

WHO REALLY IS POOR AND WHO ISN'T? AND WHO SHOULD MAKE THAT CALL?

In 1973, the World Bank's president set a goal to "eradicate absolute poverty by the end of this century" and drew his line for measuring poverty at 30 cents of a US dollar per day, which was thought to be enough to eliminate malnutrition and illiteracy, reduce infant mortality and raise life expectancies to match those in developed nations.

When the World Bank's new president announced in April 2013 that his institution was going to "end extreme poverty by the year 2030", he set a poverty line of \$1.25, which is the WB's previous dollar-a-day poverty line adjusted for inflation (but actually worth less). That \$1.25 will definitely not be enough to keep kids at school or to access health-care or decent housing or secure tenure or basic services, but it may be enough to just barely keep a person in most places from starving to death - which is the World Bank's disappointingly unambitious definition of "absolute poverty." By simply lowering the bar, the chances of actually achieving that noble-sounding goal to end poverty has been made magically more likely.

By such tricks of statistical smoke and mirrors, the game gets adjusted to serve different purposes, at global and local levels, and the true nature and extent of poverty remains as murky as ever. So who really is poor and who isn't? And who should be making that call and defining those poverty lines? Sadly, it's almost never the poor themselves - the ones most intimately acquainted with all the multi-dimensional fine points of deprivation, and the first to laugh at the notion that \$1.25 a day could ever clearly separate the poor from the non-poor. Yet billions of poor people around the globe are being left out by policies that are based on those inappropriate top-down poverty lines, and hundreds of countries are cutting their urban poverty programs because those figures tell them poverty is disappearing.

ACHR and IIED decided to challenge this stuff with a little *bottom-up* research of our own into poverty in Asian cities. But instead of getting a few professors to gather the information and write up a paper, in the style of most conventional development research, this regional poverty study has been organized to create space for urban poor people around Asia - the ones who understand poverty best - to think, examine, discuss and sharpen their own understanding about what constitutes poverty in their own particular contexts.

HOUSING

byPeople

IN ASIA

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CAUSES OF POVERTY ►

Lack of sufficient income isn't the only thing that makes people poor, and another important part of the study has been giving these poor community groups a chance to survey, discuss and refine their own understanding about what factors make them poor and keep them in poverty.



SOLUTIONS TO POVERTY ►

The community groups who carried out the poverty study in six countries are not your moaners and groaners given to complaining about the fine points of poverty line-setting, but are active finders of practical solutions to their problems of housing, land, living conditions and livelihood. And because of that, all the discussions in the poverty study moved naturally and immediately into the business of what the poor themselves can do to lift themselves out of poverty.

◀ DEFINING POVERTY

Despite what the big institutions may suggest, income isn't the only thing that defines poverty. This study in six countries has given community organizations a chance to analyze the poverty they experience first-hand and to identify and describe in living detail all the various aspects that characterize that poverty. The community teams also looked at who the poor are, and how their differing situations divide them into distinct poverty levels, each with different problems and needs.



◀ BETTER POVERTY LINES

None of the community groups in the study had ever heard of the World Bank's dollar-a-day poverty line or known that it was being used to set policies that may affect their lives. When they did hear, they were so indignant that they decided to show the world the right poverty lines.



**SPECIAL ISSUE
ON HOW POOR
PEOPLE SET
THEIR OWN**

POVERTY LINES



“ Why are we here? We are coming together here to learn how to raise the living standard of the poor. To do that, the poverty line plays an important role. We want to help define the poverty lines in our countries more accurately, so they will convey that you can live decently if you are above that line, but not if you are below it. That's what a poverty line means for us. **”**

(Malee-Orn, community leader from Khon Kaen, Thailand)

Why are **POVERTY LINES** so important?

A POVERTY LINE is a specific amount of money which is thought to represent the income a person needs to meet certain minimum daily nutritional requirements or basic human needs. If a person's daily income (or share of the family's income) is less than that amount, that person is considered to be below the poverty line and officially "poor".

Most governments set their own national poverty lines to assess their country's poverty, but for many decades, the World Bank's one-dollar-a-day-per-person has been the emperor of all poverty lines, embraced by governments, UN agencies, development institutions, development professionals and academics around the world as the standard rule-of-thumb for determining who is and who isn't poor. That dollar-a-day has been applied in cities and countries around the globe, in developed and undeveloped economies, in rural and urban areas, in megacities and provincial backwaters. Never mind that living costs and poverty levels in all those different places are dramatically different, or that what a dollar buys you in Pokhara is nowhere near what it buys you in Seoul. In poverty, it seems, one size fits all. Needless to say, it is invariably professional economists, statisticians and "poverty experts" who set these poverty lines, and there is little room in their calculations for the complexities of real poverty, which you can be sure none of them has ever experienced.

Poverty lines are serious stuff, because governments and development agencies use them to generate the statistics which are used to set national and global development priorities, develop policies and programs, determine how much money gets spent on the programs for the poor and decide who gets the goodies. When poverty lines are wrong, the poor lose out in a big way. Because that dollar-a-day poverty line (or the equally unrealistic \$1.25-a-day poverty line, supposedly adjusted for inflation) is so low, and because it's not based on any actual poverty context, it has the power to make urban poverty almost disappear, at least in the statistics. And it does so all the time. When the statistics say that there are very few poor people in our cities, poverty also tends to disappear from the urban development agenda as well. What poor people? Where?

In fact, the tragic shortage of policies, programs and budgets to deal with the real problems and real scale of poverty across Asia can partly be blamed on these unrealistic poverty lines, which by showing that the problems are not so bad - or diminishing - allow governments to justify the meager investments they are making in fighting poverty and dealing with problems of slums and eviction that are growing day by day. Aside from a few scattered projects here and there and despite the enormous economic growth these Asian countries are generating, most governments here still have very few clear policies, programs or mechanisms to deal with slums or urban poverty alleviation, and budget only very meagre resources to addressing those problems.

Poverty line as a tool of engagement :



As much as we may regret the way every aspect of our lives nowadays gets reduced to a bottom-line monetary figure, it's a reality we can't ignore. We all know that money is just one dimension of poverty, but if poverty is going to be defined, discussed and dealt with on the basis of these simplistic monetary terms, it's important that the poor should also understand what these poverty lines mean and how they relate (or don't relate) to their lives. If the battle for more just and realistic policies is to be fought on monetary terms, then it makes sense for the poor to be able to convey the real situation of their poverty in terms that a monetary society can understand.

Then they can enter the fray armed with their own more accurate, more realistic poverty lines. That way, when the World Bank announces their inappropriate poverty lines, the poor can stand up and challenge those wrong figures with better ones. A poverty line which poor people set themselves can also be used by communities as a reference point in their campaign for recognition and for resources, and in their challenge to their government when its policies fail to help people rise above that reference point.

A POVERTY STUDY DONE BY THE POOR

Why this study?

The idea of this study was first hatched in a workshop on poverty assessment organized by IIED in London, in January 2013. One of the most bothersome issues in that workshop was the poverty line, and particularly the World Bank's dollar-a-day poverty line. Everyone agreed that different countries and different cities have different living costs and different poverty levels and that poverty lines ought to reflect those differences. They also agreed that poverty is complex and multi-faceted, and not simply a matter of how much a person earns each day. So why was that single, very-low poverty line still being used to measure poverty everywhere? And if the dollar-a-day doesn't make sense, what should the real poverty line - or lines - be?

A suggestion came up that instead of letting ourselves get too frustrated with the way the World Bank and international agencies define and measure poverty, why don't we make our own study of urban poverty? And instead of doing it in the conventional way, with Doctor This and Professor That going around the slums with their questionnaires, why not let the poor themselves define poverty and determine the real poverty lines in their countries? One big problem is that poverty is always being defined and measured by outsiders and professionals who are not themselves poor and who have never experienced poverty directly. So it's little wonder their conclusions can often be so far off the mark.

IIED rose to the challenge and agreed to support a study, in which urban poor community organizations in several Asian countries would define poverty and develop their own poverty lines, according to the real conditions in their cities, and ACHR would facilitate the process.

This ground-breaking poverty study is perhaps the first to be conducted by the poor themselves, and it adds to the list of other poverty issues that have been studied by the poor themselves. For the poor are the real "experts" whose understanding of poverty comes from actually living it and from their work of finding lasting solutions to it. Besides generating some very clear definitions of poverty and some very detailed poverty lines for six countries, the study has opened up a new area of exploration for these urban poor organizations, to understand their own poverty with greater clarity, and to find new lines of negotiation with their governments and local institutions for recognition and resources in their cities.

How the poverty line study was carried out . . .

Everyone agreed it was important to design the poverty study in ways that would spread the opportunity out and draw the fullest possible energy from the urban poor themselves. Poverty, after all, is an issue the poor have all sorts of ideas about and are never shy about discussing, in living technicolor. The only problem would be how to organize all that richness and all those ideas into some kind of comparable form, which could somehow find a place in the larger discourse on poverty. That was no easy task, and the two regional workshops were crucial in helping the participating groups to come to a common agreement about how the groups in each country would do their studies. As one Thai community leader put it, "This project is to see if we can get the urban poor to think about and articulate what poverty is, for them, in detail: discuss it, bring their ideas into some clear form, and then bring these ideas together to talk and compare notes, at both the national and regional levels." Here is a brief run-down on how the study was organized:

STEP 1: First round of discussions and surveys in the countries:

The first step was to circulate news about this study to groups within the ACHR network and to ask who was interested in the poverty line issue and would like to join the poverty study. Eventually, community networks in six countries decided to take part in the study and right away began thinking and talking about the issue, in their own way. The ACHR secretariat only sent them a few key questions to guide their discussions:

- How do you define poverty and decide who is poor in your cities and country?
- What are the different aspects of poverty, besides income and nutrition?
- What are the different levels of poverty and how do you characterize those levels?
- How do people in these various categories of poverty survive?
- What things does a person need to live a sufficient life, and how much do those things cost?
- How can the problems of poverty in your country be solved?

Most of the groups started with group discussions, to begin understanding these questions by talking them over and coming to some initial conclusions together, with lots of rich input. Then, they used surveys of poor families as reality check, to cross-check the conclusions from the group discussions with some quantitative information from the surveys, and then bring back questions for another round of group discussions.

STEP 2: First regional workshop in Khon Kaen (Feb 2014)

The groups who had already started presented their work so far, discussed the meaning of poverty and poverty lines and clarified what kind of questions they would need to ask and what information they would need to gather back home. This workshop gave everyone a much clearer sense of the study's objectives, of what they were going to do and of how they could use the poverty line issue to strengthen their work and carve out a larger political space for their role in reducing poverty. Most of the groups had gathered information about the actual expenses of poor people at different levels, but many people they surveyed were barely surviving and lived in ways nobody would ever call reasonable. So in Khon Kaen, everyone agreed to go one step further and figure out what should be the minimum reasonable expenses for a person to live in a decent way, at two levels: very poor and ordinary poor. That analysis was crucial, because it would be based on detailed household expenses, would represent what poor people themselves consider to be a reasonable level of survival, and would show clearly that the dollar-a-day poverty line is *not* reasonable.

STEP 3: Second round of surveys and discussions:

So the groups then went back to their countries and spent another two months organizing more group discussions and meetings, and gathering more information and defining their poverty lines.

STEP 4: Second regional workshop in Bangkok (March 2014)

This second gathering allowed the six participating groups to go a little deeper, with more elaboration and more detailed presentations of the conclusions of their studies. A team of senior professionals from the ACHR network also joined the workshop, listened to the presentations, joined the discussions and brought in the perspective of professionals who have been working and supporting this issue for a long time.

STEP 5: Make a big noise:

After the Bangkok meeting, it was clear that most of the groups needed one last round of discussions and one more set of adjustments to finalize their poverty line figures. The last step will be to put together all this rich analysis of poverty that comes from poor people themselves into some form which can convey to the larger world what the *real poverty lines* in Asian countries and cities actually are.



The study teams :

The teams of community leaders who took part in the poverty study are not your ordinary urban poor. They know from experience what it means to have to survive, with many children and very little money and no houses of their own. But these are not ones to waste time complaining about how bad their lives are or begging for help. This group has faced poverty and worked to find a way out of it. These seekers of solutions to poverty have linked together into networks at community, city, national and regional levels. And they have passed through all the milestones: organizing, saving, mapping, network building, settlement planning, housing construction, finance management, loan repayment – even collective farming! These people know how to negotiate with governments and how to transform illegal, insecure and dilapidated slums into beautiful, secure communities. And these are people who fight poverty as a movement.

1 THAILAND: The poverty study in Thailand was carried out by members of the National Urban Poor Community Network and the 4-Regions Slum Network, with support from ACHR.

2 NEPAL: The Nepal study was jointly implemented by the Nepal Ekta Samaj Women's federation and the Women's Forum - a network of poor women's savings cooperatives in Kathmandu, with support from Lumanti.

3 SRI LANKA: The study in Sri Lanka was carried out by the Women's Bank, a national network of women's savings groups with some 80,000 members around the country, with support from the NGO Sevanatha.

4 PHILIPPINES: Here the poverty study was done by members of the Homeless People's Federation Philippines, which is now active in 35 cities around the country.

5 CAMBODIA: The poverty study in Cambodia was implemented by the National Community Savings Network, with support from its NGO partner the Community Development Fund Foundation.

6 VIETNAM: The poverty study here was carried out by the Community Development Fund (CDF) Network, with support from the Associated Cities of Vietnam (ACVN).





POVERTY STUDY CONCLUSION #1

That poverty has many dimensions:

The first thing that all the urban poor groups drew out in their studies and stressed in their presentations was that income isn't the only thing that defines poverty, and that judging poverty only by money is not enough. Deprivation takes many different forms, and different factors can cause people to become poor, or poorer. And when those different factors pile up in a compound system of cause and effect, as they almost always do, they can plunge poor families deeper and deeper into poverty, and make it harder and harder to lift themselves up out of it. Here's what Malee-Orn, a community leader from a railway squatter settlement in Thailand, had to say about this:

"I don't agree that poverty can only be judged by how much money a person earns or spends each day. Otherwise, why do so many people earn good money but continue to be poor? We have to think what causes poverty. Poverty comes from many different causes, not just one. We have to look at all those different factors and consider what effect they may have on how the poor live. The way governments draw the poverty line only by money is too narrow."

But there is another important reason to look at poverty multi-dimensionally. If you only measure poverty by a person's income, then it follows that adding to that person's income is the only way to reduce poverty. But if you recognize that poverty covers a lot of dimensions, that means there are many more entry points to reduce poverty. Suddenly there is a whole bunch of things - other than income - that are important, and those other things can become aspects of a multi-dimensional poverty reduction strategy. When you bring things like secure land and housing, access to basic services, health care, education and citizenship into your battle to end poverty, the light really starts getting in, and a big new space is created for active communities and community networks to work with their cities to develop all these aspects together, in a more comprehensive way.

1 WORK AND INCOME : Let's start with the most obvious aspect of poverty, which all six groups had at the top of their lists. The Thais said the poor's income is very low and irregular because their jobs are irregular, insecure and low-paying. The Cambodians said they lack tools, equipment or credit to start small businesses, and the Sri Lankans added that many poor are unable to develop skills needed to get higher-paying work. The Philippines group spoke about the poor being laid off of factory jobs when larger economic forces wax and wane, or following traditional occupations (like fishing) which depend on uncertain weather and fish stocks, or not being able to find work at all.



2 LIVING ENVIRONMENT : For all the groups, physical conditions were an important aspect of - and cause of - poverty. The Philippines study focused on families living in "danger zones" along shorelines and roadsides, on steeply sloping hillsides, under traffic bridges and in flood-prone lowlands, where they are vulnerable to disasters both natural (like typhoons) and man-made (like pollution and eviction). The Cambodians described the kind of swampy, smelly, malarial and sewage-clogged conditions in so many informal settlements. Overcrowding was another point, and the lack of light, poor ventilation, illness, conflict and social problems that go with it. Arif Hasan described the growing disparities in Karachi, where densities in some of squatter settlements can be as high as 5,000 persons per hectare, compared to 150 persons per hectare in the city's richer quarters.



3 BASIC SERVICES : In many of Thailand's informal settlements, the poorest families have no access to clean water and depend on dirty canal or well water for bathing and washing their clothes. Clean drinking water is an expensive burden the poor in all six countries have no choice but to bear. The Vietnamese team described how families who can't get legal access to metered electricity pay three or four times the municipal rates for informal connections. The teams from Philippines, Cambodia and Nepal enumerated problems that come from inadequate toilets: open defecation, urinary tract and digestive diseases, danger for women of being molested. Lack of drainage and garbage collection also made it to several lists as sources of disease and pest infestations.



4 HEALTH : The Thais held that the poor are less healthy, more prone to illness and more likely to die young. They are also thinner, their faces sadder and their eyes more dull. A poor family will often include at least one member who is chronically sick or disabled and unable to work. In the Philippines, many of the poor cannot afford to buy medicines or bring their sick to the hospital. The Sri Lankans described the respiratory diseases many poor women develop from cooking on wood-fires in dark, unventilated kitchens. And the Cambodians spoke about the poor health of the country's huge number of disabled people, many of whom fall into alcoholism or drug addiction in their hopelessness. Some of the countries in the study do have subsidized or free government health-care programs, but for different reasons, many poor people can't or don't access them.



5 NUTRITION : In Cambodia, the food sold in poor settlements is of much lower quality than in richer parts of town - the poor get only second-quality vegetables and fish in their markets, and the rice is full of stones and weevils. Because so many poor eat only once a day, the Philippines team said, and since that single meal is often cheap junk-food and nutritionally worthless, their health quickly goes down hill. When people don't get enough to eat, the Cambodians said, they have less power to work and earn. The Nepal team described how even the poorest in rural areas can grow some food to survive, but in the city, people have no place to grow vegetables or raise animals, so they have to buy everything. For poor children, bad nutrition means their brains don't develop, they're often sick and listless at school, and their bodies don't develop, so they're smaller than other children.



6 CHILDREN AND YOUTH : For many reasons, some poor families are too large and children are neglected and deprived on many fronts. In all six countries, public schools are officially free, but all the groups spoke about the hidden education costs that are really difficult for poor families to meet: transport costs, informal payments to schools, having to buy uniforms, books and lunch money. Lacking money for all these things means that many children are not able to go to school at all, or they only finish their primary education. The Philippines team noted how poor kids often cannot study well or complete their assignments because of cramped and difficult situations at home. As the Thai team showed, lack of education leaves children with fewer choices, narrows their future and makes them more likely to get in trouble with drugs, crime or too-early parenthood.



7 SOCIAL ASPECTS : According to the Sri Lankans, the poor look older than they really are, and that comes from lack of hope, from being isolated, illegal and considered parasites and outcasts in their city. In the Philippines, that hopelessness often pushes the poor into addiction to alcohol, drugs and gambling. The Thai team says poor people tend to distance themselves from society, dress in dirty clothes, don't believe in themselves, are lost, isolated and desperate. The poorest of the poor, according to the Thais, usually live alone, and if they have a family, it is often a large family, with several children and family members to be taken care of. Because they lack education or skills essential for getting good work, they find only irregular and low-paying work, and fall deeper into the cycle of poverty, with no way out and no future. In Nepal, the poor also face discrimination based on caste and caste-based livelihoods.



8 LEGAL STATUS : As all the reports confirmed, almost every aspect of poor people's lives is illegal, because anything legal is beyond their reach: they squat illegally on someone else's land, their houses are illegal and sub-standard, their service connections are illegal, their livelihoods are illegal. All that illegality brings another layer of problems and deprivation with it. In Thailand, many poor people have no ID cards, and without them, they can't access the public health care system or welfare programs for the elderly or disabled. Without a legal address, they also can't get house registration, which allows them to vote, to access municipal water and electricity and to enroll their children in public schools. Although some organized communities have negotiated to get temporary house registration, most haven't. Many of the groups also described how the poor living in informal settlements are harassed by the police, coerced into paying bribes and denied the protection from the law they are entitled to as citizens.



9 TRANSPORT : In Cambodian cities, there is no public transport at all, and it's not uncommon for poor workers to spend more than a third of their earnings on informal transport from their peripheral settlements into the city, where the jobs are. In the Philippines, the cost of transport into work and to school is also disproportionately heavy for the poor. A transport system has the power to change the relationships between the formal city and the informal city, if it is affordable to the poor. But that is not happening in any of the six countries, and the transport systems that are being promoted are far too expensive for poor people. In these ways, the high cost of transport continues to ensure that the poor stay poor.



11 POLITICAL VOICE:

In the discussions and in their reports, all the six country groups spoke about the lack of political voice as one factor of their poverty, and many of them described developing a strong, collective and proactive political voice for the poor as a key part of their solutions to poverty.

For as individual people, or even as individual communities, the poor don't stand a chance: they have no power to determine anything, to ask for anything or to change anything. When it comes to power and political influence, the poor are at the bottom of the totem pole. They might as well be invisible. As a result, they get pushed around by these interests and those, they are denied benefits and services they are entitled to, and they become the victims of development in their cities, rather than the beneficiaries.

But as all the groups described in their ideas about how to solve poverty, things like making citywide surveys and maps of informal settlements, setting up savings groups, building networks, identifying vacant land for housing, carrying out upgrading and housing projects, managing their own funds and negotiating with the local authorities for land - all these things resolve specific problems, but they also have a political dimension: they bring the poor together, make them active, make them visible, and they unlock their collective strength. And they also help create layers of political space for them to work with their cities and demonstrate their viability as development partners.

10 LAND AND HOUSING :

The dimension that most clearly separates the poor and the not-poor ...



Insecure land and housing is the factor that most clearly divides the poor and not poor. And insecure housing brings with it many other factors which affect a family's status and opportunities and quality of life. Once even the poorest community gets a secure bit of land and decent housing, everything tends to improve: health, income, jobs, education, status. By the same token, even the most active and well-organized community will eventually get stuck, without land security, and people will remain poor, marginalized, insecure and transitional.

SRI LANKA (*Rupa*) Secure housing is the most primary thing for the poor to lift themselves up out of poverty. The very poor don't have any land to live on legally, so they have to rent a room in an existing slum or else construct their own shelter on land that belongs to someone else. But their houses are very small, and constructed of temporary materials, without proper light and ventilation. And they can be evicted any time and their houses demolished by the police, so they have to start all over again.

CAMBODIA (*Kan Bolin*) Because we have no land of our own and can never dream of buying even a square inch of land in the city, we have to squat on vacant land we find along the railway tracks, beside the roads or on the banks of rivers and canals. Some build their own huts with bamboo and thatch and whatever materials they can scrape together, and others buy lots or houses from others in older squatter settlements.

PHILIPPINES (*Janeth*) Without any secure place to live, the urban poor squat in all kinds of dangerous places, along shorelines and canals, under bridges and on steep slopes, where they face the brunt of typhoons or the danger of floods and landslides. In these danger zones, they live in flimsy houses made of bamboo and used tarpaulins, some with no walls at all. Families in the government relocation sites feel even more insecure, because the sites are always so far from their workplaces and from public facilities and places of entertainment, and very often the infrastructure comes only years later. And the box-like houses the NHA builds are so tiny that it's difficult to move around inside, and some family members have to sleep outside in the streets.

THAILAND (*Paa Chan*) The poorer people are, the worse their housing conditions are and the more insecure their land. Very poor people can't afford a house of their own, so they have to live with others, crowded into rented rooms, or else squat on a vacant piece of land hidden away from the public eye, like under bridges or in the narrow space between buildings. They build their shelters there from whatever simple materials are available to them - like advertising boards, plastic sheets and scraps of wooden packing crates - and very often, these shelters don't look much like a house at all.



"The house is very important in the poverty formula. Without a house, society looks down on us like a piece of garbage. But when we have a secure good house to live in, our lives change, our status is higher and we are accepted." (Paa Chan)

POVERTY STUDY CONCLUSION #2

That poverty has different levels :

Sometimes it's just a matter of asking the right question. One of the most powerful findings from the poverty study was how the urban poor groups in the six countries responded to the simple question: who are the poor? Through their community visits, surveys, interviews and discussions, the study teams in all six countries identified four or five distinct levels of poverty in their local contexts, including those who are most vulnerable and lack the kind of social support that comes from government programs and development initiatives which invariably reach only the better-off poor. And they all described the differences and conditions which distinguish those different levels in the most vivid, specific and human terms.

In a world where poverty is still often described in black-or-white terms (back to that old dollar-a-day chestnut), the subtle and pragmatic ways by which poor people have begun to classify poverty and understand its differences and gradations makes a big contribution to our understanding of poverty. And it represents a big leap for community organizations also, for they can use this new understanding of the different groups of poor to find ways to bring everyone into their citywide development process, so nobody gets left out. This also has importance for those who define poverty, to better understand the policies that are not appropriate or the groups they are not reaching.

Most formal housing and slum upgrading programs, for example - even the most progressive ones - have not been able to reach *all* the urban poor; especially those most vulnerable people who live outside established slum communities or those too poor to take on housing or land loans. There are still big gaps. And community-based savings groups and microcredit programs, for all the progress they have made, also very often fail to reach the poorest and most in need of help, and tend to be taken up and made the most use of by the better-off poor.

The poverty levels identified by each of the country groups were not exactly the same, but there was enough overlap that we could roughly group them together under five headings, which we present on these two pages. One interesting thing in their analysis of the different poverty levels was the prominence of housing as the key indicator. For all six groups, the type of house a person lives in (including the house's condition and level of security) was the most important defining factor in the level of that person's poverty: the level of poverty goes with the level of housing quality and security.



1 THE POOREST GROUP: THE ISOLATED HOMELESS AND SCATTERED SQUATTERS

THAILAND: These are the poorest of all the urban poor and the ones least able to help themselves. They may be homeless and have no regular shelter of their own, moving from place to place and sleeping in parks or under trees or in front of shops. Or they may squat alone under bridges or in isolated circumstances. Many in this group are single - mostly men living alone, but there are also women and even some children. They lack the basic human necessities, living without adequate shelter, without sufficient food, without clean water and without proper clothing. They are often sick, and many are disabled. They lack education and they have been overlooked by society. Many survive on donations of food and clothes.

CAMBODIA: These are the homeless who have no land to call their own - even illegal land in a squatter community. Many of them are waste-pickers who earn a little by collecting and selling recyclable waste in a sack, and they often sleep in a different place each night. Many are disabled and most have no skills or tools to help them find better-earning jobs. Because they often earn only about 3,000 Riels (US\$0.75) a day, which is not even enough to pay for their food, they have to eat leftovers and scraps thrown out by restaurants. Others buy their food from food-stalls or street vendors for 5,000 Riels (\$1.25) on credit, and soon become indebted to the vendors.

SRI LANKA : Besides the homeless, many in of the poor in this group are sharers or tenants, who live with other people, but without paying rent, or paying only very little, and they are dependent and without control over their lives.

NEPAL : This group makes up about 15% of the total urban poor population in Nepal.



2 THE VERY POOR IN SMALLER AND MORE VULNERABLE SQUATTER SETTLEMENTS

THAILAND: People in this group squat on someone else's land - either private or government land - or stay with only temporary permission along roadsides, under bridges or on any vacant land that is hidden away from the public eye. Usually a small number of families in this group will live together in scattered clusters, or sometimes in more lonely situations, without any neighbors to make them feel more secure. Their housing and living conditions are much worse than those in established slums and squatter settlements. They lack the most basic necessities like water supply and electricity, and their toilets are just dirty pit latrines. Their dilapidated shelters may be made from used materials like cardboard, vinyl signs, flattened biscuit tins or pieces of salvaged wood. Many are daily wage earners, garbage collectors or laborers with no particular skills or tools. Those with families tend to have several children. They are very insecure, isolated and have no community organization. In Thailand, the poorest groups 1 and 2 constitute about 25% of the country's total urban poor.

CAMBODIA: These poor live in the most insecure slums, on public and private land and face the possibility - or the reality - of eviction all the time. Their living conditions are very bad and their tumble-down houses are made of thatch, bamboo and plastic sheeting, with only one dim light. Most of them are laborers or small vendors, with very low and irregular income. Some are also tenants in these bad slums who pay rent to the structure owners or slum lords.

SRI LANKA: These are often the poorest rural migrants who have newly arrived in town, living in the most vulnerable squatter settlements in newly-built shanties made of temporary materials, without any services at all.





3 THE GENERAL POOR IN SOMEWHAT ESTABLISHED SLUMS AND SQUATTER SETTLEMENTS

THAILAND: The poor in this group live in somewhat established slums or squatter settlements. Their houses and living conditions are better than the first two groups, and they have stronger social networks and support systems within their communities. Many have organized themselves and cultivated good relationships with their local authorities, which earns them a little more recognition from some government agencies, though small slums of less than 100 families are less likely to be recognized by the authorities than big ones, so they can't get access to basic services and pay inflated rates for illegal water and electricity. Like most poor people, their incomes are still low and irregular, their housing is substandard, their land tenure is insecure and they will all face eviction eventually, one way or another. And their lives continue to be carried out almost entirely outside of the formal system. This is the largest group of the urban poor - about 60% of the total in Thailand.

CAMBODIA: These are the general poor who live in slums, on land they don't legally own. Some of these settlements may have some land security (but not 100%) and most are still threatened by police with eviction or extortion. But because they have a little land, a house and neighbors on all sides, they feel more secure. The kids go to school, people have ID cards, many houses have city water and electricity connections. Many of these communities have been improved under the citywide upgrading program, with new paved walkways, drains, water supply systems and community centers.

SRI LANKA: These are the well-established squatters and people living in settlements which are still illegal, but have been recognized by the authorities and provided with basic services.

NEPAL: Squatter settlements in Nepal have no land security, but the people have houses and often more land than people in slums do. But none of the government poverty programs touch this group, and they don't get any municipal basic services. In these settlements, different levels of poverty get all mixed together: there are families that are relatively well off and have solid brick houses, and families so poor that the children are malnourished and live crowded into cloth hovels. Many have no regular jobs or have very low-paying jobs like domestic workers. Many are indebted to money lenders. This group accounts for 50% of the total urban poor in Nepal.

4 THE BETTER-OFF POOR IN MORE ESTABLISHED AND IMPROVED INFORMAL SETTLEMENTS

THAILAND: The poor in this group live in slums with insecure land tenure, but they have better incomes and the settlements they live in are usually the older and more established ones, with some improvements, with more recognition from the authorities and with all the basic services, for which they pay the correct municipal rates. This group is mixed in with poorer families from group 2 and 3 in these settlements. This group recognizes the importance of building a strong people's organization in the community. Some families in this group may earn enough to move into some kind of formal housing, but prefer not to, for various reasons: because they've lived in the community a long time and their social ties and status are strong, or because they have businesses there (like shops or rental rooms). This group accounts for about 15% of the total urban poor in Thailand.

CAMBODIA: These are the better-off poor who live in slums, but have had more chances to improve their lives, livelihoods and living conditions than other poor people. They have better land tenure security, better-paying and more regular jobs (like low-level government officers), and their children all go to school. They have ID cards and join the savings groups.

SRI LANKA: These are the upper-income poor living in well-established slum communities, maybe with infrastructural improvements and better land security. (10% of total urban poor).

NEPAL: In Nepal, "slums" are poor communities in the city with very crowded and poor living conditions, with dilapidated and old buildings, broken-down infrastructure and small rooms with big families crowded into them. But these families own their houses legally and have secure land title. (25% of the total urban poor).



5 POOR ROOM RENTERS LIVING IN CONDITIONS SCATTERED ACROSS THE OTHER FOUR CATEGORIES

THAILAND: There are also many poor people who live in small rental rooms in Thai cities, who have no hope of owning their own house or shelter. These renters are scattered across all four of the other categories of urban poor, from the very poorest to the relatively well-off, and their living conditions vary according to the location of their rooms and the rent they pay. There are rental rooms in squatter settlements, in well-established slum communities and in formal apartment buildings. Some room renters are single people, and some are couples or families, and some are groups or poor people or workers who get together to rent a room and sleep there on shifts, according to their work schedules, living in very bad and crowded conditions. Some room renters may be children of squatter families who have no place for them when they grow up, so they have to go find a room to rent in a slum somewhere. Because they are scattered and isolated in their rooms, this is the hardest group to reach and to organize.

NEPAL: Slums and squatter settlements used to be the main housing options for the urban poor in Nepal. But in recent decades, as open space for squatting in cities has disappeared under development, more and more poor migrants, vendors, daily wage laborers and scrap collectors have no choice but to move into cheap rental rooms that are going up all over the place. The number of rental rooms is increasing fast, and conditions are often much worse than in squatter settlements - with more people living in smaller spaces (5-8 people sharing a single room), without light or ventilation or privacy, with poor shared services, exploiting landlords and without the support systems of communities. About 33% of the urban poor in the Kathmandu Valley are room renters.





What makes people poor?

1 POOR FAMILIES: It may well be that nobody is truly born poor, as the Thai group insisted in their presentations. But being born into a poor family certainly starts a child off with a whole slew of disadvantages: nutrition-wise, environment-wise, education-wise, opportunity-wise and culture-wise. Entrenched poverty may mean a family has not had sufficient potential to bring about change to their lives, which may in turn be because of larger economic and social imbalances.



POVERTY STUDY CONCLUSION #3

That nobody in the world is born poor :

The Thai community network's in-house philosopher, Malee-Orn (a community leader from the railway slums in Khon Kaen) had this to say about the whys and wherefors of poverty, during the first regional workshop that was held in Khon Kaen:

"Nobody in the world is born poor. Poverty is not something you are, but something that happens to you, because of certain factors or circumstances. Every human being is born full of possibilities, with his own uniqueness and brightness, and should be able to grow and find happiness. But those things can get blocked by causes that may be beyond a person's control. That's why we have also considered it important to discuss the causes of poverty in our study. What makes people poor? Why do some people become homeless? Why do others earn well, but remain poor and continue to live in bad conditions and insecurity? And what factors cause so many poor people to get caught in the cycle of poverty and be unable to escape?"

Here are the main reasons why people become poor, according to the six community groups in the study:

2 DEBT: As the Thai team put it, "When we don't earn enough to meet our daily needs, we have to borrow. And no poor person living in a slum can get a loan from a bank, so our only choice is to go to the money-lender and borrow at high interest. That means that almost every poor person has to be in debt. And the poorer you are, the less chance you have to make things better, the more likely you are to fall deeper and deeper into debt." Many who invest in trying different kinds of occupations find their debts accumulating if their business fail. It's very hard for the poor to free themselves from debt once they're caught: many take new loans from other informal sources to pay off their older debts, while struggling to continue to make a living and support their families. In Thailand and the Philippines, many inherit their parents' debts, and get caught in a cycle of debt and poverty that crosses generations, and they can never free themselves.



3 BAD HEALTH AND ACCIDENTS: As the Vietnamese team said, most poor families have at least one member who is sick or disabled and can no longer earn. The Thais added that when the poor fall ill, they usually don't get proper treatment, so their health worsens, and soon they have to depend on their family, which means the whole family gets poorer. They surveyed one poor family in which only one person was earning, while six others were dependent on her, because they were all sick. That family could only survive with help from the neighbors and the woman's employer. Another family was headed by a man who could no longer work because of an accident, and most of his wife's small income was spent on his medical treatments, leaving little for feeding their three children; they also had to ask for food from the temple in order to survive.



4 LARGE FAMILIES: According to the Sri Lankan team, poor families are often larger than average and have fewer income-earners but more dependents (children, elderly and disabled and hangers-on). The Thais surveyed one poor family in a squatter settlement in Nakhon Sawan, in which an older husband and wife earned their living by making flower garlands and selling them to passing cars. They had to look after the two grandchildren their daughter had left with them when she went to work in another city. The couple also had to feed their unemployed son-in-law, as well as a friend of their daughter's who lived with them. The daughter sends home 1,000 Baht (\$31) a month, to partly cover the children's expenses, but even with that, they couldn't feed everyone and had to ask for food donations from the temple, and try growing some vegetables on vacant land nearby.



Are poor people poor because they are LAZY?



During the meeting in Khon Kaen, the team from Vietnam presented their list of reasons why people are poor, and the last item was "laziness". This didn't go down well with the other community participants, who disagreed energetically. Here are three specimens of their objections, from the Thai team:

Paa Chan: I don't agree with this word lazy. That is not our word. That is the word the authorities use when they look down on us and call us lazy and incapable of being helped. That's their excuse for giving no support to the poor. The poor are not lazy! Hopelessness is not the same as laziness.

Paa Nong: Poor people are not lazy. But the formal system often makes poor people become passive. That's not the same as laziness. We believe that when people have hope and believe in themselves, they cannot be lazy. The more people believe in themselves, the more they can do. It's not difficult to ask your neighbors to join the community process and become active in developing themselves and developing the community. If you ask them, they will join eventually, even if they might hesitate at first.

Malee-Orn : Most people in our societies do not have a positive view of our communities. They look at slums as warrens of drug dealers and users, criminals, thieves - and lazy people. That's where bad people live who cannot be changed. But they take this view wrongly. People living in slums are just like other human beings, and all of them have the potential to change and progress. We have to believe that. When communities develop themselves, with certain practices and regulations, even the desperate and forgotten can change and can be among those becoming more secure, better off, with a bright future.

5 DISASTERS AND CLIMATE CHANGE: Disasters and climate change are becoming big poverty-causers in Asia. Perhaps nowhere more so than in the Philippines, which besides earthquakes, volcanoes, floods and landslides, is hit by more than 100 typhoons every year. These disasters often come in bundles, and destroy people's houses and livelihoods, and make starting from scratch a yearly or twice-yearly struggle, especially for the poorest, who often live in the most vulnerable and dangerous spots and cannot count on the government or charities for much help. But Thailand, Sri Lanka, Vietnam and Nepal are also countries with a long history of vulnerable communities being impoverished because of floods, storms, tsunamis, droughts and landslides. And if the disaster itself doesn't make them poorer, the government policies to relocate them afterwards or take away their land certainly will.



Are people getting poorer?

When we look around cities like Manila, Phnom Penh or Kathmandu, we see slums and cheap rental rooms everywhere. And the newspapers are full of alarming stories about the widening gap between rich and poor, which has become a global phenomenon. Yet the UN and World Bank statistics are all sunshine, assuring us that poverty is diminishing everywhere. How to reconcile these opposing narratives: the one our eyes and guts tell us, and the other the "poverty experts" tell us? During the Khon Kaen workshop, Somsook put the question to the community groups: Is poverty getting worse? The reply was a unanimous YES! Here are a few of the answers:

Knoksak (Thailand) When people in rural areas get poorer and lose their land, that's when they migrate to the city. But in the city their farming skills are useless, so earning a living becomes much harder, while the cost of food and housing is so much higher. In cities, people don't seem to be getting better, but only worse.

Bina (Nepal) In Nepal, poverty is definitely increasing everywhere, but it's different in rural and urban areas. In the villages, with war and changing climates, people have less to eat and fewer crops to sell, but they still share and help each other. In cities, people have to buy everything with cash, and if they don't earn enough to feed, clothe and house their families, they face many problems. Because the cost of all these things goes up much faster than people's earnings.

6 MIGRATION FROM RURAL POVERTY: A lot of urban poverty has roots in rural areas, where growing numbers of farmers are falling deeper into debt, because of high-input farming methods, fluctuating crop prices and unreliable climates. All these factors force many to lose their land. The Thai team said that these days, family-owned farms are getting smaller and fewer, as more and more land goes into the hands of rich people, agribusiness and speculators. Without land, rural people have to work as farm laborers, and as Malee-Orn described, "When you do that kind of work for years and years, your health goes down, you get old early and soon you can't work any more, but have no money to look after yourself." When the rural poor migrate to the city, they can no longer grow their own rice and vegetables or raise their own animals, so they have to buy everything, and their expenses go up.



7 EVICTION AND DEVELOPMENT PROJECTS: As Asian cities continue their break-neck expansion and development, real estate speculation, skyrocketing land values and urban infrastructure projects continue to cause huge displacement of poor people who get in the way. Eviction figured in several of the lists of poverty-causers. In most Asian countries, eviction often comes nowadays with some kind of resettlement, but there are still a few cases here and there of brutal, old-style demolitions, where houses are bulldozed and poor families are left camping on the rubble, having lost everything. And even with resettlement, people start their lives again several notches down the poverty scale. It's hard to imagine a more instant poverty creator than eviction. As Sheela Patel, from the Mumbai-based NGO SPARC put it, "Every time you tear down a poor person's house, you're producing a leaking bucket."



Poverty's causes lie in deep STRUCTURAL INJUSTICES also . . .

Poverty is most often looked at as a problem faced by individuals, and consequently, poverty is analyzed, measured and dealt with individually. In their poverty study conclusions, the Thai team made a strong case for seeing the greatest causes of poverty not in individual misfortune, but in deeply-rooted social and structural injustices in our societies and formal systems. Here are a few points from their description of the biggest poverty-causers of all:



"Poverty is a way of thinking also, without any direction and with nowhere to go. Homelessness, for example, can indicate hopelessness, a lack of self-confidence or the absence of faith that a person has the power to make his life better. More than bad income, more than bad housing, that is the real poverty." (Malee-Orn)

- **ENTITLEMENTS:** Poor people are denied the documents every citizen is entitled to, which give them status and allow them to access public entitlements like government health care, free education and access to basic services. Without these things, the poor end up paying more for worse services.
- **BUDGET ALLOCATION:** Most government budget allocations are invested in promoting industry, business, tourism and economic development, which means their benefits go up to the rich minority and not down to the poor majority. And when a few subsidies do actually reach the poor, listen to the whole of society scream in protest: "Populist policies! Vote buying! Waste of taxpayer's funds!"
- **EDUCATION:** Social, economic and bureaucratic obstacles restrict poor people's access to education - even "free" public education. And low education prevents them from acquiring the knowledge and skills to get better jobs, earn higher incomes and realize their full potential. Only 2.3% of Thailand's urban poor complete high school, and less than 1% complete a bachelors degree.
- **JOBS:** Without education or skills or connections, the poor are closed out of the pleasant and well-paid jobs higher up the labor market (in banking, finance management, hotels, tourism, electronics and industries). Their only options are the insecure and badly-paid ones at the bottom of the labor market (cleaning, cooking, daily-wage laboring, food vending, rickshaw pulling, trash recycling).
- **FINANCE:** Asian countries are awash in loan capital, but the money that is allowing companies, developers and investors to turn such stellar profits is off-limits to the poor. Likewise, ordinary bank loans which allow middle-class families to educate their children, buy their houses and cars and expand their businesses are closed to the poor, who are just as enterprising, but starved for access to loans to improve their livelihoods and housing.
- **POLITICS:** As the Thai team put it, "Having no money means having no power. And having no power means having no say in anything and being unable negotiate for the things we need." Old systems of patronage politics also ensure the poor remain isolated and dependent petitioners and prevent them from organizing themselves and participating in politics in any significant way.
- **LEGALITY:** When the rich and powerful commit their crimes and corruption, they are seldom punished and soon back, but when the poor, in their frustration and hopelessness, fall into gambling or addiction, society flogs them with its harshest judgements. Thai jails, as a result, are mostly full of poor people.

POVERTY STUDY CONCLUSION #4

That misrepresenting poverty has been institutionalized

On these two pages, David Satterthwaite, from IIED in London, takes us on a guided tour of poverty lines: how they are set, how they've changed and how they are used - and misused. His remarks are drawn from a presentation he made during the second poverty study workshop in Bangkok in March 2014.

We began to work on poverty issues in the 1980s: housing, basic services and stopping evictions. But the definition of poverty seemed to be something that was done by experts and economists, so we didn't look at it. Also, their definitions of poverty involved lots of complicated mathematical formulas, which I didn't understand. But then, when we looked at the statistics, they seemed wrong. If you use the dollar-a-day poverty line, there's no urban poverty in China or in Central Asia, and almost none in Latin America or the middle east. Now we know that this was wrong. Every time we travelled to other countries and visited informal settlements and talked to people facing eviction, it was clear that large numbers of people were living in poverty, but somehow they weren't included in the statistics.

So we began to look at what the economists were writing, and we found, for instance, that most poverty lines were being set with no information about housing costs. How can you have a poverty line that doesn't include housing costs? And most poverty lines were being set without transport costs also, even though the poor who live on city peripheries spend a lot going to and from work. And we found that there was no real dialogue with urban poor groups about the costs of food, housing, education, health-care, transport, water or toilets. It was at this point that we began to worry, and to try to challenge those official definitions of poverty.

Over time, our research moved away from working with other academic institutions and began working more with NGOs who worked with the urban poor, and with groups like ACHR and OPP. And this began to present a completely different picture of poverty, in which poverty isn't defined only by income, but also by housing, by access to water and sanitation and by so many other things. I am a professor, I have a doctorate and I'm meant to be very well qualified, but after all this learning, I realized I knew so little about poverty.

So finally, we have come to this point, which I find so exciting: the possibility of organized urban poor groups defining poverty themselves, to remind the world that they are the only real experts on poverty and to teach us about what mechanisms will help them, so that poverty-reduction programs can be based on their knowledge, their capacity, their suggestions, and would reinforce their own community processes.



ee You've got to watch the big development agencies and governments very carefully. When they talk about reducing poverty or reducing unemployment, more often than not, they're not reducing anything, they're just changing the way poverty or unemployment is measured, so it looks like they're doing something. **99**

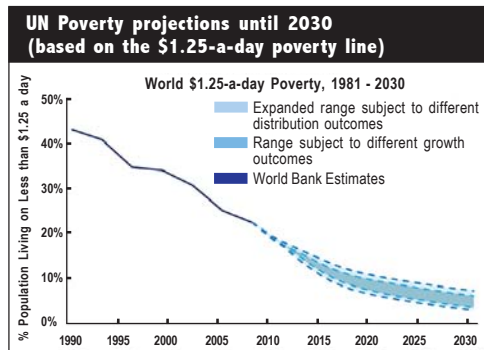
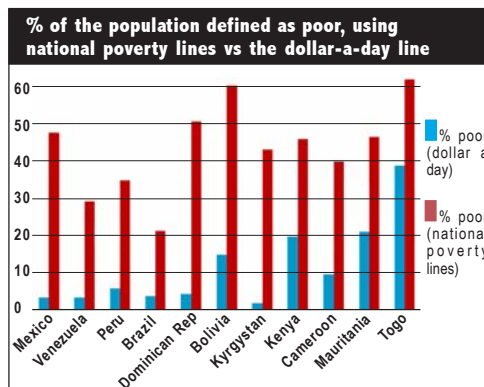
(David Satterthwaite, IIED)

The curious case of the disappearing poor people:

There are a lot of very influential, prestigious publications out there that say there is almost no urban poverty. A few prominent examples: *Environment and the Poor: Development Strategies for a Common Agenda*, by Leonard Jeffrey (Overseas Development Council, 1989), *World Development Reports on Poverty* (World Bank, 1990 and 2000/2001), *Progress towards the Millennium Development Goals in Africa*, by Sahn and Stifel (World Development, 2003) and *New Evidence on the Urbanization of Global Poverty* by Ravallion, Chen and Sangraula (World Bank, 2007). When they were published, most of these said that the problem with poverty is rural - there isn't a problem in urban areas, or if there is, it's a very small percentage of the population. All these claims were based on poverty lines that are inappropriate. These are all nonsense statistics, but because they are published by very powerful institutions, they're taken as law.

A lot of countries define their own poverty lines, and the chart to the right shows the percentage of several countries' populations that are defined as being poor, using the World Bank's dollar-a-day poverty line (in blue bars) and the national poverty statistics (in red bars). As you can see, there is a huge gap between the two. In Mexico and Peru and Brazil and Bolivia, for example, the dollar-a-day line says that there is not much urban poverty at all. But as soon as you use the national poverty lines, there is a lot of poverty! This is just a reminder that how we choose to define the poverty line has enormous implications for how many people are considered to be poor.

This second chart is the official United Nations projection for how poverty is diminishing. And if you look at it, you can see that by today, a very small proportion of the world is poor, and that within 20 years, there will be almost no poverty at all! This projection is based on the dollar-a-day poverty line (upped slightly now to \$1.25). So even though governments have moved away from the dollar-a-day poverty line, the United Nations clearly hasn't, and still uses the dollar-a-day poverty line to assess whether poverty is falling or increasing.



Disappearing problems of water supply and sanitation also ...

Besides fudging on its definition of who has adequate income, the United Nations is also fudging on its definition of who has adequate water and sanitation, and no one seems to be noticing. The Millennium Development Goals (MDGs) were set up to measure whether the development agencies were being effective in improving the lives of the world's poor. But again, in order to show they are being effective, they have to fiddle the figures:

- **WATER SUPPLY:** One of the MDGs, for example, is about improved access to safe water. But the criteria for measuring improved water includes bore-holes, shallow wells, springs and standpipes and doesn't measure whether there is water in the standpipe, whether the water is drinkable, whether it's affordable or whether women have to wait six hours to fill their buckets. So when they announce that "85% of Tanzania's urban population has improved water", you begin to wonder.
- **SANITATION:** Same with sanitation. What is said to be "improved sanitation" includes pit latrines, which are disastrous when there are hundreds of them in the middle of Harare or Karachi. And there is no measure of whether it's affordable, or whether there is any water for washing afterwards.

These are more nonsense statistics, and yet they are used every year to justify cutting aid, and to show that the number of people needing water and sanitation is going down.

The evolution of poverty lines:

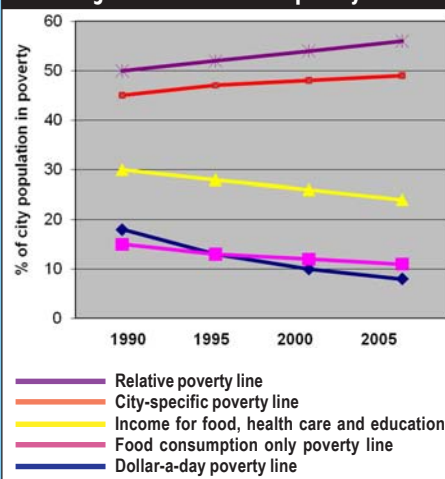
Who should urban poverty statistics be accountable to? To urban poor groups? To governments? There are so many intermediaries in the development process that these statistics are never accountable to the poor themselves. But that's beginning to change, and the way poverty lines are set is also changing. There are several changes which describe the transition poverty lines have gone through, from the old dollar-a-day poverty line we know so well, to the kind of detailed and nuanced definitions of poverty the community groups in this study have reached, through their surveys, discussion and analysis:

- 1** First there is the poverty line that is imposed on a country with no discussion with anybody and no measurement in that country at all - like the World Bank's dollar-a-day poverty line.
- 2** Then comes a national poverty line that is based only on food costs. But usually, national governments get a panel of "experts" to determine what the poor are allowed to eat ("food baskets"), and that means no meat, no fish, and use of only the cheapest and lowest quality ingredients. And of course this is terribly unrealistic - nobody would eat such a terrible diet, even if it was recommended by professors!
- 3** Next comes a national poverty line that is based on food costs, but where they actually look at what poor people eat. So at least the poverty line represents the real costs of food, as experienced by the urban poor, not what somebody thinks they should be eating.
- 4** Then there is a poverty line based on food costs, but with a little added for non-food needs like rent, water, electricity and health-care. But with these poverty lines, nobody measures how much it actually costs the poor to get these things - they just add a little bit, and that little bit is a wild guess. Needless to say, that process produces nonsense poverty lines as well.
- 5** The next step is to move into a real assessment of various non-food needs, like housing, transport, health care, clothing, etc. Believe it or not, this is something quite new in poverty line thinking. But without being told to do so or reading any manual, all the community groups in this study have done just that, and chosen to look in detail at all these different costs. So finally you have a monetary poverty line that bears some relation to the costs poor people really experience every day, in meeting their food and non-food needs.
- 6** Then you move to more than one poverty line. You generally have a poverty line for extreme poverty or the very poor, who are failing to meet their needs, and another poverty line for other poor, who are somehow managing to get by, but still face all the risks and insecurity. Again, all the teams in this study, without following the official World Bank manual, moved to looking at more than one poverty line and recognizing that there are certain characteristics of the very poor that distinguish them from the rest of the poor.
- 7** And then finally, there is a poverty line for every city. Because the costs of things like rent, food and transport in a mega-city like Bangkok isn't the same as in a small town like Nakhon Sawan. Now slowly, those professors who define poverty lines and control the discourse are moving towards individual poverty lines for each city, but only in a very few countries.

All these different poverty lines can give very different pictures. The graph below charts the percentage of a city's population in poverty, over time, using different kinds of poverty lines:

- **DARK BLUE:** With the dollar-a-day poverty line, the % in poverty is not very high and seems to be going down.
- **PINK:** If we use a poverty line based only on food consumption, it would be quite similar.
- **YELLOW:** If we used a poverty line based on food and the cost of health care and education, it would be a bit higher.
- **ORANGE:** If we used a city-specific poverty line, such as the ones some of you developed in this study, it would be completely different.
- **PURPLE:** And if we used relative poverty to measure poverty (you are poor if your income is less than half the average income in your country) we find that poverty is increasing.

Percent of a city's population in poverty, according to different kinds of poverty lines



Each of these lines could be said to be a legitimate measure of poverty. But look at what different stories they all tell - differences in the scale of poverty and differences in the trends over time.



Misrepresenting poverty figures has a very long history . . .

Sad to tell, there is a long history of poverty lines being produced which say that people's meager diets, lousy incomes, squalid living conditions and social, economic and political marginalization are all too push to be considered "poor" - as long as they're eating enough calories to keep from starving to death.

Poverty lines in Victorian England: In 19th century England, for example, conventionally-determined poverty lines allowed the authorities to greatly underestimate the number of very poor people in London and to mask the complexities and various aspects of deprivation which made them poor. But most importantly, those poverty lines allowed them to justify reducing the public budgets set aside to help them. In a fascinating and beautifully-written book called *The Blackest Streets: The Life and Death of a Victorian Slum*, by the English historian Sarah Wise, one chapter talks specifically about how poverty was measured in late 19th century London, and how one amateur statistician's field work in East London proved that the degree of poverty was much greater than generally thought. Simplistic income-based poverty lines, he showed, didn't even begin to describe the realities or classify the facets of urban poverty and deprivation in London, and were in fact used as a means of sweeping problems nobody wanted to confront under the carpet.

Poverty lines in India: Another salvo against narrow-sighted poverty lines examines the history of poverty lines in India, and how their misuse has allowed the nature and extent of poverty in this very big and very poor country to be seriously underestimated for a long time. *IIED Working Paper 20* is by Meera Bapat, a researcher and activist based in Pune who has been working with the poor and studying their lives and settlements for many years. It's interesting to learn in her paper that the country which still uses a cruelly minimal poverty line to determine who is and isn't poor (if you earn enough to put 2,100 calories into your belly every day in India, you're not poor) is also the country that produced the Nobel-Prize winning economist Amartya Sen, whose 1999 book *Development as Freedom* presented one of the most elegant and impassioned arguments yet that poverty is much more than simple lowness of income. Sen argued that poverty must be seen as the deprivation of "substantive freedoms a person enjoys to lead the kind of life that he or she has reason to value." For a copy of Meera's paper, "Poverty lines and the lives of the poor: The underestimation of urban poverty in India", please contact ACHR.

POVERTY STUDY CONCLUSION #5

That the dollar-a-day poverty line stinks :

One of the liveliest discussions during the Khon Kaen workshop was the one that took place after the community leaders were asked, "What do you think of the World Bank's standard dollar-a-day poverty line?" In fact, none of the urban poor groups taking part in the study had ever heard of that poverty line, or had any idea that it was being used to make judgments about their lives and to set poverty policies and programs around the world. Which should come as no great surprise, since the whole project of determining that poverty line and using it hasn't involved a single poor person, and continues to take place in another universe, far away from the real poor's.

It should also come as no great surprise that everyone in the meeting was shocked and angered when they learned of this figure, which is supposed to divide the poor from the not-poor, but which they all considered impossible and ridiculous: who could survive on \$1.25 a day in any city in Asia today, without being made so miserable that life would not be worth living?

But while the poor know nothing of that extremely important statistical touchstone, the dollar-a-day has seeped down deep into government practice and programs, into the discourse on poverty and inequality and into public perceptions of poverty around the globe. And because that little statistic is so unrealistic, it has turned the measurement of poverty into a farce and done perhaps more harm to Asia's poor communities than bulldozers and evictions could ever do.

And yet many governments (including Sri Lanka and Philippines) continue to borrow the World Bank's unrealistic standard and use it to show that there is no serious poverty problem. The UN Secretary General says that poverty is going to disappear in the next ten to fifteen years, and that is based on the dollar-a-day poverty line. And when all the governments meet in New York and congratulate themselves that poverty is disappearing from the face of the planet, that too is based on the dollar-a-day poverty line.



☞ That \$1.25 figure is like going back one thousand years. What is the reason for setting such a low minimum amount of money? Is it a punishment, or a conspiracy of some kind against the poor? ☞

(Boonlorm Huakliam, community leader from Samut Songkram, Thailand)

What do the poor think of the dollar-a-day line?

What do you think of the World Bank's \$1.25-a-day poverty line? Can people survive on that much? What will be the problems if they do? What shall we tell the World Bank about that poverty line? Here are a few vivid samples of how the community leaders in the Khon Kaen meeting responded to these questions:

1 Reactions from the community team from THAILAND

Malee-Orn: Yes, we could probably make our bodies just survive on that small amount; the poor are very resourceful, after all. But \$1.25 is not sufficient. It would mean that we could only eat one meal a day. It would mean that our children's brains would not develop fully for lack of proper nutrition, and they would not be able to get the education they need to move ahead in the world. With our stomachs empty like that, we would become more selfish, more frustrated, and our mental health would deteriorate. We wouldn't be able to sleep well at night, and besides our health going down, we would stop feeling good about life in general, stop finding anything to be happy about. In our heads, we would be so unhappy and confused. And this would mean that there would be big social problems as a consequence - the numbers of thieves and the instances of violence would increase so fast. How can a society with such people in it go on?

Boonlorm: That \$1.25 figure is like going back one thousand years. What is the reason for setting such a low minimum amount of money? Is it a punishment, or a conspiracy of some kind against the poor? These days, it is difficult to survive in Thailand on 100 Baht (\$3.30) per day. Nothing is free any more. It is impossible to live with \$1.25 per day in Thailand - impossible! How did they come up with this figure? It must be a top-down decision, made by people who know nothing of reality on the ground. We have to object strongly to this figure and overturn it.

Paa Chan: Can all of us here accept this figure? No! I can't take it! Is it reasonable? No! If I had known that somebody thought that we could live on \$1.25 a day, I would have stood up and protested 30 years ago!

Paa Sanong: In our surveys, we found that nobody in any of the five categories of the poor can live on \$1.25-a-day. Even the poorest squatter or homeless person, who has to purchase his food from vendors or in the market, will pay more than that just for his food. He will die if he has only \$1.25 a day. Before they set such a bad figure as \$1.25, they should know that people here in Khon Kaen are earning much more than that, but still they have died of the cold this winter, for lack of warm clothes, bedding and basic necessities.

Knoksak: \$1.25 is not enough even for a poor person's food. The people who set that poverty line lack common sense. And even if you consider eating as a human being's only need, you can't just eat any old thing - you have to eat something nutritious, or you cannot survive.

Comparing how the big agencies set their POVERTY LINES and PER-DIEMS :

Development organizations like the World Bank and the UN have finely-calibrated systems for setting the per-diems their staff-members are paid when they travel abroad on "missions." These per-diems are adjusted constantly and vary from city to city and country to country, according to fluctuating local costs and degrees of risk. This sharp eye for local economic realities gets blurred, though, when it comes to the poor, for whom one rate is considered sufficient for all, year after year, regardless of how the costs of living in different places may change or vary. To give you an idea how big the gap is between what these agencies think is sufficient for their own staff and for the poor, here is a chart with their official 2014 travel per-diem rates and poverty lines.

	WORLD BANK TRAVEL PER-DIEMS		UNITED NATIONS TRAVEL PER-DIEMS		WB / UN POVERTY LINES	
	# of different city rates	Per Diem range	# of different city rates	Per Diem range	# of different city rates	Poverty line for all places
CAMBODIA	3 rates	\$132 - \$260	8 rates	\$45 - \$345	1 rate	\$1.25
NEPAL	9 rates	\$124 - \$244	10 rates	\$41 - \$275	1 rate	\$1.25
PHILIPPINES	23 rates	\$161 - \$266	10 rates	\$106 - \$235	1 rate	\$1.25
SRI LANKA	8 rates	\$131 - \$248	6 rates	\$78 - \$244	1 rate	\$1.25
THAILAND	13 rates	\$121 - \$261	10 rates	\$62 - \$244	1 rate	\$1.25
VIETNAM	11 rates	\$145 - \$262	9 rates	\$91 - \$164	1 rate	\$1.25

Note: the World Bank and UN per-diems include hotel, meals and local transport costs. (in US\$ - per - day)

2 Reactions from the community team from NEPAL

Bina Buddhacharya: I'm so surprised to hear about this \$1.25 a day. Who is the expert who decided on this amount? It is impossible to survive on \$1.25. Even to prepare a tiffin [lunch] box for our child to take to school costs a minimum of 50 rupees (\$0.50). If we set \$1.25 as the poverty line, then it means that there are no poor people in Nepal at all, so no need for us to travel to any poverty meetings like this one. Now I realize that all of us people from poor countries should go together and lobby the World Bank and other international organizations to change this poverty line, to make it more realistic. This has to change!

Bindu Shrestha: When we did the poverty survey in our community, we found nobody was as poor as the World Bank's definition of a dollar-a-day. Nobody at all. But I live in a squatter settlement along the Bagmati River, and in 2012 the government came and evicted us, saying, "You people are not poor!" The government followed that same poverty line, and said only 11 out of 200 families in our settlement were poor. So only 11 families got land for resettlement, while all the rest are living on the rubble of our ruined houses. So we decided to do our own survey of the poor, and presented that data to the government. But the government said no to our data, because everyone in our survey earns more than one dollar a day.

Mahendra: In Nepal, a person needs at least two dollars to stay alive. Without that, a person won't even get enough to eat. He will have to forget about medicine when he's sick, or transport when he needs to go somewhere, or electricity when he needs a light. And he will only be able to drink water - no tea or yogurt!

3 Reactions from the community team from CAMBODIA

Phon Saret: It would be impossible to live with this amount, even in a small town in Cambodia. You would have to gather leftover food from rubbish piles in the street, and eat three meals a day like that. Even a beggar needs more than \$1.25 a day. If you had to live with that budget only, you would have to sit outside restaurants and near food stalls, waiting for people to finish their meals, so that you could jump on their plates for the leftovers. Otherwise, it would be impossible - you couldn't even eat.

4 Reactions from the community team from PHILIPPINES

Celia: This is not enough even for the poorest Filipina to survive. We want to have a word with World Bank about this! [The Philippines is one of the many countries which have adopted the World Bank's \$1.25-a-day as their national poverty line. The Philippines Statistics Authority's official 2013 national poverty line is 8,022 Pesos (\$187) per month for a family of five. That works out to almost exactly \$1.25 per day per person.]

5 Reactions from the community team from VIETNAM

Minh Chau: In Vietnam, \$1.25 a day is not sufficient, or it's only enough to eat one time a day. This past winter, which was an unusually cold one here in Southeast Asia, one young man in Vietnam died, alone, in his house just before the Tet New Year. He was a waste collector, and because he'd been sending all his money home to his family in the village, he didn't have any warm clothes and didn't have much flesh on his body, after years of not getting enough to eat, so he had nothing to protect him against the cold. Maybe people can survive on \$1.25 a day, but with what kind of sacrifice?

6 Reactions from professional friends from PAKISTAN

Arif: If you look at the informal settlements in Karachi, even the poorest earn much more than a dollar a day. But what has happened is that the costs of land, construction, transport, food and rent have increased much more than earnings. In 1992, for example, one square meter of land in a squatter settlement on the periphery of Karachi cost 1.7 times the daily wage. In 2006, that same square meter of land cost 10 times the daily wage. Similarly, the cost of construction for one square meter was three times the daily wage in 1992, but it has now gone up to 12 times the daily wage. Transport costs have increased by 80% since 1992, and rents have increased by more than 200%, although people's earning have increased substantially. Also, living on the periphery of the city means more not only time and money spent in travelling, but it also means a lot of social stress, it makes family relations difficult and it means difficulty in improving your status in life.



The anti-poor bias:

Throughout Asia, there is a very strong anti-poor bias in planning, policy making and public expenditure, and it hardly needs saying that these nonsense statistics that make poverty all but vanish are used all the time to justify and bolster this bias. During the workshop in Bangkok, Arif Hasan, who has been studying this issue in Karachi for years, had these thoughts on how cities are not just ignoring their poorer citizens but actually attacking them:

The anti-poor bias in planning and policy is everywhere: it shapes our public spaces, infrastructure, housing, transport systems, ecology recreation and even how we think about our cities:

- **INFRASTRUCTURE:** In Karachi, per capita investment in infrastructure in poorer areas is a fraction of what it is in rich areas, and projects in poor areas are seldom completed or maintained: road projects are washed out in the first rains and sewage projects stop functioning within a year.
- **HOUSING:** And when poor people build houses themselves, in the absence of any affordable land or housing, we bulldoze them and evict them to the city periphery, where they become poorer, socially stressed, and their access to jobs, health facilities, education and recreation are drastically curtailed.
- **LAND:** When proposals for resettling them on government land within the city are made, we are told that this land is too expensive for the poor and settling them here would drive down the land values in adjacent areas. This in spite of the fact that public land in prime areas of the city continues to be sold at below market rates for middle-income housing.
- **RESEARCH:** The anti-poor bias exists not only in practice, but also in the way research is carried out, and in academic theory and vocabulary, which belittles poor communities and assumes them to be objects of charity rather than citizens with the same rights to equitable development as everyone else.
- **PLANNING:** The micro level problems of poor households and communities - even when those poor communities represent a majority population in their cities - are not part of the grand development visions and theories which inform both the teaching and practice of planning and administration. Professionals and bureaucrats practice what they have learned in their courses, and teachers teach as they have been taught, so the bias replicates itself.

I have come to believe that by overcoming this anti-poor bias and eliminating its causes, we will have better designed and constructed physical infrastructure and a far healthier social environment in our cities. But the question is how?

But wait, it gets worse: NATIONAL POVERTY LINES

Before you consign the World Bank statisticians to eternal hells, take a look at the national poverty lines that have been set by the governments in these same six countries. In every case but one (Thailand), these governments have bettered the World Bank for under-estimating poverty by setting poverty lines that are so unrealistically low that they can make even more poor people disappear :



NATIONAL POVERTY LINES		(US\$ per person per day)
CAMBODIA	\$0.95	(2009, Ministry of Planning)
NEPAL	\$0.56	(2011, Central Bureau of Statistics)
PHILIPPINES	\$1.25	(2013, Philippines Statistics Authority)
SRI LANKA	\$1.00	(2014, Dept. of Census and Statistics)
THAILAND	\$1.75	(2010, NESDB)
VIETNAM	\$0.80	(2011, Ministry of Labor & Social Affairs)



POVERTY STUDY CONCLUSION #6

That the poor can make better poverty lines :

In development, it is an enduring article of faith that professionals are *objective* in their collection and interpretation of data, while poor communities are *subjective*. As a result, the discourse on poverty is carried out almost exclusively among professionals and “experts” who have never experienced poverty personally. And nobody seems to question that.

But as we’ve seen with the dollar-a-day, professionals can switch their objectivity on or off when it suits them. In fact, the poor are quite capable of reflecting on the poverty they experience in their lives. And because their understanding of that poverty is so detailed and so grounded in actual experience, their data and conclusions can be far more objective and accurate than the ones by outsiders. That’s why challenging that nonsensical dollar-a-day poverty line with a new set of poverty lines that are set by poor people themselves was a central part of the study. Here’s how Paa Sanong, a community network leader from Chum Phae in Thailand, put the challenge to her colleagues during the Khon Kaen workshop:

“We feel very discouraged when we learn about this dollar-a-day figure. Poverty should be defined by the poor themselves. We don’t want the World Bank telling us where our own poverty stops and starts. So I’d like to ask all of you to go back, survey, discuss and get all the figures so that you can determine the real poverty lines in your cities and countries. Try to get the best and most accurate data, so that the evidence we show them is backed up with the truth on the ground. Then, if we put the data from all of our countries together, we can make our case very strong for changing those wrong poverty figures. But we’re not doing this work just to show the World Bank we know better. We believe the government should use our definition of poverty and our poverty line when they formulate their national policies and budgets.”

Why does it make good sense for the poor to be the ones defining the poverty lines?

- 1 Because the poor know the truth about poverty best:** There are so many poverty studies being done everywhere, all the time, but they are being done by people who have never been poor, never been evicted, never had to survive on earnings that are never enough. But we have experienced all those things, and we know from that what poverty really means. We hope this study, by poor people themselves, comes closer to the truth. We can make our own poverty lines and set our minimum expenditure required to meet our various basic needs. *(Ruby, Philippines)*
- 2 Because it comes from reality, not theory:** We have come here to learn about the reality of poverty and describe it clearly. Whenever you learn about any issue from reality, that’s the best way to really understand it - better than all the books and all the theories. That’s the way to really touch the reality and to walk along that road towards solving these big problems. *(Malee-Orn, Thailand)* This is not like a research institute’s study. This is people talking about their real lives. It is not an investigation, it is an articulation of a reality people have lived through, an articulation of what they know about their own lives, their needs and their priorities - which gives this study its great power and authority. Students can’t do this. Researchers and statisticians can’t do this. If you entrusted the survey to a professional or academic institute, it would change the nature of the study entirely. This kind of survey can only be carried out by those who live it. *(Arif Hasan, Pakistan)*
- 3 Because the poor can get better quality information:** We have been trusted to do this poverty study. When researchers do this kind of study, they look only at quantitative aspects. But when community people do it, we can get the quality and the details. Only we poor people can do that. We know who the real poor are. In the Philippines, for example, the numbers all show that we have good economic development, but how is that growth being measured and defined? Most of it comes from infrastructure development, not from any social development, and poverty is not part of the picture at all. We can show clearly with our surveys that we don’t have development on the ground, and we don’t feel any improvement in our lives, even though we keep being told that our economic position is improving. *(Ruby, Philippines)*
- 4 Because the poor can pick up on cultural differences of poverty:** Poverty is also influenced by the cultures in different countries, even different cities. The information we collect in our studies cannot make a single definition of poverty - it will be different in each country, because those societies are different. So when we draw a poverty line, we have to consider the different ways people live, the different ways they relate to each other in different countries also. These are all things only those of us who live in those cultures can understand. We can’t draw one poverty line for every country - that is not possible and would not be sound. *(Thongmuon, Thailand)*
- 5 Because understanding and defining poverty is another community-strengthener:** We cannot wait for the government to understand what we need and help us. The poor have to start with ourselves. But we can show them clearly how the poor survive every day. And when we study our own poverty, it helps us to have much clearer information when we go to negotiate with the government for anything. *(Pon Saret, Cambodia)* The poverty study has helped us to expand membership in Women’s Bank savings groups and to understand better how to bring more of the very poorest community members into the savings process. *(Rupa, Sri Lanka)* Can we poor people define our own poverty and evaluate ourselves? Can we understand the reasons why we are poor? These facts have to come from us, and we have to study them together. If we have our own information about our basic needs and expenditure, we can respond to that dollar-a-day nonsense and say, *Here are the correct figures!* We want to show the correct figures, and we are proud that we make these figures ourselves, from the reality of our lives. *(Paa Chan, Thailand)*



“Thanks to the UN and the World Bank for giving us a poverty line that is so badly wrong that it inspires us to find the right one!”

(Boonlorm Huakliam, community leader from Samut Songkram, Thailand)



“ This kind of study of poverty can only be carried out by those who live it. The methodology of your study is more important than the statistics. I see this as a first step in a long process. It will take time and discussion and policy work to make change. But what is essential is that by showing a new way of looking at things, a new understanding, you have started a discussion. ”

(Arif Hasan)

How the poor set their poverty lines:

One of the central objects of this study was to tell the world how poor people themselves view these official poverty lines, and to draw a different set of poverty lines from the perspective of people who really do know what poverty is all about. When the Thai team began discussing and surveying the *actual* living expenses of people in the various urban poor categories, they decided to build on that and to also begin discussing what kinds of minimum expenses would allow the poor to live decently and sufficiently and to maintain themselves as human beings? With this in mind, they began using their discussions and surveys and analysis to compile detailed lists of “*SHOULD BE*” expenses, in addition to their lists of “*ACTUALLY ARE*” expenses. The Thais decided that this is how they would determine their alternative poverty lines, and eventually, the groups in the other countries agreed to follow suit. During the Khon Kaen workshop, it was agreed that each team would draw two poverty lines in their country:

- **Poverty line A for the “VERY POOR”:** This poverty line includes the homeless, the most vulnerable, isolated squatters, the poorest people who for various reasons are not able to help themselves.
- **Poverty line B for the “ORDINARY POOR”:** This poverty line includes those poor who are somehow getting by, living in more established informal communities, with kids in school and maybe some access to basic services. But their incomes are low and irregular, their housing is poor quality, they can’t afford to enter the formal sector, and they face all the risks and insecurity and illegality.

Basing the poverty lines on expenses, not income: It was also agreed that these two poverty lines for each country would be determined not by household income, but by lists of minimum, reasonable household expenses, for different household sizes. As the Thai team explained, income may be irregular, and so it makes an unreliable marker for poverty, while expenditure is more regular, and can offer a much more detailed and specific description of degrees of poverty and quality of life. At first, all the six country groups compiled their own list of common household expenses, with between ten and fifteen items. But since many of the items were common to all the lists (like housing, food, water, basic services, etc.), it was agreed during the Khon Kaen meeting to somewhat standardize these lists to eleven or twelve items. This would allow us to compare the expenses and poverty lines and issues in the different countries.

These figures about “*should be*” expenses came out of a lively and intense study process on the ground, which included both group discussions and surveys of real poor families, to determine what these minimum, reasonable expenses should be and to check them against how much people are actually spending. (*More details in the country reports later in this newsletter. Please note that the figures from Cambodia and Vietnam, in the table below, are based on surveyed actual expenses, not “should be” expenses.*)



NOTE: The poverty lines in this table have been calculated by the community organizations in four countries, according to what they have agreed are reasonable minimum daily expenses in their context. The study teams in Cambodia and Vietnam were not able to set their poverty lines in time to be included in this report - but stay tuned!

The truth-telling poverty experts:

Here is what David Satterthwaite, from IIED, had to say after hearing the six community groups present the conclusions of their poverty studies in Bangkok:

You are all first-class researchers, and I award you all honorary professorships! All of you are already experts on statistics of urban poverty, and the first experts to be telling the truth about poverty. You tell the truth, because the truth is not a research topic for you, but the reality of every minute of your lives. This gives the information enormous power and relevance and validity. It’s completely different than a professor like me coming to one of your settlements and going door to door with a translator, asking, “Have you had enough to eat?” It’s actually your articulation of your own needs and priorities. But yours isn’t a dispassionate survey, it is an articulation of the needs and priorities of yourselves and your communities.

Earlier, the Nepali team was describing how government officials would say “Those squatters aren’t poor, because they have TVs and motorbikes.” That just shows what nonsense it is for governments to make those assessments. A motorbike is cheap and having one widens the area of possible jobs. Also, many of the poverty lines set by governments are notoriously stingy, saying no meat or no fish for the truly poor. What your figures are doing is showing that those official statistics are wrong. Now the question is what to do with this knowledge? How to use it to create new opportunities to engage with government?



POVERTY LINES DEFINED BY POOR PEOPLE :

(all figures in US\$)

Monthly expenses per person <i>(according to the expenses for a person who is part of an average 4-5 person household)</i>	NEPAL		SRI LANKA		PHILIPPINES		THAILAND	
	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor
1. Food and drinking water	105.26	147.37	141.54	158.46	115.16	157.35	205.00	240.00
2. Transport	21.05	52.63	35.77	35.38	28.95	52.37	20.00	86.67
3. Water and electricity	3.16	6.32	7.23	9.23	8.19	18.00	16.33	35.00
4. Housing / rent	21.05	52.63	9.23	10.77	13.95	21.81	10.00	40.00
5. Kids expenses, education	15.79	54.74	8.08	9.62	27.44	48.60	50.00	66.67
6. Household expenses	42.11	35.26	14.69	13.27	15.06	25.40	20.00	26.67
7. Health care	5.26	8.42	6.38	10.46	4.65	22.21	8.33	10.00
8. Alcohol and cigarettes	6.32	5.26	14.23	27.70	6.69	13.56	0	0
9. Lottery, gambling	6.32	12.63	7.69	9.23	5.40	5.23	4.00	8.00
10. Repaying debts	15.79	26.32	18.08	21.54	3.49	6.86	6.67	50.00
11. Other	0	0	9.62	9.62	0	13.95	5.33	8.00
Total monthly expenses	236.84	401.58	272.54	315.27	228.99	385.33	345.67	569.33
Daily expenses per person	\$1.97	\$3.35	\$2.27	\$2.63	\$1.91	\$3.21	\$2.88	\$4.74

POVERTY STUDY CONCLUSION #7

That our problems of poverty CAN be solved

All the people who took part in this regional poverty study are active leaders in their community movements back home. Many of them are veterans of bitter eviction struggles, difficult negotiations for land and complex housing projects which transformed their communities from illegal slums looked down upon by everyone in their cities into beautiful and healthy and secure neighborhoods whose residents are proud to enjoy full citizenship. So it's no surprise that even as they described and analyzed the problems of poverty in their presentations, they couldn't help but start suggesting solutions: *we can do this and we can do that!* When a community movement is active, and it takes this kind of poverty study as part of its activities, then all sorts of solutions start coming out almost automatically.

We are living in a perplexing time, when the suffering and exclusion of genuine poverty is increasing almost everywhere we look, but when governments and all the big international development agencies are putting less and less energy and resources into tackling it. Challenging misleading and wrongful poverty lines is one front in the battle to remedy that imbalance. But as the community leaders in the study brought out again and again in their presentations, the solutions to ending that poverty are many - and they are right in front of us, being implemented by community groups around Asia right this minute, in a hundred thousand variations. Here's a good starting list, drawn from the presentations made by these intrepid and optimistic community leaders during the Bangkok meeting:

The poor are ready to make change ...

"We have to make people see and realize that the poor in Asia are now changed. The dignity and abilities we have now built up in ourselves, through our work as organized communities over the past 20 years, has given us the potential to help solve not only poverty, but also other important problems like the environment and the effects of climate change. How can we create a community-driven model that will be a learning center for others to see and take inspiration from - not just the poor? We need to exchange ideas on this point, because we face a variety of problems in our world today - the problems poor people face are not isolated from these other problems, but part of the larger picture."

(Boonlorm Huakliam, Community leader from Samut Songkram, Thailand)

Seven ways to solve poverty :

- 1 SAVINGS:** For all six groups, collective community savings topped the list of ways out of poverty. Savings helps change the situation of the poor by putting their money together. But it also brings people in a community together, and it builds capital which allows people to do things and decide things themselves, as a group. It allows poor communities to manage their money in their own flexible ways to address their immediate needs - for loans to support their small businesses, for housing repairs, for school fees, for emergencies, for health care, for repaying high-interest informal debts, etc. Savings also develops discipline in savings members and collective financial management skills, while it builds a collective financial resource for the poor, which they own and control themselves. Savings also establishes a community's "bankability" when the time comes to look for larger sources of credit from formal institutions, for housing and land acquisition.
- 2 PEOPLE DOING THINGS:** Unanimous agreement number two was this: The greatest force to solve Asia's poverty is the poor themselves. They have to stand up and become active and tackle the problems by themselves. The people's process is the key to solving the problems faced by the poor, so it is important to promote community participation in all kinds of problem-solving activities (like savings, upgrading, surveying, mapping, networking, negotiation, housing planning, etc.) and to let the poor craft solutions by themselves, with dignity - not welfare and give-always from government, which disempower people! And then the next step is to try to make this people-doing and people-solving strategy into a national policy.
- 3 INFORMATION:** Having accurate information about who the poor are and where they live is an essential part of solving poverty. Besides making the invisible poor visible, citywide surveys and slum mapping are ways to link all the poor groups in a city together and bring them into an active process of finding solutions to their problems of housing and land - not just individual projects here and there. Surveys also create circumstances for discussions among poor people from different parts of the city, and the data they collect becomes a common point for negotiations with their local authorities, who usually have no accurate information about the poor in the city.
- 4 NETWORKS:** To solve poverty, the poor need to link up, because as individuals they have no power. But when they link within their communities and in citywide networks, they can develop so many things together they could never do alone. The community network is one of the key factors to solve problems of poverty. As Paa Nong put it, "We link with other communities to learn from each other, to strengthen ourselves, to organize ourselves and to move ahead together. If we don't learn this basic lesson of the need for togetherness, the poor can never stand up and make our lives better. And once we know how to organize and to give to others, a new perspective opens up in us, and that perspective will show us how to solve poverty" Networks also broaden problem-solving options and possibilities by allowing poor people to learn from their peers, through exchange trips and visits to successful projects in other places. Community networks can also set up task forces in their cities to work on different issues: housing, savings, welfare, infrastructure or land acquisition.
- 5 LAND AND HOUSING:** Getting secure land and housing is one of the most important elements to make change in the lives of the poor. Once a person has a secure place to live, they have security for life. Access to secure land and housing is the main thing which separates the poor and the not-poor. Therefore, all the groups agreed that one of the most crucial ways out of poverty is for poor communities to start planning for their own secure land and housing. That includes searching and negotiating for vacant government land for housing, saving for housing, developing their own affordable housing solutions, stockpiling building materials, working with community architects to develop new housing layouts and on-site upgrading plans, etc.
- 6 NEGOTIATION:** When the poor have their own information, their networks, their savings and their own solutions, these things all strengthen their hand when it comes time to negotiate with the government and the formal system for the things they need like land, housing, access to public services, credit and other entitlements. Structural issues like land use, finance policies, building regulations and city planning norms are never engraved in stone - these issues are all highly political. If the poor can come to that bargaining table with their hands full, they are more likely to be taken seriously as viable development partners than as burdens on their cities, and to be successful in negotiating for what help they need to solve their poverty.
- 7 PARTNERSHIP:** Because the factors which create poverty and keep people poor are embedded in the larger political, economic and governance structures, it is crucial that the poor carve out political space to negotiate with those structures. Most of the things that poor people need (like land, housing, infrastructure, credit) are part of these formal structures in their cities. Which means the poor can never develop lasting and large-scale solutions to poverty entirely on their own. But if they can demonstrate to their local authorities and other key local stakeholders what they are capable of, and can nurture working partnerships with them, then it becomes more possible to negotiate for these things, and to win support for their community-driven solutions to poverty. That is how to unlock the huge development force of the poor, which cities are increasingly recognizing as a problem-solving asset, and not as a liability. And from participation in solving problems of housing and poverty, the next step for the poor is participation in the larger city-planning issues like climate change adaptation.



“ How does the World Bank solve the problem of urban poverty? It changes the statistics, so it looks like there are less people in urban poverty. The beauty in your approach is doing the exact reverse. ”

(David Satterthwaite, IIED)

Then what should be the next step?

At the end of the second regional workshop in Bangkok, all the six country groups presented their plans for the next steps in their poverty studies: how they were going to check and finalize their poverty lines and make their reports, and what they planned to do to take this poverty line issue forward, both within their community movements and with their local and national governments. Here is David Satterthwaite's summary of the key common points in their plans:

- **Disseminate the poverty line issue to other urban poor groups**, other stakeholders, and local and national governments. In Sri Lanka, they will organize a workshop on poverty lines for government and other stakeholders. The Philippines group will disseminate this study to the urban poor network and to key government officials. The Thai groups will expand their contacts through exchanges at all levels.
- **Refine the knowledge and revalidate the surveys.** All the groups are committed to going back and refining their studies, knowing more about how to do it slightly better than before they came.
- **Involve the poorest.** How well everyone noted that we better understand who are the poorest and most isolated, and who need to be included in the development programs. This is going to be a huge help to governments and to any international agency that is really concerned about urban poverty.
- **Help more urban poor groups join the savings process.** In the ACHR network, everything tends to be an opportunity to also expand the number of savings groups and reach more communities.
- **Build and strengthen partnerships** with governments and local NGOs and community movements.
- **Aim to change national policies.** All the groups already have a strongly-rooted community process, and have developed links with their city governments, and are stressing going citywide. This makes a fantastic base from which to begin talking to national governments and national statistical offices. However I do warn you, statisticians are very stubborn! It will need a lot of patience and tenacity to wear them down away from their conventional wrong methodologies, to your unconventional right methodologies.
- **Use the knowledge and make governments respond** to these surveys and poverty lines.
- **Show how the government programs are missing some of the poorest.** We have the evidence of this now from your own surveys and case studies.
- **Use this new knowledge to tackle urban poverty.** All the groups described how they will take this knowledge and these links that they have made doing this work to address urban poverty in their cities.

WARNING : This is a work in progress . . .

It's important to add a note to emphasize that this poverty study by Asia's poor community organizations is very much a work in process, and that the figures being presented in this newsletter are not the final word, by any means. More important than the statistics, the study's methodology is showing a new way of looking at poverty, a new understanding. And we all hope it will be sufficient to start a discussion. Here are some thoughts on this from Arif Hasan, drawn from his concluding remarks to the workshop participants in Bangkok:

This has been a very important exercise, and I think that some very fascinating figures have come out of it. But I think that this is a beginning of a dialogue, and a beginning of a research. More work may need to be done before we can define what a poverty line really is, but I think that it is important to understand the importance of what you have done. Your work has challenged a very important aspect of what the international community thinks is poverty. And it points to a new definition. You have identified poverty conditions, recorded how poor people live, detailed what they actually spend and begun to understand what is required for a reasonable, sufficient life. All this is primary material which comes from what you know about your own lives, and you have documented it very well.

This is a new way of looking at things, a new understanding. It will take time and discussion and policy work to make change. The essential thing is that it be discussed on various levels and in various ways. I see this as the first step in a long journey. If we want to change the way governments understand and measure urban poverty, this is a very powerful first step. But it's going to take a lot of persuasion and push and support. I hope that some of your groups will have success with your government officials, or with your statisticians. And that example of some of you having success will then encourage other government agencies and officials to make the jump, to understand the difference between your methods and the conventional methods for measuring poverty, and the difference in your findings from conventional findings.

How to support the people the world has forgotten about?



ACHR's Decent Poor program is a tool which helps community networks to develop their own systems for ensuring that even the poorest community members are not excluded from the housing initiatives being developed in their settlements, even if they can't afford to take loans or make housing payments. The program begins with the premise that any housing process which excludes the poorest and most vulnerable is not solving poverty problems but creating new ones. In our kind of slum upgrading, *everyone is in the boat*, no matter how much they can or can't afford to pay. The program allows community groups to explore a variety of alternative low-cost construction techniques to build houses for the poorest families they identify in their communities, with a grant of just \$500 per family, and a ceiling of \$10,000 - or 20 grants - per country (with funding support from the Selavip Foundation).

The Decent Poor Program, which is just one of many, many good examples of a poverty-solving innovation which poor community organizations can plan and manage themselves, was the subject of a lively discussion during the Khon Kaen poverty line workshop. As the Thai community leader Boonlorm put it, "I haven't seen one single program like this one that supports the people the world has forgotten about. This program does see them, and it reaches out to them. The program also allows us to know about other cases among our friends in other communities in the same city, in other cities and in other countries. The program offers these forgotten people a chance to stand up. Yesterday, we asked ourselves, can we get out of poverty? Yes we can! Once these forgotten people are given an opportunity, they can also stand up on their own and can step out of poverty."



How the Thai team organized their poverty study:

The national working group met five times during the course of the study to plan and discuss the study. After the first meeting, everyone went back to their cities and surveyed conditions in different communities. For the surveys in the eight cities (which happened twice), we used three strategies to gather information:

- **Informal group discussions:** Going into the community and talking informally to people.
- **Survey questionnaires:** Filling in the questionnaire with a few families in each community.
- **Group discussions:** Then we discussed the information we got from the community in our working group.

How should we define poverty? We concluded that there are reasons why people are poor and circumstances that make them poor, because nobody in this world is born poor! After much intense discussion, the working group identified seven key aspects of the urban poverty in Thailand:

- **Jobs and income:** the poor have insecure and irregular jobs, daily wage laborers, garbage recyclers.
- **Housing:** the more poor, the worse the housing conditions and the more insecure, squatters or renters
- **Basic services:** no formal access to water and electricity; often have to pay more for informal access
- **Health condition:** the poor are less healthy, poor nutrition, more prone to illnesses, the poor die younger
- **Social aspects:** The poor are less confident, don't believe in their capacities, lost, isolated, desperate
- **Children and youth:** on their own.
- **Legal status:** no house registration, illegal or informal occupation of land, no ID, no status

Then, after more discussion, we divided the urban poor groups into five main categories: 1) the homeless, 2) isolated squatters (these two categories account for about 25% of the total urban poor), 3) the main group of poor living in slums (60% of the urban poor), 4) the better-off groups living in informal settlements (15% of the urban poor), and 5) room renters and sharers (spread across all the four other categories). Then, on the graph of these five groups of urban poor, we drew two poverty lines:

- **Poverty line A for the very poor**, which includes those in groups 1 and 2 - the homeless or most vulnerable illegal squatters and occupants, who can't help themselves and need donations to survive.
- **Poverty line B for the ordinary poor**, which includes groups 3 and 4 - those who live in slums and are somehow managing, but are still insecure, face lots of risks, eviction and poor quality housing.

THAILAND

Notes on the poverty study in Thailand :

The poverty study in Thailand was carried out by a group of 20 leaders from the Urban Poor Community Network, which links together city-based community networks in over 300 Thai towns and cities. These leaders, who come from all the country's regions, have passed through just about every milestone in their struggle to move out of poverty: fighting eviction, organizing their communities and networks, managing savings groups and city funds, surveying and mapping the poor settlement in their cities, cultivating partnerships and negotiating with their local authorities, planning and implementing their own housing and upgrading projects and helping others to do all these things. The Thai team produced a detailed report on their study, which has been translated into English, but in these two pages, we present a few excerpts from the presentation *Angkana and Malee-Orn* made during the Bangkok meeting:

Our first step was to form a working group of about 20 network leaders from Bangkok and other cities and to discuss the this issue first among ourselves: Why are people who are not from poor communities and are not poor making definitions about our lives? Why not think for ourselves how we can determine what the real poverty lines are in our cities? A lot of meetings and discussions followed, in which we gradually began to agree on what factors of our lives should be considered when we define poverty and how we should go about setting our own poverty lines.

After talking about how to survey and collect information that would include the differences from place to place, we decided to do surveys in eight cities, including Bangkok and smaller provincial cities. In these surveys, our key questions were: Who are the poor? How do we know they are poor? How can we distinguish between the very poor and the ordinary poor? How many types of poor are there? What is the poverty line and how do we know whether a person is above or below that line? The questionnaire we developed came out of a lot of discussions, based on our knowledge. The information we collected combined our own experience and common sense with the survey data. All the surveys were done by community people, and the questionnaire interviews were done by members of the national working group.

COMPARING the VERY POOR and the ORDINARY POOR



Livelihood	Irregular jobs and income, do not have tools or equipment necessary for even such work as collecting and selling recyclable garbage, street vending of food or goods or finding daily-wage work. Their income is below 1,500 Baht (\$50) per month.	Work in the informal sector with some skills, but irregular income. No access to formal finance or bank loans. Have some equipment for work, like push carts or motorcycles. Income depends on number of family members who can work.
Housing	Do not have a regular place to live. Share a rental room with several others or squat on vacant spaces like under traffic bridges. Build simple shelters of plastic sheets and poster boards, with less than four walls and no services. Some live with friends, relatives.	Insecure housing conditions in a slum or squatter community, with houses made from old materials and often dilapidated. Some live in a rental rooms in slum or outside the community. Most face the threat of eviction.
Services	No electricity, water supply or proper toilets. Most need to buy water for drinking and use canal or well water for washing and bathing.	Water supply and electricity bought illegally from neighbors or have temporary meters. Most have toilets, either shared or in the house. Usually problems with drainage.
Legal	Some do not have ID cards and most do not have household registrations. Some have police records.	No household registration or only temporary, or have registered themselves in someone else's house in order to access city basic services or to enrol their kids in school.
Social	Isolated, lonely. Often distance themselves from others, look depressed, unhappy. Not accepted by society.	They are able to organize themselves and link with other communities or outside agencies.
Health	Often have chronic illnesses or physical or mental disability. Alcohol and drug problems.	Unhealthy, but able to access some kind of minimal health care or treatment.
Living	Do not eat sufficiently, only 1 or 2 meals a day, with some of the meals being donated by others. Wear old, unclean clothes. Have poor education or no education at all.	Most can eat 2 meals a day. Children go to government schools, but few go beyond primary or secondary school.

A peek inside an urban poor Thai purse:

Because it's irregular, income makes an unreliable standard for measuring poverty. But expenditure on necessities is more regular, so the Thai team looked carefully at how much people in different situations and in different size family sizes spent on different things to survive reasonably, and based their poverty lines on that. A few examples:

FOOD AND DRINK : Most very poor people living alone or in couples buy prepared food rather than cooking, and most have two meals a day, buying 3 portions of cooked rice and one or two portions of curry to stretch over 2 or 3 meals, costing 60 - 90 Baht (\$2-3). For a family of three with a child, the cost of buying cooked food goes up to about 160 baht (\$5.30) a day. But for families of 4 or more, it becomes cheaper to cook than to buy prepared food, and they spend about 200 Baht (\$6.65) if they're very poor, and 240 Baht (\$8) if they're ordinary poor.



HOUSING : The surveys showed that even the very poorest had some housing costs. The ordinary poor with 1 or 2 members in the family often prefer to live in cheap rental rooms, which cost at least 1,000 baht (\$33.30) a month (with shared bathrooms). But these rooms are too small for larger families, who usually choose to squat on a piece of vacant land, where they will have to pay land rent or regular bribes of at least 100 Baht (\$3.30) per month to the police, government officers or slumlords to leave them alone and allow to stay there.



WATER SUPPLY : The very poor have to pay 20 baht (\$0.66) per unit for water they get from informal sources (that's two or three times the rate middle class people pay for legal metered water supply) and use about 3 units of water per day, which costs 60 baht (\$2). The poorest save money by using unclean canal or well water to bathe and wash their clothes, and only buy drinking water when they go out. The ordinary poor often have municipal piped water in their houses, and spend about 185 baht (\$2.85) per month per person for their water.



KIDS EDUCATION: All Thai children are entitled to free primary and secondary schooling. But parents have to pay for food, uniforms, shoes, books, materials for extra activities and gifts for teachers, which all add up. Expenditure by the very poor for sending one child to free primary school is about 900 baht (\$30) a month in primary school and 1,500 baht (\$50) a month for secondary school. The ordinary poor spend slightly more for their children's education expenses, mostly in giving the kids a bigger daily allowance when they go off to school.



HOUSEHOLD GOODS : These include things like toothpaste, soap and shampoo. The very poor buy the cheapest items in the smallest quantities (which always have higher unit costs) to use for a week or so, spending about 120 baht (\$3) per month per person. The ordinary poor, who take more showers and wash their clothes more often, buy these things too, but in larger quantities and greater variety, including things like hair conditioner, cosmetics, washing powder and fabric softener, so their expenses come to 200 Baht (\$6.65) per month per person.



REPAYING DEBTS : The very poor usually have smaller debts, since their poor credit makes it hard for them to take loans. Usually they can borrow up to a maximum of 1,000 Baht (\$33.30) each time from the money-lender, which they have to repay daily: 50 baht (\$1.65) per day for 24 days, which means they pay 20% interest per month. The ordinary poor have better credit, so they can borrow more and have more serious debt problems. They also pay 20% per month interest on loans from the money-lenders and make their repayments daily.



How to include the poorest?

Most conventional slum redevelopment projects reach only a fraction of the urban poor. And of that fraction, they mostly benefit the better-off families in informal settlements and almost never touch the city's isolated squatters, room-renters and homeless. The Thai team reminded us that even a progressive housing program like Thailand's Baan Mankong slum upgrading program is no exception.

In fact, slum upgrading that is genuinely citywide should reach all the groups of the urban poor, not just the better-off who can afford to repay loans. One way the Baan Mankong program is trying to reach down to those more vulnerable poor is to offer a small subsidy to help communities build and manage their own welfare houses, for their poorest community members who would otherwise be excluded from the project (elderly, widows, handicapped, disabled). Now, many communities that have upgraded have these welfare houses (*Baan Klang* in Thai), which are completely managed by the communities.

Paa Nong, who is a leader of the community network in the city of Chum Phae, described how her community network has developed clear plans to reach all five of the urban poor groups, with special housing projects for room renters and isolated squatters, and income generation and savings programs tailored to reach the poorest households. For poorer families, they have developed housing projects on free government land, with inexpensive single-story row-houses, while better-off families can join projects on purchased land or on-site reconstructions with larger plots and 2-story houses. In Chum Phae, the community network manages their own city development fund, which can finance housing loans for those who can't apply for Baan Mankong. They have also purchased agricultural land where they run a collective rice farm, to generate resources to support their citywide plans.



Different cities have different expenses: Things are more expensive in Bangkok than in provincial cities, and expenses also vary in different regions. When we discussed daily food expenses, for example, we found that a person needs about \$2 a day for his food in Bangkok and the North, \$1.50 in the Northeast, \$1.40 in the East and \$1.20 in the South.

POVERTY LINES IN THAILAND : calculated on the basis of reasonable minimum daily expenses (all figures in US\$)

Key monthly expenses for households (hh) of different sizes	1 person hh		2 people hh		3 people hh		4 + people hh	
	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor
1. Food and drink	60.00	90.00	93.33	150.00	165.00	200.00	205.00	240.00
2. Transport	6.67	32.00	10.00	64.00	16.67	70.67	20.00	86.67
3. Water and electricity	7.00	15.00	13.83	18.34	14.50	23.33	16.33	35.00
4. Housing / rent	6.67	33.33	10.00	33.33	10.00	40.00	10.00	40.00
5. Kids expenses, school	0	0	0	0	30.00	53.33	50.00	66.67
6. Household expenses	4.00	8.33	8.00	13.33	13.33	20.00	20.00	26.67
7. Health care	2.00	3.33	4.00	5.00	6.67	6.67	8.33	10.00
8. Lottery, gambling	2.00	4.00	4.00	8.00	4.00	8.00	4.00	8.00
9. Repaying debts	6.67	16.67	6.67	33.33	6.67	6.67	6.67	50.00
10. Clothes	1.33	2.00	2.67	4.00	4.00	6.00	5.33	8.00
Total monthly hh expenses	96.33	204.67	152.50	329.33	270.83	461.33	345.67	569.33
Daily expenses per person	\$3.21	\$6.82	\$2.56	\$5.48	\$3.00	\$5.13	\$2.88	\$4.74

NEPAL

Poverty study in Nepal

Bina Buddhacharya and Nani Maharjan are two women's savings group leaders from informal communities in the Kathmandu Valley. The stories on these two pages are drawn partly from their presentation in the Bangkok meeting and partly from the report prepared later with help from Lumanti.

After the workshop in Khon Kaen, we went back home and organized a meeting with our women's federation to share the results. Within the federation we had a lot of discussion about how to collect the information about how very poor families survive and how much they actually spend each day. People were excited to do the survey. For our poverty study, we collected information in seven cities: Kathmandu, Dharan, Kalaiya, Birgunj, Ratnanagar, Pokhara and Kohalpur. All the information was collected by community members, through interviews, focus-group discussions and sample surveys.

We decided to target the poorest families living in squatter settlements (on government land) and in slums (where the people own their land but are poor and live in bad housing conditions) and waste-pickers. In Kathmandu, we made sure to include in our survey the "untouchables" who live along river banks and on the outskirts of the city, where many still practice their traditional caste-based occupations as sweepers and butchers. This group is still looked down upon and socially marginalized. Initially, we only collected information about people's actual expenses for various items by the very poor group.



STEP 1: Surveying the poorest families in 7 cities




Our national women's federation (Nepal Mahila Ekta Samaj) took the lead in collecting information from slums and squatter settlements in Kathmandu city, and the Community Women's Forum of Savings Cooperatives conducted surveys in some of the smaller peri-urban towns in the Kathmandu Valley. The community networks in the six provincial cities collected the information and Lumanti, our NGO partner, helped us to bring it all together. After the information was collected and put together, we organized a national workshop in Kathmandu, in March 2014, where all the information from the seven cities was presented and discussed. We decided to invite two of the other kind of "experts" to join our meeting and observe our process: the country director of UN-Habitat and the Nepal Government's Urban Poor Fund director.

In Nepal, we usually divide the poor into just two groups, according to their tenure situation:

- **SLUMS:** These are communities in the city which have secure land and housing, with legal title, but with crowded and very poor living conditions, very small rooms with very big families staying in them, bad infrastructural services, old and dilapidated buildings.
- **SQUATTERS:** These people have houses, and sometimes more space than in the slums, but without any security, because they are squatting on someone else's land. None of the government poverty programs touch this group and none of them have access to municipal services. In our squatter communities in Nepal, we find some better-off people, but mostly very poor families - some of whom don't even have enough food to eat, with malnourished children.

The discussions we had after our poverty surveys, we took a deeper look at the different factors - or indicators - of poverty and used them to divide the urban poor into four categories. We didn't include renters, since they are scattered across all four categories. The table below gives a very brief look at how the various poverty indicators take different shape, from one urban poor category to another.

COMPARING THE FOUR CATEGORIES OF URBAN POVERTY IN NEPAL :

	ULTRA POOR (15% of the total urban poor)	LOWER POOR (50% of the total urban poor)	GENERAL POOR (25% of the total urban poor)	BETTER-OFF POOR (10% of the total urban poor)
				
Housing	Dilapidated, unmaintained houses, just one room with thatched roof, mud-brick walls, small space, no utensils, no bed, sleep on earth floor.	Temporary houses with bamboo walls, tin sheet roofs, no plaster, only one room. Have bed and bed sheet. Not enough cooking utensils.	Larger single-story houses of 2-rooms, built of brick or hollow block, with corrugated sheet roofs. Have at least two beds in the house.	Bigger houses with cement-plastered brick walls and cement floors. Rooms decorated. Use cooking gas and have proper utensils.
Livelihood	Irregular and lowest-paid jobs as laborers, porters, rag-pickers. Family depends on one earner. Many single female-headed households.	Unskilled daily laborers or street vendors, no regular job. Women do domestic work in other's houses. Two earners in household.	Skilled laborers, small shops selling tea or groceries, vegetable and street vendors. Women work as maids. More than two earners in household.	Have more regular jobs as skilled laborers, drivers, painters, vegetable farmers or have small shops or own their own rickshaws.
Children	Families have many children, but children don't go to school, are sent out to work instead.	Children go to government schools but don't have proper uniforms, no higher education. Girls drop out early to help with families.	Children go to government schools and continue up to higher level. Have proper uniforms and enough books and notebooks.	Children are sent to private schools, with good clean uniforms. Both girls and boys have equal opportunities and attend higher education.
Health	Many disabled or with chronic diseases, unable to afford health care. Many can eat only one meal a day.	Many diseases. Can't afford clinics or regular health care, depend on traditional healers. Drink river water.	Many general diseases. Also can't afford clinics or regular health care, so depend on traditional healers.	Better nutrition means stronger health in general. Able to get health care when they need it in the hospital.
Legal	Do not own their land or dwelling, or joint ownership of land and dwelling.	No land title. No access to formal basic services, wash in river.	No land title, little access to basic services or government facilities.	Squatters have no land title. Slum dwellers have title but less space.
Social	Lower castes or untouchables, discriminated against, marginalized.	Marginalized. Some lower castes distanced from rest of community.	Participate more in social activities and community life.	Full participation in social activities and have respect from community.

“We were shocked!” ▶

We knew that people’s expenses vary from city to city. The living costs in Kathmandu or in tourist towns like Pokhara are much higher for the poor than they are in smaller towns like Birgunj or Dharan. But even still, the findings from our surveys in the seven cities were very shocking to us! Many of the community members we talked to in the surveys are leading very difficult lives, in extremely precarious conditions, in both slums and squatter settlements. Many of these families are living in really miserable huts, without toilets or electricity or clean water to drink or wash with, sleeping on earth floors and eating much less than they need to stay healthy. Their earnings are very meager, but we found that in several of the cities, their daily expenses are still above \$2 per person. This puts them a long way above that World Bank poverty line, but nobody could say that these people are not living in the worst poverty.



HOW MUCH ARE THE POOR ACTUALLY SPENDING IN THE 7 CITIES?

Based on surveys of actual expenses for 5-person families (all figures in US\$)

Key monthly expenses	Kathmandu	Pokhara	Lalitpur	Dharan	Kohalpur	Birgunj	Ratnanagar
1. Food and drink	119.79	94.74	107.37	94.74	105.26	94.74	73.68
2. Transport	21.05	21.05	15.79	10.53	7.89	10.53	10.53
3. Electricity	5.26	10.53	5.26	5.26	5.26	2.63	2.63
4. Housing rent, maintain	21.05	31.58	26.32	10.53	5.26	3.16	5.26
5. Kids expenses, school	56.45	31.58	54.74	31.58	27.38	11.38	26.32
6. Household necessities	22.89	47.37	26.84	31.58	26.32	18.95	21.32
7. Health care	21.05	26.32	21.05	10.53	6.32	5.26	7.37
8. Phone, communication	15.79	15.79	10.53	5.26	4.21	5.26	5.26
9. Festivals, events	21.05	21.05	21.05	15.79	15.79	15.79	15.79
10. Clothing	13.16	52.63	13.16	12.63	10.53	14.74	10.53
Total monthly hh expenses	317.56	305.26	302.11	228.42	214.21	182.43	173.15
Daily expenses per person	\$2.12	\$2.03	\$2.01	\$1.52	\$1.43	\$1.22	\$1.15

Building a more realistic poverty line for Nepal:

Besides understanding in much more detail how poor people spend their money, we learned a lot from the surveys about how people survive when their income isn’t enough. The next step in our study was to analyze those various expenses again, and to discuss and decide among ourselves how much we feel urban poor people in Nepal require to live decently and sufficiently, to meet their needs, at the very minimum. That’s how we set our poverty lines. Here are a few points from our discussions:

- **FOOD:** Food makes up largest part of people’s expenses: at least 60-100 Rupees (\$0.63-1.05) per person per day. People generally eat two meals a day, of rice, dal and a vegetable, and vegetable prices are going up every day. To save, the poor usually buy low-quality vegetables and cheaper varieties of rice and dal.
- **WATER AND ELECTRICITY:** The government doesn’t provide electricity and water supply in squatter settlements. If they don’t have communal taps or hand-pumps, communities living near the rivers and canals use the polluted water to bathe and wash with. In the smaller towns, many use metal hooks to connect illegally to government electricity lines, and this often leads to accidents and deaths. Poor people don’t use much electricity - usually just a light, a TV and sometimes a fan, which costs about 300 Rupees (\$3.15) a month.
- **HOUSING:** Many poor families rent a single room in a squatter settlement, which costs 1,500 Rupees (\$16) a month, while a room in a more proper building (but still grubby, with shared toilet) costs about 2,500 Rupees (\$26) a month. They need to pay extra for water, electricity and certain amount for maintenance. House maintenance is generally done during the month of September or October, when the whole country celebrates the *Dashain* festival. That’s when even the poorest families paint their house, repair their roofs and walls. All these repairs could cost between 500 and 1,000 Rupees (\$5.25 - 10.52), depending on which city.
- **BASIC NECESSITIES:** These include toiletries, kitchen utensils, clothing and cooking fuel. Most poor families share items like soap and toothpaste, and buy the cheapest, locally-made items, spending all together about 140 Rupees (\$1.50) per person per month. Many families use gas for cooking, which costs 1,400 Rupees (\$14.75) for a cylinder, which can sustain a family of 4-6 people for two months, or a single person for three months. People usually only buy only one or two pairs of new clothes a year, at festival times, and that works out to an expense of about 250 to 500 Rupees (\$2.63 - 5.25) per person per month.

POVERTY LINES IN NEPAL :

calculated on the basis of reasonable minimum daily expenses

(all figures in US\$)

Key monthly expenses for households (hh) of different sizes	1 person hh		2 people hh		3 people hh		4 + people		6 + people	
	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor
1. Food and drink	31.58	42.10	52.63	84.21	78.95	112.42	105.26	147.37	157.89	163.16
2. Transport	5.26	15.79	10.53	31.58	15.79	47.37	21.05	52.63	36.84	73.68
3. Water and electricity	2.63	5.26	2.63	5.26	3.16	6.32	3.16	6.32	4.21	6.32
4. Housing / rent	10.53	31.58	10.53	31.58	15.79	52.63	21.05	52.63	26.32	84.21
5. Kids expenses, school	10.53	21.05	10.53	21.05	10.53	54.74	15.79	54.74	21.05	54.74
6. Household expenses	26.32	18.42	31.58	28.95	36.84	33.16	42.11	35.26	52.63	44.74
7. Health care	3.16	3.16	4.21	4.21	5.26	6.32	5.26	8.42	7.37	8.42
8. Alcohol, cigarettes	5.26	3.16	5.26	3.16	6.32	4.21	6.32	5.26	7.37	5.26
9. Lottery, gambling	5.26	7.37	5.26	8.42	5.79	10.53	6.32	12.63	6.32	12.63
10. Repaying debts	15.79	16.84	15.79	26.32	15.79	26.32	15.79	26.32	21.05	26.32
Total monthly hh expenses	116.32	164.74	148.95	245.26	194.21	354.00	236.84	401.58	341.05	479.47
Daily expenses per person	\$3.88	\$5.49	\$2.48	\$4.09	\$2.15	\$3.93	\$1.97	\$3.35	\$1.89	\$2.66

● **FESTIVALS AND HOLY DAYS:** In Nepalese culture, everyone spends a lot on cultural events and festivals, including the poor - they have to or they will face a lot of social pressure. There is at least one festival or holy day every two weeks in Nepal, for which all the relatives have to be invited and fed with sweets and various delicacies. A major portion of a family’s income is used for such purposes (as much as \$32 a month!), making them even poorer.

● **HEALTH CARE:** Because of the long queues and high expense of the government hospitals, most poor people prefer to go to traditional healers when they are sick, and go to clinics and hospitals only in cases of serious emergencies. For this reason, the medical expenses of the poor tend to be very low: between 300 and 900 Rupees (\$3 - 9) per month per family, depending on the family size.



How the Women's Bank organized their study:

In early March 2014, a national meeting of core Women's Bank leaders was organized to discuss the purpose of the poverty study and work out how to conduct it. City-level workshops were then organized in Colombo, Moratuwa, Mount Lavinia, Nuwara Eliya and Mathale, to get things going. The women in each of these cities discussed the purposes of the study and worked out their plans for how to carry out their study, to define poverty in Sri Lanka, and set their own poverty lines that will more accurately reflect the situation on the ground than the government's dollar-a-day. In many of the cities, local government officers were invited to join these meetings, as observers, as part of their long-term partnership strategies there.

They developed a simple questionnaire to gather information about how much poor families actually spent on different basic needs each month and to use as a reference point in the lively discussions which invariably came along with the surveys. They decided to use group discussions at city-level and national level to validate the information they had collected in the surveys. It was agreed that the team in Colombo would gather information from 200 poor households in Colombo, covering different types of settlements, and that 75 households would be surveyed in the other cities. After their questionnaire was finalized, they tested it in a pilot survey in one area first, and then after making a few adjustments, all the teams went to work. All the information was gathered and validated by poor community women leaders.

SRI LANKA

Notes on the poverty study in Sri Lanka :

The poverty line study in Sri Lanka was carried out in six cities, by the members of Women's Bank, with support from their NGO partner Sevanatha. Women's Bank is a country-wide network of women's community savings groups, with some 80,000 members in 24 of the country's 25 districts, and with collective saving of some US\$15 million, which is in constant circulation in loans to help women improve their livelihoods, educate their children, improve their houses and repay informal debts. All of these women savers live in informal slums and squatter settlements, so they know a thing or two about poverty.

Despite the long civil war, despite the almost yearly natural disasters which decimate the country's populous coastlines, and despite growing inequality, all the government statistics will tell you that poverty is declining steadily in Sri Lanka. But those statistics have to be taken with a grain of salt, because they are all based on a national poverty line which the Department of Census and Statistics still pegs on the World Bank's old dollar-a-day poverty line.

When the Women's Bank teams in those six cities started looking at data from their earlier surveys, and asking new questions for this poverty study, they found that nearly half the population in those cities are living in informal settlements, where they face the whole spectrum of social, economic, health and environmental deprivations. And they found also that almost nobody in those thousands of informal settlements was spending less than a dollar-a-day, even though many were living in miserable conditions and not even getting enough to eat.

ee This study was a very good exercise for Women's Bank. This was our first time to define poverty. The information that we collected in the survey helps us to expand our program to reach the extremely poor. Also, we feel when the government distributes land and subsidies and helps with housing, the very poor are neglected. Only those with influence get these all these things. **99**

(Rupa Manel, President, Women's Bank)

"We took care to select poor families to survey that were not members of the Women's Bank savings groups. Our plan was to use the survey to bring them into the savings process and expand the Women's Bank membership. And it worked – we added hundreds of new savings members through the poverty study." *(Rupa Manel, Women's Bank)*

After summarizing the data at city level, workshops were organized in each city to review and discuss the information the teams had gathered. Some of the families they surveyed had to be visited a second time to clarify points or fill in missing information. These workshops also gave the women a chance to discuss the different aspects and levels of poverty, and to analyze together the causes of poverty. Each city then prepared a summary of their survey information, and all the city summaries were gathered together in Colombo, put together and presented in a national meeting.

COMPARING the VERY POOR

and the ORDINARY POOR



Livelihood	Work mainly in informal sector as unskilled laborers and domestic workers or vendors. Work is irregular and very low paying. Work long hours, income goes up and down.	Work in informal sector. Some have skills and tools or equipment which allow them to get better-paying work, but not permanent jobs. No pensions or other benefits.
Housing	Squat on other's land, in small houses without enough living space. Structures are dilapidated, made of temporary materials like salvaged wood, biscuit tins, thatch, woven bamboo, plastic. Not enough light or ventilation. Air inside polluted by cooking fires. No safety or security, face eviction.	Most don't own their land, even in settlements recognized by government. Houses are dilapidated or made of temporary materials, without proper light and ventilation. Insufficient space for the family, no privacy, safety or security. Even improved, recognized slums now face the threat of eviction.
Services	No access to individual household municipal water and electricity. Must use common taps and toilets, for which people have to pay. Some buy electricity informally, at inflated rates, from neighboring houses. No drainage or garbage disposal.	No proper toilets in house, must use shared toilets that are not maintained, or which drain into canals. Some have individual municipal water taps, but many must use common taps, with shared water bills. No solid waste disposal systems. Bad drainage.
Legal	Most squatter settlements recognized by local authorities, except very new ones. Even the poorest have ID cards and birth certificates, but these are often lost or destroyed in fires or floods. Have voting rights, but no legal ownership documents.	Some slum communities have title deeds or permits for their houses and pay assessment taxes. All have ID cards and voting rights. Most settlements and households are recognized by the Urban Local Authority (ULA).
Social	Live in isolated circumstances, not part of a community, or socially isolated within a community. Not involved in community organizations or collective activities.	Communities are organized, able to negotiate and influence decisions about their settlement. Have more social links to get what they need.
Health	Are very often sick or suffering from long-term illnesses. Unaware about free government clinics and hospitals.	Are in comparatively better health. Aware about free government clinics and hospitals and use these facilities.



A peek inside an urban poor Sri Lankan purse:

Here are some excerpts from the detailed discussions among the community women about how much various items of expenditure typically cost the poor, and how much they consider reasonable to have a decent life.

Five categories of the urban poor:

As part of the discussions that followed the city-level surveys, the Women's Bank teams in each city discussed the differences they had seen in the situations of poverty and began to analyze those differences and classify them into different levels of poverty. These levels were discussed again in the national meeting, and the following five categories of urban poor in Sri Lanka were agreed upon:

- 1 Homeless people and room-renters and sharers who live in other people's houses, without paying rent or paying very little. Have no rights in community.
- 2 New squatters in more vulnerable, newly-built shanties, mostly migrant families new to town. They are not recognized by local authority and have no access to services.
- 3 Established squatters and people living in settlements that are illegal, but the communities are recognized by the authorities and have some basic services.
- 4 People living in well-established slums, maybe with improvements and sometimes with tenure rights and land security.
- 5 Upper low-income people who have secure and well-paid jobs, but choose to remain in squatter and slum communities.

FOOD COSTS: The poor in Sri Lanka spend more on food than anything else; almost half their monthly household income goes into feeding themselves, though the better-off poor eat more protein (fish, meat, eggs and milk) than the very poor. Smaller families living in cramped shelters tend to buy prepared food from nearby stalls (bread or rice, dal and one curry) and stretch it to cover two or three meals. Larger families are more likely to cook at home, using fire-wood or kerosene stoves. Because they buy their provisions in tiny quantities, they invariably pay higher per-unit prices for things like sugar, spices, rice, wheat and cooking oil. And because the very poor are often obliged to buy on credit, local shop-keepers often cheat them by inflating their bills.

ELECTRICITY: Most established slums have proper municipal electricity connections and people pay the official metered rates. But in newly-built shanty settlements, people have to do without, or buy electricity to power one fan and one light from neighboring houses, usually at three or four times the metered rate.

HOUSING: The very poor in squatter settlements live in shanties made of temporary or salvaged materials and spend little or nothing patching them up. The ordinary poor spend about 10,000-15,000 Rupees (\$77-115) annually to maintain and improve their houses. The poorest families who rent rooms or shanties pay between 750 and 1,000 Rupees (\$6 - 8) a month for rent.

HOUSEHOLD EXPENSES: The very poor buy at least two sets of clothes and rubber slippers each year, sometimes from the used-clothing market and sometimes from cheap local markets. When they buy toothpaste, shampoo, washing powder, soap and other things, they buy the smallest quantities, which work out to be much more expensive per unit. The better-off poor buy these things in larger quantities in department stores, where the per-unit costs are lower.

EDUCATION COSTS: Education in Sri Lanka is free, and the government even provides text books and two sets of uniforms for all children. But parents must pay for stationary, food, transport (via 3-wheel pedicabs) and other materials, which can add up to about 1,000 Rupees (\$7.70) a month, per child.

LOTTERY: Playing the lottery is legal in Sri Lanka, and just about everyone - rich and poor alike - tries their luck now and then; some much more. 85% of all poor households buy at least one 20-Rupee (\$0.15) lottery ticket each day. Betting on horse races - a leftover from the British colonial era - also remains a popular form of gambling among hopeful punters in poor settlements.

DEBT: The very poor have limited access to credit, and mostly go into debt by buying provisions on credit from the local shops, which usually allow a family's bill to go no higher than 3,000 Rupees (\$23), and has to be settled once a month. Like all Asian countries, Sri Lanka is full of informal money lenders, and the high interest (15-20% per month!) trap many poor families in perpetual, crippling debt.

PHONES: Mobile phones are no longer a luxury item; just about everyone has one now, and the poor spend at least 20 Rupees (\$0.15) a day on them.



POVERTY LINES IN SRI LANKA :

calculated on the basis of reasonable minimum daily expenses

(all figures in US\$)

Key monthly expenses for households (hh) of different sizes	2 person hh		3 people hh		4-5 people hh		6 + people hh	
	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor
1. Food and drink	80.77	112.31	110.00	124.62	141.54	158.46	158.46	178.46
2. Transport	23.08	23.08	29.23	26.92	35.77	35.38	48.07	39.23
3. Water and electricity	4.62	6.15	5.58	6.54	7.23	9.23	10.58	9.62
4. Housing / rent	7.69	9.62	7.69	9.62	9.23	10.77	11.54	10.77
5. Kids expenses, school	0	0	6.31	7.69	8.08	9.62	12.31	10.96
6. Household expenses	8.08	9.23	11.76	10.23	14.69	13.27	18.92	15.00
7. Health care	3.85	6.15	4.62	9.23	6.38	10.46	9.85	12.31
8. Alcohol, cigarettes	18.46	23.08	11.54	23.08	14.23	27.70	18.46	31.15
9. Lottery and gambling	4.62	7.69	6.15	7.69	7.69	9.23	9.23	11.54
10. Repaying debts	7.69	15.38	13.85	19.23	18.08	21.54	19.23	23.46
11. Phone, communication	4.62	6.15	6.15	7.69	9.62	9.62	15.38	10.77
Total monthly hh expenses	163.46	218.85	212.50	252.54	272.54	315.27	332.12	353.27
Daily expenses per person	\$2.72	\$3.65	\$2.36	\$2.81	\$2.27	\$2.63	\$1.85	\$1.96

◀ **Why no single-person households?** There aren't many single people living alone in Sri Lanka's informal settlements. The Women's Bank leaders felt that if they took data from the few single people who are there, it may give a wrong idea about the basic living costs. So in one of the first community meetings, they decided not to include single person households in their poverty study.





Looking at how poor people survive in 3 cities:

1 CEBU: As part of the poverty study in Cebu, detailed household expenses were collected from 145 families in two densely-populated seaside relocation communities in Barangay Suba and Barangay Sawang Calero.

HOUSING: Families wait for government to make improvements in the area and expect to get land ownership eventually. Each plot is just 40m2, and difficult to move around inside the tiny NHA houses, not enough space for everyone to sleep, so some family members forced to sleep outside in the streets or in the fish port.

JOBS: Mostly fishing-related livelihoods, where earnings depend on the fish supply and weather conditions, and wages are almost never enough to meet daily needs.



PHILIPPINES

Notes on the poverty study in Philippines:

The poverty study in the Philippines was carried out by the Homeless People's Federation Philippines (HPFP), which is now active in 33 cities, using community-managed savings as the core strategy of a community-led development process which includes land acquisition, community upgrading, citywide slum mapping, house construction, disaster rehabilitation, city-fund management and partnership with government. The stories on these two pages were drawn from the presentation made by Celia Tuason and Janeth Bascon during the Bangkok meeting, and from the final study report that was prepared by Deana Ayson at PACSII, the federation's NGO partner.

Three cities participated in our poverty study, one from each region: Muntinlupa (in Metro Manila), Cebu (in the central Visayas) and Davao (in southern Mindanao). We began by meeting with key community leaders from each city and orienting them about the purpose of survey. Then each city identified four communities where they would conduct the survey and set up research teams. We made sure to include a variety of settlements in each city, but we focused our study on the very poorest families in those settlements, to try to understand their necessary expenses and see how they were surviving.

The information was collected through informal interviews with community members and group discussions. The groups in each city also paid a courtesy call to their local government, to let them know what we were doing, as part of our practice of always linking with the local government, as much as possible.

All the information we gathered about how much these very poor families were actually spending gave us a good understanding of the reality of their lives. But in all three cities, the families we surveyed are living in ways that nobody would consider reasonable or sufficient, even though their per-person daily expenses turned out to be much higher than the World Bank's \$1.25-a-day poverty line. By that definition, these families are not considered poor, even though they are living in insecure and dangerous places along shorelines and rivers, in houses which sometimes have no walls or toilets or clean water, many of them eating less than two meals a day and going around with illnesses they can't afford to have treated.

2 DAVAO: Household expenses were collected from 155 households living in 4 areas: IKP Village Association and Punta Dumalag (shoreline squatter communities), Los Amigos (a big government relocation site on the outskirts of town) and Saint Benedict (a big, inner-city squatter settlement on private land).

HOUSING: Houses made of flimsy temporary materials, some without walls and many built up on stilts over seawater. Families in relocation sites feel more insecure than when they lived in inner-city danger areas, because now they are so far from job centers, transport, support systems and markets.

JOBS: Construction workers, pedicab drivers, laundry-cleaners, market vendors and small store owners.

HEALTH: Many children suffer from measles and other diseases, have frequent coughs, colds and fevers.



3 MUNTINLUPA: Detailed household expenses were collected from 106 families in four urban poor areas: two shoreline squatter communities and two government relocation communities on the outskirts of the city.

HOUSING: In the shoreline communities, people live in constant danger from typhoons, in flimsy houses made of temporary materials like bamboo and used tarpaulins, some with no walls. In the government relocation colonies, people live in tiny box-type houses built by the NHA, far from jobs.

JOBS: Some scavenge, buy and sell recyclable junk, some are fisher folk or have fisheries-related small businesses with irregular incomes that depend on the seasons and the catch. In the government relocation sites, people work as laundry cleaners, vendors, construction laborers and factory workers, but have to commute a long way. Many have no regular work, and some work just once a week. Some people eat only one meal a day.

EDUCATION: Kids go to school in used donated uniforms that are often dirty from the charcoal being used for cooking at home. Many students have no shoes and go barefoot. School supplies also donated. Kids can't study well or complete their assignments because of cramped and difficult situations at home. Many kids end up dropping out of school. Kids have no transport budget so they have to walk very far to school.

SERVICES: Can't buy medicines, go to government health centers, where quality of care is bad. Limited budget for personal care, no electricity and water supply, houses have bad toilets or no toilets at all.



3 CITIES : How much are the poorest families actually spending?

Based on surveys of actual expenses of families of average 4-5 people in the three cities. (all figures in US\$)

Actual monthly expenses	Cebu	Davao	Muntinlupa
1. Food and drink	78.74	109.75	96.11
2. Transport	3.21	16.65	13.18
3. Electricity, water, fuel	23.84	19.60	19.18
4. Housing, rent	2.49	1.12	1.37
5. Kids expenses, school	12.21	14.65	17.49
6. Household expenses	75.53	14.23	22.09
7. Health care	5.28	5.51	4.28
8. Alcohol, cigarettes	7.58	10.47	7.05
9. Lottery, gambling	1.65	2.44	1.33
10. Repaying debts	12.32	6.37	6.33
11. Social security	1.70	5.07	2.40
12. Phone, communication	0.72	7.81	1.98
13. Taxes	0.20	0	0.53
Total monthly hh expenses	225.56	213.70	193.35
Daily expenses per person	\$1.87	\$1.78	\$1.61

POVERTY LINES IN PHILIPPINES :

calculated on the basis of reasonable minimum daily expenses

(all figures in US\$)

Key monthly expenses for households (hh) of different sizes	1 person hh		2 people hh		3 people hh		4 + people		6 + people	
	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor
1. Food and drink	28.33	41.86	52.12	87.40	72.79	137.51	115.16	157.35	166.05	253.21
2. Transport	2.72	12.86	12.40	22.37	19.40	27.51	28.95	52.37	51.58	64.30
3. Water and electricity	5.47	8.21	6.63	11.02	7.72	16.60	8.19	18.00	14.53	30.90
4. Housing / rent	4.65	12.51	8.14	18.30	11.63	19.58	13.95	21.81	13.95	47.40
5. Kids expenses, school	0	0	0	0	18.19	35.58	27.44	48.60	34.23	71.16
6. Household + phone	6.86	14.59	8.40	24.61	15.26	31.58	15.06	39.35	27.74	54.42
7. Health care	0.58	17.44	1.77	17.44	3.49	18.60	4.65	22.21	6.98	30.49
8. Alcohol, cigarettes	2.91	6.88	2.91	9.12	2.91	21.23	6.69	13.56	2.91	37.79
9. Lottery, gambling	0.47	7.70	1.16	8.42	1.16	3.84	5.40	5.23	1.16	8.14
10. Repaying debts	3.49	0.91	3.49	3.81	3.49	3.47	3.49	6.86	3.49	6.19
Total monthly hh expenses	55.49	122.95	102.02	202.51	156.05	315.47	228.99	385.33	322.61	603.28
Daily expenses per person	\$1.85	\$4.10	\$1.70	\$3.38	\$1.73	\$3.51	\$1.91	\$3.21	\$1.79	\$3.35



The ubiquitous mobile phone: In the Philippines, getting a mobile phone is now much easier and cheaper than applying for a landline, so having a mobile phone is now a necessity that is accessible to everyone, rich and poor alike. The ordinary poor are masters at stretching their phone budget by texting instead of speaking, and spend about 150-250 pesos (\$3.50 - \$5.80) a month on their mobile phones.

A peek inside an urban poor Filipino purse:

The next step was to look at those same lists of common family expenses and ask ourselves how much would be required, at the very least, for a poor family to live decently and reasonably? Once we had lists of minimum, reasonable living expenses, we brought them together to create our national poverty lines by communities.

FOOD COSTS were calculated for three full meals a day: salted bread and coffee for breakfast, and rice, meat and vegetables for lunch and dinner. Purchased meals are much costlier than home-cooked meals, so most poor families cook. Large households cook rice porridge instead of steamed rice to feed more mouths with the same amount of rice. The very poor use charcoal, driftwood or kerosene to cook with, while ordinary poor more often use more expensive cooking gas.

WATER AND ELECTRICITY: To save money, poor families get water from communal water sources, like deep wells, and use that water for bathing, laundry and house-cleaning. If they have proper water taps in their houses, they use it mainly for drinking, because the metered water is expensive, even though it's often contaminated. A small household spends about 150 pesos (\$3.50) a month for electricity, if they have only a fan, a TV and one or two lights.

HOUSING COSTS: Poor families in informal settlements have little or no housing expenses, but they face every day the possibility of eviction. Renters in these settlements pay at least 1,000 pesos (\$23) a month for a room big enough for a family of three. Larger families have to pay 2,000 pesos (\$47) for a bigger place. Families in government relocation sites have to make monthly payments for their houses of at least 200 pesos (\$5) every month, or they will lose their rights.

CHILDRENS' EXPENSES: Education is free in government schools, but families still have to spend a lot for uniforms, books, shoes, daily food allowance and special school projects, which eat into the food budgets. Christmas is also an expensive time, as even poor families buy toys and gifts for their children.

HOUSEHOLD EXPENSES: The ordinary poor spend more on cleaning products, toiletries, clothes and grooming products than the very poor. To save money, the very poor often use one bar of laundry soap (which is cheaper than bath soap) for bathing, shampooing and washing clothes.

CLOTHES: Poor families don't buy clothes often - usually only when they're needed for work or special occasions. Children's school uniforms are bought only once, and then altered every year so the same uniform can be used as the child grows, for 4 or 5 years. An ordinary poor family of 4-5 will spend about 400 pesos (\$9) a month for clothes, and the very poor about half that amount.

HEALTH CARE: Poor families ignore their illnesses until the situation becomes severe. The government's health insurance system is only for those with regular jobs, so doesn't usually include the poor. Very poor families rely on the Department of Social Welfare's "Indigent Program", which pays hospital bills, but only after gathering and filling in an impossible mountain of documents.

ALCOHOL: Drinking is an opportunity to bond and discuss domestic and community issues with friends and co-workers. In some cases it is a daily routine, especially among construction workers who believe that drinking removes toxins absorbed by the body during work. The poor prefer gin or rum, which cost only 25 pesos (\$0.60) for a 300 ml bottle good enough to share between four people.



#1 Poverty cause: DISASTERS

One of the biggest causes of poverty in the Philippines is disasters. This country faces just about every kind of disaster on the list: earthquakes, volcano eruptions, landslides, floods, fires, garbage slides and some 100 typhoons a year. These calamities cause suffering and loss for everybody, but they disproportionately affect the poorest and most vulnerable communities, who tend to live in the most dangerous and disaster-prone locations, and whose lack of resources, insurance or land titles make it more difficult for them to rebuild their lives, houses and livelihoods after disasters hit. Especially when these disasters keep happening, one after another.

For over 15 years, the Homeless People's Federation has focused its work on identifying, surveying and supporting communities in danger zones that are most vulnerable to these various kinds of disasters. For the federation, post-disaster rehabilitation and pre-disaster planning - by the affected communities themselves - must be core activities in the poor's efforts to lift themselves out of poverty.

Using community-managed savings as the core strategy of the community-led development it promotes, the federation works with poor communities in these high-risk areas on secure land tenure, community upgrading and house construction, disaster management and intervention, partnership with local governments, horizontal learning, community funds and a variety of community-driven processes.

CAMBODIA

Notes on the poverty study in Cambodia :

The poverty study in Cambodia was carried out by the national Community Savings Network of Cambodia (CSNC), which links together city-based networks of poor community savings groups and the city development funds they manage themselves in some 35 towns and cities in Cambodia. The CSNC has 18,000 savings members, with collective savings of about US\$ 500,000. The network's NGO support partner is the Community Development Fund Foundation, which helped facilitate the poverty study. The stories on this page are drawn from the presentation made by Phon Saret, Noun Sarim and Sok Kim (community leaders from Phnom Penh and Prey Veng), at the Bangkok meeting:

After the workshop in Khon Kaen, we went back to Cambodia and began to discuss with the national savings network about how to conduct the poverty line study, how to collect the information and which cities to carry out the study in. We had already planned to have a national workshop on community development funds on in February 2014, and so we used that national gathering to discuss the poverty study also and begin to set our plans.

We decided to conduct our poverty study in seven cities of different sizes and in different regions, so that we could get a good idea of how the urban poor in different places are surviving. The cities were Phnom Penh (two districts: Posenchey and Roessei Keo districts), Peam Ro, Preah Sihanouk, Battambang, Serey Sophoan and Siem Reap. We collected the information through discussions and household surveys in each city, and then through discussions with all city teams in Phnom Penh. The community networks in each city did all the surveys, with support from the national level network and the CDF Foundation. We also collected information about all the organizations that work on poverty issues in those cities.

Looking at how the poor in seven cities are getting by:

We surveyed a total of 104 households in the seven cities, mostly focusing on poorer families in groups 2 and 3 (see below), the two groups which include the majority of urban poor people in Cambodia. These families live in slums and squatter settlements on leftover bits of public and private land, along the railway tracks, beside highways and roads, and along rivers, ponds and canals. All the data we have collected is about the actual expenses of these 104 very poor families. We have not yet been able to calculate the figures which tell what we believe are reasonable minimum expenses for the poor to live decently. That will be our next step. After a lot of discussion, we divided the urban poor in Cambodia into four groups:



GROUP 1: This is the poorest group, which includes the homeless and people with no land, either legal or illegal. Many are waste-pickers or have no clear jobs, no tools or equipment to get better work. Many are disabled and change the place they sleep each night. They often eat leftover food thrown out by restaurants to survive. This group is the most difficult to reach, and requires more time to solve their problems. We surveyed only a few families in this group.



GROUP 2: These are the poor people who live in slum communities, but the most insecure ones, on different kinds of public and private land, which face the constant threat of eviction. Their houses are very poorly built of plastic sheets, bamboo, thatch and salvaged materials. They often have no access to electricity or clean water supply and must defecate in the open. Their jobs and income are irregular and low-earning. Some are renters in these bad slums. We surveyed 60 families in this group.



GROUP 3: These are the ordinary poor people who live in established slum communities that have been around for ten or twenty years. Even though they have no legal right to the land they occupy, they have land and a house and feel more secure. Some may have some land tenure security, but not 100%. Many of these communities have been improved under the citywide upgrading program. Kids go to school, people have ID cards. We surveyed 35 families in this group.



GROUP 4: These are the better-off poor people who still live in slum communities, join the savings groups and have ID cards. They also face the insecurity of not having legal tenure or ownership of their land, but they have had more chances to improve their lives and livelihoods than other poor people. They might have better land security, can educate all their children, have more regular and better-paying jobs such as low-level government officers and good factory jobs.

HOW MUCH ARE THE POOR ACTUALLY SPENDING IN CAMBODIA?

Based on surveys of actual expenses in different sized families

(all figures in US\$)

Key monthly expenses for households (hh) of different sizes	1 person hh		2 people hh		3 people hh		4 + people		6 + people	
	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor
1. Food and drink	30.00	60.00	75.00	112.50	100.00	150.00	220.00	175.00	300.00	350.00
2. Transport	0	12.50	10.00	17.50	17.30	20.00	26.25	32.50	45.00	50.00
3. Water and electricity	2.50	5.00	4.00	5.75	7.75	7.75	13.25	21.25	25.00	32.50
4. Housing / rent	0	20.00	5.00	30.00	10.00	40.00	15.00	50.00	25.00	50.00
5. Kids expenses, school	0	0	0	0	12.00	17.50	25.00	40.00	65.00	87.50
6. Household expenses	2.50	5.00	5.38	6.25	7.50	8.50	15.00	20.00	23.50	30.00
7. Health care	2.50	5.00	3.00	7.50	7.00	15.00	9.50	35.00	13.75	50.00
8. Alcohol, cigarettes	2.00	0	0	2.50	5.00	8.75	11.25	25.00	14.00	30.00
9. Lottery, gambling	0	2.00	0	4.00	1.25	5.00	1.25	5.00	6.50	12.50
10. Repaying debts	0	0	5.00	10.00	20.00	25.00	25.00	50.00	40.00	70.00
Total monthly hh expenses	39.50	109.50	107.38	196.00	187.80	297.50	361.50	453.75	557.75	762.50
Daily expenses per person	\$1.32	\$3.65	\$1.79	\$3.27	\$2.09	\$3.31	\$3.01	\$3.78	\$3.10	\$4.24



Land tenure and debt: In informal settlements in Cambodia, many poor families in groups 1, 2 and 3 use their meagre belongings and their informal land ownership as collateral to get loans from the money lender. Then, when they have trouble making the repayments, they lose both their land and their belongings. Even though they occupy the land informally, it has a market value that can be bought, sold, traded and put up as collateral.

VIETNAM

Notes on the poverty study in Vietnam :

The poverty study in Vietnam was done by the national network of city-based community development funds (CDFs), with help from the Associated Cities of Vietnam (ACVN). These CDFs link together and support community-based savings groups in 25 towns and cities throughout Vietnam. The material on this page was drawn from the study report prepared by Nga Nhu Le, a community architect with ACVN:

The poverty study in Vietnam was initially conducted in three provincial towns in Northern Vietnam (Bac Kan, Hai Duong and Viet Tri). In each city, ten very poor families were surveyed, and detailed information about their actual living expenses was gathered. But because the urban poor in smaller towns like Bac Kan have access to farmland and forests, many can grow their own rice and vegetables, raise their own animals and fruits and collect bamboo for their houses, even if they don't have land of their own - so their expenses are much lower than in bigger cities, where the poor have to buy everything. For this reason, a second round of discussions was organized among poor families in one crowded, urbanized district in Hanoi (Hai Ba Trung District), so the study could represent and describe a more balanced cross-section of urban poor situations in Vietnam.

Before the field surveys began, a national meeting was organized, which brought together 30 community leaders from eight cities, in the three regions of the country, to discuss the poverty line issue:

- Who are the poor, where do they live and why are they poor?
- How can they get out of poverty and what support do they need to do that?
- What do the urban poor think of the poverty lines set by the government?

Poverty lines are front-page news in Vietnam :

In Vietnam, the government announces poverty reduction targets every year, for each city and province, which are then tied to the package of poverty-reduction programs the government runs. These targets, which are all linked to the government's official poverty lines, are posted in all the newspapers, so everyone knows. Only those who fall below the government poverty lines and are listed on the official poverty registries are eligible to benefit from all these goodies. So it's no surprise that most urban poor are keen to get on, and remain on, these poverty lists, so they can benefit from these various poverty programs (especially soft loans from the government bank, free health insurance and school fee subsidies).

The community team in Vietnam has not yet calculated their own poverty lines, based on reasonable, minimum monthly expenses for urban poor families of different sizes to live decently in Vietnam. That will be the next step. Instead, they focused their survey and discussions on understanding the actual expenses of very poor and ordinary poor families in these different cities. And those discussions revealed several interesting discoveries about how the very poor spend their earnings and prioritize their expenses, such as:

- Housing was a very low priority for all the families included in the survey. The poorest said, "We don't think at all about the house, we just focus on finding food for tomorrow"
- The poorest migrant families paid more for room-rent and other necessities than families who had been established in the city for some time, but their overall expenses were kept lower by reducing their food expenses and actually eating less than others.
- Expenses in all the categories vary a lot from city to city, so each city should have its own poverty line.

The difference a good house makes . . .

Nguyen Truong Tam is a member of the Community-based Builders Network in Bac Kan, and was a beneficiary of the Decent Poor Program in Vietnam, which provided a small grant of \$500 to the poorest families in the city to improve their housing conditions. During the Vietnam poverty study presentation in Bangkok, Mr. Tam showed slides of his house, before and after the improvements, and described the big changes those small improvements have made in his life:



▲ Mr. Tam's & house BEFORE & AFTER

Before, I lived in a very bad house that was made of bamboo and plastic sheets. Also my wife was very sick and we could not find any way to improve our lives. Because we lived in such a bad house, the whole of society looked down on us, and the local authorities didn't trust us. Poor people like us can't even think about our health, we just keep trying to earn enough for our daily needs, can't think about anything long term, can't make any long term plans. We just work until we collapse. Now I have come out of poverty. After building my new house, I began talking to my neighbors, telling them that we need to think for our future and for our children and find solutions to our problems together. We can't do it alone. In 2011, we started saving in Bac Kan. Now we have also set up a community builders team, and it's our team's job to help other poor families to improve their houses.

HOW MUCH ARE THE POOR ACTUALLY SPENDING IN VIETNAM?

Based on surveys of actual expenses in different sized families (all figures in US\$)

Key monthly expenses for households (hh) of different sizes	2 person hh		3 people hh		4 people hh		5 + people hh	
	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor	Very poor	Ordinary poor
1. Food and drink	47.62	85.71	71.43	142.86	142.86	214.29	182.36	285.71
2. Transport	14.29	19.52	19.05	23.81	23.81	28.81	26.97	42.00
3. Water and electricity	14.29	16.67	19.05	19.05	19.05	23.81	23.81	27.14
4. Housing / rent	23.81	10.00	47.62	20.00	60.05	30.00	71.43	40.00
5. Kids expenses	0	0	23.81	47.62	47.62	86.74	53.81	142.86
6. Household expenses	9.52	23.81	14.29	47.62	19.05	73.27	29.05	95.24
7. Health care	4.76	23.81	14.29	71.43	23.81	95.24	28.57	142.86
8. Alcohol, cigarettes	0	0	0	0	0	0	0	0
9. Lottery and gambling	0	0	0	0	0	0	0	0
10. Repaying debts	9.52	0	9.52	0	14.29	9.52	23.81	0
11. Phone	2.38	4.76	4.76	7.14	9.52	9.52	13.52	13.52
12. Cooking gas	9.52	7.14	12.52	8.10	14.52	9.52	16.00	12.52
Total monthly expenses	135.71	191.42	236.34	387.63	374.58	580.72	469.33	801.85
Daily expenses / person	\$2.26	\$3.19	\$2.63	\$4.31	\$3.12	\$4.84	\$3.13	\$5.35



Blame it all on men! "Why are we poor? Because of men! It is only men who leave their families behind, and only men who drink all their earnings. And it is only men who would lay around and allow their wives and daughters to earn all the money to feed their families!" (Mrs. Pham Thi Thuy Hang, community savings group leader from Hai Duong).

A pill with no gilding . . .



All of which brought to mind a famous quotation from Samuel Johnson, in the 18th Century, which we looked up to get it right:

☞ Life is a pill which none of us can bear to swallow without gilding; yet for the poor we delight in stripping it still barer. ☞



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More on the ACHR-IIED poverty line study:

The lively discussions and presentations from the two regional meetings that were part of this poverty line study have been documented in meeting reports that can be downloaded from the ACHR website. Reports from the poverty studies in several of the participating countries have also been written up and can be found on the ACHR website.

Are you on our mailing list?

If you'd like to be on the mailing list for future ACHR publications, please send us your mailing address and contact details. It's always nice to hear a bit about the work that you or your organization is doing, also.

Comparing poverty lines:

For a person in an average 4-5 person household (US\$ per person per day)	OFFICIAL Poverty lines		PEOPLE'S Poverty lines	
	National pov. lines	World Bank and UN	Very poor	Ordinary poor
NEPAL	\$0.56	\$1.25	\$1.97	\$3.35
CAMBODIA	\$0.95	\$1.25	<i>not yet</i>	<i>not yet</i>
SRI LANKA	\$1.00	\$1.25	\$2.27	\$2.63
PHILIPPINES	\$1.21	\$1.25	\$1.91	\$3.21
VIETNAM	\$0.80	\$1.25	<i>not yet</i>	<i>not yet</i>
THAILAND	\$1.75	\$1.25	\$2.88	\$4.74