

DRAFT FOR DISCUSSION

# **GLOBAL SYNTHESIS**

## **Consultations with the Poor**

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The findings, interpretations, and conclusions expressed here are those of the authors and do not necessarily represent the views of the World Bank, its Board of Executive Directors, or the governments they represent.

## Preface

This study is part of a global research effort entitled *Consultations with the Poor*, designed to inform the *World Development Report 2000/1 on Poverty and Development*. The research involved poor people in twenty-three countries around the world. The effort also included two comprehensive reviews of Participatory Poverty Assessments completed in recent years by the World Bank and other agencies. Deepa Narayan, Principal Social Development Specialist in the World Bank's Poverty Group, initiated and led the research effort.

The global *Consultations with the Poor* is unique in two respects. It is the first large scale comparative research effort using participatory methods to focus on the voices of the poor. It is also the first time that the World Development Report is drawing on participatory research in a systematic fashion. Much has been learned in this process about how to conduct Participatory Poverty Assessments on a major scale across countries so that they have policy relevance. Findings from the country studies are already being used at the national level, and the methodology developed by the study team is already being adopted by many others.

We want to congratulate the network of 23 country research teams who mobilized at such short notice and completed the studies within six months. We also want to thank Deepa Narayan and her team: Patti Petesch, Consultant, provided overall coordination; Meera Kaul Shah, Consultant, provided methodological guidance; Ulrike Erhardt, provided administrative assistance; and the Institute of Development Studies, University of Sussex provided advisory support. More than a hundred colleagues within the World Bank also contributed greatly by identifying and supporting the local research teams.

The study would not have been possible without the generous financial support of the U.K. Department for International Development (DFID), numerous departments within the World Bank, the Swedish International Development Agency, John D. & Catherine T. MacArthur Foundation and several NGOs.

The completion of these studies in a way is just the beginning. We must now ensure that the findings lead to follow-up action to make a difference in the lives of the poor.

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# CONSULTATIONS WITH THE POOR

## Overview and Implications

*Poverty is like heat; you cannot see it; you can only feel it; so to know poverty you have to go through it.* Adaboya, Ghana.

1. The poor are the true poverty experts. As the new millennium begins, the World Bank is preparing the *World Development Report, 2000/1* on the theme of Poverty and Development. How could voices of the poor, their experiences, priorities, reflections and recommendations be incorporated? *Consultations with the Poor* was designed to respond to this challenge. It involved studies in 23 countries around the world using participatory and open-ended methods to listen to the poor<sup>1</sup>. The *Consultations* study was led by the Poverty Group of the World Bank in partnership with the World Bank's operational and country level staff. Based on a "process guide" which was field tested in four countries, field work was conducted in collaboration with in-country research institutes and NGOs. The study was financed by the UK Department for International Development, Swedish International Development Agency, World Bank, and several NGOs.

2. Trying to understand the voices of approximately 20,000 people from over 200 communities in 23 countries has been both a challenge and a humbling experience, which has forced us to revisit the meaning of development. Few would dispute that development should mean significant good change. But what is significant change, and what is good change? To answer this question, we have had to learn from the poor as they expressed their realities and priorities, what for them is the bad life and the good life, and what would make a significant difference in their lives. We have tried to distill and synthesize the learning from this study process, however imperfectly. We have tried to be aware of our own biases. Inevitably though, our own values and experiences have influenced what we have selected and how we have presented it. We can only say we have tried to be faithful and accountable to the poor people who took part, and to express to a wider public what we believe they would have wanted us to say on their behalf.

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<sup>1</sup> Details of the study methodology can be found in the *Consultations with the Poor Process Guide* (Poverty Group, World Bank, 1999). Four issues were explored: what is a good life and bad life; what are poor people's priorities; what is the nature and quality of poor people's interactions with state, market and civil society institutions; how have gender and social relations changed over time? The poor women, men and youth who participated frequently identified another group below them who were desperately poor, few of whom took part in the *Consultations*. These "bottom poor" are discussed in paragraph 32.

3. The pattern of findings is striking.<sup>2</sup> What has been glimpsed before, but has here been repeatedly described in distressing detail by poor people, is the psychological experience and impact of poverty. There are some sobering trends. The large majority of poor people included in *Consultations* across the 23 countries said they are worse off now, have fewer economic opportunities, and live with greater insecurity than in the past. They articulated detailed reasons that varied by region. Poor people's experiences with government institutions are largely negative, even when government programs were rated as important; rudeness, corruption and poor quality services seemed to be the norm, whether in health care or in programs of social support. The presence of NGOs in the various countries is uneven but, where they are at work their contributions are generally well regarded. The poor find their own institutions to be the most dependable. Gender relations are in troubled transition with violence against women frequent.

4. This overview is organized into two parts. Part I describes how poor people in the *Consultations* viewed wellbeing and illbeing, that is, the good life and the bad life. It then sketches five interconnected dimensions of wellbeing: material wellbeing, physical wellbeing, freedom of action and choice, security, and social wellbeing. Finally it discusses overall trends. Part II focuses on five cross-cutting problems that were shown to keep poor people trapped in poverty and the bad life: corruption, violence, powerlessness, incapacity, and bare subsistence living. To describe and tackle these problems, as well as the findings of the *Consultations* and their implications for policy, we have presented them as five major directions for change:

- a. From Corruption to Honesty and Justice
- b. From Violence to Peace and Equity
- c. From Powerlessness to Grassroots Democracy
- d. From Weakness to Capacity for Action
- e. From Bare Subsistence to Assets and Security

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<sup>2</sup> The sampling was purposive to reach poor people in poor communities in different parts of a country. Teams visited between 8-18 communities and spent an average of 5 days per community in discussion groups with poor men, poor women and sometimes youth. Open-ended interviews were conducted with men and women who had slid into poverty, those who remained poor and those who escaped poverty.

## PART I: WHAT ARE WELLBEING AND ILLBEING ?

*Being well means not to worry about your children, to know that they have settled down; to have a house and livestock and not to wake up at night when the dog starts barking; to know that you can sell your output; to sit and chat with friends and neighbors. A middle aged man in Bulgaria.*

*A better life for me is to be healthy, peaceful and to live in love without hunger. Love is more than anything. Money has no value in the absence of love. A poor older woman, Ethiopia.*

5. Poor people were asked to analyze and share their ideas of wellbeing, a good experience of life, and of illbeing, a bad experience of life. For them, wellbeing and illbeing had many aspects. To be poor was to experience illbeing in many ways and to suffer multiple disadvantages. Those who took part in the *Consultations* showed how cruelly the many dimensions of disadvantage reinforce each other and interlock to trap them and how difficult it is for them to move from the illbeing they experience to the wellbeing they wish. And again and again, the psychological dimensions of wellbeing and illbeing were of paramount importance.

6. Wellbeing was variously expressed as happiness, harmony, peace, freedom from anxiety, and peace of mind. In Russia, people said, “Wellbeing is a life free from daily worries about lack of money”; in Bangladesh, “to have a life free from anxiety”; in Brazil, quality of life is “not having to go through so many rough spots” and “when there is cohesion, no quarrels, no hard feelings, happiness, in peace with life”; in Nigeria, “wellbeing is found in those that have peace of mind, living peacefully”; in Bolivia, “quality of life is high when you have a family, to feel supported and understood. You can have money but without a family it’s worth nothing”; in Thailand, livelihood was simply defined as “happiness”; “It is to be filled with joy and happy. It is found in peace and harmony in the mind and in the community.”

7. For many, too, spiritual life and religious observance were woven in with other aspects of wellbeing. The importance to poor people of the church, mosque, temple and sacred place was repeatedly evident from their comparisons of institutions, in which these frequently ranked high, if not highest, as key supports in their lives.

8. Illbeing was described in terms of lack of material things, as bad experiences, and bad feelings about the self. In Bosnia, the poor described illbeing as follows: “Children are hungry, so they start to cry. They ask for food from their mother and their mother doesn’t have it. Then the father is irritated, because the children are crying, and he takes it out on his wife. So hitting and disagreement break up the marriage.” A group of young men in Jamaica ranked lack of self-confidence as the second biggest impact of poverty: “Poverty mean we don’t believe in self, we hardly travel out of de community...so frustrated, just lock up inna house all day.” Poor

people spoke about loss, grief, anguish, worry, overthinking-madness, frustration, anger, alienation, humiliation, shame, loneliness, depression, anxiety and fear.

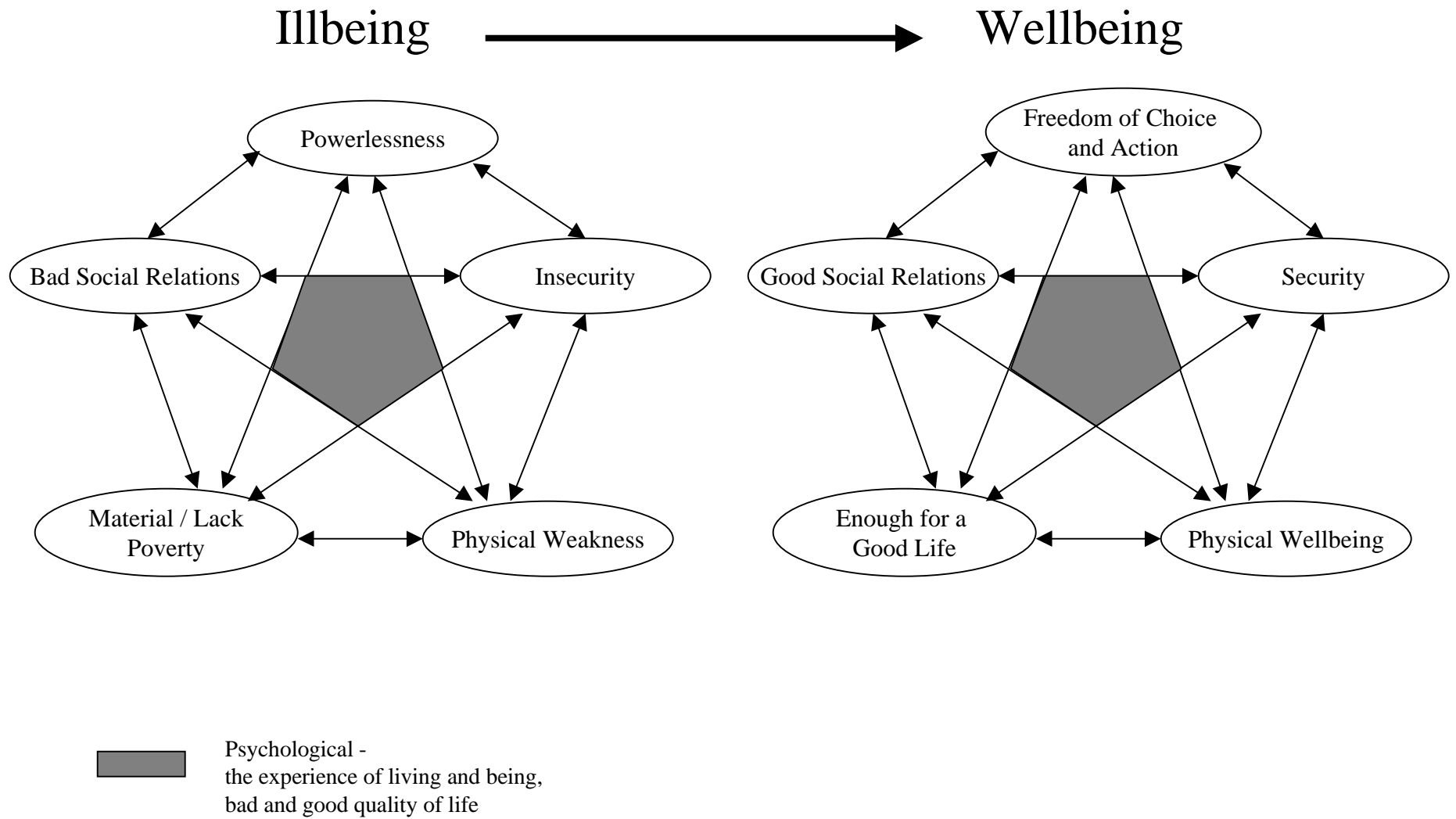
9. For poor people, the good and the bad life are thus multidimensional, with the experiential and psychological dimensions at the center. In understanding what is wellbeing, what is a good experience of life, there are perhaps no final answers. But in the quest for understanding, there is much to reflect on in what poor people said and shared in the *Consultations*.

## **Dimensions of Wellbeing**

10. While the nature of illbeing and poverty is specific to location and person, there is also a striking commonality of experience across countries, cultures, rural and urban areas, and age and gender divides. The *Consultations* study found this to be true across countries ranging from Bangladesh, Thailand and Indonesia in Asia, to Argentina and Ecuador in Latin America, to Ghana and Malawi in Africa, to Russia and Uzbekistan in Central Asia. Wellbeing and illbeing as people explained them can be described in terms of five dimensions, each with a bad and a good condition of being, and each with its agenda for intervention. The five interrelated dimensions are material wellbeing, physical wellbeing, security, freedom of choice and action, and good social relations (see figure 1.).



Figure 1, Development as good change - from illbeing to wellbeing



## ***Material Wellbeing***

*A livelihood that will let you live. Ecuador.*

*We eat when we have, we sleep when we don't. Ethiopia.*

11. Lack and want refer to material poverty and deprivation. This is hardly new, but lack of food, shelter, clothing, poor housing and uncertain livelihood sources were critical and mentioned everywhere. In Nigeria, material wellbeing was said to be experienced by “those that lack nothing.” Having enough to eat the whole year round was mentioned over and over again in many countries, as was the possession of assets. In rural areas this took the form of land with secure tenure, together with assets that allowed cultivation and a good harvest. Especially in urban areas, capital to start a business, access to loans and above all dependable work were stressed. A woman in Egypt summed up the problem of lack of assets as, “A poor person is a person who does not own anything that provides him with a permanent source of living. If he has a permanent source of income, he will not ask for other people’s assistance.” In Argentina, it was said: “You have work, and you are fine. If not, you starve. It is so.”

12. In urban areas in countries that have undergone severe restructuring crises, study teams were shocked to learn about quiet and hidden starvation. Those who starve are often too proud to beg and too decent to steal. The research team in Russia wrote, “a woman told us that sometimes she did not have food for several days and was only drinking hot water and lying in bed not to spend energy.” In Bosnia, the poor said, “the biggest problem is always money. A bad financial situation causes loss of sleep, and if you are sleeping poorly, in a certain sense, you are ill.”

## ***Physical Wellbeing***

*My children were hungry and I told them the rice is cooking, until they fell asleep from hunger. An older man, Egypt.*

*Transporters are not willing to ferry very sick people[for fear of them] of dying in the vehicle. Musanya village, Zambia.*

13. Physical wellbeing was described mainly in terms of health, strength and appearance. Health and physical wellbeing are of value in themselves. But for poor people a strong body was seen as a crucial precondition for being able to work. For the poor, their body is the main asset, yet one that is uninsured. Shortage of food and sickness not only causes pain, but weakens and devalues the asset. As a man in Ethiopia said, “I told you. All I need is peace and health.” In Thailand, hunger meant problems with mouth and stomach, finding food and money for the body to survive. Poorer people are more often sick, sick for longer periods of time, and less able to afford treatment than the less poor. So “they just sleep and groan (Malawi).” The increasing burden on women of expanded roles outside the household, and

“time poverty,” is driving many women to deeper and deeper exhaustion. When a poor woman in Zambia was asked her dream, she simply said, “to have time to go into town and play [spend time] with my friends.” Illness can plunge a household into destitution. Anguish and grief over watching loved ones die because of lack of money for health care is a silent crisis of poverty.

14. Appearing well and strong was repeatedly stressed as a part of wellbeing. Sometimes it was more important to girls and young women than to others. In Zambia the bodies of the better off were said to “look well.” People spoke about skin tone and importance of looking well fed. In Malawi, the poorest were known as “the stunted poor.” In Ethiopia, poor people said “we are skinny,” “we are deprived and pale,” and spoke of life that “makes you older than your age.”

### *Security*

*Security is knowing what tomorrow will bring and how we will get food tomorrow. Bulgaria.*

*There is no control over anything, at any hour a gun could go off, especially at night. A poor woman in Brazil.*

*Everyday I am afraid of the next. Russia.*

15. Many people described security as peace of mind or confidence in survival; this was the case not just in terms of livelihood, but also in terms of sheer physical survival in the face of rising corruption, crime, violence, lack of protection from the police and absence of recourse to justice, wars between ethnic groups, tribes and clans, frequency of natural disasters, and uncertainties of season and climate. . In the Kyrgyz Republic people said, “among all the wellbeing criteria, peace is the most important.” In Russia, it was “the absence of constant fear”; lawfulness and access to justice were widely seen as aspects of wellbeing. In Ethiopia, women said, “we live hour to hour” worrying if it will rain.

16. The bad life is deeply embedded in insecurity and feeling vulnerable. Insecurity is related to the external world, to the individual and family -- exposure to shocks, stress, risks -- that increase unpredictability and instability. In many countries, women spoke about widespread domestic violence, although in some it may have peaked and now be in decline. Insecurity is also the experience of worry and fear. Even where poverty has declined the majority of poor people said that life had become more unstable and uncertain, particularly as a result of increased crime, violence and corruption.

## ***Freedom of Choice And Action***

*The rich is the one who says: “I am going to do it” and does it. The poor, in contrast, do not fulfill their wishes or develop their capacities.”* A poor woman in Brazil.

*Poverty is “like living in jail, living under bondage, waiting to be free.”* A young woman in Jamaica.

*To be poor is to mean to live from day to day, you have no money, no hope.*  
Bulgaria.

17. Wellbeing for many people means freedom of choice and action and the power to control one’s life, to plan and to take action. It means the power to avoid the exploitation, rudeness and otherwise humiliating treatment so often meted out towards the poor by the rich or the more powerful in society. It also includes the ability to acquire skills, education, loans, information, services and resources; to live in “good places”; to withstand sudden and seasonal stresses and shocks and not slip further into poverty. Wellbeing was frequently linked to moral responsibility, with freedom of choice and action extending to having the means to help others in need.

18. Lack of freedom or powerlessness confronts poor people with agonizingly constrained choices. Powerlessness was articulated by them as the inability to control what happens to one because of poverty. The poor are forced to trade off one bad thing for another. Their voices are seldom heard and sometimes silenced. Their lack of organization further constrains their ability to challenge authority or unfair practices. To add to these cumulative disadvantages, they frequently live in “poor areas” characterized by remoteness and isolation. In the Kyrgyz Republic, poor people said that they were forced to take many risks to survive, including stealing (with the risk of getting caught) or borrowing money, with the risk of becoming indebted. The poor said, “the rich do not have to take this risk, they have money to protect themselves and they also have power.” (Kenesh, Kyrgyz Republic).

## ***Social Wellbeing***

*To be well means to see your grandchildren happy, well dressed and to know that your children have settled down; to be able to give them food and money whenever they come to see you, and not ask them for help and money.* Old woman, Bulgaria.

*There are houses that never open. People who are deprived or excluded do not have the material means to live with the rest of the population.* Egypt.

*It is neither leprosy nor poverty which kills the leper, but loneliness.* Ghana.

*It is more worthwhile to bring up our children in a proper manner than to bring all those riches from abroad. What is the point in going abroad and sending money to build a house if the entire family life is destroyed in the process ?*

Kehelpannala, Sri Lanka.

19. Social wellbeing was defined as good relations within the family and the community. In post-conflict and “transitional economies,” the need for good social relations across the nation was mentioned. Being able to care for, raise, marry and settle children was stressed over and over again. Social wellbeing included social respect and being part of a community. In Nigeria it included being listened to, being popular, and being able to fulfil social obligations and help others. In Uzbekistan it included peace and calm in the family, the community and in the country. Participants frequently spoke about the shame of asking for help and accepting charity.

20. The *stigma* of poverty was a recurring theme. Many participants spoke of how their poverty prevented them from participating fully in society. Being unable to follow the traditions and customs of their respective cultures was a humiliation for many. In Egypt the poor spoke about the shame and pain of not having money to maintain social relations. In many places, they spoke about their inability to exchange gifts and presents; and how, subsequently, they stay away from celebrations, weddings and festivities. Loneliness, alienation and estrangement are a source of great distress. Middle-aged men in Bulgaria said, “When you are poor, nobody wants to speak with you. Everyone’s sorry for you and no one wants to drink with you. You have no self-esteem and that’s why some people start drinking.” A Somali proverb captured local attitudes towards poverty: “prolonged sickness and persistent poverty cause people to hate you.” The poor also spoke about discrimination – that is, being denied opportunities – and humiliating treatment by officials. There was a widespread experience of being treated badly, whether by guards at supermarkets or by uncaring doctors, nurses, school teachers, and traders.

21. What emerges from the *Consultations* suggests that poor people themselves have pressing needs and priorities which differ across communities and among social groups within communities, and that the poor wish for interventions that will recognize these differences. An improvement in any one of the five dimensions of illbeing can enhance wellbeing. Which priorities matter, how much, for whom, and where, depends on local and individual conditions, contexts and culture. Despite that, two findings seem to hold across continents, countries and almost all sites.

## **Wealth and Wellbeing are Not the Same**

*If one has all the attributes of wellbeing but does not contribute to charity, then one cannot be in the highest wellbeing category.* Ghana.

22. Again and again people distinguished between wellbeing and wealth. Those who were the richest were not necessarily in the top wellbeing category. This was true in Eastern Europe and the former Soviet Union where poor people associated getting rich with corruption, grabbing and criminality. The source of one's wealth was important in defining whether or not it could lead to wellbeing. In the Kyrgyz Republic, people said, "there are rich people in the village. They made their fortune by selling alcohol and vodka. The community does not like these people, because their prosperity is only possible due to the growing alcoholism in the village." In contrast, poverty and non-material wellbeing could sometimes be found together. Of Accompong, a rural site in Jamaica, the study facilitators wrote: "The lives of all citizens are impacted by this peace within the neighbourhood. Despite the hard times and obvious poverty among most of the households the open welcome and hospitality to visitors and strangers to the community gave a distinct feeling of wellbeing and good quality of life."

### **Enough For A Good Life is Not A Lot**

23. Poor people's aspirations for material wellbeing were modest. It is perhaps part of the human condition to aspire not for the moon, but for imaginable, realistic improvements in one's condition. Certainly this realism was shown by participants in the *Consultations*. Generally, they hoped for moderate, not radical or revolutionary improvements. Great wealth was not seen as necessary for wellbeing.

24. In Bosnia, "a normal life" and "a good life" meant living comfortably, but not extravagantly, with a stable and predictable income and a place to live. In Russia, "a good life is when you can drink coffee every morning"... "a job well paid and on time"... "a secure tomorrow." In Ecuador, an answer to "How would you like to live?" was "Simply, I don't like houses with too much inside. To have a bit more comfort. Nothing big. But at least for each child to have a bed, a pair of shoes, a pair of trainers, a canopy [*toldo*] over their heads, two sheets – not to sleep like we do on the ground."

### **Trends, Webs and Traps**

*In the past people were at ease (Mertaha) and money was valuable (El-Felous Kan laha eema), but now it is not.* Bong Meghezel, Egypt.

*Now, in the post-Soviet times, Kyrgyzstan is independent. Now, tell me what's so good about this independence?* Kok Yangak, Jalal Abad, Kyrgyz Republic.

*Now there are hungry children, and before it was not so evident. There are children that knock on your door and ask for bread, children without shoes. This one would never see before.* La Matanza, Argentina.

*If we knew that there would be an end to this crisis, we would endure it somehow. Be it for one year, or even for ten years. But now all we can do is sit and wait for the end to come.* A woman from Entropole, Bulgaria.

25. The discussions with poor people revealed certain overriding trends and findings. The pattern of findings is confirmed by the review of World Bank Participatory Poverty Assessments.<sup>3</sup>

26. A large majority of poor people consulted felt they were either worse off or no better off today than they were previously. There were national exceptions -- always with qualifications - associated with broad positive changes in Vietnam, India, and Bangladesh (although, in the latter case, positive changes for the poor were adversely affected by the devastating floods of 1998). There also were exceptions at the level of individual communities, due to the positive effects of new infrastructure in parts of urban Brazil and of tourism in Sri Lanka and Jamaica. In countries which had suffered civil disturbance or war, especially Bosnia-Herzegovina, Somaliland and Sri Lanka, poor people considered themselves much better off than during the periods of unrest, but had quite often not regained their pre-disturbance levels. In Malawi, the gain in political freedoms was felt to have improved poor people's wellbeing, but had on the whole not been matched in other domains of life. The experience of the majority of those who participated in the *Consultations* was that the quality of their lives has become worse, not better.

27. The sense of deprivation and disadvantage, and of deteriorating conditions was identified with different dimensions. Economically, there was a widespread, if not universal, sense that opportunities were unevenly distributed, and that those who started with advantages had been able to exploit them, while those who were poorer had found it difficult or impossible to do so. In terms of security, conditions for poor people had become worse in most countries and at most sites. Heightened insecurity variously affected livelihoods, property, and personal safety. Regarding institutions, government officials and political leaders did not rank high in people's ratings, and NGOs were less mentioned and less highly rated than might have been expected. Poor people indicated repeatedly, and in many contexts, that they trust and rely on their own local, informal institutions for support in crisis and in daily life, and rank them high in importance while recognising their limitations. Taken together, the message from the poor is that outside organisations and development policies designed for their benefit have been less significant than those in development agencies usually assume them to be.

28. The reasons for the lack of opportunities, increased insecurity, and flat or downward trend in wellbeing differed by region. There were, however, commonalities: people said that they miss out on many opportunities because of the need to have "connections" and because of their lack

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<sup>3</sup> Narayan, Deepa, Raj Patel, Kai Schafft, Anne Rademacher and Sarah Koch-Schulte. 1999. *A Review of World Bank Participatory Poverty Assessments*. Prepared for the Global Synthesis Workshop, Consultations with the Poor, World Bank.

of information, assets, credit, skills and business acumen. Repeatedly, their message was that “it is the rich who benefit” from policy changes. Particularly in Eastern Europe, Central Asia and Latin America, poor people spoke about macro economic and political change; in other regions they spoke of such changes as well, although to a lesser extent. In Africa and East Asia, poor people tended to emphasize rising costs of living and prices and, in South Asia, economic and social issues at the family and community level. In Africa and Asia, the poor also discussed the uncertainty of depending on rainfed agriculture and land-related issues.

29. Repeatedly, regardless of context, the *Consultations* brought to light a *multiplicity* of interlocking factors that keep poor people poor and make them poorer. Multiple disadvantages can be seen to be tightly interwoven and to trap them in a many-stranded web of deprivation and illbeing from which it is difficult to escape. The material, physical and social dimensions of deprivation combine with insecurity to make poor people vulnerable and powerless. But this is not all: the evidence of the *Consultations* shows them again and again subject to other interlocking clusters of disadvantage: of location – living in “places of the poor”; of seasonality – struggling through seasons of shortage and suffering; of personal incapacity – being wanting in education and skills; of information – lacking ease of access to information and knowledge of their rights; of institutional provision and access for services, credit and support - with extortion and other forms of corruption compounding their problems; and of political impotence - finding it difficult to organize and influence.

30. The *Consultations* showed that these disadvantages are compounded by combinations of poverty of time, physical weakness and lack of energy, and powerlessness. As women in many places add to their workload, they suffer more and more from such poverties. For those struggling at the margin, time and energy can be very scarce. Those who are hungry and weak often must work to survive, but because they are hungry and weak, can do less and are powerless to negotiate. In Bangladesh (Khaliajuri), it was noted that “due to minimum food intake in crisis period, man and woman cannot do labour intensive work. Consequently, they do not get proper wages from the employer on time.” In Malawi, poor people said “The problem is that these boat owners know that we are starving; as such, we would accept any little wages they would offer us...we want to save our children from dying.” For those poor in time and energy, access to services and help also is diminished. The high financial and other transaction costs they often face are aggravated by the opportunity costs in energy and time of travel for medical or other services, and of queuing and the long periods waiting to be seen by doctors or relevant professionals. Again and again, it was reported that the poor and those who cannot pay are kept waiting, if indeed they are served or treated at all.

31. Together these multiple disadvantages not only hold poor people down, but make them vulnerable to losing even what they have. Studying the life stories of 125 men and women<sup>4</sup> who had fallen back into poverty is revealing and confirms the precariousness of small gains that are vulnerable to big slides back downwards. The most common triggers for the descent back into poverty were illness, injury, or death of a close family member. This had the greatest effect on

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<sup>4</sup> This is a sample of mini case studies from a total of approximately 400 downwardly mobile individuals.



households in Africa and Asia, whereas decline in economic opportunities was the most common trigger in Latin America, Eastern Europe and Central Asia. Other triggers were the cost of raising children, old age, cost of living increases, natural disasters, divorce and desertion (for women), declining profitability of agriculture and business, lower wages, theft, civil conflict, indebtedness, and many others. Life story patterns showed that the poor with few assets would, with great effort, slowly creep upward, only to be plunged back into poverty by illness, loss of employment, poor crops or, for women, desertion. There often is nothing to prevent them from falling into the abyss. And when they do fall there may be nobody waiting to catch them at the bottom or to lend a hand as they attempt to start over.

32. In most countries participants identified others who were even worse off than themselves. These included poor people who were variously disabled, orphans, widows, chronically sick, mentally disordered, stunted by deprivation, homeless, or simply destitute.. These “bottom poor” were regarded with mixtures of pity, fear, disgust and hatred. In Egypt they were *madfoun* – the buried or buried alive; in Ghana *ohiabrubro*- the miserably poor, with no work, sick with no one to care for them; in Indonesia *endek arak tadah*; in Brazil *miseraveis* – the deprived; in Russia *bomzhi* – the homeless. In Zambia the *balandana sana* or *bapina sana* were described in these terms: “lack food, eat once or twice; poor hygiene, flies fall over them, cannot afford school and health costs, lead miserable lives, poor dirty clothing, poor sanitation, access to water, look like mad people, live on vegetables and sweet potatoes.” In Malawi, the bottom poor were *osaukitsitsa*: “they eat maize bran that is meant for pigs,” mainly households headed by the aged, the sick, disabled, orphans, and widows. Some were described as *onyentchera*, the stunted poor, with thin bodies, short stature and thin hairs, bodies that did not shine even after bathing, and who experience frequent illnesses and a severe lack of food. In all countries in Africa, participants estimated that these bottom poor had increased in the past decade.

## Conclusion

33. The insights of the poor taken together overwhelmingly affirm three broad conclusions:

- experiences of wellbeing and illbeing are multidimensional and interwoven, with the psychological dimension of paramount importance. The experiences are affected by combinations of five sets of conditions: material, physical, and social wellbeing, all three related to security, and concerning personal freedom of choice and action. Illness, especially catastrophic illness, stands out as a trigger for the downward slide into poverty.
- poor people do not feel they have benefited from the massive political and economic changes and restructuring around the world; to the contrary, they often feel they have been penalized.
- many of the changes needed to transform the quality of life of poor people for the better appear within reasonable range.

## **PART II: MOVING FORWARD: Holism of Poor People's Lives**

*You grow up in an environment full of diseases, violence and drugs... you don't have the right to education, work or leisure, and you are forced to "eat in the hands of the government"...so you are easy prey for the rulers. You have to accept whatever they give you. A young woman, Padre Jordano, Brazil*

34. While the *Consultations* provide insights into the nature of poverty, the collective challenge for policy and action is immense. Based on what we have learned, there are sector-specific implications for tackling poverty. While these are important, what poor people said throughout the study indicated strikingly the critical significance of system-wide processes that keep them entrapped. The metaphor used by the poor in Ethiopia was that they are tied like straw. We therefore focus on five cross-cutting issues and identify sets of processes that should help cut through the strands that tie them, building on what poor people have said.

*A person doesn't have the strength or power to change anything, but if the overall system changed, things would be better. Bosnia.*

35. The five systemic themes are:

- a. From Corruption to Honesty and Justice
- b. From Violence to Peace and Equity
- c. From Powerlessness to Grassroots Democracy
- d. From Weakness to Capacity for Action and Choice
- e. From Bare Subsistence to Assets and Security

In the following section, we cover each of these issues, first describing the nature of the problem, and then suggesting a set of actions to resolve the problem.

### **From Corruption to Honesty and Justice**

*There is much bitterness, especially in the thought that any opportunities that may come will be taken by the rich and they could never find a "wasta" or middleman to enable them to find a better or more permanent job. If they have a right, they cannot take it because they cannot afford a lawyer. If the poor go to the police station to accuse a richer man, he is afraid: "my accusation may turn out in the favor of the rich and against me. But if we are equal, I may have justice."*  
Dashour Village, Egypt.

*I worked six years in a company that did not pay me correctly. So I sued them and they threatened to kill me. I had to hide. Sacadura Cabral, Argentina.*

*Corruption is virtually everywhere - that's how you place orders in the factory, that's how you make sure your child gets decent medical treatment. Kalofer, Bulgaria.*

## **From Corruption...**

36. The problems of corruption, “connections,” and violation of basic human rights with impunity were voiced over and over again by the poor in many of the *Consultations*. The forms differ. In Malawi, poor fishermen said that “every Cabinet Minister has a big vessel for catching fish” and that while they are stopped by the government fishing company from catching small fish, “we find them catching even the smallest fish.” In Nigeria, it was the military takeover of farmlands and lakes. In Ecuador, the poor in Chota said, “the government should make sure the congressmen do not steal.” In Uzbekistan, bribes to get a job were standard; “a friend told me to get a position, one must pay 25 thousand. I cannot afford it, so I went back to pulling a cart in Tashkent.” In India, poor women spoke of having to bribe forest officers for each bundle of firewood they collected and railway policeman for coal dust that they gathered from railroad tracks. In Bangladesh, the poor said “nobody can count on the judgment of the commissioner since he does not work for the poor and his bias is with the landlord.” Again and again, in country after country, and site after site, poor women and men spoke of corruption. It took many forms: corruption in the distribution of seeds, medicines and social assistance for the destitute and vulnerable; corruption in getting loans; corruption in getting teachers to teach; corruption in customs and border crossings; corruption in the construction of roads; corruption in getting permission to move in and out of cities or stay in certain areas; corruption in street and market trading; and corruption in identity cards. In many places, the poor reported having to pay managers, hooligans and the police “protection” money to save themselves from the worst forms of harassment, theft and abuse.

37. Even humanitarian assistance is often waylaid when channeled through corrupt state systems. In Bulgaria, people reported that secondhand clothes destined for the poor were sold by doctors and nurses to shops. To overcome these types of problems, some NGOs opt for the “vrazki channel,” which is described as choosing a local representative who is responsible for distribution of humanitarian aid. This, according to the poor, is in fact worse still because the local representative distributes the goods received from overseas selectively, twice a year, and then immediately films the occasion to send it back to the donors. The Bulgarian poor had a simple remedy: they suggested that the donors’ names and addresses be announced at the time of distribution, so that recipients could directly send their comments to the donors. Similarly, in Sarajevo, Bosnia, the poor said, “The municipality received 40 thousand DM to fix people’s homes, and they took it all for themselves. They even sold my stove from the UNCHR.”

38. In many countries, poor people's access to justice and courts is a distant dream because of lack of information, distance from the courts, and a strong belief (based on experience) that only money buys justice. In Ilkhamov, Uzbekistan, a man said, "you have to pay the lawyer, the judge and the prosecutor. I have gone through it myself." Since the poor lack money and too often are dependent on those who violate their rights, they cannot "afford justice." Almost everywhere, justice through political representation was laughed at and comments were frequent about the "seasonal" memory of parliamentarians. In Egypt, people said, "when they reach their seats the parliamentarians forget us" (Foua, Egypt).

39. On a wide scale, corruption has become so pervasive that it has become accepted, tolerated, expected and subsequently reinforced. "Thus, the idea that corruption penetrated the entire domain of government authority is widespread ....The way people perceive the nature of government power, in its turn creates an atmosphere where corruption becomes common and a natural thing...They do not perceive government agencies and the government itself as an entity meant to provide them support and assistance. They see the government as a machine for cheating 'ordinary people,' and providing a tool for enrichment of a master class" (Oqqurghon district, Uzbekistan). The poor included the office of the public prosecutor and the court in this description. In Canar, Ecuador, the corrupt condition was summarized as: "The government does not really govern; the rich are the ones that govern."

## **...to Honesty and Justice**

40. Corruption is far from just a high-level problem affecting governments and business. The studies reveal how the pervasiveness of lower-level corruption and lack of access to justice and protection affects poor people's lives. While there are no simple methods to eradicate corruption, our study points to two areas for action.

### ***1. Recognize Corruption as a Core Poverty Issue***

41. Societal norms about corruption being expected and tolerated must change. While tackling the problem on a sectoral basis is important, societal norms about corruption must shift back to the expectation of honesty and justice. No single agency can tackle or resolve the issue, but seeds must be sown widely to create global and local social movements against corruption, large and small. This will require investment in media, television, radio, training and support to journalists; publicity of corruption statistics; creation of citizen "score-cards" on corruption in particular agencies; support to allies and activists at the local level; and use of information technology to publicize specific cases of corruption and make heroes of "clean" trade, officials and politicians. In Russia, in the Kemerovo region, local media are viewed as a force to battle corruption: "They trust those reporters who make local news. They revealed the facts of corruption among the municipal offices, they told of the money from the local budget that was spent by the mayor on his own needs." In

addition, people need legal assistance and to be educated about the law and their rights. A woman in Uzbekistan, who taught herself about the law to get her son released from jail, said, “I am not afraid of anybody. If you know the law, you are secure.”

## ***2. Make Heroes of Clean and Helpful Officials***

42. Support must be given to government officials to clean up their administrations and provide services. In our studies there were a few such accolades, but one that warrants particular attention is the praise given to the Superintendent of the Constant Spring Police Station in Jamaica: “Anyone can have access to the Superintendent in charge of Constant Spring Police Station. If you have a complaint you just walk in and ask to see her and dem just send you upstairs to see her. She will call up the officer and deal wid him.” (Jamaica).

43. In Ozerny, Russia, poor people spoke with great respect for a local nurse whom they described as a “valuable institution”: “You can go to her at any time - she will never refuse to make a shot, or give advice about how to treat something.” “Her advice is listened to much more than the local doctor’s who was often criticized for lack of professionalism and for indifference...She is a good example of how shortages of medicines and lack of financing don’t mean the impossibility to help.”

## **From Violence to Peace and Equity**

### **Violence, Civil Conflict and Public Safety**

*We do not expect any help from our neighbors...they can’t help; in any case, they won’t because everyone is just fending or grabbing for themselves. Bosnia-Herzegovina.*

*The men compared increasing crime and conflict to burning fire rampaging through the community. They said that increasing crime levels are a result of everybody wanting to get rich....Some men, however, were of the view that social norms and taboos have been lost in what [they] called “te nabaalee” (our ancestry) resulting in a disregard for traditional methods of enforcing law and order and therefore keeping crime and conflict in check. Ghana.*

*I do not know whom to trust, the police or the criminals. Our public safety is ourselves. We work and hide indoors. Brazil.*

*Even if you have an armored door, you can never feel safe. Bulgaria.*

*Even before the war, there was plundering and theft, but that was a herald to the war. Before the war, places were well lit. People worked and had money...those most in need were protected, but now nothing.* Bosnia-Herzegovina.

*The police have become the rich people's stick used against common people.*  
Dangara, Uzbekistan.

44. In many countries in both rural and urban areas poor people reported a decline in social connectedness, concomitant with increases in crime, lawlessness, selfishness and violence. This is reflected not only in violence and public safety issues outside the home, but in conflict and violence within the home as well. Many of the poor linked these trends to decreases in economic opportunities, increased competition for resources, and poor government policies. In Eastern Europe and Central Asia the decline also was linked to the transition from communism to democracy.

45. While there are some rural and urban differences, poor people reported an erosion of traditional social solidarity, sharing of food and resources with family, kin and neighbors, and participation in marriages, rituals and visits. In Nigeria, old men said, "we poor men have no friends. Our friend is the ground." In Zambia the poor said, "when food was in abundance relatives used to share it. These days of hunger not even relatives would help you." Increases in theft were linked directly to hunger in Zambia. In the Kyrgyz Republic groups said, "there is no unity in our community. We don't visit each other. In the past, we used to help, pool money (*razha*) if somebody has death in the family. We no longer do." In Bosnia-Herzegovina, residents of the town of Vares said, "no one helps anymore. I would gladly help someone, but how, when I am in need of help myself? This is misery. Our souls, our psyches are dead." In many countries youth complained about no place to "hang out," to play sports; they linked "nothing to do" and the absence of sports facilities and community centers to a rise in drug use, alcoholism and theft.

46. Women in Somaliland defined security as "when an individual, family or community has no fear for their lives, property or dignity"; "Where there is no security, there is no life." Although there were differences in scale and intensity, the problem of declining public safety as an element of increasing insecurity arose in almost every country, in both rural and urban areas. It was mentioned least often in India, most often in Brazil and Russia. In Sri Lanka, it was an issue of concern primarily to the Tamil minority and, in Somaliland, after the peace treaty between clans, people spoke of increased security. Elsewhere, increasing crime was linked to breakdowns in social cohesion, difficulties in finding employment, hunger, increased migration, and also to building of roads that allowed strangers to enter communities easily. In every country it was linked to declines in social community, competitiveness and people looking out only for themselves. The poor in Brazil said, "to live in a Barrio is the same as living in the streets." Also in Brazil, the poor often said drugs and crime went together.

47. A startling finding of the *Consultations* was the extent to which poor people experience police as a source not of help and security, but rather of harm, risk and impoverishment. While

there were some exceptions, including in Zambia, Ethiopia, and Sri Lanka, in many places the police were considered a necessary evil, vigilantes and criminals. In Nigeria, the poor associated the police with illegal arrests, intimidation and extortion; in Bangladesh, the poor feared the police because of “false cases” that they can bring, especially when the poor try to file cases against the rich. In Brazil the police were rated as the worst institution; the poor said, “the criminals have public safety, we do not.” In Argentina, the poor equated police to rubbish, while women felt vulnerable to sexual assault by police. In Jamaica, the poor said “the police lie and steal from the poor.” In India, the poor said that the menace of the police had increased many times over, and in Russia, reports about the police and criminals working together were widespread. In Bulgaria, some of the poor said that they did not blame the police as much as the judges and prosecutors who let the criminals go free; others said, “if you have connections with the police, you always will get free.” In Malawi, people blamed the laxity of the police for increased theft: “They are of course not entirely to blame. They do not have adequate resources at their disposal, but still the problem is that they are corrupt.”

48. On a different yet equally as important scale, civil wars based on clan rivalries and ethnicity in several nations have brought untold suffering to the poor and even after years of peace life has not returned to pre-war standards. In Sarajevo, Bosnia Herzegovina, one person said, “even if I were to establish a household over a hundred years, I would never have what I had if the war hadn’t destroyed everything.” Life for some was better during the war when there was some humanitarian assistance, but now many people interviewed appeared withdrawn, depressed, irritable, apathetic and not interested in having a conversation. In some areas whereas factories remained shutdown people spoke about the “death of the city”; “Vares is a dead city; the spirit is dead in the city.” In Sri Lanka, the Tamil people reported that life was better before 1989, and that concerns about loss of assets and insecurity still prevail. The Sinhalese there were concerned about employment, and when some Muslim groups spoke openly about looting homes and livestock during the violence, the tension between groups became palpable.

## **Violence Within the Household**

*Many men have been retrenched, are jobless and do not have any steady source of income. As a result, women have assumed the role of breadwinner in many households. Malawi.*

*Women are beaten at the house for any reason that may include failure to prepare lunch or dinner for the husband. They may also be beaten if the husband comes home drunk or if he simply feels like it. Ethiopia.*

*Before, it was clear that the woman is to keep the house and take care of the family, while the man was earning the daily bread. Now the woman buys and sells stuff irrespective of the weather and earns the income for the family, while the man is sitting at home and takes care of the children, fulfilling the traditional*

*women's work. This is not right, this is not good.* An elderly man, Kyrgyz Republic.

49. Households across the world are stressed. As employment and traditional livelihood strategies for poor men disappear, poor women in increasing numbers have had to make their way into the informal sector, primarily in low paying and often menial work -- piece work, vending, petty trading, trading, agricultural labor, collecting garbage, cleaning toilets, and factory employment. In almost every country in the study men and women reported women's greater ability to accommodate, bury their pride and do whatever job was available to earn the money to feed the family. This sometimes includes prostitution. In many societies, women working outside the home violates social norms; it can be a source of tension and shame, especially when the primary reason is men's unemployment. In some countries, such as Jamaica, Brazil and Argentina, women have higher levels of education compared to men, making it easier for them to find jobs.

50. Such sweeping changes create tensions. In some countries the changes have led to greater independence and power for women, but at a price; in others households are still caught in the struggle to adjust. In Mataram, Indonesia, a woman who set money aside all her life to build up the family assets has been abandoned by her husband for another woman. Despite this she "submits to her husband's directive, believing that despite her bigger responsibility in the...household, her husband still holds the power." In all countries of the study, women reported longer hours of work, little shift in their domestic responsibilities and sometimes a greater say in major household decisions. In some places as men's economic dependence on women grows, men are painfully making the shifts to support their wives in household work.

51. Tensions and conflict in the home are pervasive, more acute in some countries than in others. "The unemployed men are frustrated, because they no longer can play the part of the family providers and protectors. They live on the money made by their wives, and feel humiliated because of that. Suicides among men have become more frequent" (Narian region, Kyrgyz Republic). In Jamaica, men said, "...if you lose your job outside you lose the job inside," and expressed helplessness at the erosion of their "power." In Brazil, a man said, "today when a woman earns more than her husband he has to obey her... he cannot complain about the kind of work, because it is with this wage that the family is maintained." "Women are at the market and men in the kitchen," wryly observed an older woman in Bahsi, Kyrgyz Republic. Some older and younger men said that they secretly helped their wives but were afraid to be seen doing the laundry or sweeping the floors because they would be mocked.

52. Women and men sometimes debated the shifts in gender relations heatedly. In Brazil women said that they have more power today than in the past, but no more so than men. And many women feel that despite the changes they are the ones who "bear the brunt." "We are more courageous, firm, not scared of saying what we want, know how to help ourselves, reconcile the tasks at work and at home, but in real fact we are the ones who bear the brunt -- because we are more patient, we cook, educate the children, go to the bank, do the shopping..." (Brazil).



53. Both men and women spoke about domestic violence against women, the different forms of violence, and the reasons for it. In some countries physical abuse may have peaked and is on the decline, because of women's willingness to walk out of abusive relations and support themselves, as well as work in awareness-raising done by NGOs domestic violence remains widespread, however. In Bolivia, some poor people reported that domestic violence was less acute now than in the past; whereas before men would "tie the woman up on the mountain," now household disputes are resolved with "just a small scolding." In Egypt, a man said, "insufficiency of income is what affects man-woman relationships. Sometimes she wakes me up in the morning asking for five pounds, and if I don't have it I get depressed and I leave the house. And when I come back, we start to fight." In Bangladesh, women living in areas where NGOs have been active said they have greater freedom to move outside the home. Women also reported that "over the last ten years the incidence of physical and mental abuse in the family has increased two to three times but the severity of physical abuse has decreased." In Vietnam, there was evidence of widespread wife beating – "that wife beatings occurred in both a remote minority village as well as a midland, economically integrated village indicates that domestic violence against women cuts across economic and ethnic lines, and may be more widespread than realized."

54. New trends are emerging, however, in some countries. In Jamaica, people reported that women were making the decision to leave their male partners, when in the past they were being deserted or divorced. There were also reports of shorter "living together" relations without marriage. In Bulgaria men reported both a reluctance to get married because of their inability to support a family, as well as abuse of men by women.

55. Negotiating change in deeply rooted, identity-defining roles which structure gender inequity is not easy. Marriage counselors can have a role to play, as in some rural areas in Malawi. In three communities, both men and women rated marriage counselors the third most important institution in their lives. People said, "without marriage counselors most of the families could have separated; they are uniting families."

## **... to Peace and Equity**

56. Peace and justice in the community and in the home are almost a pre-condition for a good life, yet the fundamental importance of these issues for poverty reduction is only just being realized. An important part of this process is targeting police who impoverish, keeping poor people poor and making them poorer. The implication is to place police reform high on the agenda of policies which are pro-poor. The challenge is to turn forces which impoverish into forces which empower.

### ***1. Invest in Building Social Cohesion***

57. Every society has processes of building social cohesion through celebrations, community collective work and indigenous conflict resolution mechanisms through the system of village councils or elders councils. The Guurti in Somaliland, the Village Headman in Malawi, the community council and Age Groups in Nigeria, the Save the Town Association in Kok Yangak in the Kyrgyz Republic -- all are examples of ways local organizations take action to make life more livable. In rural Malawi and Zambia, people have organized neighborhood watch groups to curb crime. The case here is for encouraging and spreading participatory processes that support community solidarity and social interaction across social groups.

## ***2. Community Policing and Police Reform***

58. The crisis in police brutality, with “protectors” becoming the problem, is not unique. In the United States increasing anger at the treatment of minority groups by “white police” has led to the evolution of community policing, where community groups and the police discuss and agree to a common protocol for police action. This has transformed community police relations and has brought down crime in many urban neighborhoods. Good relations can take many forms. In a village in Sri Lanka, these were reflected in a pre-school held in the police post. The poor need and want the police. In Brazil, in one favela people built a police station to attract the police to their area. In Jamaica, the only police officer who was accessible to the poor was a woman; in Brazil and Argentina, the poor spoke highly about female police and the Women’s Police Station.

59. In some areas the poor felt that the police were not to blame for their ineptitude at handling criminals. They pointed out that the police were poorly paid, their lives were at risk when tracking criminals, and these risks became higher each year as criminals became better armed. Better-paid police may be part of the solution, but without back up from the criminal justice system, the police will continue to be ineffective in protecting the poor.

## ***3. Conflict Mediation and Resolution***

60. After civil war or riots have ended, rebuilding infrastructure is easy; healing deep hatreds and wounds and building collaboration across social divides is, however, extremely difficult. Building peace at all levels requires new skills and expertise in conflict mediation and resolution, as was seen in the transition from apartheid to democracy in South Africa, and during the peace-building process in Somaliland. While reforming the modern judiciary is important, in many countries where government has little presence in rural areas, traditional fora for dispute resolution play critical roles. In Somaliland, the *Guurti*, a forum to resolve disputes between clans, was ranked high by most people and credited for bringing and maintaining peace to many communities. In the Bihin area, a committee of elders formed following the signing of the Peace Charter in 1993, regulates water sharing during the dry season and resolves disputes over land use.

61. The process of solving community problems through joint action across previously warring ethnic lines is a difficult task. In Bosnia-Herzegovina, NGOs are working through The Center for Civil Society in Southeastern Europe to build cooperative relations across community groups, among traditional leaders and with local authorities. Community-based projects across ethnic and social groups, as well as conflict mediation efforts and skills training, need to be supported. In many countries, conflict resolution abilities was used as a criterion in rating institutions. In Egypt the poor spoke about the ability of traditional councils to resolve disputes; in Ethiopia it is the “Omda” (the traditional mayor) who was valued for dispute resolution skills so that “only if the matter is very serious, like a murder” is the matter referred to the police.

#### ***4. Easing Gender Relations***

62. The evidence of the *Consultations* points to gender relations as an area affected by all poverty reduction interventions. This needs to be part of the calculus of design and evaluation. Improvement in gender relations within households can result in enormous gains in wellbeing. This requires change in social norms, a gender approach to development, and psychological support to both men and women.

63. *Campaigns on gender relations.* The current levels of gender-related illbeing are often horrendous. There may be no other domain with such potential for improvement that suffers such neglect by governments and the private sector. Government campaigns are needed for better, and adaptive gender relations and to help boys and men to redefine masculinity. This would entail actively encouraging men, where appropriate, to adapt to and enjoy new domestic roles. Prominent, powerful, and popular men can and should set examples as role models (such as World Bank publicity posters of Mr Wolfensohn washing up in the kitchen!). Major national campaigns could be led where possible by men.

64. *Gender-sensitive approach.* Over and over again women have been left out of programs of assistance, from agricultural extension to government provided loans or training. While there is evidence that in some countries physical abuse of women in the household may be on the decline, physical violence against women at the community level has not abated. In addition women are participating less in community activities as they take on new income earning roles. The backlash against women’s small and painful gains, and the struggles, depression and frustration felt by men, call for a gender-sensitive approach to move out of textbooks into the practice of development. This implies that all interventions must take into account the intermeshing of women’s and men’s lives and the impact of interventions on equity and peace in the household. “Women only” approaches to development, including credit schemes, create backlash against women if there is no support for men or no efforts to even start conversations with men.

65. *Psychological Support.* Violence, alcoholism, drug abuse, torture, intimidation are all part of the human experience, as are joy, celebration, rituals, dance and music. Anguish, anxiety, bad relations, exhaustion, frustration, grief, hunger, isolation, low self-esteem, pain,

worry, depression, anger, loneliness, want – these are all a part of the experience of living in poverty. The psychological toll of economic stress is huge, and pervades all aspects of life. The widespread reports in this study of alienation, frustration, and depression from new and sudden poverty, as experienced particularly in Eastern Europe and Central Asia, are striking. The *Consultations* show the holism of life and living. Acute or extended levels of psychological distress affect both productivity and happiness. There is need for innovative programs to help the poor navigate the havoc wreaked by large-scale political and economic reform.

## **From Powerlessness to Grassroots Democracy**

*The policy of the party is that the people know, the people discuss, the people do, but here people only implement the last part, which is the people do. Ha Tinh, Vietnam.*

*The poor are excluded not from society itself but from the process of benefit distribution and key decision-making. It happens due to the lack of money...if you don't grease the palm. Ulugbek, Uzbekistan.*

*Do people live equally here? Look at my fingers. Are they equal? Ethiopia.*

## **From Powerlessness...**

66. Participation and the peoples' voice have become part of the development lexicon. However, the *Consultations* show that while "participation" may be happening in the context of people's own organizations, by and large the poor are excluded from participation in decision-making and in equal sharing of benefits from government programs as well as from NGOs. The poor want desperately to have their voices heard, to participate, to make decisions and not always be handed down the law from above. They are tired of being asked to participate in other people's projects on other people's terms. Participation to them has costs with few returns. In Egypt the poor said, "we are tired of self-help initiatives. These initiatives need money, and people are indebted and have other priorities like feeding and educating the children. Organizing is useless and things take a long time to get solved" (El Gwayaber, Egypt). In Kaoseng, Thailand, the poor called this lack of participation in decision-making as "discussion, meeting, and news announcement." Both poor women and men said, "they consult with the powerful individuals," while the poor only found out about decisions when announcements were made.

67. Poor people were asked in the study to list and rank the institutions that played important roles in their lives. Countries in which government institutions were relatively significant included Brazil, India, Malawi, Sri Lanka and Vietnam. In other countries and sites,

government institutions were considered important but ineffective, and rarely anywhere near the top ranks. In some sites they did not feature at all. Participants in Chota, Ecuador, said: “We are a community abandoned by the governmental authorities. They don’t consider us. We seem not to exist, we are an imaginary community.” In many countries, the poor ranked government-provided social assistance as important, if not always honest or effective. This included, for example, Plan Vida in Argentina; fair price ration shops in India; *samurdhi* in Sri Lanka; and entitlements for the elderly, children and the disabled in the former Soviet Union countries. Sometimes, as almost always with the police, government institutions were rated as having negative impacts. In Latin American countries, in South Asia, and to a lesser extent in Africa, NGOs featured in people’s rankings.<sup>5</sup> But what mattered most were people’s own local organizations, including unions, farmers associations, credit groups, midwives, traditional institutions and networks. Religious institutions, such as the sacred tree or mountain or river, the mosque, the church, or the temple were consistently rated high in importance and trust.

68. The institutional analysis in Indonesia is a case in point. For rural women, the village government, the government-provided midwife, the government-sponsored PKK, a women’s organization, the church, and the local shopkeeper were the most important institutions. The emergence of the village government as the most important demands explanation. It was related to the fact that, during the recent economic crisis women were grateful to receive 3-10 kgs of subsidized rice (as compared to the official allocation of 20kgs per needy family) from the village officials. They were grateful that they got anything at all. For rural men, the most important institutions were the village council, the church, farmers associations, the school teacher and the community saving organization. However these were neither the most trusted nor the most effective organizations. The most trusted was the neighborhood head, who did not show up on women’s lists. Women are kept out of the village councils.

69. Among the urban poor in Indonesia, “neither any government services/programs nor a single NGO was among the institutions rated by urban groups as important, effective, trusted, or open to community influence.” The urban poor depend on religious groups, their own community-based organizations and private sector agencies. Across the communities studied, although people discussed various government programs, the researchers wrote “it is incredible how little the lives of the poor are touched by government services and aid programs and by NGO assistance...No one asks their opinion. No one listens to them. They receive certain programs and services whether or not relevant to their lives” (Indonesia National Synthesis Report). Some government programs were indicted by the poor for their irrelevance, whereas others were praised for consulting with the poor and adjusting their programs accordingly.

70. Limited choice means that people are dependent on whatever exists, be it government or private moneylenders. The poor in most places said that although moneylenders charged exorbitant rates, they were dependable. Women explained: “the money lender and the

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<sup>5</sup> These findings may be influenced by the fact that the studies were conducted by NGOs in areas of their operation to facilitate entry into the communities, and to ensure follow-up action by the NGOs on the basis of the findings.

pawnshop are like husband and wife. One month we borrow from the moneylender and pay the pawnshop. Next month we borrow from the pawnshop and pay the moneylender.”

71. 65. In Ghana, there was hardly any mention of local Assembly representatives, who are part of the local governance structures. The church, however, was consistently rated as being helpful, trusted and effective. Chiefs received mixed ratings. The poor felt that they had no influence or control over government institutions; they would like influence and control, but expressed helplessness: this was seen as “an impossible task.”

72. The *Consultations* reveal that in much of today’s world there is a hunger among the poor, not only for food, but for freedom, dignity, voice and choice. To make grassroots democracy a reality, a legal framework that extends citizens’ rights to participate in government decision-making down to the community and sub-community level is needed; and to ensure that women’s voices are heard requires active information dissemination and local organizational capacity among the poor themselves. In the words of old men in Nigeria, “If you want to do something and have no power to do it, it is *talauchi*/poverty.”

## **... to Grassroots Democracy**

73. The poor in Morro de Conceicao, Brazil said, “the responsibility for the problem is 90% on the government, but we vote badly, we do not monitor, we don’t demand our rights, and are not active to demand a correct action by the government.” With the advent of political reform in Indonesia, the poor in some areas are beginning to protest against exclusion and corruption at the local level. In the village of Galih Pakuwon, for example, they are demanding fairer compensation for land acquired by force for a housing project; in Tangoing Redo, the neighborhood chief who embezzled money was forced to step down; and in Padamukti, the village head who sold the common land contributed by villagers to build toilets was forced to resign.

74. What matters is enabling poor people’s participation in grassroots democracy, supported by a legal framework, local organizational capacity, information flow, participatory analysis, listening, and respectful and accountable officials and service providers. In Jamaica, a young woman said, “the government let us down, too many promises - never fulfilling them...we want to have more influence over government.” In Bosnia-Herzegovina, a younger man said, “I still don’t believe in the veracity of elections, but I always vote. It is necessary to work for democracy. And it is necessary to make accountable those who even today create chaos so that they will get richer.”

### ***1. Create the Legal Framework***

75. The framework for grassroots democracy, for participation in governance as a right, must be enshrined in law. This has to include rules about public disclosure of information

and devolution of authority and finances to the local level. Institutional rules and incentives are needed to translate laws into effective governance structures. The challenge is to create pro-poor government institutions accountable to the poor. Three of the countries in the *Consultations* with recent innovations in the legal framework for grassroots democracy are Bolivia, India and Vietnam. The Law of Popular Participation in Bolivia (1993) devolves resources and authority to the municipalities, and empowers local level people's organization to serve as vigilance committees, both in decision-making and monitoring municipal action. In India, the Panchayati Raj devolved budgets and decisions to the community levels, and requires that one third of the panchayat leaders be women. And, in May 1998, Vietnam introduced Grassroots Democracy Decree 29 to bring democracy to the communes. The Decree is centered around four key categories of participation: "*People know, People Discuss, People Execute, and People Supervise,*" and aims to bring democracy and economic development to all. [Steering Committees have been created in the first year, although not a single one yet is headed by a woman].

76. While legal frameworks create the space for action, whether or not laws are effectively put into practice depends on many factors, including the local capacity to organize and mobilize around the new rights enshrined by law. In Horengo, in Bolivia, the implementation of the Law of Popular Participation was complicated by divisions with the community. In Thuong Loc Commune in Vietnam, the poor said, "All decisions are top-down. For example decisions on contributions, fees, taxes and the like...all the people could do is what they are required to do as informed by the village manager." While these examples highlight problems they do underline the point that while a legal framework may be necessary in itself is not sufficient. Three other conditions appear necessary to create pro-poor local government institutions accountable to the poor: local organizational capacity; information and participatory analyses; and changes in behavior and attitudes.

## ***2. Invest in Local Organizational Capacity***

77. Typically, the poor in many countries felt they "are made to participate," i.e. their poverty and lack of organization dictates their exclusion from local decision making. In most countries the poor said, "we are asked to attend meetings but our participation makes little difference." When programs are implemented, the poor once again are left out: "in the end we always see and feel that the activities are not transparently implemented."

78. In most countries, the study found that people trusted their own solidarity groups and associations to be responsive to their needs and priorities. In Somaliland, clan elders resolved conflicts between clans; in Nchimishi, Zambia, a neighborhood health committee, "swings into action once there is an outbreak of dysentery." These organizations provide the foundations for mobilization and active participation in grassroots democracy. Organizations of the poor need to be strengthened to serve the interest of the poor by having the capacity to demand and be heard. This capacity-building is critical if laws are to be translated into human dignity and freedom for the poor. NGOs and the private sector have important roles to play, provided it can be ensured that they are accountable to the

poor. While local organizational capacity is a key element in building grassroots democracy, without “bridging social capital” with similar social groups across communities, such as trade associations, or with other types of groups with complementary resources (such as NGOs, the private sector or the state), organizing by itself is unlikely to move the poor out of poverty. Capacity-building requires long-term commitment and long-term financing; otherwise outsiders invariably take over local priorities and leadership.

### ***3. Information and Participatory Analyses***

79. When there is no public information about local budgets, or details on local programs, local allocations of assistance, or criteria for eligibility, it is hard for people to press for honesty or accountability. This is important at the local level and national level. In Uganda, not only is the national budget debated in public, but the budget transfers to districts are published in local newspapers. In Brazil, the City Hall of Porto Alegre created a revolutionary system for developing the municipal budget with citizen participation that resulted in consensus on \$700 million dollars of investment in urban upgrading. This Participative Budget is known by 60% of the local population, and the approach is being adopted by 70 other cities.

80. Programs that depend on local participation require two-way information flow, from the programs to the poor and from the poor to the programs. The potential use of participatory methods to rank wellbeing, as was done in the *Consultations* study, should be explored for programs of targeted assistance. People in the communities often know intimately who is rich and who is poor, and the criteria they use to rank different groups are location-specific. The study also established that, when poverty is widespread, there may be a common start-up agenda across social groups. It is also true, however, that while one community may mobilize around water, in others it may be roads, health clinic, violence or community centers. Participatory analyses of wellbeing, of institutions, of priorities of the poor, and of gender relations (as used by the study) is an example of the sort of participatory methodology that could become a widespread tool for planning, management and evaluation of national and local programs. The *Consultations* have confirmed what can be done. The follow-up required is to reflect upon, improve, develop, spread and sustain participatory analysis to inform policy-making. This is already being done in at least Ecuador, Sri Lanka, and Vietnam, while Uganda is exploring local participatory analysis not as a one-off event, but as an institutionalized, continuous process to influence policy.

### ***4. Listening -- Behavior and Attitudes***

*I am glad I was invited to the meeting today, but do we get to talk? Usually we do not get to talk, we just come and listen to them talk...They don't invite me to meetings, but they invite me to public works. Vietnam.*



81. Again and again the behavior and attitudes of officials and service providers humiliate and deter poor people. This is most acute in terms of violent and corrupt behavior. Of slightly lesser intensity, rudeness, arrogance, and insensitivity were widely reported as well. In Brazil poor women said, “if you are in labor they treat you as if it is an offense.” In Jugen, Bulgaria the poor recommended, “the doctors should be kind and polite, they had taken a special oath, this is their business. They have to be welcoming and talk with everybody, to listen to one’s problems. But they are not. Most of them are quite rude; they make people wait for several hours at their cabinets’ door while they drink their coffee inside.” The mindsets of those in contact with the poor needs to shift, through training, through attitude campaigns, and through redefining the roles and incentives for performance of service providers. Civil society institutions can be effective partners in training in participatory orientation, skills and behavior. Short poverty immersion programs by senior and junior officials, as increasingly is being practiced by the World Bank, may assist in changing attitudes and orientation.

### ***5. Seek and Support Champions***

82. The study discovered inspiring stories of officials, local leaders and NGOs who have made a difference in the lives of the poor. Such people could serve as important peer models and trainers. In the favela of Novo Horizonte, Brazil, for example, the poor described desperate living conditions, but when asked which institutions people trusted, a man said, “What makes me trust in one institution is when I knock on its door it is open to me. Look...this prefecture is so nice that I have the mayor’s private phone number. He is a mayor who does not close the doors to the community; and it is the same with the Secretary of Social Development.”

83. Often there was some individual or some organization that made a difference in some poor people’s lives: the sheikh in Egypt who distributes *Zakat* (alms) at night so nobody notices; the village head in Vietnam who, though from a majority group, has won the hearts and trust of the minority; the shopkeeper in Bulgaria who gives credit to the Roma; the women in Somaliland who became the peace mediators between clans; the *Samurdhi* (government program for the poor) officer in Sri Lanka, who goes everywhere and about whom nobody has anything bad to say; the *sommitiy* women’s group created by NGOs in Bangladesh that stands by poor women struggling to earn a living in dignity; the low caste association in India that has challenged the practices of higher caste landlords; and the Assembly man in one community in Ghana.

## **From Weakness to Capacity for Action**

*Before everyone could get health care, but now everyone just prays to God that they don’t get sick because everywhere they ask for money. Vares, Bosnia-Herzegovina.*

## **From Weakness...**

84. The reality of poverty and illbeing as revealed by the *Consultations* is complex. The disadvantages which oppress and hold down poor people are multiple. Their varied significance is specific to different people, households, social groups, communities, regions, and countries. What most disadvantages have in common is their *multiplicity*: their numerous and interwoven relationships sustain a holism of material poverty, illbeing and the bad life. A poor person or household can be subject to many disadvantages at the same time. A cruel redundancy can then operate: if one strand of the web snaps or weakens, and the victim struggles up, other strands may tighten and oppress the victim even more.

*When one is socially excluded because of ...poverty, reintegration is only possible when one regains wealth. Such is the lot of the poor! Whereas a criminal, like a rapist, and others can be reintegrated into society, the poor person, whose situation is no choice of his, has no chance of ever being reintegrated into the community.* Ghana.

## **Sickness and Costs of Treatment Drive Poor People Further Into Poverty**

*Poor people cannot improve their status because they live day by day, and if they get sick then they are in trouble because they have to borrow money and pay interest.* Tra Vinh, Vietnam.

*Each day there is a funeral in a nearby village because of distance to the hospital.* Musanya, Zambia.

*The hospital is like a prison.* Prostokvashino, Russia.

85. The importance to poor people of access to health care would be difficult to exaggerate. This is not just for reasons of love and compassion for close relatives and friends, or concern for personal wellbeing. It is for reasons which are also economic. The body is poor people's main asset. If it deteriorates, hunger and destitution hover at the doorstep. Bad living and working conditions, together with material poverty, make a person highly vulnerable to becoming weak through sickness, or to permanent disability or death through illness and accident. It is precisely those who are most exposed to health risk, whose work entails the greatest risk of accidents or debilitation, and who are most dependent on the strength of their bodies -- in short, those who need health care the most -- who are the least able to afford and obtain it.

86. Illness as a cause of destitution and poverty was frequently mentioned by the poor. With depressing consistency the pattern of answers in most countries was the same. The costs of

treatment are high. The costs of transport, of unofficial and official fees, of return visits, time spent waiting (the poor are kept waiting the longest and often asked to return the next day), rudeness, and of drugs are too high for the poor. In many areas, those without assets do not even attempt to seek treatment, and those with some assets raise money by selling assets or borrowing from moneylenders at very high rates. In Vietnam, long-term illness or death was one of the most frequently mentioned reasons for family difficulties. In Lao Cai, Vietnam, Nha, a 26 year old man, described how his daughter's illness moved him from being the richest man in the community to one of the poorest. In Egypt, a woman said, "we face a calamity when my husband gets ill. Our life comes to a halt until he recovers and goes back to work." Corruption in health services makes it even more difficult to access health services. The poor in the village of Borg Meghezel, Egypt said, "there isn't a single tablet in the clinic and the doctor has turned it into his private clinic."

## **The Places of the Poor**

*If we get a road we would get everything else: community center, employment, post office, water, telephone.* Little Bay, Jamaica.

*The sewage runs in your front door, and when it rains, the water floods into the house and you need to lift the things...the waste brings some bugs, here we have rats, cockroaches, spiders, and even snakes and scorpions.* Nova California, Brazil.

*How can we sow anything without water? What will my cow drink? Drought is so often here. Water is our life.* Orgakin, Russia.

87. The poor frequently are disadvantaged by where they live due to geographical isolation; marginal land; ill-health; discomfort; lack of transport, sanitation, water and other services; isolation from information; environmental hazards; inadequate shelter; insecure rights to land; physical insecurity and crime (in urban areas); harassment by police and those with power; and the "area stigma" attached to residents in remote areas which deters potential employers.

88. In urban areas, the places of the poor are often fetid, diseased and polluted areas. Some slum areas in Sofia, Bulgaria are dirty and stink as there is no garbage collection or other communal services. The Roma feel they are "treated like dogs." In Bangladesh, some rural areas are cut off for six months in a year; in urban slums in Dhaka, shanties of bamboo have been constructed on raised platforms over a big ditch, which is used for all sorts of waste disposal. When babies fall into the ditch they sink and are lost. In slums in Argentina, oil spills send fire down the clogged up canals along which the poor live, and factory waste clogs up drains. In slums in Malawi, the physical conditions were so bad and hopeless that the poor said, "the only way we can get out of poverty is through death."

89. In rural areas in many countries, the poor are pushed onto the most marginal land and often live in remote isolated areas disconnected from markets and towns. While community action can

solve some problems, everywhere the poor said that governments had important roles to play in resolving water, sanitation and pollution problems. The poor in El Mataria, Egypt said, “we can solve some of the problems ourselves, such as the problem of the dirty streets, but how can we solve the potable water and lake problems?”

90. In Brazil in the favela of Nova California, poor people singled out improvements in infrastructure as making a difference despite enormous current problems. The men said, “ten years ago nothing like this existed in the community...there was no water, electricity, public telephones, garbage collection, nothing...and life was much, much worse.....today, in comparison with the past, we live ‘in heaven.’”

## **Personal Capacity**

*Because we had no schooling we are almost illiterate...Store owners cheat us, because the Indians don't know how to count or anything else. They buy at the prices they want and pay less. They cheat us because we are not educated.*  
Ecuador National Report.

*Lack of school fees for secondary school level leads to illiteracy which leads to not getting employed.* Nampeva, Malawi.

*We don't have enough money, so only two of our children, two sons, attend school, and our daughters stay at home because they have no shoes and the school is located very far from here, 6 kilometers.* Tash Bulak village, Kyrgyz Republic.

*In Nigeria if you are not educated, no job; and a job determines position in society. Our parents did not go to school and so are poor today. Education can change this.* A youth, Dawaki, Nigeria.

91. In most countries, the poor value education as a means out of poverty, particularly when the economy is prosperous. For some in Nigeria schools were regarded as the most important institutions because knowledge is power: one youth pointed out, “In Nigeria if you are not educated, no job; and a job determines position in society. Our parents did not go to school and so are poor today. Education can change this.” But there are many hurdles. Parents must make wrenching decisions about whether or not to invest in their children’s education. For the poorest families, to send a child to school can imply serious costs, both in terms of school fees, clothes, supplies and in income loss. In several countries of the former Soviet Union the phenomenon of paying for education is new and, when combined with economic hardship, is having bad effects on children’s school attendance. Despite their belief in the potential value of education, the poor sometimes question its quality, language of instruction and relevance to employment. In many places, they spoke about the needs for skills training that they could then

use to start their own small businesses. Overall, women were more concerned about education of children than were men.

## **...to Capacity for Action**

92. There are two priority actions which stand out for their potential to loosen the web of poverty.

### ***1. Curative Medicine***

93. The poor need low-cost health care, while the poorest cannot even afford low costs. Minimizing treatment costs and improving access to curative medical treatment might well prove to be a highly cost-effective way of preventing impoverishment. In contrast with conditions common elsewhere, Sri Lanka stands out as a country where poor people, with few exceptions, spoke with appreciation of government hospitals, good and polite doctors, and free hospital treatment.

94. There also is a need for greater innovation in providing health insurance to the poor in the informal sector. Two micro-insurance schemes are promising.<sup>6</sup> In Bangladesh, Grameen Kalyan, Grameen Bank's health care program, acts as both an insurer and health provider. The health centers are attached to the Grameen Bank center and offer curative outpatient and door-to-door services, as well as insurance options – with premiums based on a sliding scale - to members.<sup>7</sup> The Philippines is experimenting with a national health insurance scheme SHINE (Social Health Insurance/Networking and Empowerment). The expectation is that, within 15 years, a nationwide insurance scheme can be set up which will be financed by income-based contributions and will provide a standard service and care package for all citizens. There are two innovative features: first, the insurance scheme will provide funds to people so they can buy their own treatments; and second, the scheme will link the existing social insurance network to grassroots community-based initiatives for health-care and health insurance.

### ***2. Provision of Basic Infrastructure***

95. Basic infrastructure, such as water, sanitation and roads, is critical to creating a stable environment for human survival and growth. The contrast between slums and more prosperous parts of many cities is acute. The slums in Brazil stand out as areas where the

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<sup>6</sup> Thanks to Smita Srinivas for sharing this information, which will be available in a forthcoming World Bank/ILO paper: "Social Protection for Women Workers in the Informal Economy."

<sup>7</sup> A center is started after thorough discussions with members. Premiums are based on a sliding scale. Health centers have recovered approximately 65% of costs, and already 66% of Grameen Bank members participate in the scheme. The annual premium in 1996 was Taka 12 (\$2.50) per family for a maximum of 8 family members. As village health workers have been added to the centers' staffs, the pricing structure is currently being refined.

poor reported -- with appreciation -- basic improvements in infrastructure in the last decade. Elsewhere, conditions are generally deteriorating rather than improving. Service provision in slums must be given priority in city-wide strategies for growth. Improvements in basic infrastructure will reduce seasonal stress. In Ethiopia, poor men said that, "if we had received government assistance in the areas of water and electricity, it would have created a great deal of opportunity for us to improve our lives."

### *Literacy, Education and Skills*

96. Poor people in community after community indicated that they highly value education and training as keys to a better future for themselves and especially for their children. In many countries, and particularly across Africa, however, school fees and the distance to available schools presented important hardships to the study participants. Where schools were accessible, problems of quality were frequently raised. In Vila Junqueira, Brazil, study participants reported that "This school was ok, but now it is in shambles, there are no teachers for weeks. It lacks competent principals and teachers. There is no safety and no hygiene." In parts of Africa and South Asia, employment prospects were linked more to literacy rather than to formal educational attainment. In Egypt, Ethiopia and Ghana, people voiced frustration because even with education, finding jobs is extremely difficult.

## **From Bare Subsistence to Assets and Security**

*Poverty and destitution are part and parcel of our lives. Malawi.*

*Everyday there are more unemployed, every day one sees more men around the neighborhood. Argentina.*

*We go for additional manual work because the income from our cultivation and animal husbandry is not sufficient. Sri Lanka.*

*Young healthy guys are wandering around doing nothing all winter because they only have seasonal work. Kyrgyz Republic.*

*There is great insecurity now. You can't make any plans. For all I know, tomorrow I might be told that we'll be laid off for a couple of months or that the factory is to shut down. We work three days a week even now, and you're in for a surprise every day. Bulgaria.*

*She is worried about the future of her children and the struggles they have to face when they grow up. Her immediate concern is to which house she should go for a loan of some food grains for their food that day. An interview with a poor woman, India.*

*There is no hope of someone to help us. I wanted a loan, but they are requiring the land title, but I can't.* Isla Trinitaria, Ecuador.

## **From Bare Subsistence...**

97. The poor typically have few assets to make a living. In most cases the poor's lives are characterized by precarious living. Livelihood strategies include a patchwork of low paying, dangerous, often backbreaking work for low returns. All over the world, even where poverty has decreased, such as in Vietnam and in Sri Lanka, the poor said that insecurity had increased. Excepting a few communities in Sri Lanka, India and the Kyrgyz Republic, the poor said that economic opportunities had decreased. Most blamed governments for mismanaging the economy and for privatization, high taxes, and inflation; declining agricultural productivity and declines in affordability of agricultural inputs; lack of cheap credit; corrupt government services; or simply lack of government care for the poor.

98. Livelihood strategies for the poor are primarily in the informal sector, and sometimes, are illegal. People survive through an enormously wide range of activities – small-time vending, doing odd jobs, carrying brick and sand, working in quarries and mines, “shuttling” (the name give to constant movement while trading in Eastern Europe), borrowing from neighbors and moneylenders, working two or three jobs, growing vegetables on little plots, returning to subsistence agriculture in countries such as Bulgaria, Russia and the Kyrgyz Republic, collecting grass, herbs, and bamboo shoots, catching wild animals, selling cooked food, making crafts, working in factories, begging, washing blankets and carpets, putting children to work, praying for rain, selling assets one by one, surrendering to prayer, reducing the number of meals, changing their diet, selling their own blood, and in desperation engaging in criminal activities, including prostitution.

99. Everywhere people equated poverty and insecurity with lack of assets, which results in their lacking the ability to cope with income fluctuations and shocks. In Russia, people said, “now I don't feel like going to work, as I don't know what I'm working for.” People reported being paid in kind rather than in cash, e.g. being paid in coffee, vodka or chocolates. One worker said, “why should I get all that vodka and mayonnaise when I need to buy medicine for my daughter?”

100. In the face of hardships, the poor reported that young children are increasingly required to work to supplement family income instead of going to school. While it is well known that children withdraw from school during peak times in agricultural cycles, there were countless other reports of children having to provide domestic help or engage in wage labor and trades. Children worked as servants in exchange for food, packed vegetables in warehouses, and were sometimes sold into marriage and temporary relationships with foreigners.

101. Lack of access to credit from formal lenders was cited by the poor with astonishing frequency. In Vietnam the poor said they either did not qualify for loans or were turned down for loans; “while the rich get loans, the poor get consideration of loans.” In the absence of usable formal credit, people turn to friends and moneylenders. Moneylenders appeared frequently on the list of most important institutions in people’s lives, despite the fact that they charge high interest and insist on repayment. In Ethiopia, young men considered the moneylender their only hope for starting a business. In Sri Lanka, Indonesia, Vietnam, Bangladesh, India, and Egypt, the poor turn to moneylenders who give loans for consumption, who don’t have bothersome procedures and who allow payments to be made in kind, including in labor. Many poor people said that they stayed away from microcredit loans because of their collateral requirements, lengthy application processes and difficult payment terms, including in many cases the need to start repayments immediately.

102. As mentioned earlier, few government-provided emergency safety nets reach the poor in full force. The poor are grateful for whatever reaches them. What they need, the poor said over and over again, was the dignity of work, fair treatment, a living wage, and not handouts.

103. For most people it is extremely difficult to break out of poverty, as combination of factors erode assets as described by these farmers in Ethiopia: “We could have produced 25 quintals of grain with extension programs, but the price of fertilizer has gone up. When we fail to produce enough we sell our cattle...if we had enough rain, our cattle would not have died; the ploughing season would not have passed; we should have ploughed the land by now, but we haven’t. Nobody has benefited from opportunities. As for the future, God knows.”

104. With few assets, stressed family networks, problems in agriculture, and dismal job prospects, it is exceptionally difficult for many of the poor to be upwardly mobile. In the communities where the *Consultations* took place, the researchers documented case studies of individuals who had managed to become better off. A review of 147 of these upwardly mobile people revealed that self-employment or entrepreneurship was their most frequent path out of poverty. This was followed by income from wages and salaries, benefits from family, and income from agriculture and access to land. Acquisition of multiple assets helped people cope with the inevitable stresses and shocks of life. Approximately one third of these upwardly mobile managed income flows from all these sources. Skills acquisition, learning to run a business, or learning particular skills were mentioned in 27% of the case studies. Education was mentioned by only 15% of the individuals interviewed with strong regional differences; between 20% to 30% in Latin America and countries of the former Soviet Union; and between 4% to 7% in Africa and Asia.

### **... to Assets and Security**

105. There are two sides to any strategy for building assets and security. One is to help poor people avoid becoming worse off. The agenda for this is extensive, and appears relatively



neglected. Some of the policy recommendations already have been made, i.e. reduce corruption, crime and violence; stop police harassment of the poor; provide the poor with health insurance. The other is to help people who are poor to become better off, to achieve lives of greater wellbeing.

### ***1. Organizations and Social Protection for the Informal Sector***

106. The informal sector is cut-throat, fragmented and extremely diverse. Community-based initiatives that build solidarity among informal workers may help to reduce hazardous conditions for the poor.<sup>8</sup> By working together, poor people's associations are able to obtain better prices for goods, buy in bulk, share information and organize to influence municipal and state regulations regarding vending, public transport, etc. Examples of people organizing include: tailors' associations, marketing cooperatives, and credit associations. In Foua, Egypt, for example, the *kilm* weavers in Foua, Egypt have applied for a loan to the Social Fund to develop *kilm* weavers skills, and for loans to organize marketing channels.

107. The majority of the poor work in the informal sector with no social security or social protection from any source. Innovative micro-insurance schemes are needed to protect poor workers. Over 90% of the labor force in India is estimated to be in the informal sector, and the share is believed to be extremely high in many other countries as well. Most informal sector workers are casual workers with no direct access to government provided social security. The Self-Employed Women's Association (SEWA) has developed the largest and most comprehensive contributory social security scheme in India at this time. It presently insures over 32,000 female workers and may offer a promising model for bringing urgently needed health, life and asset insurance to the informal sector.<sup>9</sup>

### ***2. Access to credit***

108. While much has been learned about microcredit lending systems based on social capital, many poor people are still not reached by such systems. In addition, as reported in the study, many find the collateral requirements too difficult, the lending amounts too small,

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<sup>8</sup> A. Portes and J. Itzigsohn, "Coping with Change: The Politics and Economics of Urban Poverty," in A. Portes, C. Dore-Cabral and P. Landolt, *The Urban Caribbean: Transition to the New Global Economy*, Johns Hopkins University Press, 1997, pp. 227-248.

<sup>9</sup> SEWA is a registered trade union with 250,000 women members who are self-employed, hawkers, vendors, home-based workers and laborers. The Integrated Social Security Program covers health insurance, life insurance (death and disability) and asset insurance (loss or damage to house or work equipment). SEWA works with two nationalized companies, the Life Insurance Corporation of India, and the United India Insurance Company. The scheme works through risk pooling by women who already know and can monitor each other. The scheme is financed by the interest paid on a grant provided by GTZ, one third through direct contributions by women workers, and one third through a scheme subsidized by the Government of India through the Life Insurance Corporation. The total health and asset insurance premium is Rupees 60 (\$1.50) per year, an additional Rupees provides life insurance as well. The coverage is Rupees 3,000 for natural death, Rupees 25,000 for accidental death, Rupees 2,000 for assets, and Rupees 3,000 for the house. Currently SEWA is thinking of expanding to pension plans for older workers and increasing coverage and health benefits.

and the weekly payment schedules too rigid. In Malawi and elsewhere, while women appreciated small loans, they said, “much as the loans have helped some of us to become fairly better off, the terms and conditions force us into psychological slavery.” Participatory research is needed to guide continued innovation to channel credit through appropriate mechanisms to fit local requirements. To establish such microcredit lending programs may require retraining of field workers and changed incentives so that their success is judged by the quality of their interactions with the borrowers as well as collection rates. Many study participants said they need access to credit for consumption as well as productive purposes, and must rely heavily on the small sums provided by relatives and moneylenders. Grameen Bank in Bangladesh is working to meet these needs, for example, by providing some 400,000 housing loans of \$300 to women with land titles and a three-year track record of successful borrowing. Such schemes may offer a promising model for combining financial empowerment with social empowerment.

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## Conclusion

109. In this overview, we have tried to be faithful in representing the realities, priorities and aspirations expressed by the poor people who took part in the *Consultations*, which were recorded, summarized and transmitted by the Country Teams. On the basis of these insights, we have tried to draw out implications for action which would enhance the wellbeing of poor people, and which we believe they would endorse.

110. This overview and these recommendations are a stage in a process, not a final product. They are presented here in a spirit of participation as a basis for discussion, debate, correction and improvement. Conditions in the over 200 communities where the *Consultations* took place were diverse, as were the people who took part in the study. We recognize differences and exceptions, as well as the dangers of overgeneralizing. At the same time, the commonalities across continents, countries and contexts were often striking. For those who conducted the fieldwork the experience was often distressing and the findings alarming. They might wish that policy-makers themselves would in future have the privilege of taking part in similar face-to-face learning in the field. For all those involved this has been a process which has taught us much.

111. What emerges from the collective voices of the poor in the *Consultations* is their remarkable resilience, hard work and grit. A young widow in India was perhaps typical, saying: “Even at times of acute crises, I held my nerves and did not give in to circumstances. My God has always stood with me.”

112. Despite the stress of their children going hungry, the agony of watching a child die when there are doctors nearby, the humiliation and shame experienced in their interactions with

government, traders, money lenders and landlords, the poor survive. They persist and they persevere. When they can, they participate in the joys of family, in the festivals of community, in the exuberance of sports, and in the shared laughter of women getting together when the day's work is done. And, even when poor men abuse their wives, beat their children, and drink themselves to oblivion, the poor persist.

113. The poor also take initiatives. They create groups to patrol the community to prevent thieves; they "rotate their money" in savings groups; they build police stations to invite the police to work with them; they create unions, cooperatives, temple, mosque and church associations; they create and sustain death donation societies, labor exchange groups, chicken raising groups, singing groups, health groups; and they give assistance to destitute groups, water groups and burial groups.

114. Overwhelmingly the poor want to be heard; and they want governments and others institutions to do more, and to do it well. The desire of poor people to be heard leads to two overarching implications: first, that well-facilitated participatory processes which enable poor people to express their realities and priorities should become an accepted part of good development practice. Such processes can provide the individuals who influence and make policy with insights which are both accurate and up-to-date. Participatory Poverty Assessments and, despite their flaws, these *Consultations*, have helped to show what can be done. The import lies, however, in changes in policy and action that will make a difference, enabling poor people to enhance their wellbeing. It makes little difference to poor people that their realities, problems and priorities are known unless something is done about them, and done effectively.

115. For good institutions and for effective voice, the vital links are policy, implementation, and personal commitment. Countries like Uganda, which seek to embed participatory appraisals, monitoring and evaluation in the policy and action processes of Government, should be fertile sources of learning for others. For their part, the test of these *Consultations* will be their impacts on development practice. Only then will the time and effort that poor people gave to this process not be in vain.

116. Second, the poor were clear that institutions, whether of the government, or of civil society and NGOs, had a major role to play. The poor want institutions they can participate in, and whom they can trust to be relevant, to care and to listen. For example, in one community in Bangladesh, the standards for good institutions set by the poor are:

- they stand beside people in their evil days
- they give attention and listen to the problems of poor people
- they have consistency in word and deed
- they do not do such things as may cause losses to the people
- they do not get involved in any corruption
- they do not indulge in corruption
- they do not discriminate between Hindus and Muslims (social groups)
- they give honest and good suggestions in times of adverse situation

- they do not give special favors to the rich
- they give fair verdicts

Can we collectively rise to this challenge?

## *Consultations with the Poor*

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