

# GENDER AND ECONOMIC POLICY MANAGEMENT INITIATIVE

## Asia and the Pacific

6



# GENDER AND POVERTY

**GENDER AND ECONOMIC POLICY MANAGEMENT INITIATIVE – ASIA AND THE PACIFIC:  
GENDER AND POVERTY**

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Front cover: A group of rural women in India take a rest from work (Devendra/ UNDP)

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# INTRODUCTION

This module introduces definitions and measurement of poverty and explores how gender dynamics influence poverty as policy makers typically define it, stressing the importance of the household as a social institution. Participants will examine the gender dimensions of poverty and concepts such as the feminization of poverty and time poverty. The module concludes with a brief discussion of the links between employment policy, gender relations and poverty.

# LEARNING OBJECTIVES

1. To enable participants to understand the definition and measurement of income and consumption poverty.
2. To ensure that participants recognize the relation between poverty processes and household structure.
3. To facilitate participants' abilities to unravel the gender dimensions of poverty dynamics.
4. To help participants address the policy implications of poverty processes within the context of gender dynamics.

# OUTLINE

- I. Defining and measuring poverty.
  - A. Poverty: a complex idea.
  - B. Income and consumption poverty.
  - C. Relative poverty.
  - D. Vulnerability.
- II. Poverty and the structure of households.
- III. Gender and poverty.
  - A. The feminization of poverty.
  - B. Intra-household dynamics.
- IV. Poverty reduction and gender: issues and dynamics.
  - A. Economic growth and poverty reduction.
  - B. Employment and poverty.
  - C. Gender, employment and poverty.
  - D. Economic adjustment, poverty reduction policy strategies and gender.

# DURATION

One day.

## EXERCISE 1

Objective: to feed directly into the presentation and discussion of defining and measuring poverty in Part I of this module.

Participants divide themselves into groups of four to five. Their task is to reflect on their knowledge of their own countries and their own experiences and to discuss what poverty actually means. Participants are encouraged to think of poverty not only as commonly defined in terms of a lack of income, but to reflect also on other dimensions to poverty, such as lack of access to food, water or shelter, health status, lack of opportunity, a lack of human resources in, for example, the health sector, a lack of capacity in central and local government, social isolation, and others. Each group should take 20 minutes to come up with their own definition of poverty that includes income and non-income dimensions. Participants are encouraged to think outside the box of typical poverty measures.

Once they have a definition, participants should take another 20 minutes to reflect on and discuss the following questions:

- Are there gender dimensions to their definitions of poverty?
- Would women or third gender people experience poverty differently than men?
- Do women or third gender people respond to poverty in different ways than men?
- In what ways do women and men within households respond to poverty?
- When separately considering the Asian region and the Pacific region, are there major differences in what 'poverty' means in each region?

Groups will present their definitions of poverty and the gender dimensions of poverty in plenary, followed by a group discussion of the issues that arise.

# I. DEFINING AND MEASURING POVERTY

Objective: to enable participants to understand the definition and measurement of income and consumption poverty.

## A. POVERTY: A COMPLEX IDEA

- A. Poverty is a multi-dimensional concept that is simultaneously easy and difficult to define. It is commonly characterized as a condition in which individuals, households and communities lack the resources to generate the earnings that can sustain their consumption at levels commensurate with human well-being. In this approach, poverty is a state of material deprivation.
- B. Material deprivation can also be a function of the areas in which poor people tend to live, which typically might lack access to electricity, safe water or sanitation facilities, among other services. In these areas even a household with the money to buy these services might have difficulty obtaining them. In other words, material deprivation has spatial dimensions.

**TABLE 1:<sup>1</sup> PEOPLE LACKING ACCESS TO IMPROVED WATER SOURCES, RURAL**

	1990	1995	2000	2005	2008
<b>Thousands</b>					
East and North-East Asia	386,978	321,048	257,862	185,633	147,705
South-East Asia	125,065	116,916	103,361	87,716	83,701
South and South-West Asia	319,634	313,647	279,855	245,905	214,703
North and Central Asia	21,197	19,421	17,634	15,327	15,303
Pacific	2,714	3,112	3,580	3,971	4,251
Asia and the Pacific	855,699	774,223	662,332	538,556	465,644
LLDC	30,634	36,783	35,615	32,900	31,760
LDC	66,881	76,704	74,859	70,856	70,394
ASEAN	124,549	116,411	102,962	87,342	83,367
ECO	50,832	56,336	53,986	49,336	46,470
SAARC	306,577	302,392	270,827	239,554	209,860
Central Asia	10,820	10,499	10,296	9,573	9,576
Pacific island dev. econ.	3,025	3,445	3,929	4,315	4,602
Low income econ.	70,077	79,484	77,674	73,113	72,443
Lower middle income econ.	748,777	665,315	561,462	448,713	378,966
Upper middle income econ.	28,514	24,786	19,825	14,724	13,174
High income econ.	8,154	4,473	3,224	1,885	956
Africa	280,618	301,860	318,765	332,328	343,650
Europe	4,995	3,789	2,641	1,897	1,825
Latin America and Carib.	65,459	58,167	52,550	43,904	37,982
North America	2,533	2,663	2,825	2,968	3,050
Other countries/areas	11,307	13,719	15,791	18,131	20,138
World	1,226,674	1,159,647	1,059,569	941,647	875,734

<sup>1</sup> Statistical Yearbook for Asia and the Pacific 2011. Table 1.40 Access to water—people affected. <http://www.unescap.org/stat/data/syb2011/I-People/I.40-Access-to-water-people-affected.pdf>

**TABLE 2:<sup>2</sup> PEOPLE LACKING ACCESS TO IMPROVED SANITATION, TOTAL**

	1990	1995	2000	2005	2008
<b>Thousands</b>					
East and North-East Asia	685,053	677,795	657,866	625,604	608,950
South-East Asia	250,833	235,509	214,327	192,268	182,019
South and South-West Asia	916,588	975,944	1,011,398	1,044,310	1,042,384
North and Central Asia	27,713	28,375	26,469	23,627	25,392
Pacific	3,259	3,649	4,153	4,632	5,003
Asia and the Pacific	1,884,985	1,922,816	1,915,679	1,891,871	1,865,129
LLDC	39,963	46,347	46,865	47,112	49,714
LDC	140,014	141,693	138,128	131,375	129,985
ASEAN	250,205	234,850	213,762	191,702	181,479
ECO	115,904	126,816	132,786	135,267	136,527
SAARC	898,599	956,955	992,018	1,024,960	1,023,002
Central Asia	8,441	9,044	7,390	4,927	6,780
Pacific island dev. econ.	2,836	3,174	3,622	4,043	4,380
Low income econ.	148,318	150,525	147,536	140,979	139,742
Lower middle income econ.	1,690,790	1,725,081	1,721,906	1,706,731	1,678,542
Upper middle income econ.	43,742	45,014	44,106	42,018	44,719
High income econ.	31	36	0	0	0
Africa	406,777	451,882	496,512	545,200	576,163
Europe	21,189	19,819	18,933	18,240	17,928
Latin America and Carib.	137,014	132,511	129,025	120,108	114,621
North America	0	0	0	0	0
Other countries/areas	23,885	26,126	26,448	26,840	26,101
World	2,502,839	2,581,501	2,614,680	2,630,636	2,628,709

2 Statistical Yearbook for Asia and the Pacific 2011. Table 1.42 Access to sanitation-peopleaffected.<http://www.unescap.org/stat/data/syb2011/I-People/I.42-Access-to-sanitation-people-affected.pdf>

- C. That material deprivation has spatial dimensions has been a long-standing refrain in human history. What is different about poverty in the 21st century is that individuals
- Are more aware of their material deprivation.
  - View such material deprivation in a negative way.
  - Feel that they are hampered in their ability to overcome their material deprivation.

This is as true of Asia and the Pacific as it is of the rest of the world. Inability to achieve the basic material necessities of life fosters personal perceptions of insecurity, vulnerability and powerlessness in relation to others, which are typical markers of ill-being identified by those that experience material deprivation.

- D. These markers suggest that poverty is an outcome of a set of social, economic, political and cultural processes, rooted within and between the operation of communities and societies and simultaneously generating states of wealth that coexist alongside material deprivation and social exclusion.

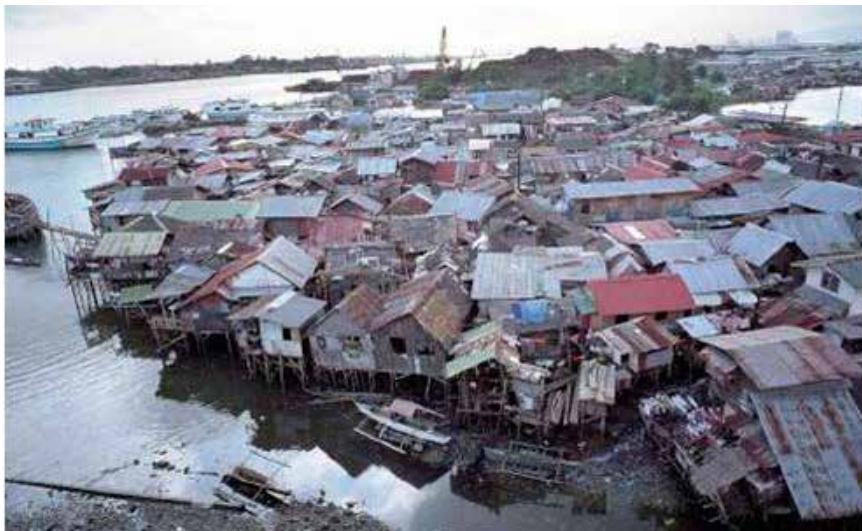


## B. INCOME AND CONSUMPTION POVERTY

A. Most poverty analyses and interventions do not address the multi-dimensional character of poverty, focusing instead on material deprivation. So when people speak of poverty reduction, they usually mean a reduction in income or consumption poverty, typically defined at the level of the household. There are a variety of related concepts:

- Income poverty is when total household income falls below a certain threshold, called the poverty line. The threshold is often adjusted for household size and composition ('adult equivalents') and is usually expressed in monetary terms ('money metric').
- Consumption poverty is when total household expenditures fall below a certain threshold. Again the threshold is often expressed in terms of adult equivalents and in money-metric terms.
- Headcount poverty is the number of individuals living in households in a country or region whose income or consumption falls below a specified poverty line. Headcount poverty is an absolute measure of the number poor individuals.
- The poverty rate is headcount poverty expressed a percentage of the total population.
- Depth of poverty is a measurement of how far below the poverty line individuals living in households in a country or region fall, and is thus a measure of the severity of poverty.
- Time poverty is when individuals do not have enough discretionary time after performing essential and committed SNA and non-SNA activities to engage in own-care, educational, leisure and other activities that maintain their personal well-being. The concept of time poverty is useful when discussing time use and unpaid work, and can be measured using time use surveys discussed in Module 4 (Gender, Data and Indices).

- B. Sometimes consumption poverty is measured with respect to a particular category of goods to emphasize the notion of deprivation of an essential need. For example, poor households that do not have access to their own gardens, lands or subsistence production tend to spend a larger proportion of their income on food. Water poverty can also emphasize deprivation of an essential need.
- C. Poverty status and poverty rates are often estimated using survey data collected in ways described in Module 4, though survey respondents consistently under-report income, yielding higher poverty rates. Moreover, income reporting is especially unreliable when it relates to income that is volatile, as with irregular wages or earnings. For this reason, many researchers prefer carefully constructed measures of consumption poverty, even though consumption is also often not accurately measured and requires extremely careful survey design. Surveys used to estimate poverty status and poverty rates may also exclude some of the poorest areas (e.g., squatter settlements) because they were not included in poverty mapping, or nomadic and street people because they are not in households.



Photograph courtesy of Dr. Abul Hossain.

Rural or isolated communities are frequently excluded because the poverty research has not been resourced to fund getting to more remote locations, because no thought has been given to seasonal travelling restrictions, because the logistics seem hard, and/or because they are too uncomfortable for the researchers. In Asia and the Pacific, an additional complexity is the numbers of different languages that are spoken. So too is the issue of undertaking poverty research in areas where there has been violent internal conflict. The same people thus continually become the cohort groups for research that is then generalized to all, with the same people constantly missing. World Health Organization research on violence in Asia and Pacific is, however, an exception to this practice.

D. Poverty rates can be measured for a population as well as for women and men. If the latter is done, sex disaggregated data, discussed in Module 4, is collected. For example, women's poverty rates can be calculated as the number of women and girls living in poor households expressed as a percentage of the total female population. Often women's poverty rates are used to describe the risk of poverty women face. However, care must be taken in considering the use of female poverty rates:

- If poverty is typically defined in terms of the household, then the women, men, third gender persons and children living in a poor household are all considered poor. This does not account for the intra-household distribution of resources and incomes, which is in turn related to control over the stock of wealth the household accrues, as well as the earnings flowing into the household. These issues are discussed further below.
- Expressing poverty rates in terms of specific groups of individuals, such as women, third gender persons or men, may not tell us much about poverty risks facing individuals if we do not understand the structure of households.
  - a. How big are the households?
  - b. Who controls resources?

- c. Who has access to resources?
- d. How many are engaged in employment that appears in the system of national accounts (SNA)?
- e. How many are engaged in employment that should, according to the SNA rules, appear in the SNA?
- f. How many are engaged in unpaid work on the other side of the boundary of production?
- g. Are there children, sick, disabled or very elderly household members that rely more heavily on unpaid care work?
- h. In some societies women enter into the extended family of a man upon marriage. In other societies, women and men create separate households upon marriage. In yet other societies, women and men enter into the extended family of both upon marriage. Community norms and rituals around household formation and hence household structure can therefore be embedded with gender relations, which have implications for the poverty risks facing women and men, including the possibility of differential poverty risks.

There is no research on household formation for third gender persons.

## C. VULNERABILITY

Vulnerability focuses on changes in socio-economic status and certain socio-economic groups are particularly vulnerable to, for example, geo-physical shocks or to structural adjustment programmes (see Module 8). Vulnerability is distinguished from poverty as a process, a state of insecurity and precariousness. Migrant or seasonal workers may be vulnerable. Residents of the Maldives or Kiribati – two countries that are threatened by sea level changes as a result of global warming – are vulnerable. Vulnerability is a dynamic concept and will vary across households. Researchers in Peru suggested the following table to assess vulnerability.

**TABLE 3:<sup>3</sup> CHARACTERISTICS OF HOUSEHOLDS AND INDIVIDUALS AND ECONOMIC VULNERABILITY<sup>4</sup>**

Characteristic	Effect on vulnerability	Reasoning
Rural residence	Reduces	Less interdependence; more able to produce for own consumption
Smaller households	Increases	Less income diversity
White collar employment <sup>5</sup>	Reduces	More stable employment
Government employment <sup>6</sup>	Reduces	Same as above
Blue collar employment	Increases	Less stable employment
High household assets	Reduces	Can draw down assets; can use to obtain credit
Women members	Increases	Limits increased labour force participation
Elderly members	Increases	Same as above
Infirm or handicapped individuals	Increases	Same as above
Children	Increases	Same as above
Minorities	Increases	Same as above
Households with diverse kinship networks	Reduces	Informal inter-household insurance; long-run obligations
Access to credit	Reduces	Borrow for consumption
More experienced (older) workers	Mixed	Less likely to lose job; More (job-specific) human capital is lost when job is lost
Higher education levels	Reduces	Favoured by technology changes; adapt better

3 Glewwe, P., Hall, G. (1998), "Are some groups more vulnerable to macroeconomic shocks than others? Hypothesis tests based on panel data from Peru", *Journal of Development Economics*, Volume 56: 181–206.

4 The Peru data excludes rural areas; and does not identify minority households of Indian origin.

5 The global financial crisis of 2008 and outcomes would suggest that these are no longer 'stable employment' options.

6 The global financial crisis of 2008 and outcomes would suggest that these are no longer 'stable employment' options.

Casualisation of employment affects women's vulnerability. Manufacturers keep women workers as 'trainees' for long periods to keep costs low, then can send them home as piece workers and bring in another round of 'trainees'. Labour flexibility surveys in the Philippines show that the greater the degree of casualisation, the higher the proportion of total employment consisting of women, and the more vulnerable these women are to exploitative conditions.

Poverty can be transitory or chronic. Poverty is characterized by both material deprivation and social exclusion, and can have a strong spatial dimension.

## D. RELATIVE POVERTY

- A. Although income and consumption poverty measures are most commonly used in economic poverty analysis, relative poverty is a widely used alternative conceptualization that focuses on inequality. When inequality increases, relative poverty increases. Relative poverty can be measured using income and consumption measures.
- B. The most common measure of income and consumption inequality is the Gini coefficient, which ranges from a value of zero (perfect equality) to one (perfect inequality).
- C. Gender dynamics are an important determinant of income and consumption inequality within and among households, as women and men have different access to and control over assets and earnings, as discussed in Module 5 (Employment and Labour Markets). There is no reliable research on the gender dynamics of households which include third gender persons.
- D. There is no fixed relation between poverty rates and inequality. It is possible for the poverty rate, measured relative to a fixed poverty line, to fall while relative poverty increases. This has happened, for example, in China. It is possible for the poverty rate, measured relative to a fixed poverty line, to rise while relative poverty rises; this may have happened in DPR Korea. It is also possible for the poverty rate to fall while relative poverty falls, although in Asia and the Pacific there are no examples of this; it has happened, though, in Brazil.

## E. POVERTY IN THE PACIFIC

Poverty in the Pacific exists in forms of social exclusion and poverty of opportunity to participate (the capability approach), as well as financial poverty. Poverty in the region is impacted in some areas by the lack of access to basic services such as sanitation, water, electricity and natural resources, and the lack of opportunity to fully participate in the socio-economic life of communities.<sup>7</sup> Poverty is also a result of the migration of many skilled workers from the Pacific Islands, taking skills with them that leave many islands and nations without qualified professionals. In the largely collective Pacific cultures, hardship is also visible when one is unable to meet customary responsibilities to family and villages, and religious responsibilities to the church.

Data to measure the MDG poverty benchmark of USD 1.25 (World Bank revision) a day are not readily available in the Pacific region, and additional indicators are needed to fit the Pacific context. Many people's needs and responsibilities are met through subsistence agriculture and fishing, and goods and services are often provided without monetary exchange. However, a growing cash economy and aspirations for modern goods have altered the traditional family systems and raised expectations of monetary rewards for 'work'. There is also a growing expectation that the government has a responsibility to provide more services, particularly where there is corruption and politicians use revenue for personal gain.

While adequate data to measure poverty in the region are lacking, evidence shows that basic needs poverty is increasing in many Pacific Island countries, with a total of one-third of the region's population not having the income or access to subsistence production to meet basic needs.<sup>8</sup> The different types and levels of poverty are mostly visible

7 Abbott, D. (2006), Poverty in the Pacific: Definitions, trends and issues. [http://www.undppc.org.fj/\\_resources/article/files/5.pdf](http://www.undppc.org.fj/_resources/article/files/5.pdf)

in urban areas where the subsistence economy is not as strong and employment is not always available. An increase in the number of very poor squatters in Suva (Fiji Islands), Honiara (Solomon Islands) and Port Moresby (PNG) has given rise to characteristics of poverty found internationally, for example begging and homelessness. Squatters are also ‘poor’ because they have no access to land for gardens. Even where people are employed, wages are often low, making it difficult to sustain basic household needs, including children’s education and health.<sup>9</sup> The search for employment and better wages remains a driver for people to leave the Pacific to seek higher income in more developed nations.

Women, particularly those in rural areas, have become increasingly vulnerable to poverty and the effects of poverty. Women have a higher risk of poverty linked to labour force discrimination, lack of property rights, and heavy responsibilities with regard to subsistence farming, the household and the community. Female-headed households are becoming more prevalent and are particularly vulnerable to poverty.<sup>10</sup> Accompanying hardship and poverty is a developing sex industry, exploiting local women and both female and male children, as well as trafficking women from Asia. There is a particular prevalence of sexual exploitation in the logging, fishing and mining industries in countries such as PNG, Solomon Islands and Kiribati, where the workforces engaged by foreign contractors are often non-Pacific, and pornography, the sexual abuse of children, teenage pregnancies, and a rise in STIs are recorded.

While all macro forms of poverty and hardship – for example, the absence of qualified medical staff on an island and the absence of employment opportunities – will affect third gender persons, there are no poverty indicators which specifically address third gender persons.

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9 Connell,J. (2009), Pacific Urbanization and Its Discontents: Is there a way forward? (Draft). School of Geosciences, University of Sydney, NSW.

10 Nelson, G. (2008), Gender Profiles of Asian Development Bank’s Pacific Developing Member Countries. <http://www.adb.org/Documents/Assessments/Gender/VAN/Gender-Assessment.pdf>

In the squatter settlements that have proliferated in most Pacific Island Countries and Territories (PICTs) due to rapid urbanisation, women and families are also experiencing cash poverty and hardship as a result of unemployment and underemployment, while having little land for gardens or fishing places, and no bush lands for fuel and medicinal crops. Many of these families live in severely overcrowded and substandard accommodation with limited access to clean water, sanitation or waste disposal services. Women's limited access to small loans for entrepreneurial activities, due in large part to their lack of collateral such as land to secure a loan, has been a major constraint.

## F. TIME POVERTY

Where women do not have access to time saving technology and modern social infrastructure, unpaid work demands a lot of women's time, leading to a deficit in their time for undertaking paid work and leisure. We use the term "time poverty" to describe time deprivation as a result of competing demands on a person's time. Time poverty has important implications for the ability of individuals and households to meet household production needs and transition out of income poverty.

The measurement of poverty which focuses solely on income poverty overlooks the serious issue of time poverty.

Government spending through social services, including health, water and energy, improves the population's well-being, and at the same time reduces women's unpaid care work. Conversely, cutbacks in these services as a result of fiscal austerity shift the burden from the public to the private sphere and increases women's and girls' unpaid work and poverty.

## G. PRO-POOR GROWTH

### EXERCISE 2

Objective: for participants to consider the relation between poverty reduction and growth.

Participants are asked to divide themselves into small groups and take 15 minutes to discuss what pro-poor growth might look like, using the two questions below:

- What do we mean by poverty reduction?
- What do we mean by pro-poor growth?

After 15 minutes, a spokesperson for each group should present their group's findings and a plenary discussion should aim to summarize the various ideas presented. Possible answers to the questions above might be:

- One answer: Development that reduces the measured rate of income or consumption poverty defined relative to a fixed threshold could produce poverty reduction.
- An alternative: Economic growth that substantively benefits the poorest by reducing inequalities in income or consumption could be defined as pro-poor growth.
- Another alternative: Economic growth that benefits the poorest by reducing inequalities in income or consumption while simultaneously reducing the measured rate of income or consumption poverty defined relative to a fixed threshold should be defined as redistributive pro-poor growth.
- A fourth alternative: Economic growth that reduces carbon emissions, improves life expectancy, infant mortality, education outcomes and choices in terms of livelihoods would address non-material aspects of deprivation and could be defined as pro-poor growth.

- Another: a reduction in economic growth that sees forests rejuvenate, air and water cleaned up, earth no longer a sump for toxic waste and a return to food security and subsistence production might easily improve well being substantially. So 'growth' can be the cause of characteristics of poverty.
- Inclusive pro-poor growth should mean a reduction in inequality. If growth does not lead to more or better jobs, it cannot be pro-poor.

Evidence suggests that improvement in the agricultural sector is necessary for a reduction of poverty in Asia and the Pacific. At the end of the discussion, it should stressed that while economic growth does not cause poverty reduction, there has been an observed correlation between economic growth and poverty reduction in many instances, provided externalities are not considered.

The background information provided below should be used as inputs to the plenary discussion.

#### Linking Economic Growth and Poverty Reduction<sup>11</sup>:

A lively debate has ensued over the definition of pro-poor growth. Growth is clearly pro-poor when it raises the incomes of the poor. There is less clarity on how much the income of the poor needs to rise for growth to be defined as pro-poor, and how this increase should be measured.

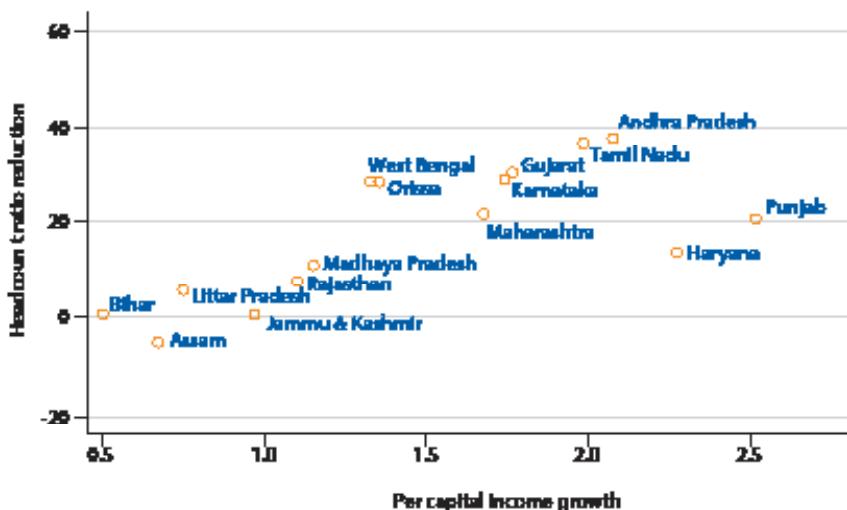
- A relative measure, which states that growth is only pro-poor when the incomes of the poor rise faster than those of the better-off.
- An absolute measure, looking only at whether the economic conditions of the poor are improving.
- Demanding absolute measure is that the poor should see their incomes rising at a substantial rate.

Economic growth is usually necessary for poverty reduction, but is far from sufficient. By itself it is only weakly correlated to poverty reduction.

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11 <http://www.odi.org.uk/resources/docs/825.pdf>

**TABLE 4:<sup>12</sup> POVERTY REDUCTION AND INCOME GROWTH ACROSS INDIA'S STATES, 1960–2000**



For example, in Table 4, Haryana and Punjab were growing quickly but having relatively little success in reducing poverty, while slower growing Andhra Pradesh and Kerala achieved more poverty reduction.

Why does growth not always transmit its benefits to the poor?

- Lack of physical access – some people are effectively unable to take advantage of opportunities owing to the costs of reaching the market.
- Market failures – particularly in the cases of finance, land, and labour, such failures mean that the poor cannot obtain the resources needed to invest and innovate.
- Lack of human capital of the poor – low levels of basic education and vocational skills, and higher levels of ill-health, often leave the poor in no position to get better-paid jobs.

12 <http://www.ipc-undp.org/pub/IPCPovertyInFocus10.pdf>

- Exclusion – discrimination on grounds of race and ethnicity, language, religion, caste, and gender can mean people are excluded from jobs and public services.

Blueprints for growth and poverty reduction do not exist – each country needs detailed and specific analysis.

Two useful policy tools for pro-poor development are:

- Poverty Impact Assessment (PIA): promoted by the DAC Network on Poverty Reduction (POVNET), is a simplified form of the Poverty & Social Impact Assessment focusing on the transmission from policy to impacts on the poor.
- Participatory Poverty Analysis (PPA): uses qualitative data to improve understanding of the processes driving and maintaining poverty and to capture a range of poor people's perspectives. PPA can give poor people a voice and contribute to their empowerment. The results of PPA have increasingly contributed to debates for second-generation poverty-reduction strategies.

# II. POVERTY AND THE STRUCTURE OF HOUSEHOLDS

## EXERCISE 3

Objective: to ensure that participants recognize the relation between household structure, household dynamics and poverty outcomes.

Participants are asked to divide themselves into pairs and review the list of different household scenarios given below. Their task is to rank the scenarios from the highest risk of poverty to the lowest, taking 20 minutes. For this exercise, the focus is on the concept of income or consumption poverty in terms of the rankings, but participants can bring in the non-income aspects of poverty as supplementary issues if they would like. As the scenarios do not contain very detailed information, some ambiguity in rankings is possible based upon the assumptions the participants make. Participants should know that there is no single right answer and they should be prepared to discuss why they made the decisions they did.

Scenarios (facilitators may wish to develop their own scenarios):

- A. An urban household with two married adults (a woman and a man) and three children (one of whom is under five years old). The man has good, stable wage employment in the public sector. The woman works in unpaid household and community work that involves a substantial amount of child care. The man's relatives live in the same city. The women's relatives live in a distant rural community. The woman occasionally takes care of the children of her husband's relatives.
- B. A rural household – a married couple with two children under the age of five and one older adult (the woman's mother; her father has died). The husband has migrated into the capital city and

works in the construction industry. The woman stays in the rural areas and, with her mother's help, cultivates a small plot of land mainly for own consumption. The husband periodically sends some money home. The husband's parents live in the same area, very close by, and there is sharing between the households of goods and labour, including unpaid work that focuses on helping with the children.

- C. An urban household consisting of a single mother raising two children, one three years old, the other seven years old. The mother sells fruits and vegetables in a marketplace about one hour from the part of the city where she lives. She does not have family that can assist with child care on a routine basis and therefore must take her younger child to the market with her. Her older child is currently enrolled in school, but the mother has a hard time paying school fees; though small, they are significant relative to her income, and she has trouble transporting her child to school.
- D. An urban cluster of homes which functions as a collective. The female and third gender adults are all sex workers. Some have children, a number are living with HIV, with access to anti-retrovirals.
- E. An urban household consisting of two married adults and four children, two of them aged three and four and twins aged seven. Both adults are HIV positive; the man is quite sick, but the woman is healthier. The man lost his relatively decent job as a production worker in private industry about six months ago when he became too sick to work. Their meagre savings have been exhausted. A nearby clinic provides good basic services, but not prolonged care. Their extended family has cut off contact because of the stigma of having HIV.
- F. A rural household with an extended family structure, including six adults (three women, one over 60 years old, and three men, one also over 60 years old) and seven children (including four children aged between 10 and 16). All household members are related. The household has a small but significantly larger than

subsistence-level plot of land, on which they produce food for the household and crops to be marketed. The small farm is part of a cooperative. The women and the older female children help cultivate some of the land and weave baskets that the family can sell when they travel to the market several hours from their home. The men also work producing tea as well as fish from a nearby lake.

- G. An urban household consisting of a young male university graduate who is engaged to be married, but who lives alone and has no children. He is currently employed in a commercial bank in the capital city.

Participants are asked to go through each scenario one by one and – in pairs – use a whiteboard to report on how they rate the risk of poverty. Having the rankings on the whiteboard allows comparison of rankings across participant groups. In plenary, the group should note the factors that determine the risk of poverty and discuss each of them briefly. To conclude the exercise, a volunteer should identify and summarize the range of issues identified.

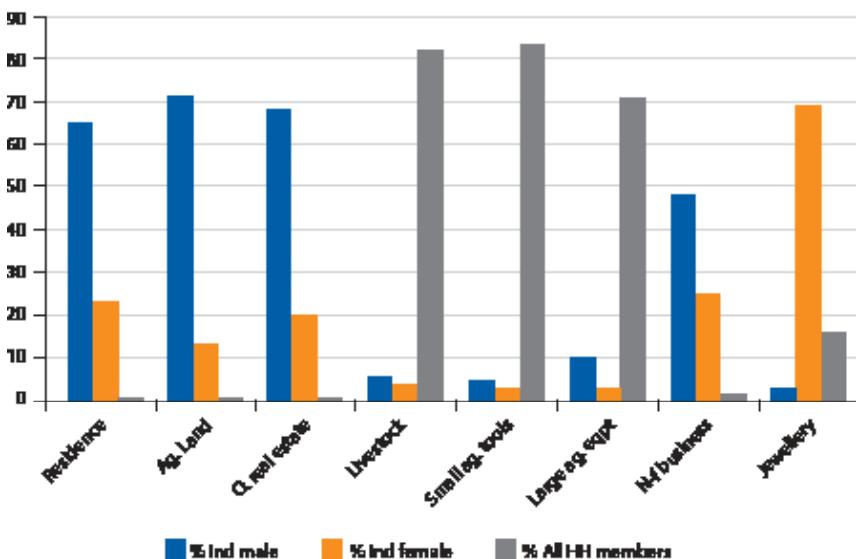
### III. GENDER AND POVERTY<sup>13</sup>

Objective: to strengthen the capacity of participants to unravel the gender dimensions of poverty dynamics.

Gender inequality contributes to a higher risk of poverty for women as a result of discriminatory laws, especially on employment and assets, as well as customary practices and male violence. As has already been mentioned in previous modules, women own fewer assets than men do to sustain consumption.

Table 5 shows survey evidence regarding the different forms of asset ownership in rural Karnataka, India (from the Karnataka Household Assets Survey, 2010–2011):

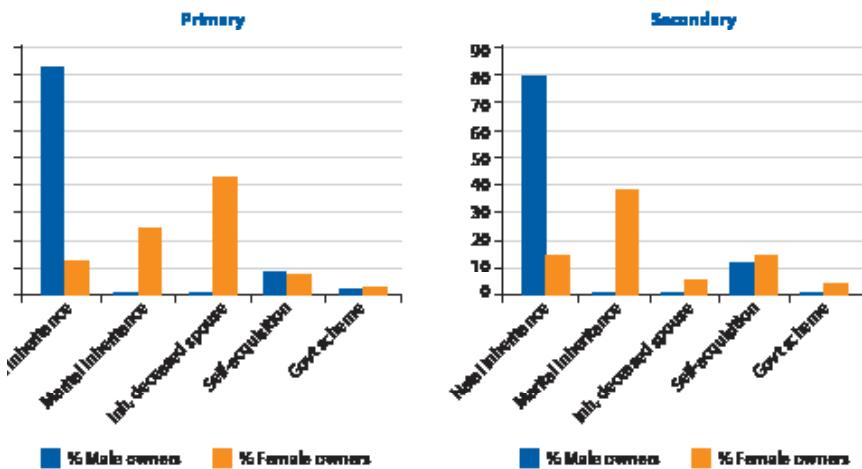
**TABLE 5: FORMS OF ASSET OWNERSHIP IN RURAL KARNATAKA, INDIA**



13 No valid or reliable data is available on third gender persons. Significant amounts of research have been conducted on HIV and health of third gender people, but generalisations based on the poverty profiles of men and/or women and HIV cannot be supposed to be valid for third gender people.

Table 6 provides details of modes of acquisition of farm land among female and male respondents in rural households in Karnataka, India:<sup>14</sup>

**TABLE 6: AGRICULTURAL PLOTS, RURAL**



Patriarchal practices are a central feature of women's poverty.

- In Uzbekistan, women get less of the material resources, social status, power and opportunities for self-actualization than men do who share their social location – be it a location based on class, race, occupation, ethnicity, religion, education, nationality, or any intersection of these factors. The process of feminization of poverty in Central Asia and Uzbekistan is intimately connected to the

14 Swaminathan H., Suchitra JY, Lahoti R., In Her Name: Measuring the Gender Asset Gap in Ecuador, Ghana and India, is a collaborative research study of the Centre of Public Policy (CPP) at the Indian Institute of Management Bangalore (IIMB), University of Ghana, American University, Yale University, University of Florida and the Latin American Faculty of Social Sciences (FLACSO), Ecuador. Housed at IIMB, this study looks at the incidence of asset ownership of men and women separately within the same household to estimate the gender asset gap and the gender wealth gap. <http://siteresources.worldbank.org/EXTABCDE/Resources/7455676-1292528456380/7626791-1303141641402/7878676-1306699356046/Parallel-Session-3-Hema-Swaminathan.pdf>

cultural and institutional limitations that put a ceiling on women's involvement in economic activity.<sup>15</sup>

- When crises hit, pre-existing inequalities – which include under-representation of women at all levels of property rights and economic decision making, and over-representation of women in the unorganized sector and traditional occupations due to lack of necessary training and skills – play a significant role but more gender inequalities arise when economic crises take place. It is not only the poor who are not affected; near and working poor are also affected by crises.
- In Iran, women's empowerment is limited by the same cultural restrictions that limit their access to education and health services, and these impose serious constraints on their autonomy, mobility, and on the types of livelihoods that are available to them.<sup>16</sup>
- Structural adjustment policies which cut social spending compound the health effects of debt and poverty. Privatization of health care and user charges particularly affect women, children, the disabled, and other marginalised communities.<sup>17</sup> The health needs of third gender persons suggest they would be similarly affected.
- In India globalisation has produced a very uneven distribution of resources along caste, gender and tribal lines. Poor women in rural areas and in the informal sector have been worst hit by recent economic transformations.<sup>18</sup>
- There are clear correlations between lower fertility and lower rates of population growth and a lower incidence of poverty. Education is particularly crucial, and again there is a correlation between

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15 Bhat, B.A. (2011) "Gender earnings and poverty reduction: Post-communist Uzbekistan", *Journal of Asian and African Studies* 46 (6), pp. 629–649.

16 Allahdadi, F. (2011) "Towards rural women's empowerment and poverty reduction in Iran", *Life Science Journal* 8 (2), pp. 213–216.

17 Logie, D., Rowson, M (1998), "Poverty and Health: Debt relief could help achieve human rights objectives", *Health and Human Rights* 3 (2), pp. 83–97.

18 Pande, R. (2007) "Gender, poverty and globalisation in India", *Development* 50 (2), pp. 134–140.

women's education and lower fertility. In countries where female access to education is not on a par with that of males, where female employment is restricted, and where unmet need for family planning is high, economic growth is held back and prospects for lifting people out of poverty are poorer.<sup>19</sup> In some parts of the Pacific, male leaders believe their status is dependent on how many children they have. The irregularity of delivery of oral contraceptives to Pacific Island countries is not helpful.

- Individual earnings streams within households may not be equitably pooled, resulting in significant gender gaps in individual consumption patterns within households. But always beware of generalisations and stereotypical thinking. Women accept the principle role in the management of household finances in rural Fiji, and are demonstrably more competent than men at managing the household finances and saving.<sup>20</sup>
- With a higher risk of poverty, women are likely to be disproportionately affected by climate change.<sup>21</sup>

So addressing poverty in policy making does not automatically reduce gender inequality. The relation between gender and poverty dynamics is important to consider from a policy perspective.

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19 Jones, G.W. (2009), "Population and Poverty: the situation in Asia and the Pacific", *Asia Pacific Population Journal*, Vol 24: 1 (April) pp.65–86.

20 Sibley, Jonathon (2011), Financial Capability, Financial Competence and Wellbeing in Rural Fijian Households. UNDP [http://www.undppc.org.fj/\\_resources/article/files/Financial%20\\_Capability\\_web.pdf](http://www.undppc.org.fj/_resources/article/files/Financial%20_Capability_web.pdf)

21 Singh, A., Svensson, J., Kalyanpur,A. (2010), "The State of Sex-disaggregated Data for Assessing the Impact of Climate Change", UNDP Division of Early Warning and Assessment – North America Washington, DC, United States. Procedia Environmental Sciences Volume 1: 1, pp. 395–404.

## A. THE FEMINIZATION OF POVERTY

Gender issues with regard to poverty are often discussed as a feminization of poverty. But the feminization of poverty can mean many different things.

- A. An early concept of the feminization of poverty held that female-headed households have a higher risk of poverty than other households. But in many countries this simply is not true. The category female-headed households is far from homogeneous:
- When female headship is used to mean a household with children maintained by a single mother, poverty risks are indeed often higher – typically much higher. But not all female-headed households fall into this category.



Photograph courtesy of Dr. Abul Hossain.

- In many countries widows are a major group that would be classified as female-headed households. But the probability that widows are poor depends on household savings,

inheritance laws and social practices. Women in households where the man has late-stage HIV/AIDS also would be classified as female-headed households. The poverty status of such a household would depend upon access to and control over land and non-land assets, and the earning streams that such assets generate.

Because female-headed households as a category can be internally differentiated, this version of the feminization of poverty is not very useful.

- B. A second, later interpretation of the feminization of poverty held that women have higher rates of poverty than the average for the population as a whole. This had its own problems:
- While poverty rates for groups of individuals can be calculated, the interpretation of such information may be difficult because poverty rates depend on the individual's position within the structure of a household; this cannot be read directly from poverty data.
  - There are also important differences among women in terms of their individual class positions and the class positions of the households in which they live. As women are differentiated along socio-economic lines, such class locations intersect with and influence how gender dynamics translate into differences in poverty risk.
  - This approach can also misconstrue rates of poverty with the risk of poverty. It is easy to think of situations in which women have the same poverty rates as men, or indeed lower poverty rates than men, but face higher risks of becoming poor if their situation changed. For example, when male partners leave the household and do not accept responsibility for the costs of raising children, the risk of poverty facing the women that remain in the household is significantly increased. Such situations would not be considered in this interpretation of the feminization of poverty.

So this version of the feminization of poverty is not very useful either.

- C. A third interpretation of the feminization of poverty is that women face increased risk of poverty because of ongoing changes in household structures, employment opportunities, the social safety nets that are an important form of social provisioning, and climate change.
- This approach does not necessarily claim that women's poverty rates in absolute terms need to be higher for women to face growing risks of poverty. So it is perhaps the most useful because it incorporates social processes and economic changes that expose women to greater risks. For example, changes in household structure due to HIV/AIDS or changes in employment opportunities in agriculture arising from trade liberalization can both expose women to greater risk because of, on the one hand, their responsibility for unpaid care work and, on the other hand, their over-representation in smallholder agriculture.
- But even this concept of the feminization of poverty should not be considered to be true in all cases. Some changes in household structures, employment opportunities and social safety nets may reduce the risks for women.
- D. Lessons of the feminization of poverty debate focus on the importance of household structure and changes in household structure; socio-economic class; and employment opportunities and social provisioning in understanding the interaction of gender and poverty risk dynamics, when the analysis is limited to an economic framework. As illustrated, patriarchal laws and practices extend well behind the economic. A focus on the economic will never have sufficient explanatory value, and is a highly selective analytical framework.
- E. It is also important to understand that the interaction of gender and poverty is itself a dynamic process, intersected by the health of the environment, by caste, sexuality, disability or religious practices, by stigma and discrimination, by rural and urban locales, by corruption and nepotism and bad governance, and by political and bureaucratic incapacity.

## B. INTRA-HOUSEHOLD DYNAMICS

A. The definition of poverty at the level of the household suggests that incomes are pooled and distributed fairly within the household. Most definitions of poverty ignore intra-household dynamics.

- In many societies men often fully control or have a greater say in the distribution of income and expenditures within the household. This means that a household classified as not poor may have a very unequal distribution of resources among the members of that household; not-poor households may contain individuals who are poor. (See Tables 4 and 5)
- This can affect human development within the household, with long-term consequences. For example, if men control spending, expenditures on children may be reduced, and only partially offset by increased amounts of unpaid care work.

B. When women have access to paid employment, it can affect intra-household dynamics.

- Women controlling their own incomes from paid employment can affect expenditure patterns within the household. It is well established that women with their own incomes are more likely to spend earnings on household necessities and children, while men who control their incomes are more likely to spend earnings on male-oriented consumption items.
- A sufficient level of economic independence arising from paid employment can give women greater opportunity to choose to exit from an unfavourable household situation.
- However, in many instances women do not control the income that they earn and this lack of control affects expenditure patterns within the household. It can also result in paid employment reinforcing gender inequalities.
- It cannot be assumed that access to paid employment transforms gender dynamics, which are a function of household structures and the distribution of power between females and males within households.

# ROLE OF ECONOMIC AND SOCIAL POLICY

## EXERCISE 4

Objective: to encourage participants to reflect on their own experience of the dynamics between gender and poverty.

Participants are asked to reflect on their own experience of gender and poverty dynamics using the following questions:

1. To what extent do participants think that there has been a feminization of poverty in their countries or the region in which they work? What evidence is available that there has been feminization of poverty?
2. How might third gender persons experience poverty? Are there similarities with women's experience, or are they quite different?
3. To what extent do participants think that intra-household dynamics affect the poverty status of individuals in their countries or the region in which they work?
4. Is any evidence available that would substantiate the views of the participants?

# IV. POVERTY REDUCTION AND GENDER: ISSUES AND DYNAMICS

Objective: to help participants address the policy implications of poverty processes within the context of gender dynamics.

## A. ECONOMIC GROWTH AND POVERTY REDUCTION

- A. While economic growth is not a sufficient condition for poverty reduction, a necessary condition of poverty reduction may well be to facilitate economic growth. Growth dynamics are explored in Module 7 on Gender and Macroeconomics.
- B. The principal source of SNA employment in Asia and the Pacific is in agriculture. The principal location of poor people in Asia and the Pacific is in rural areas. But agricultural production and productivity in Asia and the Pacific could be improved. One challenge is obvious: how to invest strategically in a sector where the workers or their output are not adequately counted in estimates of economic activity and employment, or where this production is not adequately understood in terms of its complex relationship with other sectors. In light of this, it is not surprising that the promotion of agricultural exports has often caused food shortages in the Asia-Pacific region.
- C. Evidence suggests that economic growth that originates in agricultural activity has a greater effect on poverty reduction than economic growth that originates in non-agricultural activity. It therefore appears that a necessary condition of poverty reduction in some parts of Asia and the Pacific would be to facilitate agricultural growth. In this regard, it is very important to integrate the effects of climate change into the consideration of possible strategies to enhance agricultural growth.
- D. But economic growth cannot be assumed to be gender neutral. The effect of economic and agricultural growth on the poverty

dynamics of gender depends on household structures and intra-household dynamics, the resulting distribution of assets, unpaid work, and earnings, and the effects of all of the above on employment opportunities as well as household, community and government mechanisms of social protection. These processes are explored in Module 7 on Gender and Macroeconomics.

- E. Part of the response must be to consider ways in which budgetary investments might reduce unpaid work, in order to enable women to perform more unpaid or paid subsistence work or work in the informal sector, or in paid productive and service work. However, without major changes in male dominated cultural and legal practices, investments will not deliver any substantial change: such investments are not cost effective without addressing these major issues in policy.
- F. Therefore policy interventions designed to increase employment opportunities for women must first seek to reduce or redistribute unpaid work at the household, community and government levels AND this must be done in the context of changes to a range of laws, policies and practices in each country, which are discriminatory.
- G. However, a reduction in unpaid work will not benefit society if the reduction is predicated on a net cut in the aggregate provision of the range of this work in society because of the positive externalities produced by unpaid work, discussed in Module 1 on Gender and Economics. Policy should be designed to ensure that a cut in unpaid work does not result in a net cut in the provision of care in a society.

## B. EMPLOYMENT AND POVERTY

- A. Labour is the productive factor that most poor households command in relative abundance, unless hit by HIV/AIDS or another disability or medical crisis. Raising the returns to this labour by improving employment opportunities, labour mobility and the terms and conditions of employment will help reduce income and consumption poverty and address the material deprivation

- that underpins social exclusion and poverty dynamics. There is therefore a close link between employment status and income and consumption poverty.
- B. However, measures of income and consumption poverty exclude essential services provided through unpaid work in the household and community. While income and consumption poverty measures typically include an allowance for home production of certain goods, especially food, they do not include a valuation of the necessary goods and services provided by unpaid work in the household and in the community. Nor do they include important aspects such as Pacific access to communal fisheries, forests or land. The 'growth' paradigm professes that all these communities would be more wealthy if the land was privatised.
  - C. Thus, if policy is designed to increase the amount of time spent in SNA **employment** (obviously as opposed to SNA **productive activities**) and less time in unpaid work, ideally these shifts in labour allocation should be accounted for when calculating the effect of labour reallocation on poverty if it is being used to measure growth. This is because reducing unpaid work may benefit the economy but not necessarily society if the reduction in unpaid work is predicated upon a net cut in the provision of care, food security, or a cleaner environment, in a community.
  - D. Therefore, again, policy should be designed to ensure that a cut in unpaid work does not result in a net cut in the aggregate provisions made by all unpaid work in a community.
  - E. In agriculture, employment is predicated on access to and control over assets that women often do not securely possess, although the communal ownership patterns in many societies make this access available. An increase in agricultural subsistence or market agricultural production among women requires that women have increased control over land, as well as the non-land assets necessary to work the land they have available.

## C. GENDER, EMPLOYMENT AND POVERTY

- A. Module 5 (Employment and Labour Markets) demonstrated that women and third gender persons are disadvantaged in terms of employment opportunities. Women and third gender persons are segmented into forms of employment that often have low and volatile earnings. Even within particular types of employment done by women and men, there is clear evidence of a gender earnings gap.
- B. As climate change occurs, activities that generate earnings for women, such as agriculture and tourism, are expected to be disproportionately affected, which may have additional negative effects on women's employment.
- C. However, estimates of poverty rates among employed women may be lower than estimates of poverty rates among employed men. This is because, in households where women are not employed in market activities, the risk of poverty may be higher for both women and men. So women's earnings make a difference as to whether the household is poor or not, in terms of income or consumption poverty.
- D. These dynamics critically depend on the composition of the household. Households in which there is only one earner – for example, a single mother – face very high risks of poverty. The dynamics also depend on intra-household dynamics, which are a function of household structure.
- E. Causation between women's employment and poverty can conceivably run in both directions:
  - Poverty may cause women to enter the labour force or work longer hours in SNA employment.
  - The earnings from women's work may, in turn, reduce the incidence and depth of income or consumption poverty.

- Women and men's engagement in the subsistence sector may mean a household or community has little cash, but few of the major deprivations usually associated with poverty.
- F. So the relationship between women's employment and poverty is complex. Household structure and intra-household gender dynamics are important mediating variables in structuring the feminization of poverty.

## D. ECONOMIC ADJUSTMENT, POVERTY REDUCTION POLICY STRATEGIES AND GENDER

- A. The principal means by which international development institutions, bilateral partners, and national governments seek to reduce poverty is through economic adjustments that enhance productive efficiency as a precondition of increasing incomes. In some countries in Asia, such as Bangladesh, Indonesia, Pakistan, and the Philippines, forms of poverty reduction strategy papers (PRSPs) – examined in detail in Module 8 on Gender and Macroeconomic Strategies in Asia and the Pacific – are designed and implemented.
- B. However, where they are used, PRSPs address poverty reduction by seeking to use economic policy to create conditions that would lead to an increase in earnings. Similarly, in countries that are adjusting their economies but which have not adopted a PRSP-type approach, it is expected that poverty reduction will occur as a result of increases in paid employment. If economic adjustment and/or PRSPs succeed in increasing the amount of time women spend in paid employment, less time will be allocated to unpaid work in the home and community, but usually the total burden of time allocated to work will increase.
- C. A reduction in unpaid work, while benefiting the growth rate, may not necessarily benefit society if the reduction in unpaid work is not accompanied by mechanisms of social provisioning that

replace that work. Typically, economic adjustment and/or PRSPs do not incorporate mechanisms of social provisioning explicitly designed to sustain, for example, an appropriate level of care, food security, environmental care and reproduction oversight. So, current poverty reduction policy strategies, despite rhetorical commitments to gender equality, fail to incorporate the gender dimensions of economic dynamics into their frameworks and approaches. As such, they remain gender blind.

- D. PRSPs have always been blind to the third gender population.

# FURTHER READING

- Chant, S. 2003. New Contributions to the Analysis of Poverty: Methodological and Conceptual Challenges to Understanding Poverty from a Gender Perspective. Santiago: Work and Development Unit, Economic Commission for Latin America and the Caribbean (ECLAC).
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