service. Apart from this, we would choose a winner per month through a lottery method. At the end of the 15th month, all members would be given the vessels...Through door-to-door visits, we would enroll people. ... I enrolled those who trusted me or were willing to try. I have been steadily doing this from 1993 onwards. So, everyone joined and paid regularly.

Velamma explains to potential customers the benefits of buying certain items that would be useful during important life events, such as marriage. In this way she gains many new customers and many who want to learn more about the products and the chit.

**Velamma:** Without any knowledge of the item, they would ask what the price is. Some didn't know the price, so they would ask their husbands. If they asked their husbands, what would they say? They would say that it does not have to be bought. So I would explain to those who don't know anything. I would tell them not to consult their husbands. If they consult the males, they cannot add a single article in their house.

I would tell them: "See, you should save Rs. 3. When they give Rs. 10 for the family expenses, you could pay me Rs.1, and you save the balance of Rs. 2. You have children. Suppose they get married tomorrow. What would the others ask you? They should say: 'Okay, your talent has saved [the situation] though your husband is an alcoholic.'" When I talk in this manner, they get confidence and courage. They would decide that they should support me and encourage me, who counseled them and gave them the courage.

I have the skill [to do this]. They would listen to my words and ask me to enroll them. They would appreciate me for encouraging them. They would support me in this manner.

Velamma counters what husbands are likely to say, discusses a hypothetical situation, such as a marriage of a child, and points out that others would commend the woman for having saved despite having an alcoholic husband. She talks at length with customers, but maintains confidentiality. She expects potential customers whom she encouraged to be courageous to then reciprocate and give her business. Velamma works within cultural norms. Being a woman, she deals primarily with women in households.

## Dealing with Women

**Interviewer:** You said that you wouldn't approach the males while enrolling members for the chit.

**Velamma:** Because women would buy the materials without the knowledge of the males. There could be confusion between them suddenly. Even if the men pay Rs. 50 in the absence of the women, it should not be a problem between them. It is okay if we collect the money when both men and women are in the house. The women would have bought the item without the knowledge of the men. ... How can I collect the money from the men? It would become a dispute between them. He would ask her how she can buy? "I gave Rs. 50 to the chit women," he would say to her. The next day the women would come and ask me why I received the money? So, I won't collect the money. I would collect the money from the women.

**Interviewer:** So, if the male paid Rs. 50 first?

**Velamma:** I won't receive. I won't receive it. So far, I never receive from men. Because I should not give room for the problem between them. She would have bought it without his knowledge. You tell me!

Relevant here is how Velamma's basic interpersonal skills blend into business policies she adheres to. Her business policies reflect the day-to-day context where the separation between private lives and the marketplace is blurred, or even nonexistent. She is sensitive to potential problems that could be created between spouses by some business practices. She adheres to a strict business code of not discussing her judgments of specific customers with other customers. It also gives the seller a sense of control, perhaps stemming from making individual judgments and not worrying about a myriad of opinions from other people. She notes that customers may have bad relationships currently with someone, which may be resolved, at which point any of her opinions may be shared to her detriment.

**Interviewer:** You are selling to all?

**Velamma:** Immediately, they would ask how the chit woman [Velamma] gives always to you. A woman would ask, how is she giving always? She would ask me too on what basis I am giving to them [other women]. I would smile rather than responding. I would not reply.

**Interviewer:** Why?

**Velamma:** Because we should not discuss it. They may have so many connections with each other. We should not discuss it. I should see how I collect the money from them. So I would pass them with a smile.

**Interviewer:** When you are a customer, would you speak to others?

**Velamma:** I won't speak to others and outsiders.

We asked Velamma questions about when she would approach businesspeople as a customer and ask them questions.

**Velamma:** When we have had exposure and experience, I would talk about the business with business people. If someone called and asked for an item, I would ask for an advance.

**Interviewer:** But you would talk to others when you are a customer and ask?

**Velamma:** Yes. I would ask.

**Interviewer:** But you won't ask [about others] while you are running the business?

**Velamma:** Wherever they can go, why do we worry? I would have this control. It is important [the business and collection]. They may fight or quarrel with each other now and may join a little later. Then they would say that the chit woman said this and that against you. They may speak behind my back. Is it not a problem? So I won't ask anyone about anything.

## The Murky Business of Giving Credit

A constant issue for sellers to deal with is judging creditworthiness and honesty. This is done in a variety of ways, essentially judging people based on appearance, familiarity, on the recommendation of an acquaintance, or from their dwelling. It is a highly personal, subjective judgment made on the basis of available information.

**Interviewer:** How do you decide when to give credit to someone?

**Velamma:** It is all based on my assessment and confidence. I won't give [credit] to all. ... Who can pay [me] back? Who goes for housemaid jobs? ... I would first verify. But I won't really ask anyone. I would just make my own assessment.

Velamma makes judgments of creditworthiness and honesty on her own, without consulting others, because word can spread. Moreover, there are many motives for people to speak poorly of others, such as personal animosity. She believes in her judgment and in making it independently and sticking with it.

**Velamma:** I won't ask anyone [about creditworthiness of specific customers]. I would give products based on my assessment and confidence. They may tell me [if asked], but they may have quarreled [with the potential customers]. So they would tell me not to give products to their neighbors and say that they would move out of the area.

Even the people paying me now would say that they don't know, when I am asking about their neighbors. They would respond without any seriousness...They would come and quarrel with me immediately. They are all fighters. They would ask me not to give to their neighbors. In the end, [the people who asked me not to give to their neighbors] would be the ones who won't pay regularly, but the neighbor would pay regularly. So I won't count on input from individuals. I would decide based on my own confidence.

An integral part of business skills in this context is the ability to judge customers on such attributes as their ability and motivation to repay loans. Credit ratings are fluid, and decisions are made through personal judgments. Velamma maintains confidentiality when individuals have not made appropriate payments.

## Getting Paid When Customers are Short of Money

Velamma also maintains cordial relationships and does not shout, although the threat of shouting is an effective mechanism that many individuals fear. For this seller, moral fear, rather than anything else, is effective in getting paid what she is owed.

**Interviewer:** When you run the business, what are all the things customers do to avoid paying you?

**Velamma:** They would do nothing, sir. They would say that they will give tomorrow if it is not possible today.

Velamma also spoke to the importance of being discreet in her dealings with people who cannot pay on a day they owe.

**Velamma:** They would say: "Okay, sorry, I would give earlier [if I could]." If I ask them in front of ten people, they would be embarrassed. So I would talk to them individually. If it is not possible today, give to me tomorrow. But don't send the message while hiding. It will become a regular practice in your life. [They would say,] "Okay, chit madam. I feared that you may scold me." I am confident because they have fear.

**Interviewer:** But you won't shout?

**Velamma:** I won't shout. However, they have [moral] fear. I won't collect [payments] by shouting.

## Dealing with Refund Issues



Velamma operates in an environment where there is a constant threat of someone shouting and creating a scene. Customers asking for refunds on product returns is another facet of running the business.

**Interviewer:** Has anyone complained that you are not giving a product worth the Rs. 300 they paid for it?

**Velamma:** Few people are like that. ... I would ask them to check the products that were given to others. I would tell them that I gave them the same products that I gave to others. Some may accept what I said and leave quietly, some may shout. I may have to adjust to both situations.

**Interviewer:** How are you managing such situations?

**Velamma:** I would invite them to check the quality of products supplied to other customers. The other customers would say that the product given was good and useful. This feedback would cool down their temper and they would leave quietly.

**Interviewer:** Suppose they say even after the explanation and feedback that the product is not good and that they don't want it?

**Velamma:** If they don't want, they can choose any other product available with me. But I won't return the money. At any cost, I won't give the money back.

**Interviewer:** Your principle is not to return the money?

**Velamma:** I won't give back money, only products.

**Interviewer:** Could you give them the costly item? Could you give the item worth Rs. 300 because they come and question you?

**Velamma:** We can't encourage this, others may follow it. They may go and announce to others that she got the money back from the chit woman. So the others would follow suit. Hence, I would give the product only. Whatever item, they can ask, but no money. I would not give the money back.

## The Complexities of Managing a Subsistence Business

Velamma resists the sometimes intense pressure to customize terms of business for one person, because if she did customize, then all buyers could make similar demands. In fact, if someone refuses to pay, the seller has to insist that payment be made, whether she expects it or not. The seller cannot waver on the issue of payment, because others will take their cue from it. The seller also must keep the same price for all her customers.

As Velamma's situation demonstrates, managing a business in this environment is no small task. Thrust into this role with almost no financial decision-making experience, she has managed a number of functions, including negotiating and buying from wholesalers, identifying and appealing to potential customers, and coming up with innovative installment plans that make her products affordable to customers while providing liquidity for running the business and for additional income through lending.

She also has to manage relationships with customers and not cause problems among family members; hence, she only accepts orders from the female head of the household. She uses the threat of public humiliation, without actually carrying it out, to induce payments. In an environment where dwellings are extremely close to each other, most, if not

all, discussions may not be private. This emphasizes the importance of effectively managing interactions with customers. She is careful not to compromise on the price of the type of utensil that people get; otherwise, the word would get out and cause havoc in her business.

Yet Velamma is flexible in allowing people to join later and catch up on payments. They are, however, given a utensil of lesser value at the end to compensate for their money being available for “rotation” only later in the process. She also uses the money in hand to lend and collect interest. This seller illustrates the context for running a business as well as the unique skills that are needed to be successful.

## Conclusion

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We conclude this chapter by acknowledging the generosity shown by our informants in sharing so much of their personal lives with us. As researchers, we have learned so much by interacting with them and listening to their voices. Our objective in this chapter was to start by listening directly to the voices of subsistence consumers and entrepreneurs rather than “expert opinions” on poverty. We leave you with these voices as a starting point to reflect on and learn from. In the ensuing chapters, we draw deeper insights from these voices.

## Exercises

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To further understand the world of subsistence consumers and entrepreneurs, we have created seven assignments. We also have many interviews available on the web portal as well as short-form interviews; these will help you complete the assignments. The link for the web portal is <http://www.business.illinois.edu/subsistence/Resources/>

### Assignment #1: First Person Profile of Subsistence

Read an interview on our web portal. Using the first person, write a profile of the person interviewed, detailing your broader impression of living in subsistence. Aim for about four pages, double-spaced.

Here are some emphases for your profile:

- Focus primarily on the person’s life circumstances and what it is like to live in subsistence, rather than on the economic realm as it impacts product and market interactions. You can touch on the marketplace realities, but more as a part of the whole life of the person.
- Identify key life-changing circumstances the person has experienced.
- Reflect on what you have learned about living in poverty—e.g., the types and nature of challenges that people face in areas such as food, health, safety, environmental factors, and so on.

### Assignment #2: Comparisons of Living in Subsistence

You can complete this exercise with any set of interviews, although we recommend two short forms. Read two interviews and write about your broader impression of living in subsistence. Do this in about two double-spaced pages. Please adhere to the following guidelines:

- Focus not just on the economic realm (the product and market interactions), but more on life circumstances in

subsistence, where the marketplace is one part.

- Compare and contrast the circumstances of the two persons in the interviews. Consider levels of poverty, literacy, family situations, and so on.
- Identify key life-changing circumstances for each person.
- Reflect on what you have learned about living in poverty —e.g., the types and nature of challenges that people face in areas, such as food, health, safety, environmental factors, and so on.
- Compare and contrast the circumstances in subsistence marketplaces to those of poverty for low-literate, low-income individuals in the United States.
- Prepare to discuss these issues in class and in subsequent assignments.

### **Assignment #3: Comparing Across Subsistence Consumers and Entrepreneurs**

Read two more interviews covering buyers and sellers and then complete the following in two single-spaced pages. You can choose which two interviews you add.

- Compare people in the three interviews—these two new ones and one you have read before.
- Write a synopsis based on your inferences and interpretations of all three interviews.
- Provide a broader discussion of poverty, based on the three interviews.
- Take the assignment any direction you wish: Highlight turning points in lives, catalog actions taken, and so on.

### **Assignment #4: Developing Poverty Models**

The aim of this exercise is to begin to abstract across interviews to build conceptual maps or big pictures. It can be done individually or in groups. Typically, in a classroom course, model-based assignments are a good way to rotate students between groups of four as a way of meeting the rest of the class.

The model could consist, for instance, of a causal diagram with boxes (with large category titles and a list of factors) and arrows supported by text. But it can take any other form—a collage, a more organic model, a slide presentation (two to three slides are fine, along with a one-page description of the model, how it was developed, and the rationale behind it), and so on. The conceptual maps need to be about people's lives rather than purely economic (entrepreneurship or consumer skills), although the economic element can be part of the larger model.

It could be a model of individual, family, social, economic, and other factors and how they affect daily behaviors, for example. You would have some antecedents and some outcomes. It could be a model of how skills develop. In other words, take an angle and build a broader understanding beyond the individual interviews. Provide a 1-page rationale for the model.

To provide totally unrelated examples of models, please see the figures at the web portal. These are, of course, just arbitrary examples to give you an idea of what we mean by models.

## **Assignment #5: Developing Models of Needs, Products, and Markets**

Develop a model that captures categories of needs, categories of products that satisfy these needs, and market interactions. If you wish to display additional elements beyond these three circles that help express yourself, please feel free to do so. Categorize needs as you see fit, ranging from the physiological to the spiritual. Provide a 1-page rationale for the model.

## **Assignment #6: Subsistence and Ecology**

Examine the intersection of subsistence and ecology. Present your work in a slide presentation (two to three slides are fine). Answer these questions in your slides:

- What are the unique ecological issues that subsistence marketplaces face?
- How do these issues affect the daily lives of those who operate in subsistence marketplaces?
- What are some directions to take to find solutions?

Please be as creative as you wish to be, bringing in images and providing insights. The questions above are merely examples; please take the assignment in any direction you wish.

## **Assignment #7: Video Analysis**

View the videos in the following order:

### **1. A Day in the Life of Tambuzai - Experience Poverty**

<http://www.youtube.com/watch?v=KX8mmJ3o80Y>

### **2. Malaria claims another African life every 30 seconds**

<http://www.youtube.com/watch?v=mel6PEEhSK8>

### 3. FRONTLINE/World | Kiva | PBS

<http://www.youtube.com/watch?v=MXk4GUGXNTQ>

Use the material in the video and the web portal to illustrate what you learned about subsistence contexts. Write a double-spaced page about the following:

- Compare and contrast the circumstances in the three videos.
- Reflect on what you learned about living in poverty—i.e., the types and nature of challenges that individuals have to face in different areas, such as food, etc.
- List some ideas that businesses could pursue to help people living in poverty while also being economically sustainable.

## Footnotes

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<sup>1</sup> This chapter includes material adapted from the following previously published works:

Viswanathan, Madhubalan, S. Gajendiran, and R. Venkatesan (2008), *Enabling Consumer and Entrepreneurial Literacy*



in *Subsistence Marketplaces*, Dordrecht: [Springer](#).

Viswanathan, Madhubalan, S. Gajendiran, and R. Venkatesan (2008), "Understanding and Enabling Marketplace Literacy in Subsistence Contexts: The Development of a Consumer and Entrepreneurial Literacy Educational Program in South India," *International Journal of Educational Development*, 28 (3), 300-19. DOI: [10.1016/j.ijedudev.2007.05.004](#)

Viswanathan, Madhubalan (2007), "Understanding Product and Market Interactions in Subsistence Marketplaces: A Study in South India," in *Product and Market Development for Subsistence Marketplaces: Consumption and Entrepreneurship Beyond Literacy and Resource Barriers*, Editors, Jose Rosa and Madhu Viswanathan, Advances in International Management Series, Joseph Cheng and Michael Hitt, Series Editors, 21-57, [Elsevier](#). DOI: [10.1016%2FS1571-5027%2807%2920002-6](#)