Poor people's perspectives on poverty

Implications for the future Unified Database.

RCA
Reality Check Approach
INDONESIA
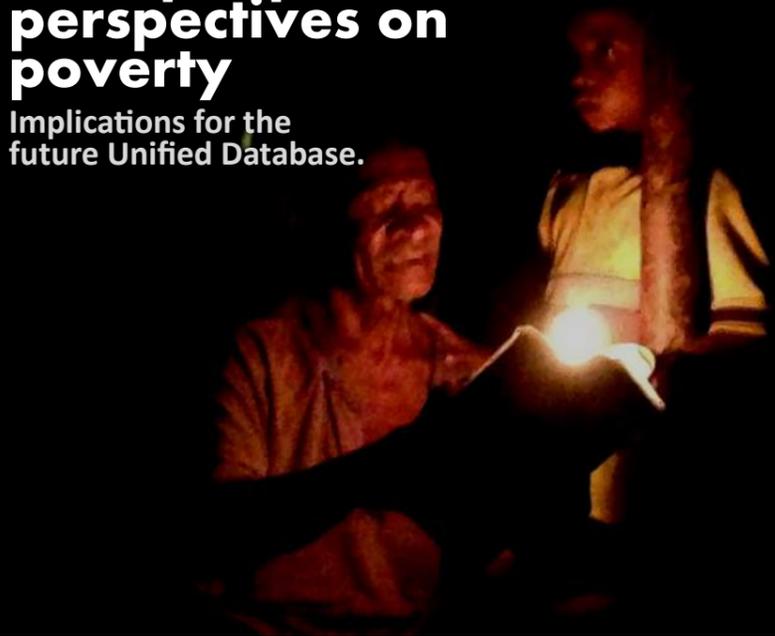
People living in poverty themselves describe the poorest

'those who need help' and those *'who cannot earn cash'*

- Incapacitated (old, some with disabilities, chronic illness)
- Caring for others (looking after elderly, very young and incapacitated)
- Abandoned, without family support

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The Unified Database for targeting social protection programmes represents a significant improvement over all previous means used In Indonesia to ensure that the poor are indeed the beneficiaries of social assistance programmes. It provides information down to the household level enabling programmes to determine exactly which families should benefit from particular programmes.

Household grouping on UDB

- 100%
- All Households in Indonesia (100%)
- Desil 4 — 40%
- Desil 3 — 30%
- Households on UDB (40% lowest)
- Near poor HHs
- Desil 2 — 20%
- Desil 1 — 10%
- Susenas Poverty Line (11.4%)
- Very poor and poor HHs

Source: Unified Data Based - Frequently Ask Question, TNP2K 2013
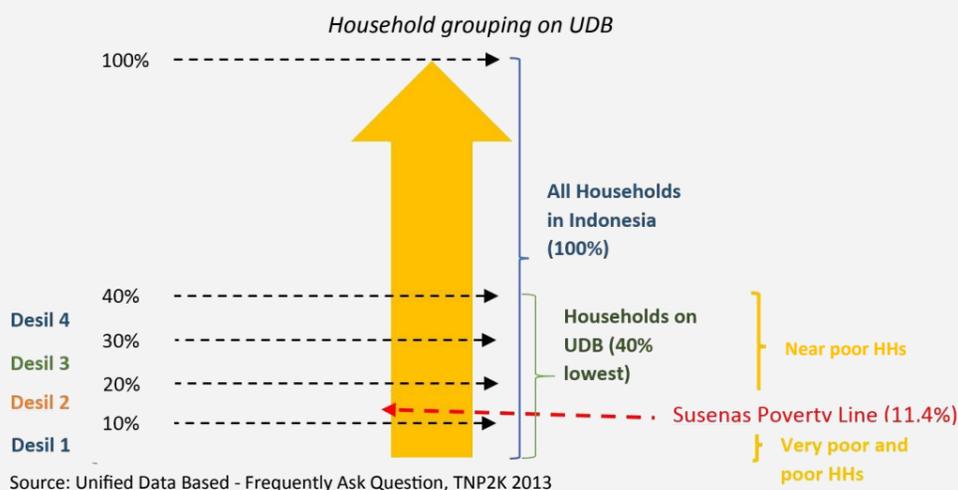
Although people agree who are poorest, it is less clear who are poor.

Descriptions of living in poverty, but not of the poorest, are more contested, more diverse and more context specific. Nevertheless, key refrains are apparent across very different locations and fall into three predictors of poverty; (i) **insecure livelihoods, (ii) minority status** and (iii) **temporary/floating residence.** Where people depend on a single source of income e.g. fishing, then they are vulnerable to seasons, middlemen and market forces.

The study showed consistently that people aspire to permanent employment which guarantees reliable, albeit low, incomes which enable them to plan for the future and to access credit. Alternatively, a range of income earning opportunities available locally enables them to spread risk.

The study showed consistently that ethnic and religious groups which form a minority in a community had little voice and influence in their communities leading to them being overlooked in surveys and unable to correct targeting mistakes. Those who have moved from their original home villages either temporarily or permanently were often at a disadvantage as they did not have legal identity, land rights or local patronage.

What is poverty? The view of the poor

People living in poverty are very clear about ***those most in need***. The Reality Check Approach Study undertaken in June/July 2014 noted consistent views across quite different poor communities in Sulawesi and Maluku. Two key explanations emerge from deeper conversations with people. i. the importance of cash (the days of subsistence livelihoods are over) and therefore the necessity of **having people in the family capable of earning cash** and ii. the hardships emerging from modern-day changes in family relations and family structure and the **breakdown of traditional patterns of family support**.

Currently, the data on which the UDB is based includes information on disability and chronic illness but does not use this directly as a means of identifying families most likely to fall into this *'in need'* category. The RCA study revealed many examples of households which fall into this category but were **not** getting social assistance. Clearly, the presence or absence of these factors alone is an inappropriate indicator as many persons with disability, for example, are active in the labour force. However, if information on the impact of disability/chronic illness on the household e.g. numbers of members of the household unable to work (i.e. not participating in cash earning) due to incapacity or caring for the incapacitated or very young, is collected this may be a good predictor, in conjunction with other proxy means indicators, of a **'family in need'**.

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None of us want to be fisherman like our parents."

Youth, Maluku
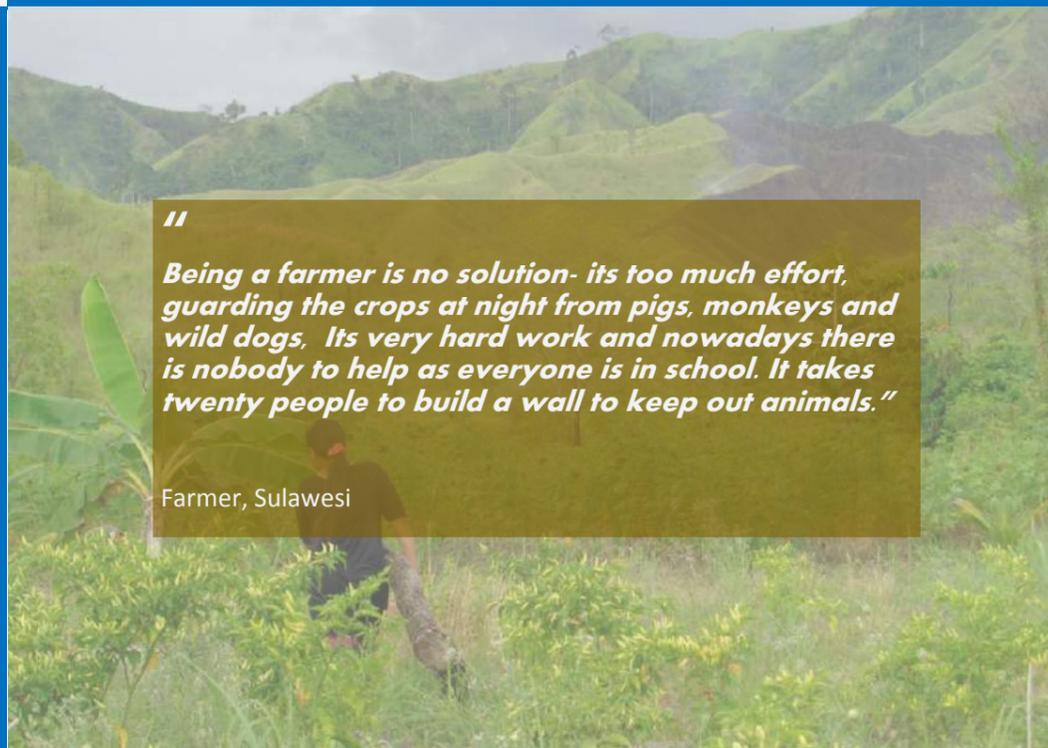
"
Being a farmer is no solution- its too much effort, guarding the crops at night from pigs, monkeys and wild dogs, Its very hard work and nowadays there is nobody to help as everyone is in school. It takes twenty people to build a wall to keep out animals."

Farmer, Sulawesi

People tell us to *'get up to date!'*

People living in poverty shared with the RCA study teams that they felt some of the ways *'outsiders talk about poverty'* was *'lucu'* (funny). It seems some of the variables included in the determination of poverty in the UDB are out of date. For example, almost all the very poor households included in the RCA study had mobile phones, most had electricity connections though not necessarily their own and many had TVs (often gifts or bought on credit).

Aspirations for concrete houses and tin roofs have led to people constructing concrete facades with their old bamboo house behind. It takes an observant enumerator to notice that this is purely cosmetic. Government resettlement and housing programmes have provided improved housing but the family within still lives in poverty. People resented the fact that ownership of assets which are means of livelihood, for example boats, chain saws, motorbikes (usually anyway purchased on credit) *'count against us in deciding if we are poor or not'* .

'Sometime in our life we have been poor, sometime less poor'.

A further problem with the UDB is that it is based on time-dependent data. Family life cycles, as shared by participants in the study, are in a constant state of flux. Caring roles change, education costs escalate and wane, children grow up and leave home for work and send/do not send money and gifts home, elderly increasingly are left on their own.

The RCA study notes the emerging trend of grandparents assuming the care of their grandchildren while the children's parents work away or complete their education, though sometimes also because the parents simply dump their children. The targeting of social assistance must better take into account the **life cycle nature of poverty**.

when there are day income earning opportunities like collecting rocks or sand for construction , people say they are less poor.

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Life is better than before (we migrated) *because there are so many ways to earn cash."*
This Sulawesi family states its main occupation as (clove) farming but supplements this with cutting wood, providing insect spray services, clearing the fields of others and selling sugar house to house.

To summarize, people living in poverty:

- define the poorest in a way which is not contested and is consistent
- have useful insights into what are key elements to be considered nowadays in assessing poverty, namely the importance of access to cash, nature of work and relevance of ownership of particular assets, degree of marginalisation (and concomitant weak 'voice and agency')
- note that 'where you live' has a bearing on how poverty is experienced.

The need for instant cash

The most critical issue for people living in poverty is access to instant cash. Cash is needed for transport, school, health, to pay off debts and day to day expenses. This means people talk about *'being able to afford things'*. It also means there has been a shift in how people recall their consumption. While the current means to collect consumption data requires recall of quantities consumed, people find it more appropriate to recall cash spent and this, they feel is a better measure of poverty. People buy more when they have cash to spend (and go without otherwise). This means the better survey question to ask may be, *'how much did you spend on food last week on (i) essentials and (ii) extras?'*

Policy implications

- There is a need to find a means to **better identify the poorest** (those '*in need*') who are currently missing out on social assistance because they do not fit into the normative definitions. This includes widows in caring roles, missing middle families (i.e. grandparents looking after grandchildren), families with few opportunities to earn cash, families without official papers. Mobilisation of a **referral and support system** comprising social workers who help families in need access their entitlements could be considered.
- There is a need to take better account of the **life cycle** dynamics of poverty in policy and programme response.

Implications for the UDB

- Consider **updating** the key variables used to determine poverty through the UDB
- Consider adding a **location weighting** to household level poverty indicators with a community score based on i) an assessment of public poverty and ii) an assessment of the diversity of cash income earning opportunities in the area.

It also follows that where there are diverse opportunities for members of the family to earn instant cash, they feel they are less poor. The RCA study report explains that two families with the same reported main livelihood, similar assets and family structure can experience poverty in very different ways simply because of **where they live**. Where there is no economic activity e.g. limited house construction, disposable income or where the community is remote/stagnant then there are few opportunities to earn cash. The study suggests that the current practice of gathering data on the main occupation only can be misleading. There persists an underlying assumption that farmers and fishermen are poor but some are relatively well off. But more important than this, is the need to consider what other (informal) employment opportunities are available in the area and to identify the **diverse ways** in which a particular family meets its need for cash.

The Reality Check Approach

This is a qualitative approach to feedback and evaluation which has been used in several countries since 2007. It involves the study team living in the homes of people living in poverty and joining in their everyday lives. The relaxed environment this provides enables easy, informal conversations with all members of the family, their neighbours and others in the community. It also allows the study team member to experience and observe the realities of the family and provides a meaningful basis for joint reflection.

The June/July 2014 RCA study took place in seven particularly poor villages in Maluku and Sulawesi, involved 22 families and interaction with more than 1300 people. It involved more than 950 hours of conversations around poverty and social assistance and was robustly triangulated by observation and direct experience.