



Chapter 3

The Struggle for Livelihoods

Summary

Adequate and secure livelihoods emerge as a central concern to poor people's well-being. In rural areas much hardship is linked to reduced access to land, bad soils, adverse weather, lack of fertilizer and other inputs, deficiencies of transport and marketing, and overexploitation of common resources such as fish, pastureland and forests. In both countryside and cities, people speak of lack of permanent employment and reliance on badly paid and unreliable casual labor and petty trades. Participants also frequently mention harassment and corruption from officials as well as mistreatment from employers and having no recourse to redress grievances.

To cope with such precarious livelihood conditions, poor people often struggle to diversify their sources of income and food: they work on the land and in quarries and mines; they hunt down temporary jobs and sell an endless variety of goods on the streets; they do piecework in factories and from homes; they patch together remittances; and they cultivate home gardens. Many poor people count on local moneylenders and shopkeepers for credit in emergencies and during lean times; few have access to formal credit and savings services. With opportunities so limited, many are driven and drawn into livelihood activities that are to various degrees dangerous, illegal, and antisocial, including theft, drug dealing, sex work, trade in women and children, and child labor.

A large majority of men and women in the study view better livelihood opportunities as distant from them and economic conditions as worsening. In parts of Asia and a few communities elsewhere, however, people see poverty as declining. In Vietnam poor people link this improvement to market and land reforms, and successful diversification of income.

Case studies of those who have managed to improve their wellbeing indicate that entrepreneurship is the most frequent path out of poverty. Having multiple sources of income is also characteristic of many people who move out of poverty. In addition to entrepreneurship, these income streams include wages and salaries, benefits from family, agricultural earnings, and access to land.

Poor People's Priority

First, I would like to have work of any kind.

—An 18-year-old man, Isla Trinitaria, Ecuador

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 10 years.

But now all we can do is sit and wait for the end to come.

—A woman, Etropole, Bulgaria

I teach others now. Work is now my capital; work adds value to my life. Before I used to work, my life was empty.

—A woman, Foua, Egypt

The men and women who participated in this study worked in small groups to identify and rank into a list their communities' most pressing problems and concerns.¹ In a very large number of groups across the countries material wellbeing and livelihood difficulties emerge as critical.² And when asked in a separate exercise to develop a diagram of the causes and impacts of poverty, livelihood concerns again arise prominently as a cause in all the regions. Although livelihood issues are not a specific focus of attention in the study, they still emerge as central to poor men's and women's perceptions of wellbeing, security, risk and opportunity, priorities for action and gender relations.

The chapter opens with a look at conditions in rural areas and then shifts to urban and casual work. With livelihood opportunities so limited, the chapter goes on to explore the widespread use of informal credit channels, difficulties with accessing formal credit, and the various livelihoods outside the law that are important coping mechanisms for some poor people. A final section explores views on opportunities and the findings from profiles of men and women who have managed to escape poverty.

Rural Livelihoods: Producing amid Scarcity

There are no fertilizers, and soil is getting more and more barren. There are no chemicals against weeds, so we have lots of weeds and lose much of our crops this way. There are no medicines for the animals, so lots of them die, and some of them have infectious diseases that can affect humans, too.

—Participant, discussion group of elderly,
Uchkun Village, the Kyrgyz Republic

Ten years ago lack of food was not such an issue. We had enough fertilizer to do what we wanted with. Now we are depending on things like mushrooms and caterpillars.

—Participant, discussion group of men and women,
Muchinka, Zambia

In rural communities around the world, the poor report a host of agricultural difficulties. The nature and intensity of these problems vary from one village to the next, but broad patterns do emerge. Farmers and herders often mention problems with gaining access to land, land shortages and fragmentation, costly inputs and declining profits, and problems with accessing credit and extension services and with transporting goods to markets. People also report that problems of soil infertility, declining fish stocks, degradation of grazing lands and forests and other environmental problems pose very serious threats to rural livelihoods for many.

While agriculture predominates, rural livelihoods are in fact quite heterogeneous. The discussion below explores sedentary farming and herding, followed by an overview of livelihoods that depend on the common property resources of fishing, forests, and pastureland. Concerns related to casual labor and petty trades cut across urban and rural communities and are raised in sections on migration and remittances and on urban and casual livelihoods.

Access to Land

It is necessary to use every inch of the land.

—An elderly man, Dangara, Uzbekistan

All our problems derive from lack of land. If we have enough land we will be able to produce enough to feed our households, build houses, and train our children.

—A man, Elieke Rumuokoro, Nigeria

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

—A man, Isla Trinitaria, Ecuador

Many engaged in farming report that their livelihoods are becoming less and less viable. Lack of access to farmland stands out as a particularly acute and widespread problem, with discussions about the causes of land shortages often yielding a quite complex and dynamic mix of factors. These include rising land costs, unfavorable agricultural and land tenure policies, population growth, fragmentation of holdings, and overuse and degradation of cultivable lands. Many groups discussed the problems associated with landlessness or land shortage, which included intense competition for off-farm work, migration, and rising rural crime.

In Africa difficulties with accessing land are most frequently associated with interlocking demographic and environmental pressures and with agricultural and land policies. In Malawi rural participants say they now have less land due to rapid population increases and high land prices. “There are so many of us...we don't have enough land to cultivate and no longer harvest enough food,” remarks a youth in Mtamba, Malawi. In Elieke Rumuokoro, Nigeria lack of access to land emerges as the top problem on

the lists among both men and women. As one man observes, “We used to be good farmers. Now, only those who can afford the money travel to Igritta to rent land to farm.” In the village of Bedsa, Egypt people tell researchers that steep climbs in land rents and payment terms are leading to dramatic increases in landlessness. Farmers there say they are only left with wage labor, or what they call *agir*, a derogatory term that implies exploitation by landowners.

In Bangladesh, India and Vietnam lack of access to land is identified as a particularly important cause of poverty in several of the rural communities. Across many of these villages, people indicate that households without access to land are especially vulnerable to deepening cycles of indebtedness from which it is very difficult to escape.

In Latin America land titling insecurities emerge as an important hardship for several communities. Farmers feel trapped by land insecurity, ambiguous relationships with land owners, and vicious cycles of subsistence production, loans, repayments, and more loans. In Bolivia, for instance, a farmer explains,

Ten years ago land titles weren't a problem. Now the owners have consolidated the lands telling us to work tranquilly and that they would take responsibility for getting us the titles. Since these promises were not kept, the farmers who rent distrust the owners who want to take possession of all the land and throw them out, and for this reason land titles are an important worry.

Diminishing Inputs and Returns

Cotton and cattle used to be worth more, and there used to be credit.

—Participant, discussion group of men and women,
Argentina

Price of fertilizer incompatible with price of rice.

—A group of older men, Galih Pakuwon, Indonesia

Discussion groups in quite varying contexts report that farming is less profitable than in the past. A frequent concern is the high cost of inputs, which in some countries is traced to reduced government subsidies for seeds, fertilizers, pesticides, and sometimes other needs such as tools, machinery, and medicines for animals. Men and women also frequently mention problems with getting fair prices for their goods and with accessing markets and transport.

High input costs are most striking in the rural reports from Africa and Eastern Europe and Central Asia, but can also be found in the reports from Asia. Discussion groups from a number of rural communities in Africa, and

particularly Malawi and Zambia, link increased hunger and food insecurity to the higher costs of inputs in recent years, especially of fertilizer. In Zambia, where problems of fertilizer are mentioned more often than hunger among discussion groups, a man from Nchimishi explains that “the major cause of hunger here is the lack of fertilizer.”

Among rural villages in Eastern Europe and Central Asia, steep production declines are especially associated with the collapse of collective farms and the system of centrally managed markets for agricultural inputs and irrigation and for distribution of produce. In Weerapandiyana in Sri Lanka farmers say that the high cost of inputs and equipment is driving them to abandon agriculture and sell their lands, or to shift to other often less lucrative crops that require fewer inputs. In Indonesia poor people describe input problems in terms of “lack of capital,” or not having the cash, tools and inputs needed for agriculture. Farmers in many of the rural communities of Latin America link production problems to lack of credit and indicate that it used to be more widely available.

In many countries, poor people also report difficulties with accessing markets and getting fair prices for their goods. In four of the rural communities visited in Sri Lanka, for instance, farmers mention a shortage of markets and getting squeezed by middlemen as important problems. In Thailand farm workers complain that the economic recession has sharply reduced the prices of rice and rubber, greatly cutting demand for agricultural labor. In the Kyrgyz Republic during the Soviet era, consumption cooperatives (*Potrebsoyuz*) purchased farm produce, but now individual farmers have to find buyers and “often end up selling their products to wholesale traders at very low prices.” Reaching markets and getting fair prices are also problems for several villages visited in Argentina, Bolivia, Ecuador and Jamaica. The rural poor in Argentina indicate that the price of crops such as cotton has fallen, as have earnings from cattle and animal skins, and they point to these price trends as a major reason why “we are worse today.”

Few Institutional Supports

We wish...we had the mandate to caution him.

—A villager referring to the poor performance of the local agricultural extension agent, Khwalala, Malawi

Although the study was not designed to evaluate particular services, it is notable that few villages mention agricultural extension services as institutions of local importance. Where they exist, these services are often viewed as unresponsive.

Residents in some communes of Ha Tinh Province in Vietnam complain that extension services have to be paid in advance rather than on credit and that the new seeds and pesticides being promoted do not perform as well as traditional crops and husbandry. All the same, they would value better guidance on pest control and training on new agricultural techniques. In

Nchimishi, Zambia people say the local extension officer sells very expensive but ineffective drugs to fight tick-borne diseases in their cattle, but “the cattle continued to die.”

Although there may be difficulties getting external help, poor people frequently value their own local organizations highly. In Somaliland poor people sometimes consider their local pastoral and farming groups among the most important local institutions. Members are involved collectively in live-stock rearing, managing irrigation, and transporting and marketing produce.

Common Property Resources under Stress

We know that cutting down trees will cause water shortages and that making charcoal can cause forest fires, but we have no choice. Because we lack food, we have to exploit the forest....

—A resident of Ha Tinh, Vietnam

Earlier we worked from morning till evening, and now young people do not work...if they start to earn something for the family—for example, catching fish—the militia will not leave them in peace.

—A poor youth, Muynak, Uzbekistan

Many poor rural women and men rely for all or part of their livelihoods on common property or publicly owned resources, such as forests, woodlands, lakes, rivers and common grazing lands. Some of the very poor in Malawi fetch and sell river sand, and in Kalofer, Bulgaria a participant in a discussion group of men and women commented that “old people survive by grazing animals in the woods.” In most cases, however, availability of these resources is in crisis because of restricted access, overexploitation or both.

In Somaliland access to grazing land and the need for alternative fodder appear as important priorities for the poor. Researchers note that grazing lands are becoming increasingly eroded, which in turn has compelled some landowners to use common lands in the dry season for grazing rather than their own lands. Poor people think privatization of common lands has intensified pressures on the remaining common areas.

Fishing communities in countries and conditions as varied as Bangladesh, Ecuador, Egypt, Malawi and Uzbekistan report serious problems with declining fish stocks, increased competition, new regulations and diminishing wage labor opportunities on boats.

The reasons for declining stocks vary. In Thailand they are tied to pesticide runoff (Nakorn Patom) and wastewater from processing plants (Kaoseng). In some African communities people blame the shortage on over-fishing and point to growing populations and more commercial fishing. A youth from Mangochi, Malawi informed the researchers that dwindling stocks there are due to greater population pressures and the introduction of

large shipping vessels that use nets to “catch even the smallest fish. The fish are not given enough time to breed.... In the past we only caught fish with bait and hook.”

To preserve fish stocks and allow for their recovery, many local authorities are requiring fishing permits and placing temporary moratoria on fishing near the coasts, which are popular breeding grounds. Poor fishing communities seem especially hard hit by these regulations as well as by increased competition from large commercial shippers. In the fishing village of Borg Meghezel, Egypt a two-month fishing prohibition in the early summer interrupts livelihoods not only for the fishermen but also for those involved as merchants, boat owners, and drivers. In Bangladesh fishing opportunities for the poorest are heavily restricted by government leasing requirements affecting fishing rights on all water bodies; in many cases, the only opportunities left for the poor are to work as day laborers in fishing boats. From Bangladesh and Egypt come reports of poor fishermen going out in the dark and risking physical assault from permit owners and the hazards of working at night.

In all regions communities are experiencing the effects of deforestation, and poor people see the loss of forest areas and its impacts as threatening their livelihoods and food security. In most places where the problem is identified, the poor attribute deforestation to human pressures and lack of alternative livelihoods, fuel and food. In Adaboya, Ghana the researchers indicate that economic hardships and the lack of jobs push many into charcoal burning and cutting wood to sell. Similarly poor people rely heavily on firewood and rattan collecting, charcoal burning, and hunting to generate income in the highland forest communities of Ha Tinh, Vietnam.

Women and men acknowledge the pressures that their activities place on the local environment, but they see few alternatives. They also describe a host of indirect effects from the loss of tree cover, such as damage to local water supplies, more intense flooding, and in a few cases, adverse changes in weather. In Gowainghat, Bangladesh, for example, deforestation contributes greatly to erosion of cropland and of earthen roads and embankments.

Migration and Remittances

Most men now abandon their homes. Women now work the fields ... Women have taken charge of everything. They pay heavily and endure this life.

—Discussion group participants,
Caguanapamba, Ecuador

In struggling farm, pastoral and fishing communities across the study countries, people make numerous references to seasonal and permanent migration of both men and women who travel to areas with greater opportunities for work as wage laborers and in petty trades and domestic services. Paradoxically, although poor people often acknowledge that the remittances

from such work are crucial, they largely hold negative views of migration as a livelihood strategy.

The rural poor view migration both as a cause and an effect of poverty, and discussion groups by and large focus on migration's harmful aspects. Men and women in Argentina and Ecuador speak of the hardships of leaving children behind to be raised by women alone or increasingly by grandparents. In Kehelpannala, Sri Lanka researchers reported a widespread perception that overseas employment is devastating for families, especially children. A discussion group of men in Tabe Ere, Ghana feel that security has declined in the village because adult children have migrated to urban areas in search of jobs rather than staying to help parents in their old age.

Poor people widely mention and greatly value remittances from family members who have migrated. Most families in the villages of La Calera and Juncal, Ecuador, for instance, are said to have male wage earners in the cities who provide their primary source of subsistence. People report that remittances from overseas are very important to communities in Bangladesh, Jamaica and Uzbekistan.

Although rarer, the rural poor sometimes consider migration a stepping-stone to opportunities and a better life, but even in these cases many hardships are often acknowledged. A 30-year-old builder from the village of Oitangaly, Uzbekistan—where women make up 70 percent of the population—says he migrates for two or three months at a time and that a “person who learned some trade will survive.” However, he also indicates that some risks are involved because “now the police are checking the residence stamp everywhere.” Migrants often find themselves doing the hardest work: in Uzbekistan this includes difficult jobs on construction projects and hauling carts inside markets.

Understandably the men and women who have managed to move out of poverty who were interviewed for this study often share quite positive experiences with migration, such as the story in box 3.1.

**Box 3.1 From Rickshaw Puller to Landlord:
A Tale of Entrepreneurship from Bangladesh**

Mahood Rab was destitute when he arrived in the slum of Chittagong City with his wife at the age of 18. He left his village after his father died, and his family had become impoverished covering medical expenses. When Mahood arrived in the city, he worked as a rickshaw puller, and his wife took jobs as a maidservant in several homes. Through hard work, and with his own and his wife's savings, he was finally able to buy a rickshaw. Within a year, he owned four. Today, at age 50, Mahood owns eight rickshaws, but does not rely just on this business. He took out a loan from *Proshika* (a national NGO) and rents five houses he built in another slum area. Mahood shared with the researchers that due to his wealth everyone knows him, and he is among those who are respected and take part in the major decisions of the neighborhood.

Diversified Livelihoods in Cities and Countryside

I got the capital for my fritter [fried dough] business from my husband.... In times of shocks like famine, I use the business money to buy foods and so shocks are not such a blow on our family.

—A woman, Chitambi, Malawi

With so few prospects for sufficient and reliable incomes, researchers heard countless reports of men and women working harder and diversifying livelihood activities to make ends meet. With a decline in opportunities for men in agriculture and for permanent employment, women across the world report taking on work outside the home to bring food to the table. “We [women] are getting out of the house, learning to knit, to sew...to make a vegetable garden.... We can contribute a few pesos to the house, just like my husband,” explains a woman from Isla Talavera, Argentina. (See also chapter 6, “Gender Relations in Troubled Transition.”)

In places where formal sector jobs used to be available and provided adequate earnings, many people don’t consider their patching together of temporary jobs to be real employment. Bundles of livelihood activities can sometimes be a way forward—as shown in a section below on individual breakthroughs. For many, however, the push to diversify income and assets is but a coping strategy that involves constant juggling and struggle. In Geruwa, India discussion groups had a term—*hujuk*, or caprice—to describe their unstable work and the practice of jumping from one occupation to another.

Diversification strategies are part and parcel of rural as well urban livelihoods. In remote villages of Lao Cai, Vietnam families report:

- ▶ Collecting and selling minor forest products such as medicinal herbs and bamboo shoots.
- ▶ Hunting and selling birds, mammals and reptiles.
- ▶ Specializing in growing particular medicinal herbs that few other people grow.
- ▶ Making tools, equipment and household domestic items.
- ▶ Making food products to market, such as maize and buckwheat cakes, bean curd and wine.
- ▶ Making cloth and clothes.

The push to diversify even touches those in the study with permanent employment—teachers, civil servants, mechanics and shop attendants. They often indicate that their wages are much too low to move their families out of poverty, so they take on extra work. This is particularly frequently noted in Eastern Europe and Central Asia, and in Latin America. While mining is the main enterprise in Etropole, Bulgaria, for instance, most also engage in subsistence agriculture on weekends and holidays, and some hold second jobs as security guards (men), shop attendants (women) and waitresses (young women).

Getting Hired—Connections Needed

You can't do anything unless you have friends in high places. Connections. You're not judged on your own personal authority but on the authority of someone else who might not even be an authority.

—A young man, Krasna Poliana, Bulgaria

In quite varied contexts, participants talk about the need to have connections, especially to find work. In Dahshour, Egypt people say there is “much bitterness” because any opportunities that may come along for a better or more permanent job from a *wasta* (or middleman) are always taken by the rich. Similarly, villagers in Phwetekere, Malawi indicate that better-off people do not face difficulties in finding jobs because they are “often well educated and well networked.” A woman from Phwetekere observes that they “change jobs as if they are pairs of trousers.”

Discrimination adds another obstacle to finding work for ethnic and caste groups. “There are vacancies at the labor office, but once they see you're dark they turn you down,” exclaims a Roma man from Bulgaria. The researchers note that in all of the sites where there is a large Roma population, 80 percent of the males and 100 percent of the females are unemployed, most for as long as three years. In Manjhar, India people identify caste-based discrimination as a problem when seeking jobs, and blacks in Brazil and Ecuador mention similar obstacles.

Lawlessness on the Job

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.

—A poor man, Sacadura Cabral, Brazil

To be able to open this coffee place I had a very big problem with the sanitary authorities.... They tormented me and tormented me until in the end we settled it for 300DM. Whenever they see us they want bribes.

—A 49-year-old woman, urban Bulgaria

All too often poor people report experiencing law and law enforcement not as a means to a better life, but as obstacles. They say a key challenge is staying ahead of public authorities and well-organized criminals bent on shutting them down, intimidating them, or demanding bribes.

Municipal regulations and licensing make many creative economic activities illegal. In Ho Chi Minh City, Vietnam those without permanent resident status are denied access to permanent jobs. Street vendors and bicycle rickshaw drivers mention that they are finding it increasingly difficult to earn a living because of increased competition and new laws limiting the streets where they can work.

Because poor women most commonly run petty trades, they are often most exposed to harassment. In Olmalq, Uzbekistan a vendor named Nigora tells researchers of a policeman who threw away her goods because she was trading in an unauthorized area. She tried to move the officer to pity by crying and shouting curses and explaining that her husband had not worked for three months. She then teamed up with five or six other women to pool a large bribe. In exchange, the policeman now looks the other way and has made sure that the tax collector does not disturb them.

In fact, the need to pay bribes to stay in business came up quite often in the research. A tea shop owner from Patna, India complains that he paid a succession of “taxes” after opening his shop at the railway station. The researchers report that “he started earning more in his new occupation, making a profit of Rs 150–200 per day, but had to pay ‘rangdaari tax’ [money extorted by force] of Rs 25–50 to the contractor or to the constables of the Railway Police Force. Besides, the officials and contractors used to have tea at his shop, but never bothered to pay.”

The particular problem of delays in the payment of wages and payments-in-kind cut across rural and urban sites in Eastern Europe and Central Asia: “We don’t work there because they don’t pay people for their work,” says a participant from a group of unemployed young men in Ulughnor, Uzbekistan. People say that plenty of jobs are available in the local *sovkhos* (collective farm), but wages are never paid on time and they feel discouraged from taking the jobs. “Why should I get all that vodka and mayonnaise when I need to buy a medicine for my daughter?” complains a father from Ivanovo, Russia about how he is being paid.

Seasonal Fluctuations

Nothing to do during three to four months of rainy/stormy season.

—A group of young women, Ampenan Utara, Indonesia

It is much easier after spring—there are jobs offered if you are not lazy. Well, they are not real jobs, with regular wages and social security, but you won’t die from hunger.

—A 43-year-old man from Plovdiv, Bulgaria

The few jobs that are created in the area [are] seasonal—only when the tourist season is at its peak.

—A poor youth, Little Bay, Jamaica

Rural and also urban opportunities and rewards for work can be sharply seasonal. During the rains in Somaliland, livestock sales plummet and prices for food rise sharply, putting at a disadvantage those poorer people who need to sell animals to buy food. The Bangladesh study finds a widely varying seasonal range of wages, at one site going from Taka 100–140 per day at the

time of harvest to Taka 40–60 per day in the slack season, and elsewhere as low as Taka 15–20 per day.

Fishing is reported to be highly seasonal in Bangladesh and Egypt. Women in Madaripur, Bangladesh report that during the rainy season they cannot work in the brick field or chip bricks or sell dried fish. Seasonal rural migration of men and families in Ghana, India, Nigeria, and elsewhere is a widespread strategy with its own stresses of travel and uncertainty, and of leaving behind children, the sick, the disabled, and the very old to manage on their own.

The timing of school expenditures is also an issue, coming as it sometimes does at bad times of the year for some poor people. As reported in Vietnam, at times of seasonally heavy labor demand there is an incentive to withdraw children from school to help.

Shortages of food and having to stint and starve are often mentioned. When debts are assumed as a means to survive the bad times, they carry over: their repayment in Bangladesh is reported to take up much of poor families' income in the better seasons. In the bad months many of the poor in Bangladesh and in other countries mortgage and later lose their land to feed themselves and survive. In the bad months poor people become poorer.

Money in Short Supply

A man is ashamed to go to the neighborhood. You can't ask for loans from everyone. Times are hard for everybody.

—A discussion group participant, Sarajevo,
Bosnia and Herzegovina

Now we don't even have one cent in our pocket.

—Participant, discussion group of men and women,
Moreno, Argentina

With some exceptions, people in the study report that they have no or only limited access to banks and credit schemes. Men and women say they need credit not only to improve their livelihoods and for emergencies but also sometimes for daily expenditures during difficult periods. When networks of relatives and friends are not sufficient, poor people say that, to survive, they frequently turn to moneylenders, shopkeepers and pawnbrokers.

Informal Credit

When we want a small loan, we do not have to go after people, and we do not have to waste our time at the bank.

—A woman from Wewala, Sri Lanka
speaking of the local credit group run by women

There are six of us in the family—one pension and two incomes—but all irregular. We live from the first of the month to the first of the month. Sometimes we borrow from friends, but only from those we trust and who trust us.

—A poor resident of Sarajevo, Bosnia and Herzegovina

Local moneylenders appear with surprising frequency on poor people's lists of institutions of local importance, but views on whether they play a positive or negative role vary widely. In Kebele 11, Ethiopia, a group of young males say the local moneylender is their only hope for starting a small trading business some day. Researchers in Pegambiran, Indonesia note in the report that "when members of the community required a significantly large amount of cash (such as for business capital, school fees, hospitalization expenses), the *linkah darat* (literally 'bloodsucker') or loan sharks were the available alternative."

Some say that they appreciate and count on the speedy service and flexibility that moneylenders provide: they often extend loans on the spot without collateral requirements and allow payments to be made in kind, with cash, or through the provision of labor. Others, however, are very critical of moneylenders for charging high interest rates, and they fear the consequences for not making payments. In Khaliajuri, Bangladesh elderly men say they have full trust in the local *mohazan* (moneylender), but others express bitterness because he forcefully evicts people from their homes if payments are delayed.

Informal rotating credit groups play valued roles in several communities visited in Africa and Eastern Europe and across Asia. There appear to be endless varieties of these groups. Credit group members usually know one another well—either as friends, neighbors, colleagues, or relatives—and they decide collectively the amount they will contribute monthly. One arrangement is that the group leader gives the collection to a different member of the group each month, who may use the funds in any way he or she wants. The credit groups in Egypt are most popular with women, who might join a group to buy clothes, prepare a daughter's trousseau, save for a washing machine, and so forth. Poor women of Bedsa rank the credit group among the most important local institutions, along with the health unit and the schools. In Ethiopia, the local rotating credit group is called the *idir* and is also identified as a very important community institution that focuses on covering funeral expenses.

Worldwide, local shop owners are also highly valued for lending food and other items and, quite often, cash on credit. In Pegambiran, Indonesia, local shops and kiosks are viewed as the most effective institution in reaching poor people and extending timely support at a "meaningful level." In Russia and elsewhere in Eastern Europe and Central Asia, credit from shopkeepers can be very important because of problems of wage arrears and being paid in kind.

Study participants widely report that they secure emergency cash by selling off personal property. A young man from a discussion group in Dahshour Village, Egypt explains that “my wife was ill and I had no money to take her to the doctor and get medicines, and it was impossible to wait, so I just sold a couple of pots to solve this problem.” A 47-year-old miner from Kok Yangak, Kyrgyz Republic confides that “I’ve been working in this mine for 27 years and I had some property, but sold it all when they stopped paying us. All we have in our house now are two beds with mattresses, and my wife and son are hungry all the time.”

Formal Credit and Banks

While the rich get loans, the poor get consideration for loans.
—A poor resident in Ha Tinh, Vietnam

Everything I have is at home. I have no money in the bank, no savings—you should be crazy to keep money in the bank with that inflation—so if somebody steals my animals, I will be izgorja [burned out].
—An older poor woman, Etropole, Bulgaria

I do not have a chair. I cannot be given a loan. What will they confiscate from me?
—A villager from Mbwadzulu, Malawi

Many people report they have no access to banks or to savings and credit schemes, and where these services are available, their quality can be quite mixed. More favorable reports on credit schemes can be found in Thailand and in Vietnam. Many poor people view credit as a strategy for improving their livelihoods, but say they will require much better access to savings and credit services and more favorable terms than are currently available.

Even where opportunities to borrow are growing, it can be difficult for poor people to access credit programs because of unrealistic collateral requirements and excessive interest rates as well as corruption among lending officials. In the four communities visited in Jal Abad, Kyrgyz Republic, for instance, discussion group participants argued that long-term loans could be a way out of their difficulties, but that loans were now only available for those with money, and lending officials expected bribes.

Moreover, concerns about falling into debt run deep. The act of borrowing itself can set people on a downward slide rather than providing them a bridge to a better life. Difficulties related to indebtedness are mentioned most often in Asia. In Thailand the poor report that overborrowing from rural banks is common, which can then trigger a vicious cycle of further borrowing at higher rates from local moneylenders. Women in a discussion group in

Tanjungrejo in Malang, Indonesia say they are stuck in their livelihood of scavenging because they have fallen deep into debt and lack money to start a business. Moreover, their school-age children have been forced to drop out of school to work as scavengers as well. As the local researchers indicate, “That was the only way possible for them to survive.”

In Ho Chi Minh City, Vietnam people speak highly of the increased availability of low-interest loans in recent years and of the official credit program (HEPR). Nevertheless, people still have concerns about uneven coverage, collateral requirements, and exclusive focus on income-generating projects. Loan funds also are badly needed for health care, hospital fees, children’s education, and house repairs. In addition, permanent resident requirements further hinder poor people’s access to credit and, in some cases, might disqualify entirely some of the neediest families. The researchers note that more than 100,000 loans were made under the official program, but that this amounted to just 16 percent in the district with the greatest coverage.

People in the Baan Kang Sadao, Thailand discussion groups generally regard with favor the Bank for Agriculture and Agricultural Cooperatives (BAC). They praise the agency for giving loans during the recent economic crisis and for allowing payments on the principal to be deferred. In Baan Chai Pru all groups but one ranked the BAC high and informed the researchers that its officers “pay attention to their work, understand the villagers’ livelihood and are flexible...and that they can negotiate with the BAC about every issue except the issue of interest.”

Livelihoods That Steal the Future

All we need is funds—employment first of all, then we can go on with a thing. No work causes other problems and makes you think evil things.

—A man, Thompson Pen, Jamaica

Because of unemployment, young people drink to excess, commit crime, rape, steal livestock.

—Participant, discussion group of men and women,
Ak Kiya village, Kyrgyz Republic

I’ve worked for 23 years, and I’ve never touched somebody else’s property. But just look at my leg now—it was broken when I was stealing manganese from the railway station; the train pulled off just as I was trying to climb on board. Do you think that I would risk my life for nothing if I had a job? Do you know what it’s like to have your children crying because they are hungry?

—A Roma, Bulgaria

Criminality is a result of poverty. When you're hungry, you have to find a way. Hunger doesn't ask.

—Discussion group participant, Sarajevo,
Bosnia and Herzegovina

Participants confide that sometimes desperation and hunger lead to anti-social and illegal activities. “A man loses his head with unemployment. He risks everything and gets the guts to do things he never thought he would,” says a man from Sacadura Cabral, Brazil. For some, the conditions of their lives drive them to steal, drink, take drugs, sell sex, abandon their children, commit suicide, or trade in women and children. And then the household and often the wider community must face the fear and anxiety that these means of coping bring in their wake.

In many communities the poor mention rising crime and sometimes relate this to deepening poverty and hunger. Poor men and women also report that they are frequently targets of violence and theft, including of organized crime. In Nchimishi, Zambia people make a direct link between food insecurity and increased theft. Hungry people are said to steal crops from fields and granaries in Zambia. At one community in Indonesia all groups report that crime has risen, and the older women's group says that because of poverty, many people's minds become cloudy, and this makes them look for an opportunity to solve their problems by stealing or cheating.

Illegal activities can also be stepping stones in the struggle to escape from poverty. Vo, a young man from Ho Chi Minh City, Vietnam came from such a poor family that for his wedding there was no party or celebration. Later, one of his economic activities was a small but illegal business trading in government coupons. Through this he saved enough to launch a successful and legal small business making paper money that people burn for their ancestors.

For some, the main sources of livelihood are drug-related. Although marijuana cultivation is known to be illegal in Jamaica, many rely on the income it brings. In Brazil and elsewhere in the region, people single out drug trafficking as a major source of violence. A women's group observes, “There is almost no violence when there are no drugs in the middle.” In Thailand some discussion groups identify drugs as important problems, leading to “petty larceny” and harming the image of their communities.

Poor people frequently report that sex work is an outcome of poverty, especially in Africa and Asia. References to prostitution and the spread of HIV/AIDS are most common in Africa, although also mentioned in Asia and Latin America. In Adaboya, Ghana some participants report receiving remittances from daughters engaged in commercial sex work in other parts of the country, and they point out that some of their daughters have contracted AIDS and returned to spread it to other “innocent people in the community.” In Khwalala, Malawi discussion group participants

describe how prostitution has led to family breakdowns, the spread of HIV/AIDS, and having to cope with the devastating phenomenon of large numbers of orphans.

People in other regions as well report male, female and child prostitution. In Sri Lanka participants from the tourist area of Wewala indicate that some poor families receive income by supplying male prostitutes to tourists and by allowing some of their children to be adopted by French and German families. One man says that his son is with a man in France, and they send money when they visit the country every year; other villagers share similar stories. In the three communities visited in Ho Chi Minh City, Vietnam the researchers were told of a growing phenomenon of girls being “sold” to Taiwanese men either in marriage or for temporary relationships (see box 3.2). Often these girls are under 18 years old, and brokers mediate deals between the families. Foreign couples seeking to adopt also look to brokers, with payments of \$50 to \$500 per baby reported.

In every region people mention child labor. Discussion groups in two sites in Egypt report sending children to work as one way of coping with declines in household wellbeing. In Dahshour, for example, children work in a storehouse packing vegetables for sale. During periods of disaster in Ethiopia children are taken out of school and sent to towns to be employed as servants, with their earnings sent back to the family. Similarly, in the lean seasons in Ulipur, Bangladesh children go to other houses or villages to work on farms, tend cattle, or carry out household tasks in exchange for food. The researchers note that the parents are aggrieved by the undue physical labor of their children and worry especially about the vulnerability of girls to beatings and sexual assaults.

Box 3.2 Selling Women in Ho Chi Minh City, Vietnam

Trinh has seven daughters. Her husband is dead. A few years ago her eldest daughter, Phuoc, got a job in a restaurant, and from there went on to prostitution to support her mother and sisters. Two years ago, through the services of a broker, Phuoc was married to a Taiwanese man for around \$4,500. One year later, another of Trinh’s daughters divorced her husband and married a Taiwanese man. Trinh’s house has now been repaired. It is in good condition and well furnished.

Limited Opportunities

Every day there are more unemployed. Every day one sees more men around the neighborhood all day long.

—Participant, discussion group of men and women,
Moreno, Argentina

There are no opportunities. In the past, there were more.

—Participant, discussion group of men and women,
Bedsa, Egypt

The majority in our neighborhood live in poverty. That's because they don't have luck and skills. Those who were well off before are well off now too. Those who were poor before are just as poor now.

—A 21-year-old from Varna, Bulgaria

The large majority of men and women in the study view new opportunities as unattainable and economic conditions as worsening. However, in some places that research teams visited, people feel otherwise. News of forward momentum comes mostly from Asia, but sporadic reports from other regions show that some people perceive that they are moving ahead. In addition, the researchers in every community specifically sought out women and men who had climbed out of poverty and interviewed them. Their stories suggest the sorts of opportunities that can provide pathways out of poverty.

The researchers asked discussion groups to reflect on how their list of pressing problems had changed over the course of the past 10 years or so. In their responses, people especially mention far greater insecurity of livelihood than in the past. Although the impact of declining fish stock is context specific, this explanation of a list of problems and priorities from participants in a Mbwadzulu, Malawi discussion group is typical of views elsewhere that earning a living has become increasingly difficult:

We are ranking lack of fish and hunger on position 1 [as the worst problem] because lack of fish is making us suffer from hunger. The lake is our granary. Lack of money is now on position 2, but in the past it was on position 8 because, as we have said, the lake is our granary. In the past we had more fish than now; in that case money was not a problem.

Or this from a group of young men in Kajima, Ethiopia:

Ten years ago we didn't have unemployment. We were never given land. There were no schools to teach us skills, but there was a literacy program. Today we still can't find jobs to do or

land to plow. Even those of us who went to schools can't find jobs. What is the use of going to schools? Most of our problems are the same as 10 years ago.

And in a workshop in Juncal, Ecuador, a discussion group of adult women say “it was better before” because:

There is nowhere to work. We get sick and we don't have the money to get cured. We don't have medicines because they are expensive. The government makes everything expensive. There is no land. There is no money. We don't have livestock to work. We have to get loans. We are poor. We are forsaken. We cry. We only have sorrow. We don't have money to buy fertilizers, seeds. Everything is in dollars. We don't have anything to eat.... Everything is so expensive.

The lists of problems had changed greatly over time in Eastern Europe and Central Asia, but here again the central message relates to the hardships of livelihoods. Poor people report that unemployment was not a problem 10 years ago. A group of youths from Sofia, Bulgaria share, “Still, back then there was a safety net associated mainly with the availability of jobs and social security, and even though people were underpaid back then too, they nevertheless had a sense of security.”

Where Life Is Better

Economic conditions are improved if we compare our lives with how they were in the past. But after thinking about it a little more, we find that we are still going down because while we have come up one step the rest of society has gone up 10 steps.

—A poor resident, Ha Tinh, Vietnam

Fifteen years ago, getting cooked lentils, rice, curry, and vegetables was a dream!

—A poor woman, Manjhar, India

Vietnam stands out starkly as a very positive exception among the 23 study countries. Groups at all sites in this country say economic opportunities have increased, and poverty has declined substantially in the last 10 years, thanks to changes in government economic and social policy. The implementation of the Renovation and Open Door policies in the late 1980s led to development of markets, land allocation to households and freedom to travel—changes that people perceived as laying the foundation for increased opportunities. An emphasis on building assets and development of secondary sources of income such as raising livestock, gardening, tree cultivation and

Box 3.3 Case Study: Balancing Multiple Livelihoods and Assets

Ameena from Adaboya, Ghana is married with three children, ages 7, 10, and 16. Her village sits 8 kilometers from the nearest road, an hour from the nearest telephone. With Ameena's concentrated effort, her household has managed to join the ranks of those few families in Adaboya that are better off. Ameena makes and sells malt and rice; she gathers sheanuts to store and sell, and she has her own farm and assists her husband on his farm. She also mentions repaying a loan to purchase peanut seeds and having money left over to reinvest in the businesses. Her entrepreneurship and diverse portfolio of activities and assets is typical of the others in the study who have escaped poverty. During the interview, she proudly told the researchers that all her children are educated.

trading, as well as an extensive network of credit provision, has helped people generate incomes. However, those who still are poor, such as migrants to Ho Chi Minh City, feel left out of the opportunities and discriminated against by official government programs. They feel constrained in particular by lack of credit: "I know how to generate an income but cannot do anything because I have no money."

In several communities in Bangladesh, India and Sri Lanka groups speak of greater economic opportunities, but they consider access to such openings as sometimes limited to those who are better off. In some communities in Bangladesh the poor say that opportunities are slightly greater because of the work of NGOs and new opportunities in garment factories. Participants in Dhaka and Chittagong, Bangladesh explain that their main problem is not the lack of jobs but the low wages offered. In almost every community visited for the India study, the poor perceive that interventions by NGOs and the advent of self-help groups and village development committees have improved the social status, livelihood security and availability of livelihood alternatives, but they do not think these gains are shared among some of the poorer groups.³

In some communities that perceive opportunities to be growing, people often associate the advances with the provision of new infrastructure. In Nakorn Patom, Thailand people report that recent investment in "water, electricity, and transportation has vastly improved, making work easier." Poor people make similar observations on better living and work conditions in some of the *favelas* (slums or squatted land) of Brazil. The chapter that follows examines the importance of infrastructure in the lives of the poor more closely.

Individual Breakthroughs

In both difficult and supportive contexts, many poor women and men obviously can and do manage to get ahead. To learn more about how poor

Box 3.4 Resilient and Resourceful: Bouncing Back from Destitution in Ghana

Neema (43) is from Twabidi, Ghana and has six children. Like many others in the community, she migrated to Twabidi in 1984 with her husband to do cacao farming with the hope that they would be able to get out of poverty. A “good Samaritan” gave them land to farm under the condition that their produce would be shared in equal part with him. This they did for two years, and life began to get better. Just around that time, however, her husband fell ill for almost two months, and she had to sell everything they owned to pay his medical bills. The situation was so difficult that even obtaining food was a problem. They had to depend on the generosity of others.

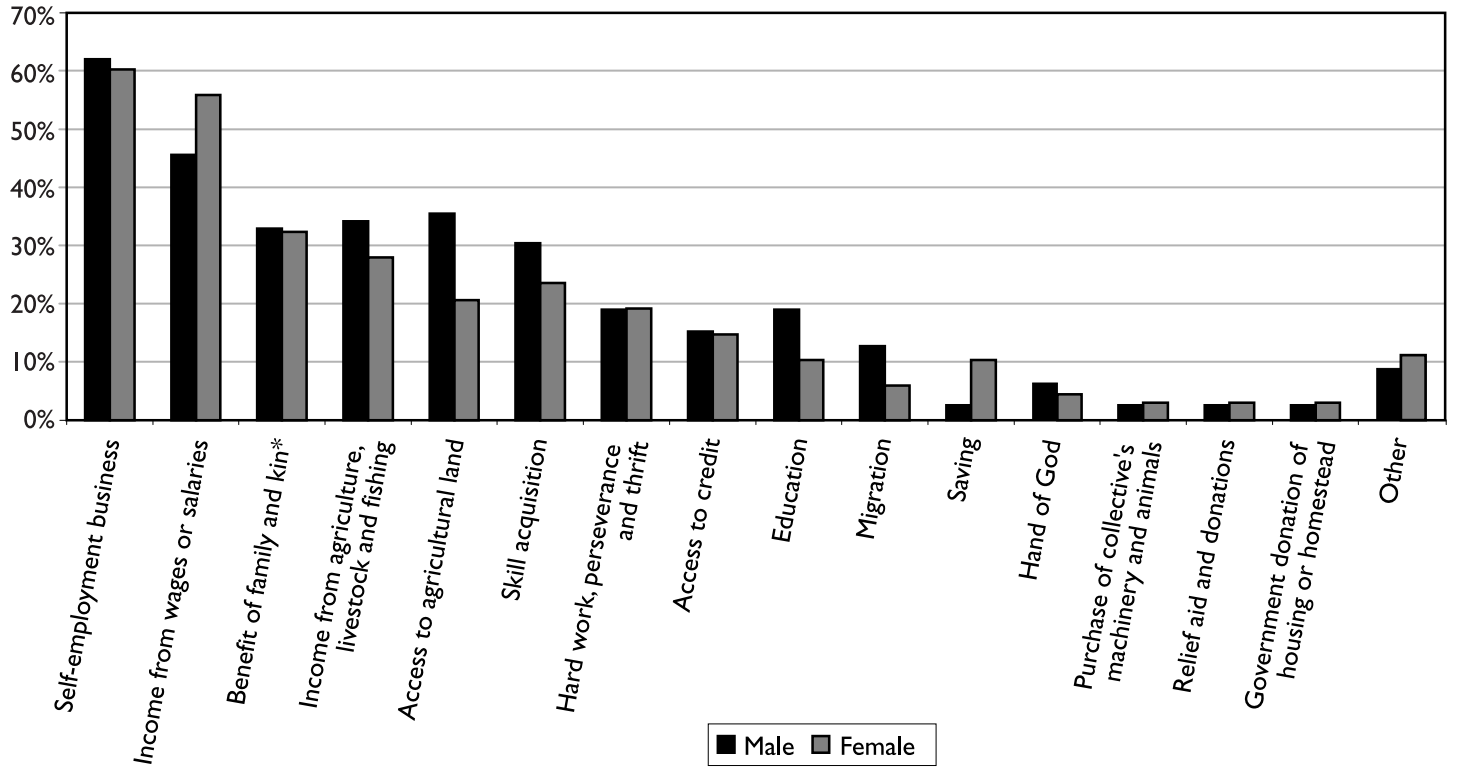
“Even though life was tough for me, I never gave up hope. I started helping people on their farms in exchange for food. This enabled me to feed my family and even sell some at times. Soon, somebody gave me his cacao farm to look after, and I decided to intercrop the cacao with oil palm trees. This went very well, and when I harvested, I had enough money to start my own farm. With hard work and determination, we have about four different oil palm plantations now. I have been able to put up a house here in Twabidi and another at Asotwe, in the Ashanti region where I migrated from.”

people pull themselves up and out of the web of poverty, the researchers were asked to identify, interview and write a short life history of a man and a woman in each community “who were poor earlier and are better off now.” The analysis here was informed by a review of factors that people said helped them to escape poverty in a collection of 147 case studies gathered during the fieldwork. The interviews were free flowing.

The mini case studies suggest that many factors contribute to movement out of poverty. As illustrated in figures 3.1 and 3.2, self-employment or entrepreneurship is the most frequent path out of poverty.⁴ As illustrated in the story of Ameena from Ghana in box 3.3, men and women also often report multiple sources of income, including from wages and salaries, benefits from family, and income from agriculture and access to land. Approximately one-third of these upwardly mobile manage income flows from all these sources. Many of their stories tell of interruptions and setbacks along the way to a better life (see box 3.4).

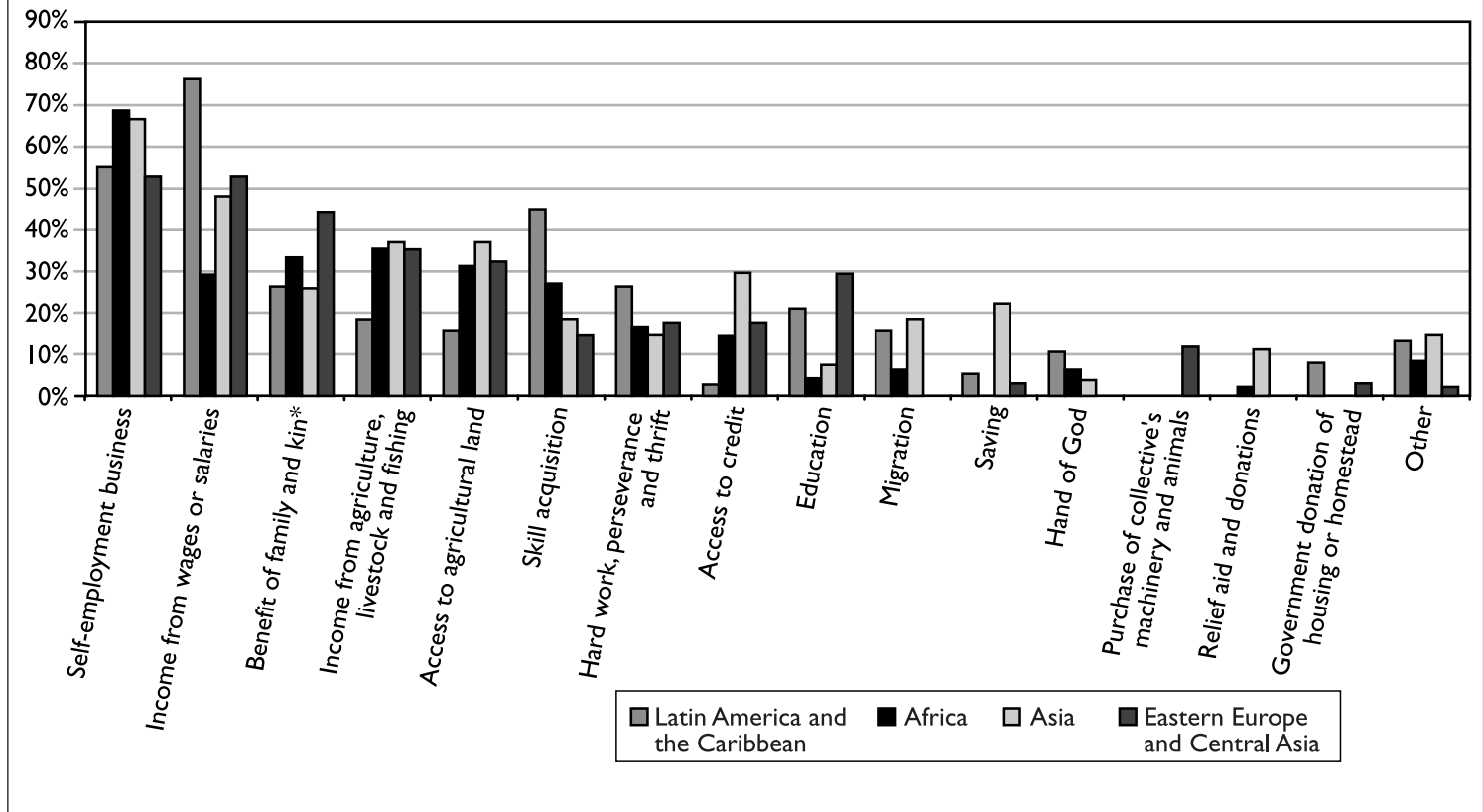
Several in this “better off” group mention that they or a spouse managed to save enough from wage labor to then strike out on their own and improve their earnings. Hasina, a 52-year-old married woman with three children in Buq, Somaliland explains that she used her earnings as a midwifery trainer to launch a vegetable business. Today she takes truckloads of potatoes and other vegetables to neighboring areas, and her husband runs a small shop. Salim from Dahshour Village, Egypt began learning the export business while

Figure 3.1 Factors Leading to Upward Mobility by Gender



*Family labor and financial and other support to family.

Figure 3.2 Factors Leading to Upward Mobility by Region



*Family labor and financial and other support to family.

working as a driver. His first venture with the exporting of watermelons failed, but a few years later he found a new partner and began exporting onions with much greater success.

Men and woman refer frequently to the value of acquiring skills and a willingness to learn on the job. Aldin from Varna, Bulgaria says he earns a good living by working constructions sites, and he learned skills such as plastering and bricklaying while serving in the Army Construction Corps. Kofi from Twabidi, Ghana spent four years in an apprenticeship to become a qualified gin distiller and started his own distillery soon after. Nong from Ha Tinh Province, Vietnam raises chickens, ducks and pigs, and he tells the researchers that “farmers need to know how to choose breeds.” He learned this by reading books and participating in agricultural extension programs.

In fact, a quarter of those interviewed mention skills acquisition, learning to run a business, or acquiring particular skills, while they mention education less frequently but with strong regional differences. The case studies from Latin America and the former Soviet Union speak more about education than those from Africa and Asia.

This group also includes some elderly people who acknowledge receiving critical support from their adult children. Sixty-four-year-old Eliana from Vila Junqueira, Brazil says she moved to her neighborhood long ago to put her children in school. Eliana’s husband is recovering from a stroke, and she explains that they are coping reasonably well because “we have, with the help of our sons, a good medical plan. They help in everything.”

Many in this better off group also speak of weathering setbacks, periods of recovery, and then continuing to move forward. Family illness and death, particularly of the leading breadwinner, commonly disrupted gains, as was the case with Neema in box 3.4. Other interruptions include divorce or desertion, economic and political crises, and natural disasters.

The Challenge of Livelihoods

If you earn a minimal wage or so, and pay 110 reais for rent, what will you live on? You’ll live on odd jobs in order to eat...you can’t study, put your kids in school...under-employment crushes all of this...when you are underemployed, you can’t study, go to the doctor and take care of other basic necessities.

—A discussion group participant, Morro da Conceição, Brazil

Although caught in the struggle to survive, poor people want opportunity, not handouts: “We do not want money; we just want you to employ us. We need factories that would draw all these unemployed people from the streets” (El Gawaber, Egypt). Indeed, people often offer specific

recommendations that would create opportunities for better livelihoods. Here are some:

- ▶ “To improve the future living standards of the village,” suggest residents of Jaffna, Sri Lanka, “they expect the two lending institutions, the United Currency Society and the Social Development Center...to extend a helping hand by encouraging savings, and giving loans when necessary.”
- ▶ From Dibdibe Wajtu in Ethiopia came the idea that “if the widowed and landless women are given some sort of vocational training, they can make it a means of living.”
- ▶ In Beni Amer Village, Egypt it is suggested that the government should “build a factory of onion drying or small-scale projects of manufacturing palm wood “grid” or...provide people with money to start an artisan work such as clay manufacturing or local carpet kilim.”
- ▶ Conditions could improve in Muynak, Uzbekistan if “somebody will redistribute...the rights of accessibility” to the lakes.
- ▶ Day care is requested in Novo Horizonte, Brazil: “It is very important, especially for those mothers who have to work.”
- ▶ “If we had fertilizer some of the problems like medical fees, education fees...could be solved” is a suggestion from Ilondolac Chinsale, Zambia.

Achieving a better livelihood emerges as an urgent priority across the study countries. It came from those in villages who depend on farms, pastures, lakes and forests; and from those in cities and the countryside who are forced into temporary and very poorly paid but high-risk, degrading or humiliating work.

The priority and urgency of better livelihoods for poor women and men raise many challenges:

- ▶ What kind of actions would make the most direct and meaningful difference in poor people’s lives?
- ▶ How might their exposure be reduced to the vagaries of climate? To the exploitation of employers and traders? Or to the unpredictable “taxes” set by those who are wealthier and more powerful?
- ▶ How might this policy agenda become much more a focus of local, national and global attention?

Notes

¹In small group discussions, participants identify and rank their community's most pressing problems and priorities. Groups then assess whether the problems have changed over the past 10 years and discuss hopes for the future. Participants reflect on which problems the community could solve itself and which require outside support, and in a separate exercise they identify, rank and evaluate the most important institutions in their daily lives and during a crisis. Groups also analyze the causes and impacts of poverty. In addition, individual interviews provide brief life histories of men and women who have escaped poverty as well as of those who have always been poor or have slid into poverty.

²Food and money problems were often at the top of lists as well lack of work, and these were often associated directly with livelihood hardships in the discussions about the lists. Groups focused more on communitywide problems, rather than on personal or household-level concerns. While family problems may be extremely acute for some (e.g., domestic violence), they figure only sporadically in the work of the groups on problems and priorities. This activity was not carried out in Sri Lanka.

³The studies in Bangladesh and India were conducted in areas where NGOs are active. The researchers used these contacts to gain speedy entry into the communities and to facilitate follow up action.

⁴The data in figures 3.1 and 3.2 are based on 147 mini-case studies or life histories of people who were identified as moving out of poverty. The sample is not statistically representative, however, and results should be viewed as illustrative. Case studies were selected where upward triggers could be readily identified from the reports on the open-ended interviews. The categories were established through an inductive process of data analyses of the factors underlying upward mobility.