

For Comments

Voices of the Poor  
Volume I

# Can Anyone Hear Us ? *Voices From 47 Countries*

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## CHAPTER 2

### THE DEFINITIONS OF POVERTY

*Don't ask me what poverty is because you have met it outside my house. Look at the house and count the number of holes. Look at my utensils and the clothes that I am wearing. Look at everything and write what you see. What you see is poverty.* —A poor man, Kenya 1997

*Poverty is humiliation, the sense of being dependent on them, and of being forced to accept rudeness, insults, and indifference when we seek help.* —Latvia 1998

This chapter explores poor people's definitions of poverty as documented in the PPAs. We use an inductive approach to uncover dimensions of poverty that are important to poor people and to capture their characterizations of poverty. This required us to set aside our prejudices and assumptions about what is important for poor people, about the importance of particular sectors in reducing poverty, about regional or gender differences, and about the best conceptual framework for understanding poverty. Hence, the organization of this chapter and the concepts we use were determined by what emerged from our analysis of definitions of poverty.

There are five main findings. First, many factors converge to make poverty a complex, multidimensional phenomenon. Second, as expected, poverty is routinely defined as the lack of what is necessary for material well-being — especially food but also housing, land, and other assets. Poverty is the lack of multiple resources leading to physical deprivation. Third, poor people's definitions reveal important psychological aspects of poverty. Poor people are acutely aware of their lack of voice, power, and independence, which subject them to exploitation. Their poverty also leaves them vulnerable to rudeness, humiliation, and inhumane treatment by both private and public agents of the state from whom they seek help. Poor people also speak about the pain brought about by their unavoidable violation of social norms and their inability to maintain cultural identity through participating in traditions, festivals, and rituals. Their inability to fully participate in community life leads to a breakdown of social relations. Fourth, the absence of basic infrastructure — particularly roads, transport, water, and health facilities — emerged as critical. While literacy is viewed as important, schooling receives mixed reviews, occasionally highly valued but often notably irrelevant in the lives of poor people. Finally, poor people focus on assets rather than income and link their lack of physical, human, social, and environmental assets to their vulnerability and exposure to risk. This chapter discusses the five findings and concludes with a case study on the large and newly impoverished population in Eastern Europe and Central Asia.

### Poverty is Multidimensional

The evidence suggests that poverty is a multidimensional social phenomenon.<sup>12</sup> Definitions of poverty and its causes vary by gender, age, culture, and other social and economic contexts. For

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<sup>12</sup> The numerous academic sources review the various quantitative methods for measuring poverty include: Sen 1997; Foster and Sen 1997; and Lipton and Ravallion 1995. For a less technical discussion of quantitative poverty measures, see Greeley 1994. For reviews of participatory and qualitative approaches to gathering information on poverty, see Chambers 1994; Salmen 1987, 1999; and Cernea 1985.

example, in both rural and urban Ghana, men associate poverty with a lack of material assets, whereas for women, poverty is defined as food insecurity. Generational differences emerged as well. Younger men in Ghana consider the ability to generate an income as the most important asset, whereas older men cite as most important the status connected to a traditional agricultural lifestyle (Ghana 1995a).

Perceived causes of poverty are affected by one's status and location. In Madagascar for example, farmers linked poverty to drought; the poor in the city to rising prices and fewer employment opportunities; the rich to "deterioration in domestic and international terms of trade, neglect of Malagasay traditions and norms, lack of motivation among certain classes and groups of people, price liberalization and devaluation, lack of education and absence of governance (Madagascar, 1996).

Poverty never results from the lack one thing but from many interlocking factors that cluster in poor people's experiences and definitions of poverty. In Philippines, in the Mindanao region, women said "we boil bananas for our children if food is not available. In some cases, when the Department of Agriculture distributes corn seeds, we cook these seeds instead of planting them. Ironically, they borrow money to acquire these seeds. The cycle of poverty continues as they are unable to pay for these loans" (Philippines 1999).

In Armenia, seasonal changes, lack of savings, and immediate cash needs interact to keep farmers poor:

To cope, farmers barter or sell crops early in the summer or fall when the prices are low. For example, 2 kilograms of honey (market price \$20) were bartered for a sweater for a young child; and 10 kilograms of cheese (market price 10,000 drams) were bartered for a pair of shoes. One father explained: actually we have no income from August to September. As a result we need to barter goods and use them as money. Last year I harvested my potatoes in mid-August and took them to Khapan to sell. I bought some necessary things for the children to go to school in September. So we suffered financially as the potatoes would have brought a better profit had we sold them later... We usually barter potatoes and wheat for coats. But we don't have anything for bartering right now" (Armenia 1996).

In Guatemala, a Cackchiquel Indian who works as a hired agricultural laborer said, "During the last eight years we have faced a greater state of poverty than before in that we can't buy much to eat and we suffer when it rains because there's no work and everything is very expensive. . . . Here in the community we don't have much hope to live better with what we earn. There are many needs, but the principle one is food, which is not sufficient, and we don't have a place to live or the means to pay rent" (Guatemala 1994a).

These interlocking dimensions of poverty come out clearly in the criteria poor people use to differentiate between categories of rich, average, and poor, as well in discussions of vulnerability. (See Box 1 for indicators of wealth and poverty in Vietnam.)

## **Box 1. Summary of Household Wealth Indicators as Described by Poor People in Vietnam**

### **Relatively Well-Off Households**

- Possess solid and stable houses that are usually renovated every 15 years
- Have transportation, either a motorbike or a bicycle or both
- Own a television
- Can send their children to school
- Never lack money even after the harvest has been eaten or sold
- Are able to save money
- Have a gardens with useful plants and trees

### **Average Households**

- Have a stable house that usually does not need renovating for ten years
- Own a TV and/or a radio
- Have enough food all year round
- Can send their children to school
- Have wells or easy access to water

### **Poor Households**

- Live in unstable houses, often made with mud
- Have no TV or radio
- Aren't able to save money
- Some have children who can't go to school, or have to leave school prematurely
- Usually have enough food until the next harvest, although sometimes lack food for one to two months per year
- Are unable to utilize surrounding natural resources to their benefit

### **Very Poor Households**

- Live in very unstable houses that often need to be rebuilt every two to three years
- Have no wells or easy access to fresh water

Source: Hanoi Research and Training Center for Community Development, Vietnam, 1999a

Poor people give and rich and nuanced descriptions of poverty. In fact some of their categories will sound familiar to poverty analysts. In Swaziland, groups distinguished between the “temporarily poor” and the “new poor.” The temporarily poor were defined as “those who could feed themselves before the drought but are now hungry—previously prosperous cotton farmers who are now struggling like us,” and the new poor as, “previously rich people who have lost their cattle through cattle rustling, widows whose husbands had left them cattle but who now have nothing to sell to educate their children” (Swaziland 1997).

There were important differences as well. Degree of dependency emerged as an important classification criterion. In Ghana (1995a) for example, poor people not only distinguish between the rich and poor but also different categories of poor based on assets and degree of dependency. The rich were described as those who “feed their children properly; they live in good houses, which they will pass onto their dependants; and they are able to assist others.” At the other extreme are the chronically hungry, variously described as the extremely poor, the perennially needy and the pathetic. This category was divided into two broad groups, first is “God’s Poor,” a group which includes factors for which there is no obvious remedy—disability, age, widowhood, and childlessness. The second group is the “resourceless poor”; this includes in the south immigrant widowers and other landless poor. In between the two extremes of rich and very poor the category was described as the “deprived but hard working, the not-so-poor, or not hand-to-mouth category.”

In Uganda, women's groups distinguished between three categories of poor people, the poor, the poorest, and the fully dependent. The poor were described primarily as laborers who worked on others people's land or boats for food or cash but lived on their own tiny patch of land and hut; the poorest had no housing but worked for food and lived on the land of the rich; the fully dependant included single mothers, disabled persons, and the elderly who had nothing and could not work, and so depended entirely upon state services or assistance from others (Uganda 1998).

## **Material Well-Being**

*Your hunger is never satiated, your thirst is never quenched; you can never sleep until you are no longer tired. —Senegal 1995*

*It's the cost of living, low salaries, and lack of jobs. And it's also not having medicine, food and clothes. —Brazil 1995*

*When I leave for school in the mornings I don't have any breakfast. At noon there is no lunch, in the evening I get a little supper, and that is not enough. So when I see another child eating, I watch him, and if he doesn't give me something I think I'm going to die of hunger. —A 10-year-old child, Gabon 1997*

## **Food Security**

*Often she has to decide who will eat, she or her son. —Ukraine 1996*

The material aspects of poverty are well known. Hunger and food insecurity remain the core concerns. For poor families, meeting their most basic needs for food, water, and shelter can be a daily struggle; this becomes acute when there is unemployment and underemployment, or lack of productive land or other income-earning assets. In Vietnam (1999), the issue of not having enough to eat arises frequently and is captured in the following saying by a poor man:

*In the evenings, eat sweet potatoes, sleep  
In the mornings, eat sweet potatoes, work  
At lunch, go without*

In Guatemala, poverty is defined by poor people as having inadequate food and housing and having to rely upon charity (Guatemala 1997a). In Cameroon, the poor distinguish themselves from the non-poor in five main ways: "The presence of hunger in their households; fewer meals a day and nutritionally inadequate diets; a higher percentage of their meager and irregular income spent on food; non-existent or low sources of cash income; and feelings of powerlessness and an inability to make themselves heard" (Cameroon 1995). In Moldova, most poor people said "the worst aspects of poverty were hunger, poor health, lack of adequate clothing and poor housing conditions." (Moldova, 1997).

The PPAs are full of accounts of households coping with difficult times by reducing the quality, quantity, and frequency of meals. In Nigeria, poverty is equated with pre-harvest food insecurity and diets that are monotonous and primarily starch-based. The poorest eat only food that is

already old and stale (Nigeria 1995). In Swaziland and Zambia, the poor depend on “famine foods,” foods not normally eaten such as roots and leaves foraged from the bush (Swaziland 1997, Zambia 1994). In Madagascar as well, the poorest segments of the population are those who are forced to forego meals on a regular basis (Madagascar 1996), while in Guatemala the poorest are those who are forced to eat whatever they are able to find (Guatemala 1993). In Ukraine, people said that the worst aspects of poverty are hunger and the health effects of malnutrition. In rural Ukraine, some respondents claim not to be truly poor because they are not yet starving (Ukraine 1996). In Togo, the poor equate poverty with the inability to work because of the effects of malnourishment (Togo 1996).

## **Employment**

*The rich have one permanent job; the poor are rich in many jobs.* —Poor man, Pakistan

*As the state sector contracts, employment opportunities are evaporating.*  
—Ukraine 1996

*Being poor is being always tired.* —Kenya 1996

Especially for those without access to land or the ability to grow their own food on other people’s land, access to dependable wage labor emerged as a major factor defining poverty. Whether in the countryside or in the city, poor people can rarely find permanent, salaried employment. Instead, poor people without land engage in informal, casual, and daily wage labor with no security and low earnings. In South Africa, the poor are characterized as “those who do not have secure jobs, and poor communities are characterized by widespread absence of the formal employment.” Instead the poor have “numerous small, often dangerous jobs rather than one job” (South Africa 1998). In Ethiopia, work opportunities are considered unreliable, and vulnerability caused by unemployment is thought to be increasing (Ethiopia 1998). In Ghana, the urban poor report a decline in opportunities and crowding in the informal sector due to increases in the number of people trying to survive in this sector (Ghana 1995b). Extended economic deterioration in Senegal, for instance, has greatly reduced earnings in the informal sector there (Senegal 1995). A poor man from Latvia reported that he was abandoned by his family after he lost his job as a plasterer. He now finds work that earns him a free meal, or sometimes a bit of money (Latvia 1997).

In many cases, women are the primary sources of family income, and several countries report that women are engaging in all types of activities. These occupations include paid domestic work as well as work traditionally considered men’s work only, such as informal industrial jobs, trading and service enterprises, and any work that requires migrating overseas (Moldova 1997; Georgia 1997; Pakistan 1993).

## Psychological Well-being

*The poor person has to exist so he can serve the great one, the rich. God made things like that. —Brazil 1995*

*Poverty is lack of freedom, enslaved by crushing daily burden, by depression and fear of what the future will bring. —Georgia 1997*

While poverty is material in nature, it has psychological effects such as distress at being unable to feed one's children, insecurity from not knowing where the next meal will come from, and shame at having to go without foods that have strong symbolic value. A father in Guinea-Bissau remarked, "When I don't have [any food to bring my family], I borrow, mainly from neighbors and friends. I feel ashamed standing before my children when I have nothing to help feed the family. I'm not well when I'm unemployed. It's terrible" (Guinea-Bissau 1994). Frequently parents relate that they deal with food insecurity by going hungry so that they won't have to see their children starve. In Brazil, parents report that poverty is "to come home and see your children go hungry and not have anything to give them" (Brazil 1995). In Tanzania, a mother asked, "How can you face your children day after day hungry?" (Tanzania 1997). The distress accompanying the decision to abandon babies to increase the likelihood that the baby or the family will survive is acute. In Tbilisi, Georgia, there have been increasing reports of babies abandoned at maternity wards as well as of mothers selling children to support the remaining children. One respondent heard that a woman sold her child for \$500 to support her family, and another witnessed a young woman near Tbilisi's central train station trying to sell her child, telling passers-by, "The child will die of hunger — take him even if you don't pay" (Georgia, 1997).

A woman in Uganda remarked, "When one is poor, she has no say in public and feels inferior. She has no food, so there is famine in her house; no clothing, and no progress in her family" (Uganda 1998). Poor people often mention turning to God for comfort, solace, and support. A poor man in Pakistan said, "As God gives food to a tiny insect living in the stones, He makes sure we have enough food to live" (Pakistan 1994).

Being poor can expose one to ridicule. In Latvia, poor people "felt humiliated by what they perceived as a pressure to 'beg' for help and to put up with rude, contemptuous, and moralistic behavior on the part of social assistance office staff" (Latvia 1998).

Poor men and women spoke about the shame, stigma and humiliation of poverty. In Latvia, 1998, spoke about the shame that children experienced in school when they were stigmatized because they receive free lunches, dress in shabby hand-me-downs, or have to use photocopied class materials. "Children who receive free lunches are served at a separate table, receive poorer quality food, and feel humiliated when other children claim they are eating from other people's money even though some parents do community work for the municipality to pay for the lunches" (Latvia 1998). In Ukraine, teachers said that it was very easy to distinguish between the children of the rich, who were stylishly dressed, and the children of the poor, many of whom fainted during class from hunger (Ukraine 1996). In Armenia and Georgia, parents spoke about

children's psychological trauma of wearing old clothes and being so shamed that they refuse to go to school (Armenia 1996, Georgia 1997).

### **Power and Voice**

*The rich are those who are able to save and sell part of their harvest when prices rise.* —A poor man, Niger 1996

*You know good but you cannot do good. That is such a person knows what should be done but has not got the means.* —Ghana 1995a

*Some have land, but they can't buy fertilizer; if some work as weavers, they aren't well paid; if some work for daily wages, they aren't paid a just wage.*  
—Cackchiquel Indian, Guatemala 1994b

In explaining poverty, poor men and women very often express a sense of hopelessness, powerlessness, humiliation, and marginalization. In Ghana, it was expressed "you know good, but you cannot do good." One example given was, "If you have an in-law somewhere and the person dies, you know what to do but you cannot do anything and things will go wrong" (Ghana 1995a).

In Cameroon, poverty is characterized as "a feeling of powerlessness and their inability to make themselves heard" (Cameroon 1995). A poor elderly man in Uganda said, "The forces of poverty and impoverishment are so powerful today. Governments or the big churches can only manage them. So we now feel somewhat helpless. It is this feeling of helplessness that is so painful, more painful than poverty itself" (Uganda 1998).

In Madagascar, the powerlessness of the small farmers was one clear source of frustration and resentment. "A number of participants fell prey to collectors and administrative agents, who take advantage of farmers by offering them low producer prices, which have to be accepted for lack of any alternative. For example, the money a producer of vanilla receives for his produce is roughly four percent of the export price and the producer has no negotiation power to raise the value of his crop. Similarly with litchi and rice crops, the collectors set the terms of the market, buying at the lowest price and selling at the highest. Overall the feeling [is] of betrayal and ultimately rejection" (Madagascar 1994).

In Eastern Europe, poor people report widespread corruption, powerlessness, and helplessness even when employed by private enterprise or reorganized and privatized collective farms. In Georgia, poor farmers equate privatization with theft, and report that the best land is distributed to those who work for the police, courts, school directors, and businessmen, while poor people receive unirrigated, saline, and less fertile soil often 10 to 12 kilometers from their homes, making it difficult to work them and guard the harvest (Georgia 1997).

In Moldova, poor people equate independence, democracy, and the transition to the market with lack of social justice. Workers on collective farms report being cheated out of their share of grains and denied access to tractors and other equipment by those in control (Moldova 1997). In Armenia, poor people said, "during privatization, those people who had a patron received five or



six cows and the rest received nothing. The whole collective farm was plundered, and the chairman, together with the district leaders themselves took the remaining 100 head of cattle to Turkey and sold them for \$2 a kilo” (Moldova 1997).

Poor people often reported that they have little influence over their political representatives. In India, poor people are cynical about politicians who promise action and are paid back in alcohol, fueling already high rates of alcoholism among some scheduled caste and tribal groups (India 1997a). In Pakistan, local politicians are reported to have used funds for their own purposes (1996). In many countries local politicians are seen as being closely connected with local “Mafia” groups and the rich.

Across countries, much of the helplessness and sense of powerlessness of poor people comes from their experience with corrupt, uncaring, inefficient officers of the state. The Mexico PPA documents several cases of poor people’s frustration at being denied social services, jobs, and credit because they lack the necessary documentation (Mexico 1995; also see chapters 3 and 6).

Lack of voice and power is experienced not only in relations with the state but in poor people’s relations with the market, landlords, bankers, moneylenders, and employers. Rich people in Tanzania, for instance, are described as those who “set the prices,” while the poor are described as “those who are forced to accept the prices set by others” (Tanzania 1999). An Ecuador report (1996a) notes that poor farmers shoulder debt and therefore cannot afford to store their crops until they can get a good price for them on the market. Instead, farmers are forced to sell their crops immediately, when the prices are low, and in some instances they buy their own food back later at a higher price. In Togo (1996), the poor focus on the “power to buy raw materials without being exploited by wholesale traders.” In Zambia (1997), poor farmers speak of being dependent on traders and those with transport for selling produce, being forced to buy inputs at high prices, and feeling powerless to do anything about late payments and fraud. In India, Uganda, Guatemala, Moldova, Thailand, Vietnam and Ghana, poor people talk about their inability to protect themselves from exploitation. The India report notes, “the poor have lost their bargaining power. The basis of dominance is control over productive resources and the basis of subordination is survival” (India 1998b).

Trading on the street can be an experience in powerlessness where the police are silent observers or associated with the gangs and criminal organizations that control the markets. In Ukraine (1996), a vendor explains, “you’re standing somewhere and they come up to you and say, ‘Bust outta here. No place for you.’ I split, find myself another corner and try to sell more quickly. Sometimes they threaten you because of your prices. They say, ‘We’ll break your face if you lower your prices.’ Sometimes I was able to sell quickly and get out. But other times I saw these guys and understood that it’s better not to deal with them and then I split right away. In short, it became unpleasant and dangerous” (Ukraine 1996).

In these and in several other countries, poor people report that wage laborers are the most exploited because they are forced into poor working conditions and long hours, and they must accept substandard salaries. Because they lack choices and resources, poor people are often forced to ask help from the same people who exploit them, landlords, pawnbrokers and money lenders.

Poor women express fear of increased crime, both in public and at home. In Ukraine, women and old people say they no longer leave their homes after dark, and “worry when their children return late from school or work” (Ukraine 1996). In Moldova, women are afraid to work the night shift because of fear of assaults (Moldova 1997). In South Africa, case studies document “rapes of teenage girls, unfilled claims of child support by mothers due to fears of being beaten by the fathers, and even the crippling of a woman following a drunken argument among the couple” (South Africa 1998). The South Africa PPA also describes gang-related and political violence. Women report feeling vulnerable to physical attacks and sexual assaults when they are out collecting firewood. In India and in Pakistan, women spoke about the dangers of sexual assault and harassment by forest officials and others when collecting firewood, (1993). In Pakistan, absence of latrines forces women to use the bush before dawn and after dusk exposing them to snake bites, sexual harassment and attacks (Pakistan 1993). In Bangladesh (1996), provision of toilets and bathing places were high priority among adolescent girls and women because of fear of harassment and inconvenience.

Entering into cycles of indebtedness often contributes to feelings of helplessness and powerlessness among poor people. In Pakistan and India, indebtedness and debt are concerns common to both urban and rural communities, and a sense of helplessness and diminished autonomy often accompanies reflections on debt. A PPA from India describes a vicious cycle of indebtedness in which a debtor may work in a moneylender’s house as a servant, on his farm as a laborer, or in other activities (India 1997a). Moreover, the debt may accumulate substantially due to high interest rates, absence due to illness, and expenses incurred for food or accommodations (India 1997a). Problems with increasing indebtedness are also voiced in Swaziland, especially in connection with the inability to cope with rising prices of food, transportation, education, and health care (Swaziland 1997).

The voices of the poor in developing countries differ from those who have experienced sudden poverty, such as in Eastern Europe. All reflect insecurity and material deprivation, yet the experience of long-term poverty is often accompanied by its almost fatalistic acceptance, even if people have not given up the struggle. In contrast, respondents from Eastern Europe are filled with disbelief and demoralization, and are much more likely to make comparative statements contrasting the better past with the intolerable present (see Box 2).

## Box 2. Voices of the Poor: Generational vs. Sudden Poverty

### Generational Poverty

*If you are hungry, you will always be hungry; if you are poor, you will always be poor.* —Vietnam 1999a

*Poverty (is) inherited. If you were born to a poor father, he cannot educate you and cannot give you any land, or very little land of poor quality; every generation gets poorer.* —Uganda 1998

*We may be poor in material things, but we are rich in the eyes of God.* —Kenya 1996

*I think poverty is something that begins at birth. Some people are unlucky from the day they're born. They'll never go anywhere in the world.* —Brazil 1995

*What determines poverty or well-being? The indigenous people's destiny to be poor* —Ecuador 1996

### Sudden Poverty

*Up to a few years ago I didn't even ask myself the question what shall I cook. Today there are times I do not have anything to put on the stove and this is very difficult for a mother [crying]...Before we were not afraid of getting ill, everything was well-regulated and there was health protection. Today we pray to God that nobody gets sick. What could we do?* —Female respondent, Macedonia 1998

*Life has passed for us. I feel badly because of the children. My daughter in order to feed her children takes from time to time old bread from the "Zito Luks" bakery aimed for cattle. I have never been in such a situation. We have never suffered for food, even though we were poorer when we were young.* —72-year-old female respondent, Macedonia 1998

*People have fallen into despair because they don't see the end of this crisis situation.* —Ukraine 1996

*There was a time when I had two pigs and about twenty chickens, but now I have nothing. My money is hardly enough to buy bread every day. A few years ago my refrigerator was full of sausage. Now the refrigerator is empty. Perhaps God has punished us for our wastefulness in the past.* —Female respondent, Moldova 1997

## Cultural and Social Norms

*Without these simple humane signs of solidarity, our lives would be unbearable.*  
—a poor woman, Ukraine 1996

Cultural identity is built through “the sharing of common history or common culture, common pride in the past, and in some, the sharing of a common passion” (Panama 1998). These societal bonds can help to stabilize communities and ease the psychological stresses of poverty. For instance, the Mexico PPA notes the paradox that while indigenous communities of Oaxaca have the least materially, they are happy and less fearful than non-indigenous poor people because they have a range of “traditional communitarian institutions which provide them support in times of need” (Mexico 1995).

Cultural identity is maintained through rituals, celebrations, and festivals, and poor people frequently mention participation in these events. The significance of this cannot be overstated: for many poor people, social solidarity is one of the most important assets available to them. To maintain this solidarity and the emotional and physical security it provides, people are willing to make considerable sacrifices and will readily divest themselves of a wide range of material assets to ensure that these social bonds are preserved. In Togo, the PPA reports that displacement,

whether by force or employment, results in “abandonment of symbolic markers, sacred trees, forests, and saps at the root of people’s cultural identity and may result in deep alienation.” Thus, after the most basic needs such as food and housing are met, the largest household expenditures tend to be on traditional ceremonies:

Although using scarce resources for social events rather than for, say, health or education may appear an irresponsible behavior, from the point of view of the poor it can be a highly rational choice, provided the expenditures do not become a source of long-term indebtedness. In fact, generous spending (to the point of conspicuous consumption) is a way to gain prestige and to reinforce ties to the community, which in turn will make it easier to obtain assistance in case of need. Hence, ceremonial expenditures may be understood as investments to build social assets and decrease vulnerability. (Togo 1996)

In other words, maintaining social solidarity is of extreme value to poor people, and the inability to reciprocate with gifts or participate in community events can have very harmful consequences ranging from humiliation, loss of honor and psychological distress to social marginalization and exclusion from important social networks. In fact, violation of social norms is often what poor respondents define as poverty. In the rural areas of Madagascar, for instance, being poor is equated with the inability to “adhere to local customs and norms,” whereas a rich person is one who can “afford to remain within the local norms” (Madagascar 1996).

Clothing functions as a powerful social marker, particularly for youth and children. In a number of different reports, children report feeling “marked” by shabby or inadequate clothing and stigmatized by their teachers and children from wealthier families (Bangladesh 1996; India 1997a; Moldova 1997). For young adults in Moldova, the “lack of decent clothing, humiliation in front of richer friends, and the inability to participate in a normal social life” are among the principal interpretations of poverty (Moldova 1997). In Armenia, people cite a lack of self-worth and loss of status as a consequence of being unable to maintain basic hygiene (Armenia 1995). In Georgia, children who wear old, patched clothing to school are often cruelly taunted, which becomes another reason for their parents to keep them home from school or enroll them a year late. Some Tbilisi youth admit to avoiding university classes because they are humiliated at the daily prospect of appearing dirty and poorly groomed in front of others (Georgia 1997).

## **State-Provided Infrastructure**

*Where a road passes, development follows right on its heels . . .*  
—Cameroon 1995

*We think the earth is generous; but what is the incentive to produce more than the family needs if there are no access roads to produce to a market?*  
—Guatemala 1997a

*Take the death of this small boy this morning, for example. The boy died of measles. We all know he could have been cured at the hospital. But the parents had no money and so the boy died a slow and painful death, not of measles, but out of poverty.* —A man from Ghana, 1995a

*Water is life, and because we have no water, life is miserable.* —Kenya 1997

Poverty is about access and consumption of state-provided commodities, or what some researchers refer to as “social wages” (Baulch 1996b; Moore and Putzel 1999). Throughout the PPAs, poor people discuss the importance of key services such as roads, transportation, water, electricity, health care, and marketplaces.

In several cases, poor people in urban areas, though actually poorer than those in comparable rural areas, are viewed as *less* poor because they have access to infrastructure and basic services (Guatemala 1997b; India 1997a). Similarly, a report from India states, “Even the poorer families living in the prosperous villages are comparatively better than poor people living in medium and poorest villages, in terms of social and educational awareness, because these facilities are more accessible to them” (India 1997a).

Community poverty is related to infrastructure and service provision. In a poor rural community surveyed in Nigeria, respondents claim that *every* inhabitant is poor precisely because the community lacks basics such as water, electricity, roads, schoolteachers, and more (Nigeria 1995). In Uganda, a distinction is made between individual and community poverty, in which community-level poverty is defined as “a lack of key infrastructure for the entire community, for example, school, roads” and lack of security or harmony (Uganda 1998). Similarly, nearly half of the suggestions from poor Ecuadorian families about how to alleviate poverty concerned the provision of basic infrastructure (Ecuador 1996a).

The absence, or poor condition, of infrastructure, especially of feeder roads and bridges, is widespread. In many reports the poorest communities are identified as those most isolated and located farthest from roads and other key infrastructure (India 1997a; Yemen 1999; Bangladesh 1996; Mexico 1995; Guatemala 1997b; Uganda 1998; Ecuador 1996a; Ecuador 1996b; Cameroon 1995). In India, many of the poorest villages are located 15-20 kilometers from the nearest infrastructure; during the rainy season villagers find themselves completely isolated from the more developed areas. “The result is that the members of the unconnected villages remain effectively marginalized from virtually all educational institutions above primary level, from adequate health care facilities, and from important governmental and non-governmental institutions” (India 1997a). Respondents in Bangladesh (1996) and Ghana (1995b) also identify the lack of adequate roads, particularly during rainy seasons, as a key problem.

In addition to isolating communities from other infrastructure, lack of roads can also deny communities political access. Ugandan government officials who are posted in isolated areas perceive it as a kind of punishment (Uganda 1998). Similarly, the Kenya PPA indicates that district leaders tend to avoid villages that are only accessible through bad or dangerous roads. If they go to remote villages at all, it is only for short visits, so there is no time to witness problems directly and talk things over with stakeholders (Kenya 1996).

In addition, poor roads greatly limit inter-village and rural–urban trade (India 1997a; Ecuador 1996a). In Cameroon for instance, 86 percent of respondents in the South West Province believe that poor transportation infrastructure is a major factor in their inability to increase agricultural

productivity and marketing activities (Cameroon, 1995). In Uganda, poor people report that “it is because of poor roads that the produce of the farmers is bought at low prices” (Uganda 1998).

Poor transportation infrastructure also compounds problems with obtaining service provisions such as health care and education. Two-thirds of respondents in Mexico City complain of the poor quality and lack of access to health clinics, and this problem increases in rural areas. In one rural region, Zacatecas, the average cost for transportation to the nearest doctor was \$41, or the equivalent of a month’s wages from the only wage labor in the area, hemp weaving. “In Zacatecas it is not rare to hear of families that have lost all of their animals and gone into debts of from 2,000 to 5,000 pesos [\$365 to \$900] due to sickness of a family member” (Mexico 1995). Similar problems exist in Yemen, where “poor families from remote areas go to health facilities only when in extreme need” (Yemen 1999).

Lack of transportation also affects children. Rural children in Cameroon often do not attend school because schools are located beyond walking distance, and teachers avoid working in the more isolated areas (Cameroon 1995). In Thailand, some parents remove their children from school because the combined costs of education and transportation are unaffordable (Thailand 1998). In one of the South African villages, the costs associated with transporting children to school are identified as a cause of poverty (South Africa 1998).

In addition to transportation, water security and, to a lesser extent, sanitation, distinguish the poor from the non-poor. Access to water is important for bathing and drinking as well as for agricultural production. In Bangladesh, lack of safe drinking water is identified as one of the most important problems for poor people (Bangladesh 1996). Likewise, in rural areas of the Kyrgyz Republic, only 45 percent of households have running water, and among the most poor, over 50 percent rely on lakes, ponds, and rainwater for household water consumption (Kyrgyz Republic 1998). In Vietnam, children define people in poverty as those without drinking water. In India, poor people in one area report, “Here the biggest problem is drinking water. The drinking water is drawn from an open well. Leaves and other wastes fall in it and decay. Water borne diseases like polio and malaria are very common. No health worker visits this village. There are a few hand pumps in this village, but you can see not even a drip of water” (India 1997c).

In India, poverty is directly related to overall agricultural productivity, which in turn is dependent upon water for irrigation (India 1997b). In many villages, poor agricultural output is directly linked to the absence of irrigation facilities. While this affects all farmers within these areas, farmers with particularly small holdings are most affected. In the surveyed villages, lack of these facilities is identified as the “root cause” of poverty (India 1997b). Richer communities are identified as those that have access to water, making dry season gardens possible. Households selling produce during dry seasons are able to use these earnings to make improvements on houses, such as the installation of zinc roofing (Ghana 1995a). Likewise in Ghana, an important community-level asset is a village water source, which can be used as an irrigation source during the dry season. These communities are identified as rich in comparison to those lacking dependable water resources (Ghana 1995a).

In more prosperous areas, inadequate supply and the high costs of electricity and telephones are the most frequently cited infrastructure problems. In Georgia (1997) people report that power shortages are most frequent in poor neighborhoods. In 1996, the poor outlying districts of Tbilisi experienced electricity outages that lasted from one day to one month, while surrounding areas received electricity more frequently. Telephone service, even for emergencies, has become rare in many areas. People complained that even when the phones were not working, they were still expected to pay for the service. When they refused, officials responded, “Electricity sometimes comes at night and then the phone works” (Georgia 1997).

## Assets of the Poor

*We have neither land nor work. . . . Some of us have land in the reserve, but we can't transport our products from there because it is too far. It is difficult to carry them, and since I don't have land here, and only in the reserve, I am poor.*  
—Ecuador 1996

*In my family if anyone becomes seriously ill, we know that we will lose him because we do not even have enough money for food so we cannot buy medicine.*  
—Vietnam 1999a

*I used to never worry about my illiteracy and the fact that I was not able to send my children to school, as long as we had something to eat. But now . . . I realize that my children are in trouble for life because they cannot get any decent job if they don't know how to read and write.* —Swaziland 1997

*You have to cultivate networks and contacts with people with power and influence to secure a livelihood and future.* —Pakistan 1993

Poor people rarely speak about income, but they do speak extensively about assets that are important to them. Poor people manage a diverse set of assets, physical, human, social, and environmental. These assets include a broad range of tangible and potential resources, both material and social, that individuals, households, and communities draw from in times of need or crisis (Togo 1996; Benin 1994; Moser 1998a). Power relations among individuals and groups shape how such assets are controlled and used. The extent to which different resources can be mobilized depends directly on how power is shared within households, communities, and other social institutions.

The four primary classifications of assets are *physical capital*, which includes land and material belongings; *human capital*, which includes health, education, training, and labor power; *social capital*, which refers to the extent and nature of social networks such as kin, neighbors, and associations; and *environmental assets* such as trees, forests, water, and non-timber products.

Additionally, assets function at several broadly distinguished levels: the individual, the household, and the community level. Of the four types of assets available to poor people, social capital is probably the least understood. As the recent literature on social capital makes clear, careful examination of the social capital of households, groups, and communities can provide much needed information to policy makers (Grootaert, 1997; Woolcock and Narayan 1999).

Assets also may be *productive*, as in livestock, or *fixed*, as in material possessions such as jewelry. Some assets may be at different times productive or fixed, such as housing which can be rented (productive) or sold (fixed). All of these factors are taken into account when assets are drawn upon or investments made. How a particular asset becomes incorporated into an individual's or a household's overall strategy for mitigating poverty depends entirely upon the nature of the asset, the social context in which it is embedded, and the urgency of need. Effective policy formation requires a meaningful understanding of the assets available to a population and of how and under what circumstances these assets are mobilized.

### **Physical Capital**

*Poverty is because of the land; the person who doesn't have any must obligatorily leave to do day labor.* —Ecuador 1996a

*If one does not own land, a house, household property, or domestic animals, then the person is considered to be poor.* —Uganda 1998

*Livestock are part of the yearly household reserves, if they get a disease and die we have nothing to support us in between harvests.* —Vietnam 1999a

*What one shouldn't lack is the sheep, what one cannot live without is food grain.* —China 1997

The ownership of or access to land is commonly identified as a key asset (Uganda 1998; South Africa 1998; Kyrgyz Republic 1998; Benin 1994; Ecuador 1996a). Access to land and land rights, especially in rural areas, is at the core of much of the discussions on poverty. In Ecuador, poor people feel that poverty is caused by four interrelated factors: limited access to land on which to raise food; the poor quality of the land, which is sloped and highly eroded; the lack of irrigation facilities; and the limited ability to raise and sell large domestic animals (Ecuador 1996a). A poor man in Guinea-Bissau said, "It's not easy to find land such as these we cultivate . . . People say that housing will be built on the land we cultivate. This is a source of great concern, for if all of these projects were carried out, we would be in serious financial straits (Guinea-Bissau 1994). In the Philippines, some indigenous people felt that they are gradually losing control over their ancestral lands. In some areas, non-indigenous people get titles to indigenous peoples lands in connivance with unscrupulous government representatives (Philippines 1999). In Zambia and in many rural areas, poor people expressed concern about declining fertility of land (Zambia 1997).

In nearly all of the reports, the ability to self-provision is mentioned by poor people as one of the primary strategies of dealing with material deprivation and reducing overall household insecurity. In Nigeria, many rural people grow vegetables around the home to supplement the food they have purchased. Many urban dwellers consider themselves disadvantaged in comparison with their rural counterparts because they have less capacity for self-provisioning (Nigeria 1995). This is true of urban dwellers in Ukraine in which the two most important criteria separating the poor from the destitute are housing and access to a garden plot (Ukraine



1996). In Ethiopia, as well, the poorest families are those who are unable to produce enough food for their own consumption (Ethiopia 1998).

Housing, typically considered an asset, can be a liability as well because it can limit options and drain resources. In Latvia, housing had to be re-registered during the post-socialist transition at considerable expense to the owners (Latvia 1998). Maintenance costs can also drain resources. A respondent from Guinea-Bissau explained, “We built [our house] a long time ago, before most of our children were born. But it’s made of thatch, so we have to replace the roof each year, and that costs a lot of money. It needs to be replaced each year before the rainy season. Right now the thatch for a house costs approximately 1,200,000 pesos. We want to get zinc for the house. The problem of having to replace the roof periodically would be solved for good” (Guinea-Bissau 1994).

Often, though what distinguishes the poor from the non-poor is sub-standard housing. In Georgia, damaged, seriously deteriorated even dangerous housing is serious concern for the poor. The most frequent problems include leaking roofs, cracked and moldy walls, broken windows, rotting floors, blocked toilets and rusted pipe. One couple who won their apartment said, “it could hardly be called normal when at night pieces of plaster fall on one’s head, during rain the ceiling leaks, the leaks sink through holes in the rotten floor, and the faucet leaks through 24 hours a day” (Georgia 1997). In Bangladesh (1996) the Char poor spoke about lack of shelter as major problem since thatched huts are easily destroyed by strong winds during the periodic storms. Of course, housing can also have significant income-generating potential. Some poor families subsist mainly on the income derived from renting out a room in their house (Swaziland 1997).

Personal or household property is an asset insofar as it can be sold in emergencies, and salable property may constitute one of the few safety nets that exists for poor families (Uganda 1998; India 1998a; Georgia 1997; Zambia 1997; Cameroon 1995; Latvia 1998; Ethiopia 1998). In Ukraine, virtually none of the poor report having any remaining savings, and most have been forced to sell valuable assets such as cars, jewelry and electronic equipment (Ukraine 1996). However, property is non-renewable, and selling personal belongings and property is most often a last-resort coping strategy for dealing with crises. In fact, in Swaziland, selling assets to pay for immediate household needs is becoming less common as a coping strategy simply because many families have already sold off these assets (Swaziland 1997). In India, as well, “a large number of households today are found to have exhausted all of their valuable assets like gold ornaments and bronze utensils in the course of debt servicing” (India 1998a).

When personal belongings must be sold, several reports note that women’s personal belongings are the first to go (Pakistan 1993; Georgia 1997; India 1998a). As the Pakistan report points out, this divestment strategy is “gendered in its impact and an indicator of women’s particular vulnerability and lack of decision-making power within household” (Pakistan 1993). At the same time, divestment of assets such as jewelry may also represent a rational decision-making process in which the assets sold first are those without income-generating potential (Pakistan 1993) and without symbolic value. A similar pattern emerges in Georgia, where it is reported that households tend to divest themselves of assets in stages, beginning with personal property such as jewelry, then furniture, and then their homes. The report continues, “For respondents

with nothing left to sell, their own blood provides the final source of income” (Georgia 1997). The same practice is also observed in Latvia (1998).

In some cases, poor people may choose to retain a few scarce assets even during times of hunger, illness, or other hardship. Poverty can be closely associated with the loss of dignity and prestige, which is registered in large part by ownership of possessions that are also symbols of status. In Mali, it is not uncommon for a family to own potentially valuable and salable assets such as jewelry or a bicycle and yet to decide to go hungry during the pre-harvest season. Thus, as the report explains, “These choices cannot be dismissed as irrational or selfish, for they reflect the need to diversify investments and to keep one’s position in the community in case of a real crisis. Given this cultural context, it becomes very difficult to determine what constitutes poverty. Is a family who has inadequate caloric intake for three months a year poor when it could sell a bracelet and have enough to eat? What about a father who saves money to buy a cow for his son’s wedding and does not buy medicines for his sick child? While there are sound explanations for this behavior, traditional poverty measurements, such as household consumption surveys, do not capture them” (Mali 1993).

### **Human Capital**

*If you don’t have money today, your disease will take you to your grave.*  
—An old woman, Ghana 1995a

*The sick do not have the right to live.* —A new saying, residents of Javakheti, Georgia 1997

*I am illiterate. I am like a blind person.* —Illiterate mother, Pakistan 1995

*If I had gone to school, I would have got a job and I would have obtained a husband who has a salaried job.* —Uganda 1998

*I’m old and I can’t work, and therefore I am poor. Even my land is old and tired, so whatever little I manage to work does not give me enough harvest for me and my children.* —Togo 1996

Human capital comprises health, education, and labor. For those lacking material and productive assets, labor power is the core component of most survival strategies and therefore is perhaps the most important human capital asset (Latvia 1998; Tunisia 1995; Senegal 1995). As explained in the Benin report, loss of a productive adult “whether due to disease, death, divorce, or neglect drastically reduces a household’s capacity to overcome external shocks and is one of the main causes of destitution” (Benin 1994).

The PPAs reveal that more than anything else, poor people dread serious illness within the family. Illness removes individuals from the labor pool and can push a household into poverty. Where formal institutions provide inadequate safety nets, the illness of one person within the family can affect the economic stability of the entire household. In Togo, village children asked to draw a poor person frequently drew someone ill or disabled (Togo 1996). In Ghana, as well, good health is seen as a particularly important asset because poor households rely on physical

labor for income and lack other assets. “Fieldwork shows that disease, sometimes followed by premature death, is often the cause of extreme poverty, which explains why communities routinely mention poor health (including disability) as one of the characteristics of the poorest people” (Ghana 1995b).

Illness creates a devastating and lasting drain on household resources. In Pakistan, a father in Lahore explained that it had taken him eight years to repay debts acquired after he, his wife, and two of their children had been hospitalized. A mother reported that she had recently withdrawn her daughter from school in order to meet her son’s medical expenses. One man said his own parents had sold land in order to pay for the treatment of their grandson. In sum, although many of the Lahore informants had met family health crises effectively, household assets and human resource investments were likely to suffer as a result (Pakistan 1993).

Literacy, or “the thirst for letters,” is valued everywhere. In Togo, people believe that illiteracy limits the ability of individuals to secure employment, follow written instructions, and take advantage of government services or access to credit (Togo 1996). In India, although illiteracy is not reported as the number one reason for poverty, poor people recognize that literacy would help them to manage their lives better. “They understand that illiteracy has made them more dependant, less enterprising and more vulnerable to the machinations of the educated” (India 1997c).

While literacy is clearly valued, education received mixed reviews. It is often difficult for families to invest in education. In Swaziland, parents make considerable sacrifices, including rationing food to reduce household expenses so that their children can go to school (Swaziland 1997). In Guinea-Bissau a man said about his children’s schooling, “I think that, God willing, they’ll do well so they’ll be able to get good jobs. I do all in my power to make sure they don’t miss class. I hope God will point the way to success for them. If that desire is not realized, patience. Without an education, life is difficult because you can’t get a good job” (Guinea-Bissau 1994). In Vietnam 1999, investment in education is seen as the most important way out of poverty, and a lack of money for education and having a stable job are identified as the number one problems.

Yet, elsewhere, the usefulness of education is doubted, particularly when not associated with jobs and wealth. In Eastern Europe, there is growing skepticism about the value of education when economic opportunities are shrinking and opportunities seem to come only through connections. In Macedonia, schoolchildren said, “School is no good if you don’t have connections.” Parents agree, but encourage children anyway. They are aware that education no longer leads to jobs or wealth. “Neither the state nor anybody else can offer jobs” (Macedonia 1998).

In Mali (1993), although more than 80 percent of people interviewed believe that schooling is important, schooling has become a disappointment for many. Many parents report that schools have fallen short of helping students to find salaried work, giving them a basic education, and teaching them moral and social behavior. In Burkina Faso (1994), for example, the quality of the available schooling is perceived to be so marginal that “the investment in fees and loss of field

labor are perceived as something of a shot in the dark in terms of realistically securing a raise in an individual's or a family's living standards."

The education of girls is mired in a plethora of cultural issues. The common opinion is that education for girls is quite pointless because girls will not learn to care for their homes, and thus their attractiveness as potential wives will be diminished, "effectively ruin[ing] [their] possibilities of a future in the village." Additionally, it is felt that educated girls will desire husbands who are also educated and less likely to find work. "Therefore, young, educated girls will end up in a losing position; they will either not want to marry anybody or nobody will want to marry them, rounding off their social isolation. Eventually they are viewed as the most likely candidates for entering a life of prostitution" (Burkina Faso 1994). In Pakistan, educating girls was seen as raising costs of marriage and hence not valued (Pakistan 1996).

In Armenia, both parents and children report that children have given up studying to become merchants and tradesman because (1) access to higher education is denied to those without resources, (2) higher education is not a guarantee of higher earnings, and (3) the immediate income needs of the household must be met. In the countryside boys quit school after eighth grade. A student in the Shirka district said, "I lost the will to study because I know that after school I won't be able to go to town to study further because my father won't be able to provide the money that is needed for studying in town. I go to school because there is nothing else for me to do." "Study or not, you will be keeping cows," one father said (Armenia 1996).

### **Social Capital**

*The most important asset is . . . an extended and well-placed family network from which one can derive jobs, credit, and financial assistance. —Senegal 1995*

*The prosperity of our village has increased. Before, the two tribes in our village used to be divided. Now they belong to the same group, which brings them together. No two people have the same intelligence or resources, so when people come together they can solve many problems. —Tanzania 1997*

Social capital broadly defined refers to the benefits of membership within a social network. The accessibility of additional resources via social connections enables poor people to meet everyday needs. In addition, because poor people can rarely afford formal insurance to protect them in the event of crises such as natural disasters, financial crises, health emergencies, unemployment, and the like, reciprocal social relationships provide wells of financial, social, or political support that can be drawn from during times of need. Although friends, neighbors, professional ties, and links that extend beyond the community are critical assets for improving welfare, the most frequently mentioned coping mechanism for poor people is the extended family.

The experiences of poor people as described in the various PPAs emphasize the importance of kinship networks for daily survival as well as for crisis management. In Costa Rica, approximately 50 percent of those interviewed said that they had at some point received economic assistance from family members in times of crisis and have either reciprocated in kind or were willing to (Costa Rica 1997). In Ghana, extended families are seen as synonymous with social safety nets (Ghana 1995b). In Niger, extended family networks help members deal with

hunger and food insecurity (Niger 1996). In Guatemala, the family's response to crises is to approach relatives and friends with whom they enjoy a reciprocal relation. Those individuals give very small loans to cover the cost of medicines, doctors' fees, and transport to medical facilities, or to provide small amounts of foodstuffs in instances of dire necessity (Guatemala 1997b). In Eastern Europe, membership in kinship and professional networks is identified as one of the key factors governing how well one managed the financial crisis of the early 1990s (Moldova 1997).

When poor people help one another, their scant resources may limit the gains made. Hence, social capital provides a hedge but rarely by itself lifts poor people out of poverty. Social capital is a two-way street. While social networks provide benefits such as access to scarce resources, membership also entails having claims made upon one's own resources. Poor people from Mali reported that accumulating assets at the individual or household level was difficult or impossible because of the claims of the family members. These reciprocal ties even affect fertility decisions. If one decides to have few children in order to limit the drain on the family's resources, one ends up caring for the children of relatives, and so "while on the one hand the extended family is a powerful safety net, on the other it discourages behavior that in the long run would reduce poverty such as productive investments or limited family size" (Mali 1993). A middle-aged man from Guinea-Bissau trained overseas as an engineer noted similar burdens related to education:

My cousin, a nephew, and two of my wife's brothers will be coming next month when I'm going to move into the house next door, which has two bedrooms and a living room. You know when you return to the country with training for a senior post, the whole family thinks you're coming back to save them. And so they start sending everyone to your house arguing that we were able to get an education thanks to the family's support, and that therefore we should provide support to others in turn. In addition I help my father and mother meet their needs. And I need money for ritual ceremonies. (Guinea-Bissau 1994)

As with other forms of capital, levels of social capital are constantly in flux. Without connections to resources beyond poor communities, poor people's networks provide survival and defense, a struggle to meet daily needs.

### ***Environmental Assets: Shocks and Decline***

*The poor live at the whim and mercy of nature.* —Kenya, 1997

*We are all farmers in this village. When two farmers cultivate together the same plots and at the end of the harvest season, one has made a profit that allows him to get a lot of things and the other hasn't earned a thing, they will say that the second farmer is poor. But next year it could be the reverse. The fact is that we are all poor in this village.* —Togo 1994

One of the most critical sources of vulnerability for rural communities is seasonal fluctuation in food and water availability. In some areas of Ghana, the *sondure*, "hungry period," may last five

or six months due to erratic rainfall and severely degraded soils, and problems of ill health often peak at the height of the dry season (Ghana 1995b). Similarly, the Zambia study reports that farm labor demands are highest when problems of food scarcity and malaria are most severe, “both of which circumstances further reduce the availability and energy of labor” (Zambia 1997). During these periods, adults frequently migrate, assets may be divested, or debt incurred, all of which may leave households more vulnerable to future shocks (Madagascar 1996). A report from Nigeria notes that “the severity of rural poverty . . . is worst shortly before harvest time. The poor run out of stored food and have to purchase at a time when prices are highest, often on credit from moneylenders. After harvest, when prices are low, they have to sell to repay their loans. Their crop is therefore worth little to them and in many very poor families, some of it is sold in advance at very low prices” (Nigeria 1995). The season brings other risks. Falls and fractures are frequent complaints in Yemen where women and children (who may be kept out of school) must travel long distances and often on difficult mountain roads to fetch water (Yemen 1999; Kenya 1996).

Rainy season brings its own problems to both rural and urban areas. A report from Ethiopia documents that during rainy season, grain prices climb, access to casual employment drops, and flooded streets limit informal commerce (Ethiopia 1998; Ghana 1995a; Vietnam 1999b). The winter months are especially hard times for poor people in Macedonia due to their inability to maintain and heat housing (Macedonia 1998).

In addition to the problems of seasonal calamities, a large number of the world’s poorest people face challenges native to life in environmentally fragile areas such as arid and tropical lands with limited soil fertility. Without access to other lands, increasing numbers of poor people have also moved onto steep hillsides and low-lying coastal areas. Without major investments in erosion and flood control, these lands are often not suitable for farming or housing. In an increasing number of these fragile sites, mounting population pressures and the concomitant stresses on the environment create a downward spiral of impoverishment and resource degradation that includes erosion, reduced soil fertility, depleted marine and forestry resources, and declining availability of fresh water. The Ghana report, for instance, indicates that the poorest rural communities are those “where the natural resource base has become extremely depleted as a result of high population densities” (Ghana 1995a). The Benin report mentions that land-short households can no longer afford to leave some land fallow, which further reduces fertility and yields (Benin 1994).

Many traditional coping strategies such as gathering wood, hunting “bush meat,” fishing, and harvesting herbs, fruits, or nuts rely on common resources. Pressure on such resources is intensifying, however, and several reports document that these resources are disappearing (Ghana 1995b). The India report mentions, for instance, that gum collection is no longer profitable due to a drastic decrease in the availability of gum trees (India 1998d). Women are much more dependent on gathering forest resources, and the disappearance of non-timber forest products affects their well-being disproportionately (India 1998a). Shrinking tree coverage in large portions of Benin has meant that poor people can no longer gather wild food and hunt during periods of food shortage (Benin 1994).

Resource degradation is a fact of life for many of the poor people interviewed. “Little by little the environment is dying and people don’t understand that the problem comes from the fact that man is killing the environment,” said a poor Ladino mother of seven in rural Guatemala. She said the principle reason was that the owners of the forest, the authorities and the agencies responsible for reforestation, are cutting down trees in large quantities (Guatemala 1997b). Resource degradation not only erodes the assets and productivity of individual households, but it can also impoverish entire communities. In Tanzania, small farmers said, “Ten years ago we harvested ten sacks of cassava and eight sacks of maize per acre. Today because of decline of soil fertility and rain and because we do not use fertilizer or improved seed, some of us get three or four sacks of maize while others harvest nothing” (Tanzania 1997).

The urban poor are also vulnerable to other kinds of environmental risks. With scarce affordable housing, poor families often reside on steep hillsides and marshes that are highly susceptible to mudslides and floods. In areas of Benin, poor people live in “water up to their ankles for three months a year,” and must contend with diarrheal diseases and respiratory tract infections, impassable streets, reduced opportunities for petty trades, and constant housing repairs (Benin 1994). In urban areas, where the poor live in closely built shack settlements, fire is a real hazard due to widespread use of paraffin and use of cardboard and wood as building materials (South Africa 1998).

Extreme weather conditions such as droughts and floods can devastate communities worldwide (see Box 3), but it is often poor people residing in marginal areas and precarious housing who are most exposed to such shocks. In 1998, more than 60,000 villages in India were buffeted by heavy rains, landslides, flooding, hailstorms, cyclones, thunder squalls, and drought. The intense weather patterns exacted a massive financial toll that exceeded the previous combined five years of relief funds. Poor people were the worst affected. A cyclone in Gujarat, for instance, destroyed more than 13,000 huts as opposed to just over 3,000 durable homes.<sup>13</sup>

### **Box 3. The 1998 Floods in Bangladesh**

Bangladesh suffered its worst floods in living memory in 1998, inundating two-thirds of the country for an unprecedented 11 weeks starting in July. Seasonal flooding is nothing new in Bangladesh, whose river systems (the Ganges, the Brahmaputra, and the Meghna) annually drain a vast basin 12 times their own area. This has caused people and the economy of Bangladesh to adapt over generations to seasonal flooding. However, in years when river levels and above-normal rainfall peak together, there have been enormous losses of life, livelihoods, property, and crops.

Over 1,000 individuals died and some 30 million people were affected by the 1998 floods. They severely damaged an estimated 15,000 kilometers of roads, 14,000 schools, and thousands of bridges and culverts. Besides public infrastructure, the floods damaged private assets (including over 500,000 homes), production, and productive inputs, and significantly altered agricultural patterns and lowered farming yields.

Source: Shekhar Shah, 1999, *Coping With Natural Disasters: The 1998 Floods in Bangladesh*, World Bank.

<sup>13</sup> The 1998 Gujrat cyclone affected 4.6 million people; left 1,241 people dead; and killed 21,993 cattle. See “Natural Disasters as National Shocks to the Poor and Development,” Mihir Bhatt, Disaster Mitigation Institute, Ahmedabad, 1999.

Disasters can also exacerbate other sources of vulnerability and overwhelm traditional coping mechanisms. Poor people in Swaziland and Zambia, in fact, see drought as among their most severe problems (Swaziland 1997; Zambia 1997). Similarly, residents of the Bolangir District in India report that it was impossible to recover from the five-year cycles of drought due to extreme losses of crops, indebtedness, starvation, land-alienation, the sale of assets, and irreparable damage to nearby forest resources. During droughts, household consumption falls by at least one-half (India 1998a; India 1997a). The Benin report (1994) describes the strain of a flood disaster on kinship-based safety nets: “Three years ago it was a very bad year. The flood washed away all of our crops, and there was a lot of hunger around here, to the point that many people actually died of hunger. They must have been at least a dozen, mostly children and old people. Nobody could help them. Their relatives in the village had no food either; nobody had enough food for his own children, let alone for the children of his brother or cousin. And few had a richer relative somewhere else who could help.”

### **Assets and Vulnerability**

*After one poor crop, we need three good harvests to return to normal.*  
—Vietnam 1999a

*I sold my land and now I have nothing. I can never buy my land back because the prices go up every year.* —Tanzania 1997

*[I have become like] a stray dog whimpering in front of the closed doors of relatives in the hope that someone might open the door.* —A mother of two, Georgia 1997

The PPA analysis revealed that poor people’s fears pertain to lack of assets and anxiety about their ability to survive in increasingly unpredictable and insecure environments. This includes economic, social, and environmental uncertainty.

Vulnerability is perhaps best understood as a lack of key sets of assets, exposing individuals, households, and communities to increased or disproportionate risk of impoverishment. Simply, an increased number and range of assets means less vulnerability, while fewer assets increases risk of impoverishment (Moser 1998). More than a decade ago, Robert Chambers observed that poverty alleviation policies have tended to neglect the issue of the vulnerability of the poor. That is, instead of examining the particular factors that place individuals, households, and communities at risk of poverty or worsened poverty, policies have focused on levels of consumption or income. Examining vulnerability, however, will bring to light issues of “defenselessness, insecurity, and exposure to risk, shocks and stress” (Chambers 1989:1).

However it is always the conjunction of many factors that causes vulnerability. A participant from an area in Swaziland that had suffered from both drought and cattle rustling explained, “A lot of people were sending their children to school by using the cattle. Come plowing time, the oxen could be used. Come planting time they would sell the cattle to buy seed and fertilizer. Come drought, a few cattle would be sold to tide the family over till the next harvest. Now with so many kraals empty [due to theft], the kids will drop out of school, people will have a problem



with farm inputs, and we will be more vulnerable to hunger during the drought” (Swaziland 1997).

### ***Vulnerability within the Household and on the Job***

*One farmer’s family has worked for a family for three generations, hard physical labor every day. This man has worked since his birth for the same farmer but has nothing, no savings, not even a bicycle. These people can afford nothing but survival. —South Africa 1998*

When poor communities are asked to identify their most vulnerable members, an initial response is that everyone is poor. While such was the case for a community in Mombasa, Kenya, upon further reflection, they selected “single mothers, orphans, children, men with large families, unemployed youth, adolescent mothers, casual workers, and women married to irresponsible or alcoholic husbands” as most vulnerable (Kenya 1997). Children, the elderly, widows, the chronically ill, and the disabled are among the groups frequently cited as most vulnerable. Unable to provide for themselves or contribute adequately to the productive capacity of the household, they remain dependent upon the aid of others, simultaneously burdening those upon whom they depend. When a family is poor, the vulnerable members of the household are often neglected and “the popular perception seems to be that there is little point in attempting to develop their capacities because they are so limited” (India 1997a). Of little surprise, more secure households in Benin are considered those which have a “a higher ratio” of productive and healthy adults (Benin 1994).

Women are frequently identified as among the most vulnerable, often because of child rearing responsibilities. Cultural norms and legal restrictions that limit women’s access to resources as well as their decision-making power also heighten their vulnerability (Togo 1996; Swaziland 1997). In rural Bangladesh women were very concerned about ownership of homestead and land as it would provide them with some security and collateral for securing loans. With a little homestead land, “women feel they have many options for income generating activities including poultry rearing, homestead gardening and cottage industries. Most of them do not feel they can leave their homes for wage labor. They also fear for their future as widows, and divorcees and deserted wives” (Bangladesh 1996).

Female-headed households, and especially those with children who are too young to work or care for themselves are particularly vulnerable (1999). These households may have lower incomes, fewer work options, and reduced labor power (Pakistan 1993). In some areas of India, women within the household are expected to eat only after everyone else has finished eating, and during times of shortage women may be left with virtually nothing to eat at all (India 1998a). In the Philippines, women said, “When food becomes scarce, we only eat once a day to allow our children and husbands to eat three times a day” (Philippines 1999).

While assets are often considered to accrue to the household as a unit, it is often the men within the household who hold exclusive decision-making power over how these assets will be used, especially in times of crisis. “It appears that where possible women try to retain some of their income for personal expenditure and for contingencies. However, this is invariably utilized for

personal crises such as health costs and food during times of sickness or unemployment, and women become vulnerable when their savings habits are revealed” (Pakistan 1993).

One of the characteristics of vulnerability is dependence, particularly dependence upon resources that are exploitative, meager and/or unpredictable. (See Box 4). Lack of one's own resources makes one easy prey. Vulnerability makes people fearful.

#### **Box 4. The Story of Murari**

Murari is a 30-year-old man who is presently living in the village of Kedarkui with his family. He began his period of contractual labor in agriculture five years ago for a dominant Thakur caste farmer. The Thakur also acts as a moneylender in many of the surrounding villages. Five years ago, Murari took out a loan of approximately Rs. 1000 that he needed for an unexpected emergency. As a term of the loan, Murari was compelled to work for the Thakur farmer as an agricultural laborer on the moneylender's land for a wage of only Rs. 5000 a year. This Thakur farmer/money lender provided Murari and his family with accommodations, food, and some money for miscellaneous expenses, while keeping account of everything that was provided.

At the end of the first two years, Murari owed Rs. 2,500 to the Thakur. After two years of labor he owed 250 percent more to the Thakur than he had initially borrowed due to the interest incurred on the loan, charges for food and accommodation, small loans provided on an on-going basis and so on. However, despite this dismal situation Murari was not able to leave the Thakur's farm in search of more profitable work. If he attempted to leave, or flee, it is reported that the moneylender would track him down and the consequences would undoubtedly be serious. After five years of work as an agricultural laborer and house servant for the Thakur, Murari now owes over 8000 Rs. Murari and others like him find that they are virtually powerless once they enter the vicious cycle of contractual labor, where they are compelled to concede to the tyranny and exploitation of the moneylenders. But for many of the poorest villagers, there are no alternative sources of loans and in certain circumstances they have no choice but to accept the exploitative terms of the local moneylenders.

Source: India 1997a

Even when women *do* have some control over productive assets there may be gender differences. In Pakistan, where livestock is an important asset, women raise small animals such as chickens and goats while men usually raise cattle. Smaller livestock is sold first, as it is thought to be more easily replaced (Pakistan 1993).

Finally, the occupations available to poor people are often physically risky. Work-related cases of debilitating and fatal injuries, assaults, illnesses, and psychological abuse abound. In Ghana, for instance, unskilled positions such as “market truck-pushers” or “loading boys” leave workers “extremely vulnerable to sickness, disability (temporary or permanent), and infirmity.” In addition, unskilled wagedworkers complain of abuses from managers and employers who fail to uphold verbal agreements (Ghana 1995a). Another PPA reports that migrant women in India, fleeing the devastation of a drought, work 20 hours a day at such activities as gathering fuel wood to sell in nearby towns or transplanting paddy saplings (India 1998a). The South Africa report mentions a number of dangerous occupations, including women as old as 75 years of age engaged in mixing mud and dung for plastering, or carrying 25 liter drums of water in return for pay. The South Africa report also mentions highly risky jobs such as garbage picking and prostitution, as well as more traditional occupations. “In the community of Krakeel the major sources of wage-labor are work on fruit farms, and in an apple processing factory. Both of these sources of income were shown to require the greatest physical effort and carry the greatest health risks of all the occupations that were identified. The factory is built on a dam and the floor gets very wet and cold. One woman pointed out that the swelling and pain in her legs was the result

of the conditions she had had to work in the factory” (South Africa 1998). Women also frequently complain of sexual harassment from coworkers and managers (India 1998a; Pakistan 1993).

## Conclusions

There are important insights to be drawn from the PPA data about poor people’s definitions and understanding of poverty and their strategies for managing the portfolio of the scarce and often contested assets available to them. Poverty consists of multiple, interlocking dimensions. Poverty definitions give prominence to problems with securing food and difficulties finding safe and predictable sources of livelihood. What is striking however is the extent to which dependency, lack of power and voice emerge as core elements of poor people’s definitions of poverty. Powerlessness and voicelessness also underlie discussions of a heightened sense of vulnerability and the inability of poor people to protect themselves from shocks. Poor people speak extensively about assets and much less about income. These findings have implications for how we measure poverty. One of the challenges is to track and measure changes in power and voice together with other measures of poverty, such as estimates of expenditure and consumption, and access to education and health.

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On reviewing poor people’s pool of assets and how these assets are managed to reduce vulnerability to shocks, three lessons can be learned. First, assets used by the poor to mediate social, economic, and environmental adversity are multidimensional in nature and are constituted by a broad array of tangible and intangible physical, human, social and environmental resources. Families that lack certain key assets may not necessarily be poor, but nonetheless may be extremely vulnerable in times of need or crisis. Second, assets available to the poor are scarce and contested resources. Ability to draw upon assets in times of need is directly dependent upon the power relations governing these resources at a number of levels from the household to the regional/formal institutional level. There are often strong gender differences. The mobilization of assets virtually by definition involves a negotiation of power and control over resources. Finally, the poor tend to mention income only infrequently relative to assets such as membership within kinship and social networks, health, labor power, land, and other resources that make self-provisioning possible. In fact, the Ghana report mentioned that the “idea of a secure livelihood is frequently more important than the incentive to maximize income” (Ghana 1995a). This is not surprising given the heightened vulnerability of poor people and poor communities to potentially devastating shocks beyond their control. These findings need to be considered carefully from a policy perspective because the data provide compelling evidence that for many of the world’s poor, monetary income is only a part of a much broader array of potential assets. Because social relations are an asset and because the poor have weak bargaining power, the organizational capacity of poor people and the quality of processes of intervention are important.

## Case Study 1: Focus on Eastern Europe and Central Asia

### ***Institutional Collapse, Sudden Poverty***

*For a poor person everything is terrible — illness, humiliation, shame. We are cripples; we are afraid of everything; we depend on everyone. No one needs us. We are like garbage that everyone wants to get rid of.* —Blind woman from Tiraspol, Moldova 1997

*I feel very unpleasant when you ask me how I would define my own situation. I can not . . . [shrugs his shoulders], but I do know I am poor.*  
—Macedonia 1998

While in many instances the conditions under which people live in this region are better than in much of the developing world, people respond to the harsh social and economic conditions of the last decade with pronounced humiliation, shame, bewilderment, and confusion. After decades of steady employment guaranteed by the state and subsidized food, housing, education, medicine, and standards of living which, if not lavish, were for most at least adequate, the transition from socialism has resulted in the rapid erosion of virtually all social support systems and has bred mass insecurity among the people of this region as they have watched their savings and accumulated assets dwindle and disappear.

One elderly pensioner in Moldova complained that “[Before independence] I had two thousand rubles saved in the bank for a rainy day, for my funeral. It was quite enough during those times. Now I have 2 lei. What can I buy with them?” (Moldova 1997). (In December 1996, during the time the data for this report was being gathered, the exchange rate was about 4.5 lei to the dollar). The loss of security they once knew has created a profound sense of hopelessness, depression, and fear of what the future might bring.

The ways in which people define poverty in Eastern Europe varies according to a number of factors including gender, economic status, and the position of respondents in the socioeconomic hierarchy before the social and economic transformations of the late 1980s and early 1990s. The poorest respondents tend to cite the most basic aspects of poverty: hunger, inadequate quantities and quality of food, poor living conditions, and health problems. Following that, respondents tend to cite the inability to provide for their children, to maintain the social traditions that they once enjoyed, and to participate in a meaningful cultural and intellectual life. The transition to a market economy, “independence,” and “democracy” has become equated in the minds of many poor people with unprecedented vulnerability and social injustice.

Across the region there are a number of ways in which the poor have developed survival strategies to cope with sudden poverty. An extremely important asset is access to land, either one’s own, or within one’s family. Even small plots provide the possibility for self-provisioning of food for the family and reducing expenditures. Often food raised can be exchanged for goods and services. Families have been forced to dramatically reduce their consumption levels, often to the point of spending money only on the most basic needs such as food and shelter. Meat and fresh fruits and vegetables have largely been eliminated from the diets of the poor and replaced

with cheaper, less nutritious and carbohydrate-rich foods such as bread, potatoes, and pasta. (See Box 5.)

Expenditures on health care have been reduced or eliminated, and there is increased reliance on home and traditional remedies. In addition, selling assets has also been a survival strategy employed by the poor across the region. Pensioners especially have relied on the sale of material possessions, perhaps because of a greater accumulation of belongings over a lifetime, but also because of the increased need to pay for costly medical treatment. It is also an important way of supplementing pensions that are inadequate, and often sporadically provided (Azerbaijan 1997).

### **Box 5. Food: The Ultimate Criterion of Poverty**

In Eastern Europe, the ultimate criterion of poverty is whether there is enough food. This is especially true for the poorest respondents (Georgia 1997; Macedonia 1998; Latvia 1997). Malnutrition can trigger a chain of events that sends individuals and households into ever-greater vulnerability. Illnesses caused by malnutrition can be devastating, especially if medication is required.

*Poverty is the fact that sometimes I go hungry to bed in the evening, because I do not have bread at home. — Macedonia 1998*

*That person is poor who for 20 days out of the month eats boiled potatoes without butter, drinks tea without sugar, and doesn't have enough money to buy subsidized bread — Armenia 1995*

*Ivan and Lolita now survive on what they can grow in their own garden, on various jobs Ivan finds, and what Lolita can gather from the forest and sell. They live mainly on potatoes, going through last winter without any bread at all. For the last two months they have lived on potato bread — potatoes are ground up, mixed with oil, and baked. Lolita cries when she sees a loaf of bread. — Former collective farm workers in Latvia, nearing pension age, Latvia 1998*

*There's nothing to eat. We're constantly hungry . . . my life is just grief. — Ukraine 1996*

*If I consider how other people live, then I feel poor because I cannot give my child what he needs. If an employed individual still has to worry about buying his or her child bread and has to scrape to make ends meet — this is not normal.” — Latvia 1997*

*Only God knows how we shall survive over the winter. At night you wake up because of a stomachache and because of hunger. — A former collective farm worker, Moldova 1997*

*I used to feed my daughters with soups, juices, bananas, and other similar things. Now I give my son biscuits and tea, and still breast feed him since I cannot buy milk. — Mother comparing the nutrition of her 1-1/2 year old son to her older children, Macedonia 1998*

*Poverty for me is the fact that we bought some black flour with our last money, some flour cheaper than the rest. When we baked the bread it was not edible. We were speechless and ate it by force since we did not have anything else. — Macedonia 1998*

## **Humiliation and Shame**

*If I openly admit myself to be poor, life will become psychologically harder.*  
—A 45-year-old female agronomist, Latvia 1998

Much more than reports from other parts of the world, the poverty assessments from the former Soviet bloc underscore the intense shame and humiliation that people feel when confronted by their own poverty and asked to describe their current living conditions. In the former system, poverty was ascribed to laziness and incompetence, and poverty was often associated with criminality. Poverty was mainly perceived to be a result of personal failings or evidence of undesirable family traits and upbringing, and thus it was equated with a lack of social and moral worth. These attitudes can be ascribed in part to the legacy of the communist system, during which time any serious analysis of poverty would have constituted a direct challenge to the authority and legitimacy of the central state whose charge it was to provide welfare for all. Because of this, the position of Soviet ideology was to identify poverty as a social phenomenon associated primarily with deviant groups (Georgia 1997; Azerbaijan 1997). The association of impoverishment with personal or familial shortcomings remains firmly embedded in the collective psyche. In this system, maintaining at least the *appearance* of prosperity was vital to maintaining the social connections that enabled one to secure goods and services (Moldova 1997). To admit to poverty now is therefore very difficult for respondents who have spent productive working lives, with little or nothing to show for it, and are forced to go to extreme measures to provide sustenance for themselves and their families. To admit poverty makes an already untenable situation even worse.

Thus, people will often try to hide their poverty from their friends and neighbors (Latvia 1997). In response to interviewer questions, many simply denied that they were poor, describing themselves in other terms such as “in the middle,” “close to poor,” or “underprivileged.” As a villager in Armenia said, “If a person is needy, we just say he doesn’t live very well” (Macedonia 1998). People fear that if their true economic status is known, it will damage the honor and respect of the family within the community, and hurt the future chances of their children (Macedonia 1998).

One Latvian respondent said “our situation is somewhere in the middle, [because] there are others for whom it is worse”; yet “there is a lot we would need, but we cannot get anything” (Latvia 1997). In Moldova, even respondents who appeared extremely poor to the interviewers declined to represent themselves as “poor.” Instead, they preferred to describe themselves as “close to poor,” but not completely poor. A former University lecturer in physics from Tbilisi reported that he was compelled to take a job as a chauffeur in order to support his family; however, he found work in another city so that he would not have to suffer the humiliation of having people he knew see him driving a limousine. “I would have felt ashamed to work as a driver in the capital, but here no one knows me. All the same, it is difficult. Recently, I ran into my former students; I’m ashamed to this day when I recall how I lied and told them that the car I drive is my own, and that I own this apartment. To this day they think I’m the director of some firm” (Georgia 1997).

Much of the humiliation comes from suddenly being unable to behave in ways consistent with strongly held social norms. When such norms can no longer be upheld, people withdraw and

become socially isolated, causing depression and feelings of worthlessness. This psychological toll has had negative effects on the social cohesiveness of communities, kinship groups, and even households.

For instance, being assured of a decent funeral remains a high priority for many, especially among older respondents. Not being able to properly bury and pay respects to a loved one can put the honor of the family in jeopardy. Especially in Georgia, funerals take on important symbolic and social significance, serving as occasions in which families demonstrate social solidarity to themselves and others. It is a time to display a family's prestige, honor, and prosperity. Friends of the deceased and the deceased's extended family are expected to attend the funeral and bring gifts. During the socialist period most elderly Georgians were able to save "funeral money" to offset the considerable costs, but now most have lost the bulk of their savings. The elderly now find themselves caught in the position of having to depend on their families for financial and material support while they live or use up their remaining accumulated savings and leave their families to cover their eventual funeral costs (Georgia 1997).

In Armenia as well, funerals continue to have great social significance and play an important role in building social solidarity within the community. Families of the deceased shoulder a responsibility of hosting a big meal to which members of the community are invited. While, by custom, guests bring gifts, the financing of a funeral, especially for poorer families, can exhaust resources and send a family into debt (Armenia 1995). People in Azerbaijan report acute embarrassment and anxiety over not being able to provide acceptable funerals for family members. One woman, an internally displaced person, felt shame and embarrassment that she would have to sell her last carpet which she had intended to be buried in (Azerbaijan 1997).

This is not only true of funerals but of other important social occasions as well. Hospitality serves the important social function of helping to build and maintain important social connections and establish one's social standing within the community. In Azerbaijan, the ability to entertain guests properly is an important indicator of social status (Azerbaijan 1997). But social events once large and extravagant have become small and restricted. In Georgia, where hospitality is a strong social norm, people live in fear of being either hosts or guests, and routinely avoid weddings and funerals. Hosts have nothing to serve guests and guests have nothing to bring to hosts as gifts. All parties find this deeply humiliating.

In Ukraine, a 35-year-old driver recalled when families could routinely invite 150 people to celebrate a wedding. Now when a wedding takes place, few people are told and it is restricted to only a small number of family members (Ukraine 1996). A Moldovan respondent stated,

In northern Moldova the wedding party was an index of a family's welfare. Parents prepared their whole life for this wedding party. They saved money to purchase furniture, refrigerators and televisions for the young couple. During the Soviet era, it was very shameful for the parents if they couldn't give their children a big wedding. It meant they were poor, and people who were poor were thought of as lazy. Some parents even gave their children a house and car as wedding presents. Weddings then were held either under tents that covered huge land areas, in culture palaces, or in restaurants. Now they are simply held at home. (Moldova 1997)

One woman from Georgia reported that she deals with the inability to afford gifts by disconnecting her phone when she is expecting an invitation. In this way she is able to offer the excuse that her phone was out of order so she learned of the invitation too late (Georgia 1997). A Latvian person told interviewers that “during the past two years we have not celebrated any holidays with others. We cannot afford to invite anyone to our house and we feel uncomfortable visiting others without bringing a present. The lack of contact leaves one depressed, creates a constant feeling of unhappiness, and a sense of low self-esteem” (Latvia 1998).

In Moldova as well, respondents describe poverty as a process of becoming increasingly socially isolated as they have been able to participate less and less in the social ceremonies and traditions that once brought people together and helped to create and maintain the social bonds between people. They feel poverty is gradually destroying these traditions (Moldova 1997). Similarly, in Ukraine the poorest members of society not only cannot afford to invite others to socialize with them, but must also refuse invitations because they also cannot afford even a small gift. A 26-year-old woman who lives with her parents, who are pensioners, and a sister and niece said, “It’s been a year since I have seen my girlfriend; I cannot go without at least taking a little gift. We sit at home and don’t go anywhere” (Ukraine 1996). “I feel most useless in this society,” said a 20-year-old Macedonian man. “I frequently get disappointed. I am looking a job and I cannot find any. I do not want to ask my parents for money because I know they do not have it. I frequently avoid girls precisely because of this. I am ashamed of finding myself in a position where I would not be able to pay at least for my own drink” (Macedonia 1998). A 51-year-old woman from Macedonia, wife and mother of a 14-year-old son, lost her job after 20 years due to “technical surplus.” She said, “I feel my heart aching when somebody comes and we do not even have any coffee to offer. I am ashamed at what we have become” (Macedonia 1998).

Prestige was very important in the former Soviet Union. One’s education and job corresponded directly with the amount of prestige one had as well as the social standing of the family. Prestige and status remains an important asset because of the access to scarce goods and services it can provide in times of scarcity. Status is an issue at once material and psychological, and its loss can be devastating. Many people will sell belongings rather than leave “prestigious” jobs (Georgia 1997). Teachers have felt their respect diminish in front of their classrooms because they can no longer afford decent clothing in which to teach. A teacher from Tbilisi reported her humiliation when asked by her 8-year-old student why she looked like a beggar who had been portrayed on TV (Georgia 1997).

### ***Diachronic and Synchronic Definitions of Poverty***

*There are some people who live worse than I do, but there are also those who live better. For some I am poor, for others not, but compared to my own former situation, I am a beggar. —Armenia 1995*

*Each person assesses poverty relative to the lives they used to enjoy, or, depending on the context, relative to the lives around them. —Latvia 1998*

People from Eastern Europe overwhelmingly tend to think about their current economic position both *diachronically* and *synchronically* (Armenia 1995). That is, they compare their current



situation with their earlier standard of living, and they compare their situation with that of others. Both are ways of attempting not only to rationally comprehend the transformations of their social status, but also to psychologically mediate their experience. This is one of the most consistent features of the reports from Eastern Europe. Comparing the present situation with the past functions as a way for respondents to *externalize* the responsibility for the current situation. That is, by pointing to specific events that impoverished everybody, by citing examples of those worse off than they, or the criminality and duplicity of the wealthy, respondents feel that at least to a certain extent their impoverishment was not the result of personal failings, but of events utterly beyond their control, such as the transitions associated with “independence,” or in some cases, with other shocks such as the earthquake in Armenia in 1988 that left thousands homeless (Armenia 1995).

Historical comparisons are frequently made by those over 40, who often looked back on the socialist era with nostalgia, loss, and regret. One person stated, “Then there were no such great differences between people, there was no poverty. There was a middle class that lived well” (Macedonia 1998). Comparing their current situation with that before 1989, one Latvian respondent said, “In any case, there were no problems; we never lived too well, but we did not owe anyone anything” (Latvia 1997). An unemployed single mother with two children stated, “[compared to the earlier times] I would have been up to my neck in money. I think that others buy new things for themselves; I cannot buy anything. The rules are such that the regular person is supposed to get by on a couple of lats a month; it is not important if a person can survive or not; no one cares!” (Latvia 1997). In Georgia, where in 1992 prices rose tenfold and by 1993 were increasing 100 to 300 percent each month, a man said that before the hyperinflation he had enough money to buy a car, while now that same amount would buy four loaves of bread (Georgia 1997). This is the case in Ukraine, as well, where “a family of four living in two rooms might be considered poor if they were unable to save enough money for major purchases such as a summer house, furniture or a washing machine. Such a family, however, could easily afford food, housing and utility charges, vacations and clothing” (Ukraine 1996). However, now virtually all of these are entirely unaffordable, and simply providing food, health care, and adequate living space for a family is a significant struggle.

Comparing one’s position with others (describing poverty synchronically) serves two functions. First, many people point to the worse conditions of others as examples of those who are *really* poor and thus they are not forced to concede their own destitution. “My living situation is very difficult,” researchers were told, “but I still have something to eat and something to wear. This morning I saw two women who were eating food they had found in the garbage. This is poverty!” (Moldova 1997). Second people may also compare themselves to those wealthier than they, ascribing that wealth to corruption and dishonesty. Particularly for people over 40, the rules of the new market economy seem to violate the values by which they were raised. Because of the belief that in the former system “business was ‘speculation’ and ‘speculation’ was a dishonest and even criminal way of making money, they compare themselves with their neighbors who have overcome their own psychological barriers to get involved in street trade and commerce (which has come to symbolize the new market relations) and claim they would rather retain their self respect and the respect of their peers by working for meager salaries in the state sectors or selling personal possessions” (Georgia 1997). Similarly, others point to bureaucrats and government officials who were better able to use their status and

influence to become wealthy after the transition. One Latvian pensioner said, “[Former communist party members] have been plundering everything and eating so much they can’t carry their own weight!” (Latvia 1998). In Azerbaijan, the poorest were those least likely to compare themselves to others when talking about their own poverty (Azerbaijan 1997).

Maintaining connections to people in government and business and in general to those with some control over scarce resources is essential to avoiding poverty, but many are losing any connections they once had as societies become more divided between rich and poor. In Georgia, respondents frequently identify “capitalism” and “market relations” with an unswerving pursuit of self-interest with no regard for the effects on those outside of one’s own social network (Georgia 1997). A popular joke in Ukraine encapsulates many of the attitudes towards earning money in the new economy and the importance of official connections through which goods and services can be brokered:

United Nations officials are interviewing three pilots, a German, an American, and a Russian, for its international air force. The German says he has experience and wants a salary of \$3,000. The American says he has excellent training and wants a salary of \$6,000. When asked about his experience, the Russian readily admits that he’s never flown a plane and he has no experience in the military. When the astonished UN officials ask why he is demanding \$9,000, he cheerfully explains, “Simple! \$3,000 for you, \$3,000 for me, and \$3,000 for the German. Let him fly!

This joke illustrates how ideologies and attitudes towards earning money have changed as well as how “informal networks of reciprocity are constructed in the labor market. One person’s willingness to bend the rules allows another to earn money purely by capitalizing on the acquaintance” (Ukraine 1996). “We have our problems,” said one Latvian man, “how to survive; they have their problems — how to guard their fortunes” (Latvia 1998).

### ***Rural and Urban Areas: Different Assets, Different Needs***

*Peasants now live ten times better than those in the city do, but they work ten times harder. —Armenian agronomist, 1995*

In both rural and urban areas, the poor raised the issues of food and access to basic services. While references suggest that rural poverty may be less severe than in urban areas because of rural people’s ability to self-provision, income statistics suggest that poverty is both more widespread and more severe in rural areas than in cities. (See, for instance, Kyrgyz 1998.) As elsewhere in the world, the rural areas have traditionally had less access to basic services, including transportation, health care, and schools.

In Georgia, families in both urban and rural areas report going without food for several days, especially in order to ensure that their children have something to eat. Rural areas mainly experience hunger in the early spring before crops can be planted and after food supplies have been exhausted. In urban areas, however, hunger tends to be more acute and people report subsisting for long periods of time on only bread and tea (Georgia 1997).

Having some small piece of land on which to grow vegetables or having social connections to family or others who can grow food is an important resource for urban families. Indeed, a common opinion among urban residents is that at least people in rural areas stood less of a chance of going hungry. “What benefit do I have from the fact that there is everything in town?” a woman asked. “You see things, but do not have money for anything. If I would live in a village I would be happy. If I had one small piece of land I would plant things, breed cattle and say good-bye to poverty” (Macedonia 1998). There has even been a slight trend in Armenia of urban to rural migration in order to take advantage of extended kinship networks in villages and increased access to land (Armenia 1995).

The rural poor often report feeling isolated and lacking key infrastructure such as transportation, schools, and health clinics (Latvia 1998). In Macedonia, for instance, rural residents frequently report that their situation is more severe than that of urban residents due to lack of basic services. “We in the village have a four-grade primary school and one shop,” a poor person stated. “Our children should continue their education in the nearest town. We also have to seek medical care in the town. Everything we need we have to go and buy in the city . . . and these are additional costs.”

Urban residents more frequently tend to equate poverty with being unable to take advantage of the cultural or social activities that they previously enjoyed. Interviews completed in Latvia suggest that urban poverty tends to be more anonymous. People are not as aware of their neighbors’ conditions and can ignore the people picking through the garbage for food.

### ***Vulnerability and Despair***

*Previously, pensioners could help their children and still keep something for themselves, but now you just lie down and die. —Latvia 1998*

*You gave birth to them yourself, get rid of this mess yourself! —Response from officials when mothers requested aid for their needy children, Ukraine 1996*

Particularly vulnerable are those for whom the socialist system formerly provided primary support. These groups include the elderly, the disabled, children (and especially orphans), the unemployed, and those who lack adequate social support networks.

The elderly are among the most vulnerable segment of the population throughout the region (see Box 6). Subsisting on the bare minimum provided by state pensions, they often find themselves dependent upon their children and extended family whose resources are already spread exceedingly thin. For pensioners, a large problem is actually receiving pensions regularly and on time (Moldova 1997). In Azerbaijan, by 1995 pensions had decreased to four percent of their 1991 value (Azerbaijan 1997). In Georgia, as well, delays in pension payments often pose serious problems to the elderly poor. Pensioners who do not have family networks to fall back on are among the most vulnerable. Large numbers of elderly subsist by begging (Georgia 1997). Many are ill and disabled and cannot work. Others have witnessed their life savings vanish before their eyes because of hyperinflation, and they are forced to sell off their personal possessions to survive. Some pensioners are able to self-provision, growing food on small plots of land. Others are unable to do this because of disability or lack of access to land.

Children are also at risk of hunger, and families with many children are often among the poorest (Latvia 1998). In Azerbaijan, respondents discuss the increasing prevalence of child labor in which children as young as six are commonly seen on the street engaged in vending and odd jobs (Azerbaijan 1997). In Armenia, many children suffer malnutrition, stunted growth, and rickets even though families attempt to ensure that the youngest children are adequately fed (Armenia 1995). A respondent in Latvia said that children are an “expensive pleasure.” For single mothers, a child can greatly increase a mother’s burdens because of the added logistical restrictions when trying to find or hold down a job (Ukraine 1996). A Ukrainian respondent said, “There’s nothing to eat. We’re constantly hungry. There’s nothing to wear. There’s no money to buy the child boots, or notebooks, pens or a book bag. My life is just grief. That’s all . . . I don’t even want to live. I gave birth to these kids and I have to raise them. But if I didn’t I would have put a rope around my neck and hung myself a long time ago” (Ukraine 1996)”

Additionally, there is now increasing social stigmatization of women with large numbers of children. Many women now try to limit the number of children born. Abortions in Ukraine are available for \$30 to \$50 and because of this, many believe it is unconscionable for women to bear so many children during a time of pronounced economic hardship and stress. This attitude is also held among government officials who are in the position of making decisions on how aid is to be distributed to poor families. A respondent, after unsuccessfully trying to get aid once, refused to return to the city agency responsible for welfare for families in need. “I only get upset and nothing else. They insult me and reproach me for being a single mother. They told me I’m to blame for having so many children and they’re right, I am. But the children aren’t guilty of anything! I didn’t come to ask for help for myself, but for the children!” (Ukraine 1996).

## Box 6. The Situation of Eastern Europe's Elderly Population

One pensioner from Baku, Azerbaijan, used to work as a radiographer and telephone operator, but hyperinflation has rendered her pension and savings practically worthless: "I used to wear a mink coat and now I can't even afford a pair of shoes." She lives on a small pension and is forced to sell her household belongings. She is no longer able to pay for services or buy medicine to treat her tuberculosis. Her diet consists mainly of margarine and pasta (Azerbaijan 1997). Some pensioners are able to find work and supplement their state support, although many cannot find employment or are physically unable. Qualitative findings from the Azerbaijan PPA contradicted earlier household survey data that showed pensioners with jobs to be among the least vulnerable population groups (Azerbaijan 1997). Salaries tend to be very low and job security uncertain.

*I went to sleep a rich man able to buy several cars. But I woke up a beggar. —Pensioner from Kharkiv, Ukraine 1996*

*Who is going to provide social assistance to pensioners if they don't even help young people? We pensioners are sick and helpless. We don't produce anything. So who needs us? —Ukraine 1996*

*We envisaged happy pension days when we would rejoice over our grandchildren and see them grow in settled households. See what we came out with? Instead of our children helping us, they cannot take care and manage their own life. If it were not for the pension they would have to go out in the streets and beg. —Macedonia 1998*

*What makes people poor? Money is worthless. What can you buy? I can't remember the last time I bought clothes or anything else. Who cares about us? How is it for them? Shameful? I don't know. What can we do? They've made us like this. I worked 32 years on a farm. My pension is so small that I have to ask myself, "What is it good for?" —50-year-old woman, Ukraine 1996*

*They will not put you free of charge even in a grave. —Macedonia 1998*

*In ten years there won't be one pensioner still alive; the majority of children will be uneducated because of the introduction of paid education, there will be selection of the fittest, and the least principled in the arena will win. —Georgia 1997*

*Today you can't die. Not long ago a friend buried her mother. The funeral cost krb 50 million [\$226]. To pay for it, they sold her mother's Lenin Medal for \$380. How will my children bury me? I am horrified every time I think about it. —Ukraine 1996*

*I worked my whole life. For 42 years I was officially employed. My husband and I never had to deny ourselves anything. We had really exceptional savings. I was at peace. I thought, even if I don't have children, in my old age, I'll be well provided for and that even if I get sick or something happens, I'll have the money to hire a caregiver or a nurse to look after me. I'll have money for good food, medical care, for my funeral, and for other things. And now I'm a beggar. I don't have anything. If something happened to me tomorrow, if I lay down and died, it wouldn't matter because nobody needs me. This feeling of my own powerlessness, of being unnecessary, of being unprotected is for me the worst of all. —Ukraine 1996*

Survey reports indicate that Internally Displaced Persons (IDPs) are among the most vulnerable groups, and there is some animosity towards them due to the aid directed towards them. One person said, "Only refugees and IDPs receive humanitarian aid while we have to sell our goods. I have a negative attitude towards IDPs" (Azerbaijan 1997). Of course, many refugees and IDPs have no assets to sell, as they are forced to leave their homes and all of their possessions, often with just the clothes on their backs (see Box 7).

## Box 7. Vulnerability of Refugees and Internally Displaced Persons

In 1988 ethnic riots in Armenia caused 200,000 ethnic Azerbaijanis to leave Armenia and resettle in Azerbaijan. Later, military conflict between Armenia and Azerbaijan over the Nagorno Karabakh region further increased the numbers of internally displaced persons (IDPs). At the time the Azerbaijan Poverty Assessment was completed in 1997, official estimates of IDPs were over 600,000 including 60,000 persons in tent camps, 300,000 in public housing and an additional 300,000 living elsewhere in various communities.

Armenia also received refugees from the war. In addition, in 1988 Armenia suffered a devastating earthquake in which 50,000 people were killed and thousands injured. Some 25,000 were made homeless. In the region affected by the earthquake, many still live in temporary shelters, including metal railway cargo containers. In this region an important indicator of poverty was whether one lived in a permanent home. A respondent remarked after showing an interviewer through an “improved” container which included a toilet and a shower, “a container still remains a container” (Armenia 1995).

*I wish I had died rather than become an IDP.* —Female Azerbaijani IDP, Azerbaijan 1997

*It is very difficult for IDPs to find work because they are farm workers or skilled at animal husbandry. It is very difficult to get used to the city life.* —Forty-year-old male IDP and former agricultural worker, Azerbaijan 1997

*Only the well-off truly can believe in tomorrow.* —Azerbaijan 1997

*After each bombardment I lost 2 or 3 kilos. I became very anxious and we all suffered from high blood pressure.* —Armenian Refugee, Armenia 1995

## Attitudes Towards Government

*What kind of government do we have? One hand gives and the other takes away!*  
—Ukraine 1996

Attitudes towards the government in Eastern Europe result from a complex combination of factors. Mainly there is widespread anger at what is perceived as horrendous financial mismanagement that has caused hyperinflation and widespread unemployment. The poor blame the government for their impoverishment, widespread unemployment and the inflation rates that have devalued their savings, wages, and pensions. Poor people believe government officials have exploited their social and political positions for wealth, influence and personal gain, while ignoring the position of the neediest. At the same time, after a lifetime of dependence upon subsidies and entitlements, many still look to the government for solutions to their problems, and hope that it will resume the role it filled in the past. In Georgia, for instance, people frequently described the state as a “parent which should take care of its children” (Georgia 1997). For this reason, many express anger at what they perceive as corruption, mismanagement, and indifference on the part of the government to growing impoverishment. (See Box 8.)

For many, government support such as pensions, meager though it may be, is the only available source of income. Yet throughout the region people complain about the humiliating treatment they receive when attempting to obtain social assistance. Many become discouraged by bureaucracy, rude and unresponsive officials, and withheld information. A respondent in Macedonia reports, “You have to queue a lot and go from one desk to another. The clerks are very impolite [and] do not inform as they should” (Macedonia 1998). Another spent a month gathering all the necessary documentation to receive social assistance. The result was that he was given a number and told to return in a month’s time. He did not return, partly out of shame

and partly out of anger (Macedonia 1998). In Armenia, some refuse even to apply for a pension because the amount is so minimal its only purpose was to constitute a “form of mockery” (Armenia 1995).

### **Box 8. Attitudes Towards the Government**

Now that the state no longer provides the assistance needed and expected, the overwhelming response is anger, frustration, betrayal, abandonment, and, finally, demoralization.

*People place their hopes in God, since the government is no longer involved in such matters. —Armenia 1995*

*Politicians don't care about the suffering population. —Moldova 1997*

*Our leaders announced transition to new market relations and then left us to the mercy of fate, not asking whether we were prepared to accept the transition. —Georgia 1997*

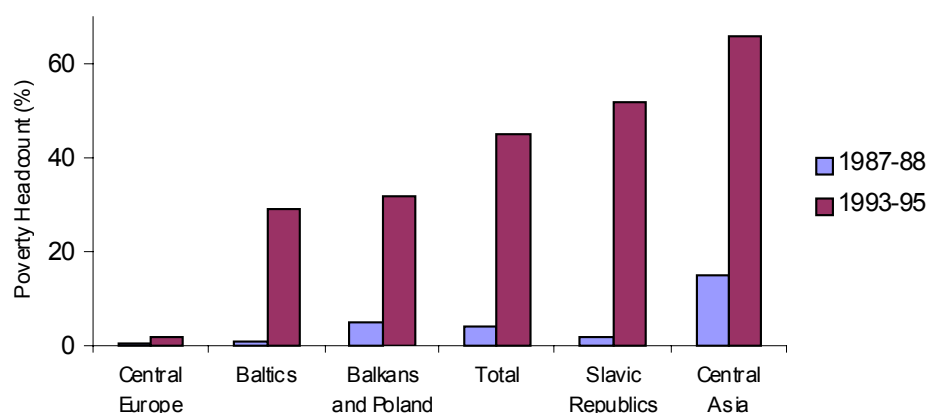
*Of course, before it was good! You do something or you don't do anything at all, all the same, at the end of the month there is a salary. The government thought about us. —Georgia 1997*

*When I retired, I had 20,000 rubles in my savings account. With this money it would have been possible to buy four cars. But what the government did with it— the government we trusted with our money! They re-indexed savings so that inflation ate it! That money is now not enough for bread and water. And still, they give a pension that doesn't even provide minimum survival. If the pension they gave me earlier, 132 rubles, was enough for a comfortable life, well, on today's pension, I can't possibly live or survive on it. —Ukraine 1996*

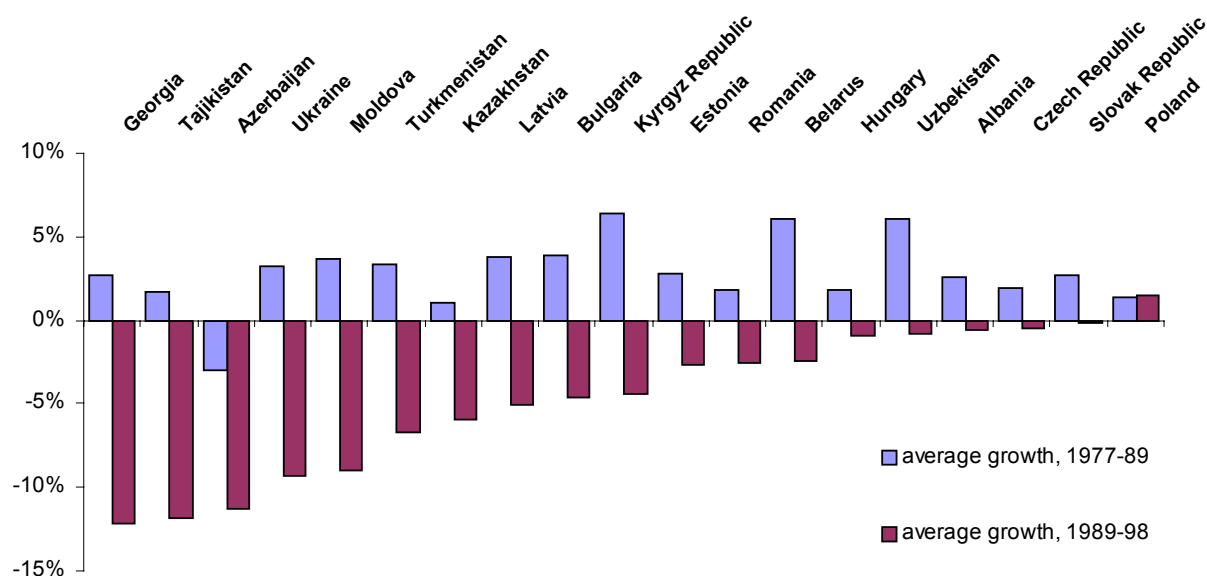
During the previous regime people gained access to goods and services through connections and often paid for “favours” with a “gift” or modest bribe. This was an accepted and expected way of doing things and it did not pose serious problems. Currently however, the system of bribery has become more pervasive and extreme, posing hardships above and beyond what most can afford. Employment, health care, and social services all frequently require bribes. A person from Georgia said, “Recently at the telephone station they told me ‘pay \$400 and tomorrow we will connect you’— it’s market relations!” Another said, “If you don’t have the money, it’s all the same whether you study or not, but with money, even a moron can enroll in medical school” (Georgia 1997).

While the fall of the Berlin Wall and the accompanying social and political transition were understood by many in the West as changes ushering in a new and unprecedented freedom to the region, many from the former socialist countries experienced the transition as the exact *opposite*. (See figures 3 and 4.) In Georgia, “people associate their poverty with the lack of freedom — they feel enslaved by their crushing daily burdens, by depression, from fear of what the future will bring” (Georgia 1997).

**Figure 3. Poverty Headcount in Transition Regions**



**Figure 4. Average GDP Growth: Transition Economies, 1977-98**



These charts illustrate the increasing level of poverty and decreasing economic growth in transition economies in the past ten years. The poverty headcount, or the proportion of poor people, in these countries has increased dramatically between 1987-88 and 1993-95. These countries have also regressed in growth rates: the average GDP growth in transition economies has reversed from a positive trend to a negative trend over the past ten years. Together, these charts illustrate a downward trend in living standards and overall economic well-being.

Sources: EBRD 1998; Statistical Information and Management Analysis database; World Development Report 1996; and Milanovic, 1998.