

ARE POOR HOUSEHOLDS COPING? ASSETS, VULNERABILITY AND DECREASING OPPORTUNITIES*

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The purpose of this paper is to analyze and document poor households' responses to broader economic change, by reviewing findings of selected country studies (22 studies from 15 countries) conducted under the Poverty Strategy Initiative by UNDP. Surprisingly, households of a very heterogenous group of countries are reacting in a very similar way. Households have responded to worsening economic conditions through labour intensification practices, relying on their main existing asset, i.e., their labor force. Along with these practices household responses have also included other practices that are usually left out of mainstream poverty assessments: cutting consumption, "eating-up" savings, selling household assets, and restricted social exchange. Adjustment and restructuring processes are taking place at the household level leading to greater vulnerability. This paper also examines the limitations of the survival strategies approach.

Work has to be understood both historically and in context; it has changed in the past, it is changing now, and it will continue to change in the future; above all, work done by members of households is the central process around which society is structured (R.E. Pahl).

Many of our parents are unemployed. They wake up in the morning and do not have anything to do Sometimes it's the mother who is unemployed, other times it's the father or both ... If our parents are poor, we cannot even go to school. We ... eat once a day ... sometimes we may not eat at all. (Children focus group discussion, Luzira, Uganda Participatory Poverty Assessment, Kampala District).

INTRODUCTION

The social reproduction of immense numbers of people is mostly achieved by "private" initiatives, specially in countries where the state has not implemented policies to enhance the life conditions of the poor, or in countries where the state has withdrawn special benefits to the poor popu-

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lation. Changes in the labour market and in the way the state has abandoned previous practices of delivering services and social benefits have had a major impact on the way households organise their labour, time and other resources. The purpose of this paper is to analyse and document the responses of poor households to broader economic change. Households have responded to worsening economic conditions through labour intensification practices, relying on their main existing asset, their labour force. Along with these practices, however, household responses have also included a good dose of other practices that are usually left out of mainstream poverty assessments: cutting consumption, “eating-up” savings, selling household assets, and restricted social exchange. Adjustment and restructuring processes are taking place at the household level leading to greater vulnerability.

Based on a review of findings from a selected sample of country studies conducted under the Poverty Strategy Initiative by UNDP,¹ I arrive at an assessment of changes in household responses to economic and social transformation. The review comprises 22 country reports coming from 15 countries. Since the selection of the PSI documents had thematic (not regional) priorities, the selected sample comprised a very heterogeneous group of countries.² In that group, there are relatively rural countries with low levels of development (where subsistence practices in terms of food production and self-provisioning take place), and mainly urban countries with relatively high levels of development. A crucial question to pose is whether or not certain basic differences are conducive to different responses taking place at the household. In general, as might be expected, countries with a substantial rural sector and ongoing urban-rural exchanges show a greater use of subsistence production to survive. However, as we will see, these practices are not confined to such countries. Surprisingly, households are reacting in a very similar way, as households in urban countries are including self-provisioning and garden food production — while wage work diminishes — and households in rural countries are trying to include wage work together with

¹ As part of the resolutions taken during the 1995 World Summit for Social Development, the United Nations Development Programme (UNDP) launched a global initiative by implementing country projects in more than one hundred countries. This article is based on the analysis of data coming from such initiative that the author revised as part of the activities undertaken as a member of an external evaluation team commissioned by UNDP. The selection of the countries was based on the availability of data about poor household dynamics. For more information about this initiative and the evaluation results see Alejandro Grinspun (ed.) 2001.

² Latvia, Bulgaria, Sudan, Uganda, Angola, South Africa, Korea, Indonesia, Mongolia, Lebanon, Palestine, Grenada, Papua New Guinea, Maldives and Uruguay.

subsistence practices — while natural resources are exhausting and the product of their labour in self-provisioning activities is insufficient to meet their needs.

In conducting the analysis I do not focus on different ways to measure poverty. Instead, I have devoted my attention to the effects of social and economic change on household dynamics and people's resources to conduct their lives (Nussbaum and Sen 1993). This task is not free from methodological problems, since the type of research behind the documents, and the analysis contained in them, are not always suitable for an analysis of household dynamics and livelihoods of the poor.³ The task of analysing how people are enabled by society to conduct their lives should be based on rich and complex descriptions coming from qualitative and ethnographic research, extensively provided in only a few cases. Useful information can be extracted from the studies, however, for the purposes of the present analysis.

The article is structured as follows: next section (Section two) contains a discussion of the limits of the survival strategies approach dealing with household responses to economic change. Section three is broken up in two sub-sections. The first sub-section is devoted to discussing the concepts employed (with special attention to *vulnerability*, *resources*, *assets*, and *opportunity structures*). The second sub-section discusses how different types of households face different levels of vulnerability and the gender division of wellbeing. Section four is devoted to present the centrality of work for livelihood economies and the importance of wage work for the majority of people in most of the countries. It points out the process of erosion that work is experimenting in the cases under review. Section five deals with household responses to the erosion of work, where part of the focus is on the hard choices that the poor are impelled to make, sometimes in detriment to their own wellbeing and reproduction in the long-run. Section six analyses the crucial importance of networks for poor households' survival, but alerts the reader to the on-going process of social isolation produced by increased poverty or scarcity of resources. Section seven is devoted to present the conclusions of the analysis of the impact of economic change on households and the limits or constraints for survival.

³ The Sudan document, for example, while interesting in many respects, does not provide but a "declaration" of the efficacy of households' responses. "The extent of 'coping practices' can be seen in the differences between two sets of indices: the headcount index of poverty, defined on household expenditures of 83% in urban areas and 71% in rural areas of the north of Sudan, on one hand, and the poverty measure based on income that changes the headcount indices to 87% and 86% respectively".

THE LIMITS OF THE SURVIVAL STRATEGIES APPROACH.

Most studies of household strategies under economic crises and restructuring have emphasized households' ability to "adapt" to worsening employment, goods and services markets by means of sending more household members to deteriorated labour markets and by means of increasing effort through longer working hours. According to this view, survival strategies ensured that household incomes and living conditions have deteriorated far less than real individual incomes because households tend to increase the number of their members at work (even though precarious). The survival strategies approach has been useful in a number of ways. It stimulated research and produced an impressive amount of new data and ideas regarding social mechanisms to "cope" with poverty and social responses to economic crises (Roberts 1995, Benería 1992, González de la Rocha 1991, 1994). Rethinking household responses to economic change, as I attempt to do in this paper, sheds light on crucial issues. All aspects of life, even those taking place in the very private and intimate spaces, seem to be affected by the pattern of economic development. The way economic change is affecting households and families is not only crucial to understand societies but also, and very importantly, to alert societies about the private adjustments that are taking place, not without a big dose of suffering and social cost. This paper challenges the notion of survival or coping household strategies as concepts that do not have the capacity to explain household restricting practices that can not be described as "coping mechanisms". If reductions in consumption (food, education, health) do not fit in the coping terminology since they are the outcome of "coping failure" (like reducing total consumption all together), we have to turn to alternative analytic views. Ignoring an important part of reality in order to make use of the "coping" terminology is not a scientific nor an ethical procedure. Can we ignore, for example, that the level of consumption in Bulgaria has already reached its bottom and that further reduction is likely to generate serious health problems? Can we forget that massive numbers of Indonesian people are only eating rice because wages dramatically fell during the late 90's crisis and they are unable to buy other staples, even basic supplies?

But there are other reasons for not adopting the coping strategies approach in this paper. The coping strategies approach emphasizes the existence and effectiveness of social networks of support, but is unable to explain the impact produced by economic changes in decreasing social exchange. And yet, evidence shows the dissolution or weakening process of

social networks, support systems and solidarity with kin members, friends and neighbours, as a result of households' increased poverty. Lastly, I do not want to give the wrong idea that the poor are able to adapt and to cope with shrinking economies and opportunities through their endless capacity to survive, regardless of the degree of economic crises and labour market transformations. In this paper, I discuss household "responses" or "forced practices", taking the risk of conceptual ambiguity, but distancing myself from the reification of the "coping" idea.

Two related but different types of household responses are taken into account in this analysis, treating separately those put into practice in order to protect household resources, mainly through the intensification of work and work substitution practices,⁴ and those which are of a restrictive nature (like cutting-off budgets and changing consumption practices). The latter appear when the former are insufficient to offset the erosion of the poor's asset base (Moser, *op cit.*), and are the clearest signs of decreasing capabilities through the sale of material household items or incapacity to satisfy even the most basic needs.⁵ The distinction between the two is not always so clear-cut, since sending children to work is a mechanism to increase household's incomes in the short run, but restricts children's educational possibilities and, in that sense, limits the household future resources. Both are, however, household responses to constraining conditions and are separated by a grey border. In spite of these analytical caveats, I decided to keep the distinction between responses which are aimed at increasing household incomes, and practices that are implemented to cut or modify consumption of material goods and services. Households have to make tough choices within a binding budget constraint, and those choices often involve substantial and very costly trade-offs.

I suggest that we need to look at the implications of household responses and practices, including the mobilisation and intensification of the use of resources in the short-term, in order to understand the households' capacity to survive in a longer term. There is evidence for Papua, New Guinea of the

⁴ Like movements away from market-based activities towards subsistence production.

⁵ The empirical studies of the impact of the economic crisis of the 1980's in Latin America and many other parts of the world documented the processes of adjustment within poor urban households and the transformations in the participation of different household members in the labour market. Those studies highlighted work intensification practices (mainly performed by married, with children and non educated women), as well as the changes in consumption patterns forced by increasing deterioration of wages. Economic crises and restructuring do not have a homogeneous impact on households and among household members, and differences were found both in terms of household types and within households, by gender and age (Benería 1992, González de la Rocha 1991, 1994, Barrig 1993, among others).

danger that household practices for survival are posing for sustainable livelihoods. In this case, the intensification of the use of natural resources is leading to their exhaustion. The review of other cases, however, takes me to the formulation of a working hypothesis, suggesting that a practice that is meant for short term adjustment can not work indefinitely if the crisis, which led to that practice in the first place, persists over the long term, since household resources are not endless. Sustainability, therefore, is a concept that not only applies to natural resources and the use men and women make of the natural environment, but it applies to household resources in a broader sense, in a process that seems to be going through persistent and endless deterioration of opportunity structures. The increasing pressure on households is sometimes leading to premature separation of the members (like early marriage in Uganda⁶ or migration of some household members in search of work in Latvia, Grenada and other countries), to increasingly violent relationships and divorce, suicide, alcohol and drug abuse, all these contributing to household breakdown. Lack of income sources are forcing people to sell their land in many countries, ending the possibility of devoting family labour to agricultural production. The increasing pressure on kinship ties and neighbour support is leading, according to the information provided by many studies, to the erosion of relationships of mutual help, solidarity and social exchange. Practices that foster the overuse of household resources might not be permanently sustainable within the limits imposed by constraining opportunity structures. There are signs of their current erosion and their future exhaustion if opportunity structures do not offer possibilities to enhance people's wellbeing.

HOUSEHOLD ASSETS AND OPPORTUNITY STRUCTURES.

1. Useful concepts and analytical tools.

The link between households⁷ and the broader economy has been well

⁶ "Girls were often said to be forced into early marriages as a source of income to sustain their ageing parents and the family, particularly in times of need. Girls were also said to run away from family poverty and marry" (Uganda 1999).

⁷ Many of the studies under review adopt the household as the unit of analysis, and a definition of households as social and economic units consisting of one or more individuals, whether they are relatives or not, who live together and share both the pot and the roof (dwelling and food). Households can be formed by several conjugal units, and as long as the "sharing" is accomplished, they are considered households. This "sharing" element is some times taken for granted, and it is seldom discussed. Although not always explicitly stated, the studies show that households encompass a complex array of relationships and issues dealing with economic, social, cultural and political aspects of reproduction. They are social units

documented in many parts of the world. One of the most interesting ways to analyse different household scenarios regarding the impact of economic change is the asset-vulnerability approach. A crucial element in the asset-vulnerability approach is the adoption of “vulnerability” as a dynamic concept that is meant to capture processes of change as well as the multifaceted and multidimensional nature of changing socio-economic wellbeing (Moser *op cit.*). The capabilities of households and individuals to achieve certain levels of income and wellbeing are not isolated achievements, but are rather the outcome of complex social processes where labour market opportunities play an important role. The poor’s capacity for action, to convert resources into actual assets, is shaped by the nature of development strategies of societies and the availability of social programmes, which either facilitate or constrain wellbeing, social mobility and reproduction. It is precisely during economic changes, that the concept of vulnerability becomes operationally useful. Vulnerability is defined as the insecurity of the wellbeing of individuals, households or communities in the face of a changing environment (ecological, economic, social or political changes either taking place in the form of sudden shocks, long-term trends or seasonal cycles) (Moser *op cit.*). The studies under review suggest that economic conditions and labour market opportunities have deteriorated to the point where middle-class households have significantly become poorer, or they have entered into the category of the “transient poor”, while working class and peasant households no longer have real choices to overcome poverty. In countries characterised by lack of employment opportunities, poor households are increasingly left without the ability to earn sufficient incomes (through wages and social benefits such as pensions, child benefits and so on). Households have experienced a process of diminishing assets and decreasing capabilities, as they have become more vulnerable. This process is a real threat to the social reproduction of growing numbers of people.

The notions of assets and opportunity structures are useful analytical and theoretical tools to examine vulnerability (Kaztman 1999). Adopting such notions requires investigating the household in order to analyse the amount, quality and dynamics of its resources. As Kaztman argues, changes in household vulnerability can be produced by changes in the amount and quality of resources under possession at the household level, by changes in the opportunity structure or by changes in both dimensions. This means

organised not only around a “shared” house and a “shared” pot of food, but around the complex task of generating incomes and managing labour, the most important livelihood ingredient.

that household's resources are neither static or endless, and that households' practices do not work indefinitely. Household resources cannot be analysed independently from opportunity structures. There are limits imposed by shrinking opportunity structures. Recent economic changes in many countries during the last two decades have negatively affected the ability of large groups to take advantage of the scarce opportunities offered by the new markets.

Household resources become assets only if households can take advantage of opportunities in the market, in society and in their relationship with the State. Resources and assets are labour, time, material goods (housing), services, social contacts, as well as educational credentials and experience. The key issue is that resources become assets when, and only when, they can be used to lessen vulnerability and as real tools to improve wellbeing. Labour is a resource for the household, but it becomes an asset when it is used to obtain wages or products (agricultural or other type). Social contacts, and relationships, are also important resources, but they are assets when they can be used in order to obtain useful information for credits, jobs, markets and services for the household (like a neighbour who baby sits while the child's mother goes to work).

Living in poverty involves a multiplicity of resources which men and women within households ought to put into work. Households make use of their assets to undertake a wide range of income-generating activities. Four broad categories of assets are included in income-generating activities: human capabilities, natural resources, social and institutional networks and human-made capital (May 1998). Within this range of multiple resources, however, labour plays a crucial role as the most important asset in a poor household, and perhaps the only one that poor households have abundantly (Kaztman 1999, Sudan 1997, Wold and Grave 1999). Assets are the means of resistance or recovery from the negative effects of the changing environment that individuals, households and communities mobilise (Moser *op cit.*). Households' capabilities, however (in this case to combine resources and to put them to work in order to achieve a certain level and style of life), are neither static nor isolated from other social factors, but highly sensitive to broader economic change and are themselves subject to variations. We are just starting to assess the threatening effect of labour exclusion on the household economy and its pervasive impacts on other dimensions of life, such as family relationships, social networks of support and self-help mechanisms (González de la Rocha 2001). More and more evidence is becoming available to show that labour — the most crucial resource for the poor — is encountering constraints in becoming real asset and is becoming less certain

as a base to build peoples' lives in many parts of the world (Kaztman 1999). When labour cannot be effectively mobilised as a result of labour market saturation, industrial restructuring, closures and/or economic decline, important changes at the household result, a process of erosion of household's capacities. In order to support this point, I rely on the extensive information coming from UNDP documents. In most of them, it is clear that economic change has produced transformations at the household level. The process of economic restructuring and economic and societal transformations have been accompanied by adjustments restructuring at the household level.

Opportunity structures are not a constant, but a variable. Opportunity structures are defined here, following Kaztman (1999), as probabilities of access to goods, services and to the development of activities. Opportunity structures impact household wellbeing since they are a mobile or changing framework where household members use their resources as assets or resistance means to mobilise in the face of hardship (Moser *op cit.*). These opportunities can also provide new resources (which can be real assets, depending on the household capacity to use them) to households. Opportunities are structured, which means that instead of "constellations" of opportunities, there are both patterns of access to each and relationships between access to different opportunities: access to employment, goods, services, and economic activities are linked. The market and the State seem to be basic institutions in the provision of opportunities and access to wellbeing. They are subject to changes that have a strong impact on households. According to this theoretical construction, household levels of vulnerability depend on the possession and control of assets, that is, on the required resources to take advantage of opportunity structures. Changes in household vulnerability can be produced either by changes in the amount or quality of resources under control or possession, by changes in the access requirements to the opportunity structure, or by changes in both dimensions. South African scholars argue that vulnerability to poverty is countered by accumulating assets and managing them in such a way that sustainable livelihoods can be generated (May 1998). In this sense, lack of assets, the inability to accumulate them and the inability to use them due to labour market constraints, among others, are crucial elements of vulnerability. The inability to use or to take full advantage of the few assets the poor have access to is what May and his colleagues (1998) call "poverty of opportunity". This means that in order to assess the level of vulnerability of households, we have to focus our attention, simultaneously, on household resources (potential assets) and on the opportunity structures. This approach requires the microanalysis of

households and the macro analysis of opportunity structures and their transformations. The Grenada study points out that the changes in institutions in the meso-economic framework, like credit arrangements, labour markets, and land policies, impact households “even though it may not be possible to quantify”. These “meso-systemic” institutions, like labour markets, are intermediate between the macro-system and the micro units of individuals and households in the country, since they provide resource flows or inputs to households.

Several important issues can be derived from this discussion:

- 1) The analysis of vulnerability needs to “open-up” households in order to view household resources. The amount and type of resources at the level of the household, and the process of resources-assets conversion are crucial elements to our understanding of vulnerability.
- 2) The analysis of vulnerability needs an approach that links households and opportunity structures. Households are very sensitive to the changes taking place in the macro and meso-economic institutional levels.
- 3) Poor households rely on labour as their most important resource, but labour is not an endless asset.

2. Household factors affecting vulnerability.

Changes in opportunity structures do not affect all households in the same way. There are some crucial intervening variables that affect the way households react to broader economic and social changes. Household composition and structure, gender relations, the stage of the family/domestic cycle, and therefore the number of members and potential contributors to the household economy are crucial to understand households and household members’ vulnerability.

There are more or less vulnerable household scenarios, and my findings show that household size, household structure and the availability of income earners are crucial elements of household vulnerability.⁸ Although many of the documents associate higher levels of poverty with larger size of the household, some point out the contrary,⁹ while others focus on the rele-

⁸ Research conducted in Mexico, during the economic crisis of the 80’s, found that larger households (often extended and going through the state of the domestic cycle when children can participate as income earners) are better suited to implement labour intensive practices. Extended, versus nuclear, households have also shown greater flexibility and their ability to have a greater pool of members devoted to income-earning activities (see Selby et al, 1990, Gonzalez de la Rocha 1994). Chant (1991) also found that extended households are more conducive to women’s participation in the labour market and to higher levels of incomes.

vance of other variables, and not size alone, such as the dependency rate that takes the number of household members in combination with the number of working members.¹⁰ It is clear that household size, *per se*, is not the issue regarding greater or lesser vulnerability, but a combination of several elements, where the availability of household members to generate incomes *vis-a-vis* changing opportunity structures play an important role.

A polemic dialogue has developed between researchers supporting the idea of greater vulnerability of women-headed households (Buvinic 1995, Buvinic and Gupta 1994, 1997), and those stressing female-headed households as economically and socially viable (Chant 1997, 1999, Gonzalez de la Rocha 1999b). Female-headed households have increased almost everywhere as a response to demographic trends and socio-economic changes. Not all studies mention the criteria used to classify a household as female headed, which makes comparisons very difficult. But the revision of the studies lead me to conclude that there is no ground to argue in favour of generalised greater poverty and vulnerability of female headed households (FHH). Countries where FHH are poorer than male headed households

⁹ Large sized households in Uganda are associated with lack of land and encounter problems to work and to get food, but no figures were provided. Polygamy was said to be linked to failure of families and households to meet basic needs. Such families (frequently large) lack preventive health care, mosquito nets, enough food, adequate housing and proper clothing. They are prone to disease. Large households in Lebanon are reported to have lower levels of income. Latvian households are very small (they have an average of 2.47 members with only 0.52 children per household) but the report also suggests that poverty ratios increase with each additional household member. Households with only one person have the lowest poverty risk, as less than 2% of those households are living below the poverty line, while almost 20% of the individuals living in households with four or more members are poor. The larger the household the deeper the poverty: poor households have three members on average, and non-poor households have only 2 members. Palestinian largest households, with 10 or more members, also have the highest poverty rate (34%) followed by "loner", single person households (31%) in 1997. The poverty rate for households increases consistently with household size, beginning with 2 person households. In Korea, large family size is not associated with low income. On the contrary, poor households in Seoul in 1982 were smaller than the national average.

¹⁰ In the Lebanon report there is an explicit attempt to take the number of income earners per household as an important variable in the construction of income indexes. Among the selected variables that were identified to enter into the construction of the index of income-related indicators we find the number of working household members, which allows the computation of the economic dependency rate, together with the main occupations of those working members of the household. As we know, the dependency rate is also affected by the domestic cycle. A large household with only one provider and many small children who cannot participate in the income-generation strategy is different from a large older household (with the same amount of members) where there are several workers (see Gonzalez de la Rocha 1994 for a detailed analysis of the domestic cycle and its impact on household wellbeing).

(MHH) are only Bulgaria, Lebanon, Palestine and South Africa.¹¹ Contrary, findings from other reports show that FHH are characterised by equal or higher incomes and consumption levels than MHH (Maldives, Latvia, Uganda, Angola, Sudan and Indonesia), and that female headship is often the outcome of women's desires, wishes and decisions (Maldives). The studies show that the presence of children in the household, the household structure and composition, and the influence of the age of the household head (man or woman) on the probability to be poor are stronger factors than the sex of the head. Latvian households with children are poorer both among female and male headed households, for example. FHH in Uganda are characterised, in all the communities studied, by higher consumption of food and medical treatments, since women's number one priorities are food and basic home necessities. Therefore, while MHH might be richer in income terms (something that is not always supported by the evidence), FHH have higher and "better" consumption levels and different consumption practices. The study in Angola found a strong influence of gender and age of the household head on the probability to be poor. But contrary to the idea of FHH as poorer than males', more Angolan urban FHH are in the category of "better off" and less in the category of poor, when compared with male headed households. Both male and FHH fall in the same percentage in the category of extremely poor. FHH in the rural areas, however, follow the pattern described in other country reports, showing the highest poverty level and the highest food budget share. The Angola study addresses spending practices among poor and non-poor households (how the poor versus the non-poor spend their income), and found no differences across gender and age of head of the household. The Sudan study concludes that whether the household is headed by a man or a woman does not have a statistically significant impact on the level of income. The data from Sudan cast doubt

¹¹ The percentage of households below the poverty line in Lebanon reaches 57.7% in the case of FHH, compared to 40.3% for MHH, and 42.8% for all households. This disparity, according to the report, is due to, firstly, the greater probability of widowhood or divorce in the case of households that have a woman as their head, implying the loss of a second source of income from the work of the husband. Secondly, greater poverty in FHH can be explained by lower wages obtained by women in Lebanon. The mean wage obtained by women is 78% of that earned by men. According to the labour market study, the mean basic wage for a woman is LL 477,000, compared to LL 606,000 earned by a man. FHH constituted about 8% of Palestinian households in 1997 and 11% of the poor households. According to the report, FHH's rate of poverty is much higher than male headed ones (30 vs. 22%). When looking at the poor households alone, 73% of poor FHH suffer from "deep poverty", that is, they are unable to satisfy their minimum requirements of food, clothing and housing, compared to about 63% of the poor MHH. The poverty rate among FHH in South Africa, according to this country's report, is 60%, compared with 31% for MHH.

on the thesis that FHH constitute a homogeneous group that tends to be poorer than MHH. According to this analysis, FHH have a smaller number of members and, therefore, are less crowded households. They also have a much higher per capita household income than those headed by men, both in urban as in rural areas. But the relative position of FHH *vis-a-vis* those headed by men is reversed on other indicators of welfare in urban areas. FHH have less household assets, less access to piped water within the dwelling and to other services, such as flush toilets.

Households are not static but very dynamic units. The analysis of the evolving or changing nature of the household needs a diachronic perspective.¹² Some contributions are made on these lines, especially regarding individual time and changes at the household level as a reaction to economic and political transformations taking place in the countries' studies. Most of the studies find "critical age groups", such as youth, children and the elderly.¹³

But the study of the household as a process over time, with changes in its composition and, therefore, in its pool of labourers and in the household economy, was not an analytical issue in the country studies. However, they provide data to show that the expansion and the dispersion stages are critical times, when households are more vulnerable to poverty. This is especially the case of growing numbers of old people in Latvia and Bulgaria, where the State has reduced child benefits and pensions for the old. Data from Lebanon and Palestine suggest that households headed by young and old workers — in the early stage and the dispersion years of the domestic cycle — are much more vulnerable to poverty than households in which providers are between 40 and 54 years old. The South African study points out the life-cycle dimension as one of the ways individuals and households move in and out of poverty. The approach that sees households as processes, and not as static social units, is needed to understand the dynamic nature of house-

¹² Contrary to synchronic studies (a snap shot in a certain moment of time), diachronic perspectives look at changes over time. Following-up the same group of households along a number of years or through the analysis of family histories are examples of diachronic household studies.

¹³ The most severely affected by poverty in Grenada are women and children, but elderly people are also vulnerable and often ignored and neglected by their adult children. The elderly population in Grenada seems to depend on the charity of friends or the church. The study carried out in Uganda also found that old age is frequently associated with poverty, particularly in situations where the aged are sick and lack support from relatives. Another example is provided in the Lebanon report: the percentage of households that fall below the poverty line is relatively higher among young heads of households (those below 20 years of age and those in the age group 20 to 39) and among those in the age group 55-59 years. The period of years when workers earn higher wages are indeed a few (about 10 years of their working lives).

hold vulnerability (see Hareven 1974, Gonzalez de la Rocha 1994).

The various studies either assume intra-household equality (the Maldives)¹⁴ or state that the data do not allow a detailed analysis of this phenomenon. The studies show, however, that some groups are far more vulnerable than others to unemployment and discrimination at work. The household could be assumed to provide a “melting pot” for these differences, that would lessen their undesirable consequences. But if households add dimensions of inequality on top of those created by markets, then social inequality can be heightened, not reduced. Children, the elderly, the youth and women appear as the most vulnerable categories of individuals both within households as in the society in general. Most of the studies made an effort to relate such groups’ vulnerability to their lack of opportunities (such as the obstacles youths encounter when looking for employment, the lower levels of salaries and wages of women’s jobs, and so on), but most of them continue to adopt the notion of the household as a “black box”. At most, there are sporadic mentions of household power relations, conflicts, negotiations and violence, without a systematic attempt to conceptualise the household as an arena of confronting interests, unequal access to resources, unequal burdens, and as a non-democratic decision making arena.

The country studies show, however, that household restructuring and adjustment have implied unequal burdens and costs, along gender and age lines. Women appear in most countries as paying the highest cost of household transformation since they are working more and working harder without any significant positive change in their household gender relations. Although households have been transformed in many economic aspects, as we shall see in following sections, gender relations remain surprisingly unchanged: households are still characterised by unequal gender positions

¹⁴ Some reports, particularly the Maldives’ report, assume not only distribution but equal distribution among household members. This is a very questionable approach that neglects not only unequal distribution of resources within households, but conflicts, negotiations and the differential access to education, health care and food. The mentioned report, after stating the assumption of equally distributed welfare among household members, goes on to show — in the sections where information is provided — that malnutrition, reflected in high rates of stunting and wasting, is especially prevalent among girls. The report, when trying to explain this difference, alludes to dietary preferences, the high incidence of some infections and the “acute anemia suffered by many mothers”. How can equal distribution among household members be proposed when data show such disparities? How can it be argued that higher malnutrition rates among girls are explained by preferences? Are we talking about those girls’ preferences? It seems that there is still an effort, in many political and academic spheres in the world, to evade talking about households as social scenarios of inequality, power relations and unequal access to even the most basic resources (such as food), in spite of several decades of critical thinking.

and conflictive power relationships. Far from gaining some control over their lives and better treatment from their men, women seem to face more and even stronger conflicts. Angola is an example of women moving in as breadwinners during economic crises. This movement has not been a temporal but, instead, a permanent flow. Women are breadwinners on equal footing with men, but they continue to bear the burden of household chores, only assisted by the children. There is data coming from time-budget studies in urban Angola showing women's long working days as breadwinners and as housewives doing household chores. Data show that men have not entered into the household work arena to the same extent as women have become breadwinners. Collecting firewood, for example, is a burden for Angolan women who do about 3/5 of this work. Collecting water also consumes many hours of women's time, and although men do more shopping, they do less household work.¹⁵

Differential access to resources on the axes of gender is documented in many of the studies reviewed. Boys in Uganda, for example, are said to be more valued than girls from childhood, and education is more emphasised for them than for girls. Women's heavy workload, together with lack of ownership and limited access to land and other valuable resources, makes women not only poorer but more vulnerable to face hardship and economic crises.¹⁶

Women's participation in waged employment has not produced equality in gender relations, as we know from various different studies. The voices of women from a participatory study in Grenada include phrases such as "Men treat women like beasts". In Uganda, women perform as much as 50% of the work involved in cotton production, but they do not control the money they earn, and participate very little in the process of decision making. "Women are left at the mercy of their men. They have no voice even

¹⁵ The Mongolian report alludes to women's double burden as an outcome of transition. In the past, the state supported women in their child-bearing and child-rearing functions through "generous" benefits. These benefits have been withdrawn and day care facilities have been reduced from 441 in 1990 to 71 in 1996. "Women's perceived roles as 'care givers' in the household continues, and hence many face a 'double burden' encompassing their responsibilities both in and out of the household. For many women, these double burdens create role conflicts, which then translate into lower career mobility as women attempt to balance the different demands placed on them".

¹⁶ The report about Maldives gives special attention to women's subordinate position in the household. Among the reasons given by men and women, when explaining the relatively low participation rate of women, reluctance on the part of their husbands appears as the reason for not working. Men's control over women's lives seems to be an obstacle for the mobilisation of some household assets, in this case women's labour force.

when the man is misusing the money". Women reported they do not access family planning services because their husbands do not approve such practices. Husbands beat women for attending meetings, and women do not access resources. Only men are involved in transport business, because women are not allowed to participate; all *boda-boda* are men, and when women own a motor bike or a bicycle they have to hire a man to ride the bike. Widows are inherited to the husband's brother together with all their household assets. Marketing of produce is mainly performed by men and women must have their husbands permission in order to participate in this activity. When women do participate in produce marketing, the quantities allowed to them are usually restricted. On top of this, women are expected to declare the outcomes of their transactions and they are also required to give account of the money they spend for household consumption. Women may be entrusted with money to keep but have no right to spend it unless husbands permit them to do so. Major assets are controlled by men (land and other productive assets) in rural as well as in urban areas (urban land, houses and livestock -cattle, goats and donkeys, T.V. sets, radios and vehicles).

Poverty, insecurity at work, unemployment and the growing number of female providers have eroded the role of the male breadwinner (Safa 1995). The country studies reviewed document this phenomenon and provide interesting data regarding this process. Some studies allude to the scarcity of knowledge about men and the impact of economic change in their lives. These studies call our attention to the importance of understanding social transformation in a balanced, gender-sensitive way (and not only with a women-sensitive approach). Although more studies are needed in order to advance our knowledge of masculinities, the reviewed country studies highlight female and male gender identities as a resilient asset to endure difficult times (most frequently the case of women), or as vehicles to health threatening practices (such as alcoholism or drug abuse) or even suicide (most frequently men).¹⁷

¹⁷ Being poor in Uganda has severely eroded the self-esteem of many men and "undermined their manhood". It affects their ability to provide for their families and makes them feel inferior and inadequate, and out of frustration they resort to drugs, crime and violence. Like poor women, poor men also have low levels of education, lack marketable skills and are unemployed. Those who were able to find employment had to settle for occasional, seasonal and part time work, for very low wages that were insufficient to meet their needs. Poverty makes men feel ashamed and angry: "you feel like a dog when yuh poor. I can't feel like a man". Lack of jobs in Grenada, failed attempts to find work, being permanently unemployed, erode self-esteem, and persons interviewed mentioned feelings of inferiority, shame, inadequacy, stress and frustration. These feelings, according to the report, are leading people to

LABOUR AND THE EROSION OF WORK.

Livelihoods have been sustained by a multiplicity of sources, mainly wage employment, production for sale, subsistence production, domestic work, benefits coming from the state, and resources coming from networks of relatives and friends (neighbours, work mates, and so on). Important changes take place in the arena of work and employment, not without a significant impact on household economies and social organisation. I focus on the labour market and income generating opportunities in my analysis for two main reasons: firstly, because the assets-vulnerability approach highlights the importance of including opportunity structures in the analysis; secondly, as the reviewed studies show, most people in most countries today have depended on this market for their livelihood. To a large extent, labour market behaviour has triggered changes in other sources of income which have gained importance as labour markets fail to provide these incomes. Poverty is closely linked to scarce jobs and low wages. Our studies found that poverty — in most cases — is characterised by lack of *quality employment*. Unemployment and precarious waged activities (without adequate wages and salaries) are at the core of poverty and unequal distribution of income.

The analysis of the success or failure of poor populations to put labour to work is a central issue regarding vulnerability. It is then crucial to take employment and other forms of work into account in order to see whether changes in employment structures are indeed producing transformations in the way people invest their labour and effort into other income generating activities. Work needs to be considered in all its different and complex guises, as the forms of use of the labour power of all individuals active in the pursuit of income (in all its forms), with the purpose of achieving their subsistence and wellbeing. This encompasses formal waged employment, infor-

become engaged in illegal activities to get money to support their families. Increased violence, crime and prostitution, breakdown of family relations and the deterioration of family life are reported as outcomes of job insecurity and lack of economic options. Feelings of depression, from mild apathy, constant insomnia and worry to an obsession with suicide were extensively reported for Latvian men and women, and informants attributed this feeling to unremitting economic pressure. Women reported that their concern for their children kept them from committing suicide, but several informants reported suicides committed by men in their own families or among close acquaintances. Alcoholism, as a cause or consequence of unemployment, appeared in this and other country reports and, while it affects both men and women, many informants said it affects mostly men, whose identity is more dependent on their ability to earn money.

mal employment for cash, whether for oneself or others (as in family businesses, where spouses and children are often not paid), and subsistence production. The only form of work for one's and one's family's livelihood which is not considered in this section is domestic work.¹⁸

In most of the countries surveyed, wage labour absorbs most of the active labour force. In Latvia, for example, 61.5% of households' disposable income came, in 1997, from employment, while 87.8% of the economically active population depended on wages obtained in the labour market. Wage earners in Lebanon constitute more than two-thirds of the labour force. The entire complex of activities involved in employment in this wide sense is dependent on labour market dynamics. The existence or lack of choices in the labour market is a major determinant of all other activities. Most of the working population of the countries surveyed is in fact employed for wages, which are now more than ever part of a job market (this includes countries that have transited from socialism to capitalism). The most common trend found is towards less total formal employment and lower individual and household incomes from wages and salaries.¹⁹

¹⁸ Domestic work, mainly performed by women, is an essential component of livelihoods. The centrality of women in the daily and generational production and reproduction of labour power within household responses to economic change has been stated and discussed in my writings (see Gonzalez de la Rocha 1994, and in print). The reason for not including this important element is its absence from the reports used for the elaboration of this paper.

¹⁹ The analysis in this section is limited for several reasons. First, changes in the population, migration and employment were not central to some reports, and are therefore only mentioned when the authors believe they merit consideration. Second, most reports provide some assessment of change, but the periods taken into consideration vary widely from one country to another, both because of timing differences among censuses or surveys and because the periods deemed critical by the authors differ. Also, the quality of the quantitative databases is different, and it is obvious that in some cases the authors could handle micro data directly, while in others they were limited to references to published tabulations. Third, methodologies differ. Some countries were studied by a combination of methods, each of which provides a different kind of analysis. Others were studied on the basis of one form of data collection only. This produces biases in the reports and reduces comparability. Repeat or continuous surveys and official data can usually provide good assessments of change in population and employment, but little indication as to the actions and practices of poor individuals and households and their forms of responding to labour market difficulties. Most reports using surveys also use, to some extent, some form of qualitative data gathering to offset these disadvantages. "Participant" assessments, on the other hand, provide very good indications of actors' perceptions of wellbeing or poverty and the actions carried out by poor households in most major areas relevant to this analysis, but they are usually once-only exercises that focus on a few specific groups. This entails the lack of longitudinal, cross-class and cross-country points of reference. While most participatory evaluations did include a number of groups, the reports emphasise some opinions rather than others, with little to allow the present analysis to discriminate or weigh each group's responses.

The dependence on wages is a fact even in societies such as Papua, New Guinea, where rural livelihoods, based on farming, fishing, and hunting practices have become insufficient to sustain a population growth that doubles every 30 years, and there is increasing pressure on land, wildlife and marine resources. As a result, rural inhabitants are increasingly dependent on the cash economy, where there are limited opportunities for income generation. The demands of this country's population on resources, social services and employment opportunities exceed the nation's supply ability. Grenada experienced a severe decline in the banana production where many people used to work. This country's economy is characterised by a limited diversification and has failed to develop manufacturing and employment growth. People face enormous difficulties in finding employment and those who find it have to accept occasional, seasonal and part-time contracts, and very low wages that are insufficient to meet their needs. Women in Kalagala and Kampala (Uganda) reported that they are seeking employment outside the home, reflecting the increasing need of wage employment that remains very scarce.

Wage levels are decreasing. Their current purchasing power is less than it was, with some exceptions (Korea). In Indonesia, for example, real wages decreased during 1997-1998 by 33%, mainly due to skyrocketing prices (especially food, with an inflation recorded around 148.6%) since 1996.²⁰ This trend is important for several reasons. If wages fall, households tend to react by increasing their money earners, if possible, as well as any other cash or subsistence activities. Also, falling wages account for an old phenomenon that has worsened recently: the working poor. In a large part of the households studied in the countries, the fact that one or more members do have jobs, even full time jobs, although placing them above those without, still leaves them well below the reported poverty line. "... Having employment (in Latvia) does not necessarily guarantee a decent living standard and many of the employed in transition countries live in poverty (Keune, 1998: 4)." Lack of observance of the minimum wage (and unpaid wages), together with the low overall level of wages makes most workers, but especially female workers, poor in this country. Bulgarian real wages

²⁰ The report from Sudan also highlights the loss of wages' purchasing power, since the rise of prices does not tally with the increase of salaries. This has to be related to a labour market with very limited earning opportunities. The absence of an industrial sector limits the labour force into government supported activities, classified as "community and social services". A formal private sector is virtually absent. Female wages are particularly low and women have less access to employment opportunities than males. The majority of women are employed in occupations defined as "elementary" (including agriculture).

had fallen by nearly 65% from 1990 to 1998. Wages and salaries are the main sources of income for the employed Palestinian labour force, but low earnings are widespread and are the main cause of poverty. Palestinians working in Israel have higher wages even though Israeli demand for Palestinian labour is confined to unskilled jobs in the construction sector, with very little stability. In spite of low wages, people with access to employment show higher levels of income than those out of the labour force. The Indonesian study highlights the increased proportion of paid employees falling below the poverty line as a result of low wages obtained in the, seriously hit by the crisis, formal sector.

With few exceptions and in clear relation to the above, informal work is on the rise. In some countries, individuals and households seem to have been relatively successful in the development of the informal, social or black economy, as a reaction to the decrease of formal wages and wage labour. In these countries, informality is now the basis of the livelihood of many households. In Indonesia, almost 70% of all poor household heads worked as self-employed, while only around 28% were involved in paid jobs in 1998. In Latvia, where restructuring of the economy has included the closure of many large enterprises and mass redundancies, the number of employed increased from 1996 to 1997 mainly due to self-employment growth and increasing numbers of unpaid family workers (employment growth took place almost entirely in low-productivity and low — wage agricultural jobs). “The lack of employment or other income — generating alternatives in the rest of the economy has driven many people to take up low quality employment in the agricultural sector, which seems to be dominated more and more by subsistence farming” (Keune, 1998: 28). Other studies show, however, that this kind of income-generating activity, although on the rise, does not seem to have helped individuals and households in any considerable way. The various studies show that informal work cannot be conceived of as having only one kind of relationship to the formal economy. In some contexts, it may develop its own growth dynamics and even provide some multiplier effects for the formal economy, while in others it is simply a mechanism for bare survival. In Uganda, where non-formal, casual work was reported in all sites of research and formal work was reported only in the urban area, workers in the informal sector — piecemeal work — get irregular, unreliable and low remuneration either in cash or with food. Those working in these activities — men and women — lose social status. In Grenada the informal sector acts as a “residual” to which resort many of those who are unable to find formal work employment. Employment problems in this country are reflected not only in unemploy-

ment rates, but also in the degree of underemployment and informal work.

In general, the studies favour a revisionist attitude regarding the role of informality as a mechanism compensating the socially undesirable consequences of stagnant formal employment. In line with the thesis put forward by Portes et al. (1994), various studies show BOTH rising unemployment and rising informal work. In other words, not all of the individuals losing formal jobs or unable to enter formal jobs have joined informal production/trade. Such seems to be the case of Bulgaria, where the “shadow economy” has grown during transition years. The economic recession after 1989 fostered employment rationalisation, giving place to a decrease in the number of employed and a sharp growth in unemployment. There are at least one million workers who take part in the informal economy, and according to the Bulgarian study, the informal sector would account for more than 40% of GDP. Low wages in the formal economy have contributed to the rise of the informal economy, since low wages push a growing proportion of the labour force towards the informal economy.

This means that a thriving informal economy may depend in part on a growing overall economy. This is bad news for economies lacking at least modest growth in their formal-private and State sectors. This also means that a phenomenon which seemed specific to post-industrial economies in the eighties (chronic unemployment) now characterises a large number of the countries covered. Official figures in Mongolia suggest that by 1996 the number of job places returned to 1991 levels while, in the same period of time, the working age population grew by 110,300, meaning there was no expansion in job places to match the growth of available workers. Under these circumstances, 40% of the unemployed are under 25 years of age. Once unemployed, as the Mongolian study points out, the chances are that the person will remain unemployed for some time. Unemployment also increased in Indonesia (at a rate of 16.5% from August 1997 to August 1998, compared to the annual rate of 5.68% — or 11.36% from 1994 to 1996). As in many other countries, unemployment grew especially in urban areas and among the youth and skilled.²¹ In Grenada, “the most serious problem facing poor people in the communities is unemployment”.

Although most studies either state or show that education is a major determinant of income, and consequently of wellbeing, most mention that young and educated workers are having trouble either finding employment

²¹ 17% of the labour force in Sudan were estimated to be unemployed: 1 million in 1990 and 1.3 million in 1996 with females and young people suffering higher rates. Unemployment is especially growing in the urban areas, but the rural areas continue to hold the majority of the unemployed persons in the country.

suitable to their qualifications or any jobs at all.²² This is not surprising, since the highly schooled can afford unemployment, wage labour markets are not expanding and people already in employment are unlikely to leave their positions because low wages (which entail low or no savings), unemployment among other members of the family and weakening pension systems make retiring a very unattractive option. But it also means that experienced workers have at least a modicum of negotiating power *vis-à-vis* their employers. Several studies do mention, however, that older women have severe problems finding or keeping their jobs.

In countries where the State apparatus was large and significant and social services are still one of the most important State functions (such as Latvia and Bulgaria), women tend to be employed in these functions. Their incomes from these jobs are lower than those in the private sector, but their jobs are more secure and they are often the main wage earners in their households. State provision of social services seems to be extremely important not simply because the services themselves are extremely valuable in hard times, but also because through this kind of employment the whole income distribution structure becomes more equitable, both among different strata and between the sexes. The rising importance of female headship, whether economic or through the absence of a male spouse, would have a different meaning if these women did not have these employment opportunities.

Last but not least, in several countries a movement back to agriculture, and away *both from formal employment and informal cash work*, is beginning to show (Bulgaria, Latvia, Mongolia²³). Although the benefits derived from subsistence agriculture for household survival may be significant, this is a social development that merits attention. The implementation of drastic economic and institutional reforms is, in some cases, triggering a “downsizing” *of the market economy as a whole*, therefore involving a smaller proportion of the population in it. This is the striking extent to which previously market-oriented producers, and large groups of urban dwellers, have turned to various forms of subsistence production during these critical years. There are

²² Contrary to most reports, the South African study questions the potential of education to eradicate poverty. “Sectors such as education and health are often perceived to have greater potential to ‘solve’ poverty than they actually possess; without economic opportunities, higher education levels and better health will not eradicate poverty or inequality” (May 1998: 7).

²³ During the early 1990’s, over 95,000 people moved into herding from other sectors to seek an alternative livelihood. For most Mongolians, transition meant loss of employment and the erosion of real incomes. Transition reduced employment and many turned to self-employment, despite inadequate financing.

two contrary tendencies. On the one hand, a number of commercial agricultural producers have been driven out of production by international competition (Grenada) or by economic transition and shrinking internal markets (Bulgaria, Latvia). On the other, a number of urban (or at least, non-peasant) families have been pushed to subsistence production for lack of cash income and continuous employment. The two kinds of agriculture, however, are quite different. Commercial producers were active in financial networks, and had some capital and technology at their disposal. The new subsistence producers, on the other hand, have very few resources. The net result is a fall in productivity, and, in some cases (Grenada), a fall in overall production and land use. But subsistence production is limited neither to agriculture, nor to the rural areas. Backyard gardening and raising of poultry and other animals is reported in a number of studies, even in urban sites (such as in Latvia).

Empirical evidence provided by the studies reviewed shows that there has been a process of shrinking opportunities for the poor. As a Latvian report states, "work has become a privilege rather than a right" and "workers are easily fired and replaced". Poor households have responded in similar ways in most societies, and these responses have had a positive impact on their wellbeing. Structural processes, however, have been stronger, resulting in a reduction of their assets. This is a general trend and not a Latin American or African characteristic. The so-called societies in transition (Bulgaria, Latvia and to a lesser extent Mongolia and China) are good examples of the deterioration of employment opportunities and the reduction of income-generating sources. Livelihoods have changed in all countries and increasing numbers of individuals experience unemployment or have no other alternative but precarious employment or unproductive agriculture as refuge areas. Households' incapacity to mobilise their labour seems to be increasing in many of the countries under consideration. Frequently, constraints to put labour to work lead to processes of social isolation, a phenomenon that will merit a special place in this text.

Obstacles to obtain incomes in the form of wages and salaries are in some cases leading to constraints to devote labour to other economic activities in a process of *cumulative disadvantages*. A good example is provided by the Mongolia study. Unemployment (mainly due to enterprise rationalisation that has left many former workers out of the firm) has meant increased problems for the unemployed and his/her family to engage in other income generating activities. Households with unemployed members have struggled to find new avenues to secure livelihoods with few resources, marketable skills and very limited market opportunities. Similarly, many poor

households in Latvia did not have the money to take advantage of the process of privatising land and houses. Lack of regular and sufficient incomes makes other possibilities non viable (like buying land to grow produce or buying a house to live in and to get additional incomes, through the rent of rooms). In Papua New Guinea, Buyang villagers are willing to sell natural resources for cash if there are no other means of earning income, contributing to the exhaustion of those resources. Lack of access to incomes prevents the poor from launching other income-generating activities, pointing to an emergent process of cumulative disadvantages.

ADJUSTING THE HOUSEHOLD.

There is no doubt that changes in opportunity structures have a great impact the household economy and the social relations that link men and women, adults, children and the elderly within this economy.

Even in countries where subsistence livelihoods prevail (such as the case of Papua New Guinea²⁴), wage work and cash income appear as crucial elements for households' economies. It is important to note, however, that there are many cases where the share of wage labour in total household income has decreased in recent years due to shrinking employment opportunities, and households have therefore resorted to other economic non-waged activities.²⁵ Since wages are an important element of livelihoods, households' capacities to place their members in the labour market is reported as one of the most important assets to respond to economic hazard. Women's participation in labour markets seems to be increasing everywhere (except in some societies like Palestine and the Maldives), while men are encountering increasing problems in carrying out their role as providers.

1. Practices which protect household income.

The participation of household members in income-generating activities, in order to face the changes described, has been developed through two main avenues:

1) More workers: Involvement of members who had never been active

²⁴ Only 18% of the labour force is working for wages, self-employed or running businesses, but the report says that this figure is growing as the need for cash is pushing people to look for other alternatives. Not all the remaining labour force is devoted to subsistence livelihoods either, as people engaged in village-based farming or fishing activities do so for both subsistence and cash income.

²⁵ Some people in Latvia supplement their incomes by selling blood to local hospitals, which seems to be a very clear example of the bleeding to death process.

economically (such is the case of many women and children) or who had stopped their participation (like old members of the household). In general, the total number of household earners increases, but in very precarious and low productivity activities. The relative weight of informal work increases and production for the household's own consumption becomes of prime importance.

2) More intense work: members already performing economic activities take second jobs, and work longer hours.

In countries such as Bulgaria, there is a tendency to substitute part of wage incomes by other payments related to second, non-regular jobs. The sharp decrease of real wages induced workers to complement their main activities by additional jobs in order to generate complementary sources of income (with temporary contracts, fees and part-time activities). The share of such activities increased significantly from 0.4% in 1990 to 3.6% in 1996, and although they fell to 3% in 1997 they continued above the 1990 levels. Household members also turned to informal activities and this is reflected in the changes of the household income structure with a decrease in the share of wages from the first job and a growing share of payments from other activities. In Bulgarian households, the non-monetary share of income increased substantially in 1990 and 1991, due to the shift of households to own production.

Children's labour appears in many of the studies as an asset to be invested in short-term strategies of survival, curtailing education and long-term individual projects.²⁶ Women's work seems to be of prime importance almost everywhere. As can be seen, the dynamics of the wage labour market are the major determinant of the current level of household wellbeing. In a few countries, rural self-provisioning was the norm, and the strength and character of rural reform influences the form and level of demand for jobs.

In some countries (like Bulgaria, Latvia and Grenada, among others) households also reacted to economic changes by increasing household production. In order to protect their consumption levels, households increased their consumption of goods produced at home.²⁷ Some subsistence produc-

²⁶ The need to use child labour for survival comes out in the Angolan report as one of the most important obstacles to education. Attendance rates are low, especially among young children and according to the data, only children between 10 and 13 years old have a "decent" attendance rate. Among the extremely poor children, only 49% of the very young attend school.

²⁷ According to the Bulgarian report, the share of consumption in-kind, in the total households' consumption, increased by 4.4 points from the second half of 1996 to 1997. When looking at the structure of Bulgarian households' total incomes, it is clear that the non-monetary share of income increased, especially at the beginning of the reforms (from 1990 to 1995). This

tion takes place both in urban and rural areas. There is a large amount of backyard gardens, and pot gardening for food.²⁸ The Uganda study mentions that self-provisioning agriculture is present even among urban households, although it involves a small number of people living in cities. Growing yams, keeping poultry and goats, growing bananas, potatoes and legumes such as beans are among the activities that Ugandan households carry out to obtain income.

Migration appears in some countries (such as Grenada and Uganda) as the only choice vis-a-vis lack of local opportunities for work. The Grenada study mentions that in the absence of emigration, the employment requirement could be considerably exacerbated. Locally, however, migration either to urban areas or overseas is seen as a loss rather than a gain, since households are losing a valuable resource.

Dependence on one source of income, as the Uganda study clearly shows, increases the vulnerability of households.²⁹ There are many examples of the greater vulnerability associated to single income source household economies and the importance of having different sources to draw incomes from. Subsistence farming is the main livelihood in rural communities. Very few households depend on trade and paid employment in such communities. Casual labour mainly carried out by young men, according to the study, is recent but growing (in activities such as brewing, collection of firewood, grinding millet).

was mainly due to the shift households performed to own production. This includes raising animals and growing basic foods, the production of basic textiles and garments for the family's own use.

²⁸ As in Bulgaria, there is an increase in subsistence production in Latvia, but the bulk of this seems to have taken place in agriculture (the report is less explicit about other forms of subsistence production). Both people renting and landowners have few means to produce, which explains why the large increase in agricultural employment does not correspond to a similar increase in production. Strictly rural families combine a large number of activities producing very small cash incomes with subsistence production. Agricultural wage labour declined when collective farms disappeared. Those unemployed from collective farms now perform a variety of waged, self-employed and subsistence activities. The Latvian report states that even people in apartments raise animals for food. During the summer, school children help their parents with agricultural production, whether the family is urban or rural-based. The Grenada case shows that many rural poor might have access to land but do not have other resources to work it (they lack the means to transform it into an asset). The majority of poor households in rural Grenada invest a good deal of their labour in what is called "backyard gardening". Backyard production of food is an important element of these households' economies, both for consumption and to exchange and/or sell.

²⁹ Fishing communities in Kalangala District, for example, where fishing is the major economic activity, face paramount problems when the fish catch declines due to fish migration.

2. Restrictive practices

Mechanisms that protect household incomes are insufficient to cushion the impact of high prices and unreliable economic environments. In most of the cases studied households responded with what Moser (*op cit.*: 29) calls an “expenditure minimising strategy”: cutting total spending, changing dietary habits, and reducing purchases of nonessential goods.³⁰ The studies make clear that the expenditure minimising strategy has been a general practice in the countries studied. But restrictive practices go beyond the ‘expenditure minimising strategy’ and include the liquidation of household property and savings. Selling and pawning household items, together with the consumption of savings points at the households’ inability to generate sufficient incomes to protect their livelihoods in a sustainable way. When restrictive mechanisms are practised, households reduce their assets, both in terms of human capital (less food, less education, less health care), as in terms of productive assets (land and housing). Several practices were identified within restrictive mechanisms. Since the Indonesian study covered most of the practices, it is being used here as the main example, with additional information of other countries in footnotes.

An immediate consequence of a crisis of employment is income loss. Without regular employment, households are responding by relying on available savings. Others, a larger group, are shifting their consumption patterns, a process that is conducive to enlarging vulnerability. Cutting consumption may work in the short term, but is unsustainable in the long term. Household restrictive practices mentioned in the study during the six months prior to the survey in 1998, characterised by the decreasing purchasing power and rising prices, include:

- a) Reducing the quantity of food, like eating more cereal — rice —, less vegetables and fruits, less fish, meat, eggs and milk. Almost 40% of urban and rural poor households have reacted by reducing the quantity of food.³¹

³⁰ This household response was analysed in several studies carried out in Latin American countries during the economic crisis of the 1980’s (Gonzalez de la Rocha 1991, 1993, Barrig 1993).

³¹ In Bulgaria, consumer expenditure fell more than 74% between 1990 and 1997, that is, real consumption in 1997 represented less than a quarter of its 1990 level. As can be expected, food expenditure increased as a proportion of total household budget, as a result of the real income fall and household “protection” of food consumption. The figures are as follows: from 36.3% in 1990, food expenditure rose to 54.4% in 1997. Latvian households, in order to give priority to food and school-related expenses, display several strategies such as cutting back the use of

- b) Switching quality of food. This seems to be the “preferred” practice, as 58.71% of poor urban households and 48.19% of rural poor households have switched the quality of food. In the context of Indonesian poor society, food simply means rice and other kinds of staple foods. To have access to rice means being able to survive from starvation. The poor have switched their consumption and they are eating less vegetables, fruits, less fish, meat and other protein foods and, instead, they are eating more rice. While cereal represented, in 1996, 20% of the poorest urban households expenditure, it went up to 29% in 1998.³²
- c) Reducing recreation. The proportion of households reducing their expense in recreation is one of the highest, reaching almost 62% of urban poor households.
- d) Reducing purchases of clothing. Clothing is the most reduced area of consumption practices in Indonesia, as almost 73% of the poor urban households and 67% of the rural poor have resorted to reduced clothes purchases.
- e) Reducing transportation, practised by 50.07 of the poor urban households, almost 47% of the rural poor.
- f) Withdrawing savings. The figures indicate that poor households have less savings to draw from, nevertheless, almost 10% of the urban poor households have withdrawn savings in order to satisfy their basic needs.³³ The poor’s capacity to save, as we know, is very limited, but

electricity and fuel, substituting expensive with cheaper fuel, keeping the apartment cold during the winter, moving to cheaper housing, buying second hand clothing or not buying at all. There is an ongoing process of deterioration in people’s homes: leaking roofs, toilets that no longer flush, blocked drains, and gas heaters which smoke, are just a few of the housing problems Latvian people increasingly face.

³² Consumption of meat, once a traditional ingredient in Latvian diets, has decreased as well as consumption of bread and bread products, which have become very expensive. Potatoes and other vegetables are the main food items in their diets, together with cheap fish. Households in Mongolia have reduced their consumption to only very basic items. In urban Uganda, particularly in Kampala, households have resorted to modify their consumption patterns to the point of having only one meal a day or not eating at all. They have also changed their shopping habits: instead of buying the “usual” quantities of sugar, maize flour or beans, they buy quarters of kilograms which are supposed to be used over a number of days. Buying on credit has become a regular practice.

³³ In Bulgaria, 10% of total household’s incomes was devoted to savings in 1989 and savings fell to 3.1% in 1997. At the same time, 90% of total household incomes was devoted to consumption in 1989, it rose to 96.9% in 1997. Only in one case (Uganda) savings were mentioned as a current practice, through women’s saving groups, that help people to cope with crises. In the other reports, however, savings were always mentioned not as current practice (to save) but as a being consumed (to withdraw savings). In Latvia, many people who had saved money during the Soviet period lost their savings with the currency reform and hyperinfla-

they do get involved in saving practices when some members of the household have access to regular income.³⁴ It seems, however, that the poor's saving capacity has been eroded in many of the cases studied.

- g) Selling valuables: 14.05% of the poor urban households (9.07% of the rural poor) have sold valuables in order to keep satisfying their basic needs.³⁵
- h) Borrowing from others: This is a practice mostly used by poor (both urban and rural) households, as almost 40% of urban poor households resorted to borrowing from others (money and goods), and only 30.7% of the rural poor.
- i) Consuming own production. Contrary to borrowing from others, which seems to be an urban practice, consuming own production includes a greater share of rural households.
- j) Withdrawing children from school. Compared to the large proportion of households that are practising the previous mechanisms, withdrawing children from school, although still present, is not being practised by a high proportion of households. Households in Indonesia, both rural and urban, and among the poor and non-poor categories, seem to value education in such a way that they protect their children's education by resorting to other practices. Only 2.26% of poor urban households (1.14 of non-poor urban) and 3.34% of poor rural (1.31 of non-poor rural) are withdrawing children from school. But other country cases show a different effect.³⁶

tion (which reached 958% in 1992) that annihilated those savings. Life-long savings of money in the hope of making old age easier were lost with the collapse of the Baltija bank and the currency reforms. The data from Mongolia shows that people are using savings for daily consumption. Without regular and productive employment in Indonesia, some groups of population are coping with their problems by relying on savings, as a first step before turning to drastic consumption cutting. Almost 10% of poor urban households in this country resorted to withdrawing savings during the last six months prior to the survey in 1998. The figure rises to almost 18% among the urban non-poor households, revealing that there is a large number of households that are also consuming their savings and, in that sense, coming closer to severe scarcity.

³⁴ Examples of this can be found in the literature such as the *tandas* (tontines) system in Mexico and other Latin American countries, constituting collective -community- safety nets for emergencies and occasional expenses.

³⁵ The majority of poor Latvian households have sold much of their furniture in order to pay their debts and to protect their basic consumption of food. Many of the houses are "empty" and have only the most essential items of furniture. Liquidation of household items has been one of the main coping mechanisms of the poor in Sudan. Some households still retain elements of previously acquired wealth that is in the process of being consumed on sold in order to get some incomes for survival.

³⁶ Contrary to the Latvian case, where households are cutting expenses in order to protect

k) Reducing medical expenses. Going to the doctor and buying medicines and treatments are simply too expensive to afford. The report does not give the proportion of households reducing health expenses, as it does in the case of the other practices.³⁷

l) Pawning valuables is a practice that 7.34% of poor urban households implement (while the other categories show lower shares).

The Angolan study makes clear that reduction in consumption patterns varies according to the type of household. The reduction seems to be “dramatic” in the case of households with only one or a few breadwinners and many dependants. On the contrary, households with a more balanced ratio of breadwinners/dependants, households with higher educated women and households with members working in the formal sector have effected smaller reductions. When looking at the way poor and non-poor households spend their income, the study found that the extremely poor cannot afford to pay for health service as the moderate poor or better off households. Sending children to school is more expensive for the poor than for the non-poor, as they pay a greater share of their incomes (1.5 times more than the better off). They spend a larger share of their income in cereal products, or 1.5 times the share of the better off.

The Uganda case is a good example of the trade-off that is inherent in some decisions: the cost of secondary education is extremely high for many poor households and for youths without support. Poorer households, when

children’s education, Mongolian children are paying for the adjustments implemented at the household level. According to the report, large numbers of children have experienced disrupted schooling and what the report calls “the emergence of children in deprived circumstances”. The privatisation process in the education system (or what the report labels as “shifting the costs of schooling out of the public sector”) has intensified lower enrollment and lower completion rates among poor children. Since education in Kampala is very expensive (even government programmes have very high fees), many households end up withdrawing children from school. When keeping children in school, poorer households are often forced to sell household assets to meet education costs or to avoid expending in other household necessities.

³⁷ Medical care used to be one of the services provided by the Soviet State, and is now a private service that has to be paid. People cannot afford medical treatments and doctors’ bills, and except in some cases -very serious illnesses, Latvian people tend to maximally delay visiting a doctor, relying instead on home remedies, over the counter medications, or to seek advice from personally known doctors and nurses, where personal connections and the exchange of favours play an important role. The fact that medical services are out of reach for low income families and the severe cut in other expenses, described above in the case of heating and electricity, contribute to a drastic deterioration of Latvian household conditions and a challenge to healthy lives. In Uganda, economic problems (not affording the cost of health services), together with inadequate health services, are reported to leave people to use traditional healers and birth attendants. Self-medication is reported as an extended practice.

they choose to spend on education, have to sell household assets to be able to meet the costs, or avoid other expenses (such as health treatments and medicines) in order to send their children to school.

From the above, it is clear that macro-economic change has produced adjustment and restructuring processes at the household level. I will turn, in the following section, to the impact of such changes on the capacity of people to keep links of social exchange.

SOCIAL NETWORKS AND SUPPORT SYSTEMS

Networks and trust relationships are crucial social assets, based on systems of mutual help and reciprocity as mechanisms that increase and protect household resources. This issue appears in most studies as one of the most important ways in which the poor rely on a daily basis to help each other to make a living. The centrality of social networks and support systems as relationships that make people collectively productive and facilitate cooperation is clearly stated in the majority of studies under review. In Grenada, for example, the concept and the practice of self-help permeate every corner of society through the *marron* system.³⁸ Apart from the *marron* system, however, friendship networks operate in the mutual provision of assistance and support in times of need and trouble. Sharing involves daily life and goes even to menial exchange. The poor exchange goods and services, including food, water and groceries.³⁹

³⁸ A social mechanism through which all people in Grenada, including the poor, help and support one another. People share their time, talents and labour to help one another with house repairs, planting and reaping of crops. The report is not clear, however, in how the *marron* system operates among different social categories, classes or social strata. It would be helpful to know, for example if the *marron* system makes a rich family help the poor, or if it works among *equals*, as is the case in other less institutionalised but equally strong systems, where social equality is a necessary element for reciprocity and mutual help (see Lomnitz, 1977).

³⁹ In Palestine, people lacking old age security rely instead on support from family members. A very interesting example of social ties, is the *Wantok* system in Papua New Guinea. The report in this case gives details to understand the functioning of this system as a crucial component of sustainable rural livelihoods. Together with the physical environment, the *wantok* system (kinship ties and relationships with people from the same language group, who maintain reciprocal obligations with each other) and strong rural networks are presented as factors that support livelihoods. But there are other examples, coming from other country reports, where support networks still work. Such is the case of many households in Uganda whose members reported deriving most of their livelihood from social networks among parents, relatives, friends, children and the church. A case presented in the mentioned report, of a female headed household, shows that the household derived about 70% of its livelihood from social networks and only about 30% from the sale of gardening produce. Households in

Accepting the importance of social networks and mutual support for survival of the poor should not detract our attention from the fact that the “community” aspects of survival are limited. Governments embarking on structural adjustment programmes cannot rely on social networks to provide the goods and services lacking in the firm economy. Communities, it would seem from some of the studies, are exhausted or in the process of exhaustion. It also seems that economic reforms emphasizing profits, markets and individual adjustment are at odds with their simultaneous suggestions that altruism among the poor has no limits.

This is not to say that households do not co-operate with one another.⁴⁰ However, networks and mutual help cannot be viewed as endless resources. After a certain point, the slightly better off “privatize” the crisis (González de la Rocha 1994) and intensify co-operation among family and household only, and a part of the population becomes socially excluded: marginalised not only from employment, but from a range of social structures and relations that make life viable and significant.

Research conducted in different countries suggests that increasing poverty has serious implications for the poor’s capacity to keep and maintain networks of social exchange (see Moser *op cit.*, González de la Rocha 1999 and 2001). Qualitative assessments of poverty carried out under the PSI programme in various countries provide quality materials supporting the argument of social isolation as a phenomenon linked to or produced by extreme poverty. There is enough evidence to talk about a process of erosion of support mechanisms, or about a process of mutual help exhaustion. The “protective” nature of family relations and the cushioning effect of social networks as effective tools against poverty are frequently treated in the literature as endless resources of the poor without questioning the limits of such mechanisms. Networking practices can be eroded and there is no such thing as endless resourcefulness of the poor. Accumulated economic crises have deteriorated the poor resource-asset base. Signs of this erosion can be found in the following examples.

The *wantok* system in Papua New Guinea seems to be breaking down under the growing stress placed on it. According to the *wantok* system, when rural people move to urban areas, their urban *wantoks* are obliged to support them. But the magnitude of *wantok* obligations is growing to such

Uganda rely on social networks for the mutual exchange of goods, services and money. Borrowing money, clothes, and even cups and plates is a regular practice among households.

⁴⁰ In Latvia, for example, over 50% of the households are engaged in social exchanges of goods and services with other households, and over 30% of the richest quintile give cash, goods and services to other households.

an extent, that some urban households are unable to meet all of their waktok obligations and **are withholding support**.

Old age, according to many studies, is a cause of poverty particularly when associated with lack of relatives to support the elderly. In general, the studies clearly indicate that isolated households were more prone to poverty than households with supportive social networks. Social networks, no doubt, improve household well being,⁴¹ but social isolation and poorer conditions of life are related. Supportive social networks are present in household scenarios where children are **employed or work** abroad (sending remittances), while **social isolation emerges in household scenarios where regular employment is absent**. A vicious circle of old age, sickness, lack of employment and other livelihood assets and lack of supportive networks seems to appear in many of the cases reviewed.⁴²

In some countries, as a result of curtailing social relations, nuclear households have emerged as people's only shelter and "sometimes the only group that can be trusted". The atomisation of nuclear households and the erosion of networks have contributed to depression, unhappiness and a sense of

⁴¹ In Uganda, testimonies of participants in the research clearly indicate that a poor person is one whose condition covers not only lack of material resources and assets for production (such as land, oxen, and inputs/capital for investment) but includes, also, lack of personal assets (like proper clothing), lack of food and **lack of social support**. According to the classification of households in terms of well being, people related well being to wealth, assets of production and investments, but networks showed up as important assets: the least of the networks and resources they had, the more they manifested signs of poverty. Both in the district of Kisoro and in the district of Kalangala, people associated increasing poverty with decreasing cooperation within the family, isolation and a process of "every one caring for oneself". In Maldives, one of the countries with the highest divorce rates in the world, women face great economic hardship for caring for the children, since many men, although legally obliged to provide support for their children, do not. The report mentions the "progressive replacement of the extended family with the nuclear family" as one of the causes behind women experiencing increasing financial hardships without the support of the extended family.

⁴² According to the study conducted in April 1997 among Herder households in Mongolia (using participatory research methods), households ranked as poorest and richest were households which maintained the weakest and strongest social networks and relations in their communities. The poorest tended to be socially isolated, while the richest maintained profitable connections. An interesting issue regarding people's capacity to keep social networks is provided in this report. The change in the intensity of social relations might be related to changing work patterns and organisation for production. In the past, according to the report, socialist collectives offered considerable opportunities for social interactions. Job security resulted in employment within the same organisation for long periods of time. With the transition, these elements are not present in the lives of the Mongolian people, and increased costs of travel have helped weaken the ties between rural and urban members of family networks as relatives are not able to afford visits as often as in the past. It is precisely the unemployed and the poor who, according to the report, possess the fewest social contacts and remain isolated.

low self-esteem. As people become more isolated they also cut themselves off from the information and assistance that could help them overcome their problems.⁴³

Poverty seems to include, in South Africa, the fragmentation of family relationships and alienation from the community. Forced displacements of poor communities have destroyed support networks and social cohesion has been severely affected. Violence and increasing rates of crime have contributed to fear and mistrust; and the poorest communities lack co-operation and solidarity networks.

CONCLUSIONS

Household-focused research has made crucial conceptual contributions to the ways in which we understand the social and economic life of the urban and rural poor. The insights discussed in this paper have to be situated in the framework of wider critical discussions on households and 'strategies' implemented by household members to survive.

Household-focused researchs predate crisis, restructuring, and transitions. The concept of "household strategy" has been adopted in the literature as a way to move away from over-structural views that deny the agency of pre-industrial, early industrial and more generally poor people because of their lack of resources and power (Tilly 1987). Emphasis on the agency of the poor is a central issue in the literature concerning household strategies (Roberts 1995).⁴⁴ Household-focused research has stressed the relevance of understanding household structure, the domestic cycle and power relationships in the shaping of different household scenarios which are differently equipped to make a living in deteriorating economies. Differentials

⁴³ Latvia is another scenario of the process of social isolation. While many respondents reported considerable help from family members and relatives living apart, and help (though on a smaller scale) from neighbours and friends, they also complained that poverty forced them to curtail socialising. Social relations have suffered greatly from the recent economic changes in Latvia. People cannot afford to have guests, or to buy gifts to take to visits (as before the transition) and they have curtailed their socialising, both as guests and as hosts. The report mentions two interesting trends: either households have become more united by solidarity relationships (in many cases, forced by scarcity, couples and households stay together, "as in the case of women with children who stay in with a husband because they understand they will have difficulty on their own, trying to take care of small children and working at the same time"), or households have disintegrated under stress.

⁴⁴ Important and strong criticisms to the strategies approach have appeared in the literature which not only counterbalance the over-instrumental view of the strategies approach, but provide new and refreshing theoretical and analytical paths to follow in the task of understanding poor households' dynamics.

in the participation of household members in the labour market, and the differential access to resources within the household have all been linked to the co-existence of different levels of wellbeing within a single household. Substantive advances have been achieved in the conceptualisation of the household, whether seen as a locus of “competing interests, rights, obligations and resources” (Moore 1994), “cooperative conflict” (Sen 1991), or an arena of confronting interests and unequal access to resources (Gonzalez de la Rocha 1994). This perspective allows the analysis of household differentiation along gender and age axes.

The social organisation of households is in intimate relationship with labour systems and labour market conditions, and highly sensitive to macro-economic policies. The implications of current economic conditions on the social organisation and economies of poor households are to be found in the impact of the erosion of work on the patterns of division of labour, income-generating activities, in the economies and social links of poor households. Urban and rural households have gone through processes of restructuring and adjustment as economies and societies have experienced structural change, and as a result of demographic processes. Changes in households include increased participation of household members in the labour market, especially adult women who mainly work in precarious activities in the informal sector. Domestic burdens have also risen, as households become crowded and their members devote more effort to self-provisioning than before. A general reorganisation of consumption patterns and daily diets has emerged. This paper referred to restrictive mechanisms as part of household responses or “forced” practices, and pointed out that broader economic changes are producing dangerous private adjustments. At the same time, as economic changes do not affect all households in the same way, household restructuring does carry unequal burdens for household members, and the accumulated evidence suggests that women have endured a heavy share of the social cost produced by restructuring and change (Beneria 1992).

The asset-vulnerability approach does not advocate the wrong view of collective decisions and the assumption of collective goals and common interests, consensus and co-operation at the core of household dynamics. This approach recognises the agency of the poor without ignoring structural constraints, while it gives place to the analysis of conflicts and negotiations, confronting interests and unequal relations within households. Moreover, the asset-vulnerability approach poses a crucial question regarding the limits of survival strategies in a context where most of the studies highlight the strategies’ success.⁴⁵ Recognizing the importance of so-called survival

strategies (practices to protect incomes) should not be an obstacle for the analysis of the constraints that the poor encounter to implement such practices, as well as the impact of the erosion of work for household economies, organization, and sustainable reproduction; as though “survival strategies” could care for the poor regardless of macro-economic performance. Cross-country evidence lays the ground in thinking about the limits of survival strategies in the context of the increasing erosion of household resources/assets. Households are not isolated from other social factors but highly sensitive to broader economic change, and are themselves subject to variations.

Drawing from this review, we can argue that there are specific constraints to the survival of the poor. When economic conditions and labour market opportunities deteriorate to the point where ordinary people lose all or many of the alternatives for their livelihood,⁴⁶ poor households are left without the ability to earn incomes which, at the same time, impacts other dimensions of their lives. Without incomes coming from salaries, the poor turn, as we have seen in many country cases, to subsistence production, self-provisioning activities, independent work, and petty-commodity production for petty sale. But it is not useless to ask if and up to when self-provisioning is going to last, and what are the the implications of these changes for wellbeing, human development, and the social reproduction of massive numbers of people. Increasing poverty, on the other hand, leaves households without the capacity to keep and maintain social exchange. Cumulative disadvantages are operating towards a non sustainable future for the poor.

Current social and economic conditions are not conducive to strengthening the social organisation of poor households that has acted as the social basis of survival. On the contrary, they are undermining the capacity of poor households to act and respond in a “traditional” way of gathering, accessing resources and intensifying their labour force in order to generate their own survival and reproduction. The empirical studies reviewed in this paper document the process of cumulative disadvantages described in this paper.

⁴⁵ The “protective” nature of family relations and the cushioning effect of social networks as effective tools against poverty are treated in the literature as endless resources of the poor without questioning the limits of such mechanisms (see, for example, Lomnitz 1977, Chiarello 1994, Gershuny 1994). For a contrasting view see Mingione 1985, 1994).

⁴⁶ The “inexistence” of options is clearly an extreme situation which very few households experience. What I want to point out is precisely that the continuous deterioration of the labour market leads towards an increasing narrowing of households’ options.

The main conclusions are as follows:

Labour is not just part of the pool of resources of the poor household. It is the most important resource. The transformation of labour into an asset depends on the options offered to the poor by the countries' opportunity structures. Most countries are experiencing a deterioration of their economies that has affected the options that the poor have in order to use their labour as a real asset. In spite of the fact that self-provisioning and subsistence production is an important income source (increasingly so), wages obtained in labour markets cannot be substituted. Wages' erosion impacts other income sources and decreasing incomes erode the poor's capacity to be part of social networks of support. Social isolation is a spreading phenomenon and makes the poor more vulnerable. A process of cumulative disadvantages is emerging where all members of the households are losers. Initially, women appeared in a disadvantaged situation, as well as children, youth and the old. But men are also losing, and we need a more balanced gender perspective in order to assess the impact of economic and social change in the lives of both men and women.

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