

Accounts of Crisis: Poor People's Experiences of the Food, Fuel and Financial Crises in Five Countries

Report on a pilot study in
Bangladesh, Indonesia, Jamaica, Kenya and Zambia,
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Food shopping with 5,000 Kwacha in Lusaka, Zambia



February 2008



February 2009

The pictures above were taken of the results of a participatory exercise conducted in Lusaka in February 2009, in which participants were asked to demonstrate the amounts of food they were currently buying with 5,000 Kwacha, and to compare this with what the same amount bought one year previously. Photographs by Mwila Mulumbi.

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Overview

As the global financial crisis begins to strike developing countries, the evidence in this report is that the food and fuel crises are by no means over. Research conducted in February 2009 in Bangladesh, Indonesia, Jamaica, Kenya and Zambia finds that food prices have not come down everywhere, nor by enough. It finds that global crises are compounded locally by adverse climate conditions and difficult political transitions in a number of locations, contributing to uncertainty around agricultural production and local economic decline. Compound, complex crises are interacting with each other, making it difficult to disentangle their impacts on people's lives.

While local accounts of how the crises are being experienced cannot tell us all we need to know, they offer vital insights into how the food, fuel and financial crises are unfolding in poor developing countries. The situation is different everywhere, but everywhere there are signs of strain. Many people are trying hard to adapt. And there is support from within communities, as well as some valued government and faith-based support. But many report not being able to make ends meet: managing food, health and educational needs has been a struggle, and not only for the very poorest. For some, particularly children, the impacts may be permanent: children who drop out of school to earn or because their parents cannot afford fees, books, or breakfast, are unlikely to re-enrol once food prices decline. And the ties that bind communities together also show signs of unravelling: people get together to save or celebrate less than they used to, and while there remains plenty of neighbourly support, some believe this is declining. In all five countries, people believe crime rates have risen. In the worst-hit communities, there are reports that children and the elderly are being abandoned by people no longer able to cope.

The situation is serious, but much can be done to help people protect against the worst of the crises. Some government programmes are working well, but many cover too few people with too little support to make a difference. Others are not reaching the poorest. And much assistance – including from religious institutions and NGOs – is unpredictable or even declining, at this time of acute insecurity and hardship.

The accounts of crisis given here highlight processes that affect current wellbeing, but which may also have enduring consequences beyond the period of the present crisis. Many of the findings are the known consequences of economic crisis: people have been cutting back on the quality and quantities of food, struggling to pay education and health costs, borrowing and selling assets. In addition, this study flags a number of new issues that merit more sustained attention for policy, including reported rises in: the abandonment of children and the elderly; micro-credit default; crime, particularly criminalisation of youth; and risky sexual behaviour.

Accounts of crisis: poor people's experiences of the crises

In January 2009, the UK Department for International Development (DfID) commissioned the Institute of Development Studies to conduct a rapid study of the impacts of the food, fuel and financial crises on poor developing countries. The approach was qualitative and participatory, and research took place in rural and urban communities in Bangladesh, Indonesia, Jamaica, Kenya and Zambia.¹ One aim was to test the feasibility of 'real-time' participatory tracking of how the crisis unfolds, and the value of this study is partly its immediacy: it reports on what was happening as recently as February 2009. As a report based on people's accounts in ten communities, the study is limited in its capacity to generalise about what is happening. But the accounts are valuable as a reminder that real people are behind the big statistics on impact; they also help us understand processes of crisis-driven change. And listening to people can provide an early warning of emerging issues that may otherwise take months or years to come to public attention. Wherever possible in this report, efforts have been made to situate and verify people's accounts with reference to other data and within a broader national context.

The food crisis continues

Globally, food prices remain at a historic high in the first quarter of 2009 (see Table I). People's accounts of living through these crises are a useful reminder that while food and fuel prices have dropped sharply in many – not all – locations, those crises are by no means over.

Table I. Food prices are high compared to 2007, and are not coming down everywhere

	1. Staple prices			2. Food staple price inflation	3. Consumer Price Inflation
Country	Staple	Jan 2007	Dec 2008	Jan 2008-Dec 2008/Jan 2009	2008 (annual average)
Bangladesh	Rice	Tk 18/kg	Tk25/kg	-16.8%	10.5
Indonesia	Rice	Rp 4,959	Rp 5,200	'Food stuff': +16.35%	12.0
Jamaica	..	..	..	..	18.3
Kenya	Maize	US\$193/tonne	US\$342/tonne	+49%	24.0
Zambia	White maize	US\$0.18/kg	US\$0.28/kg	+27%	12.7

Sources: 1. Bangladesh: FAO GIEWS; Indonesia: BULOG; Kenya: FAO GIEWS; Zambia: FAO GIEWS

2. Bangladesh: NFPCSP; Indonesia: BPS; Kenya: FAO 2009; Zambia: FAO 2009.

3. IMF 2008, Table A7. Note that IMF 2008 provides projected consumer price inflation rates for 2009, all of which are considerably lower than those for the period ended 2008. These are annual averages, not

¹ Details on the method are available in the Annex; a more detailed report on the methods and approach will be prepared in May 2009.

December-December changes as inflation rates are commonly reported. Country CPI rates may differ from IMF figures, which are used here for consistency.

Global and national data support the local view that prices have not dropped enough, nor have they dropped everywhere. What has been happening in global food markets has been compounded and complicated in some countries by national political crises and uncertain transitions.

Although climate change was not a focus of the study, adverse climate conditions, including long-term drought, regular floods and cyclones, emerged as a significant factor shaping these communities' vulnerability to crisis and their capacities to respond (see picture below). Global and national crises are complicated by the more localised and regular crises of ill-health and death, asset loss – as well as the everyday struggle of the poor to get by and get ahead.

Communities created by climate change



LEFT: entrance to Kalyanpur, Dhaka, one of the study locations. Most people who live there lost their land to river erosion in the south of Bangladesh. RIGHT, boys who make a living from the *vangari* (recycling) business in Kalyanpur. School dropout rates in Dhaka are among the highest in the country.

Uncertainty in agricultural markets

Farmers are facing many uncertainties and constraints, old and new; the research picked up specific concerns around access to fertilizer and the rapidly shifting incentives to grow rice, maize and other staple goods. The decline in the rubber price meant that rubber farmers and traders in the Banjar district community in Kalimantan, Indonesia, had experienced particularly rapid downturns in their production (see Table II); some were already migrating to look for work.

Table II. Declines in income and turnover reported by a rubber plantation owner, worker and traders (Indonesian rupiah, thousands)

Activity	February 2008	September 2008	February 2009
Plantation owner daily income/ha (from 1 ha of young rubber trees)	-	200	75–85
Plantation worker daily income/ha (from 1 ha of old rubber trees)	-	65–85	10–35
Village rubber trader daily turnover	25,000	-	5,000
Village rubber trader two-day turnover	-	Up to 15,000	1,000–6,000

The voices and stories in this report provide micro-level insights into what is emerging as a global concern: the weak supply response from agricultural markets to historically high food prices, and the possibility that this may lead to more fluctuation in food markets in the near future.

There is a political dimension to prices: the research picked up scepticism about the scope for market forces to correct excessively high prices, in a context where food, fertilizer and transport costs were often seen to be ‘sticky’. This scepticism implies there may be demand for governments to intervene – and to be seen to be intervening - to bring about the necessary adjustments; the need for a more direct hand in markets was articulated most clearly in Bangladesh.

Local economic impacts of export sector job losses in Jakarta

In the more integrated of these communities, the global financial crisis is beginning to be felt in export sector employment. The peri-urban community of Gandasari in Jakarta was facing abrupt economic decline as migrant export sector workers had already started to lose their jobs and return home by November 2008. The community estimated that 10 per cent of permanent workers and 40 per cent of contract workers had already lost their jobs. The impacts will be felt on the migrants’ home communities;



remittances will no longer be supporting their home communities, and will also have to accommodate and employ returnees. The impacts are already being felt on the local economy where the export sector workers rent dormitory accommodation; businesses that grew on the back of the export sector are feeling the pinch as export orders dry up and companies retrench.

ABOVE: Dormitories that house export sector workers are increasingly vacant in peri-urban Jakarta

The story is different in Dhaka, where there are as yet no signs of declining orders in Bangladesh's flagship readymade garments export industry. If anything, the global financial crisis looked set to confirm Bangladesh's role as a producer of very cheap garments using very cheap labour; more jobs were said to be available, but in the unlicensed sweatshops that sub-contract work, pay little and irregularly, and in general treat workers poorly. Workers' perspectives on the resilience of the garments industry are consistent with sectoral analysis that shows it to have been competing for a space at the bottom of the value chain, with working conditions and respect for workers' rights to match. So far, evidence suggests that this space at the bottom of the global value chain has insulated the industry from the crisis: as people in rich countries buy cheaper clothes, it means more jobs for people in Kalyanpur. But the quality of those jobs is so low that since 2006, workers have staged riots over their inability to feed themselves.

In both Jakarta and Dhaka, the market in export sector labour has been highly flexible. Workers report that short-term contract working is reasonably common in the Indonesian export sector, while in Bangladesh, they say that it is easy to be both hired and fired – but in the 'bad' factories. In both cases, workers expressed concerns that even the regulations that are in place to protect them were not working as was intended.

Livelihood adaptation – at a cost

One striking – and in some perspectives, positive – finding was the remarkable rapidity with which many poor people, particularly women, had adapted to the food crisis by seeking new livelihoods. Across the communities were instances of people, usually women but often youth or children, finding new ways of supplementing household incomes. These were sometimes of dubious legality, and on occasion outright criminal. Tiny new market niches have opened up in many communities, to generate urgently needed supplements to household incomes. These are low margin, low status, labour-intensive activities: people are working far harder for small additional earnings. But the speed and creativity with which this has occurred is notable. It is not clear why so many of these examples of diversification were from women; it is possible that women are under particularly acute pressures to feed families when they are faced with hungry children, as was reported during the research. Another possibility is that faced with such pressures, women are more willing to try low-return and shameful work than men. These findings underline the need for social protection to work with poor women in their efforts to support their families, including through cash and food transfers that go directly to women. They are also a reminder of the time poverty that many poor women face.

Remittances and financial services

Findings on the impact of the global financial crisis on international migration were ambiguous; it is possible that the study sites selected did not include a sufficiently large cluster of international migrants for the impact to have been felt so far. Reports of intermittent international remittances could not be adequately explained, either locally or with reference to national data. More change was found with respect to internal migrants, however; while internal migrant remittances were more intermittent or declining, crisis was also pushing many into trying internal migration as a coping strategy.

There were multiple small indications that financial services were being squeezed. The collapse of a Jamaican financial investment company in early 2008 gave the Kingston communities an early taste of financial collapse due to regulatory failure (See Box I). In Bangladesh, there were signs that micro-credit borrowers were struggling to repay loans and default rates seemed to be up – a finding supported by recent evidence about how microfinance is faring during the crisis. The micro-finance sector is so large in Bangladesh that if local perspectives on rising default and difficulties with repayment regimes are replicated more widely, this could be an early signal of serious concern. Informal credit associations – *arisan* in Indonesia or ‘throwing partners’ in Jamaica – had also declined.

Box I. The Collapse of an Investment Company in Jamaica

Jamaicans had an early taste of economic crisis resulting from weak financial sector regulation, when an investment company, Cash Plus, collapsed early in 2008.

For the past two and a half to three years, I have had this business. When I started out, I was on the sidewalk with two tables and I was selling glue, roll-on and so on. It took a lot of money to pay off bills. I bought gallons of bleach, cleaning agents, red and white polish, buckets of hair crème, shampoo. I set up on the sidewalk and sold only \$20 or \$10 per day. I advertised things myself ...

Things started to go alright. I could make \$7,000 in one day. Then I went into Cash Plus. I borrowed money to put in. I had to pay back \$11,000 per month. I started to feel the strain. After two to three months Cash Plus crashed and I had to use the money from the business to repay the initial loans. I still owe them \$15,000. It's harder now to make a profit since the competition is increasing. My cousin used to send things to do business. But now I can't find the money to send to my cousin to buy the things I need for the shop. Many times, my daughter can't go to school.

Interview with a Kingston retailer.

How households are coping

The research findings on how households have been coping with the food, fuel and financial crises are consistent with what is known about how households cope with impoverishment and crisis more generally. People were spending a greater share of income on food, buying lower cost items, reducing the quality and diversity of food,

gathering wild foods – including reports of poached wild animals in Kenya – eating less and going hungry. Conditions were worst in Kenya, and least severe in Indonesia. But everywhere the impacts were being felt. Women were bearing the brunt in many households by eating least and last, but in other cases couples were sharing the sacrifice to ensure their children could eat well. In both Nairobi and the rural Kenyan community there were reports that people had died of starvation. Community health workers in Nairobi felt that food intake among the members of their communities had declined in quantity and in quality (see Table III). School feeding programmes have been important in this context.

Table III. Nairobi Community Health Workers' Perspectives on changing food intake

	January 2007	January 2008	February 2009
Breakfast	Milk tea Bread Chapati Ndazi Sweet potatoes	Porridge Tea	No breakfast
Lunch	Chapati Bananas Rice <i>Mboga</i>	None	No breakfast
Supper	<i>Nyama</i> <i>Ugali</i> Vegetables Fish Chapati	<i>Ugali</i> Rice <i>Sukuma</i> Maize/Beans	<i>Ugali/Sukuma</i>



Food shopping habits have changed.

Left: women shopping from a mobile vegetable seller in Banjar, Kalimantan, Indonesia. In all the communities in this study, people are shopping differently: buying smaller quantities, non-branded or cheaper foods, and buying from sellers who will give them credit.

Source: SMERU.

No new general insights into household coping were generated by the research, but it highlighted both the severity of the impact in the worst-affected communities, and the variability of impact across different countries. The extent to which people are having

to eat less nutritious foods and cut back on quantities signals that there is the potential for irreversible nutritional impacts resulting from even short-term food price hikes, particularly as effects; this may be particularly crucial for pregnant women and infants, for whom even temporary food deficits can have permanent effects. With respect to

asset sales, some people were clinging to their assets, while others who had something to sell had done so, sometimes to invest in risky businesses out of a lack of alternatives.

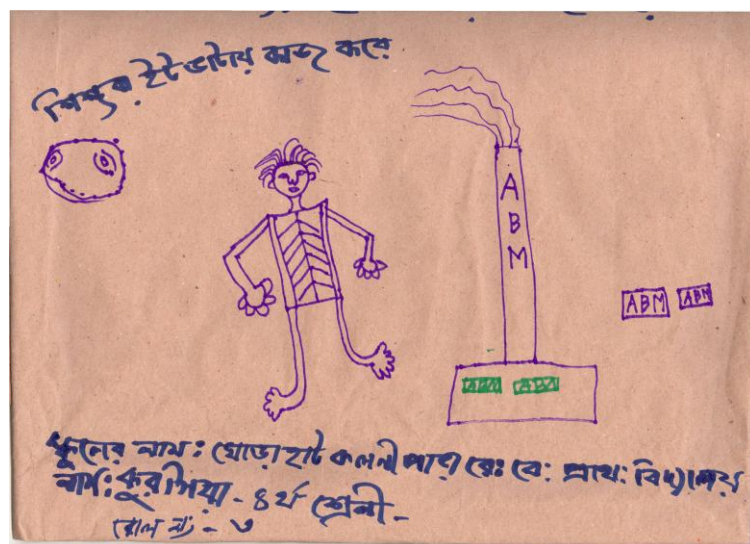
Distress asset sales have enduring negative consequences, which may be why people appeared to be increasingly avoiding paying for costly healthcare in favour of folk remedies or self-diagnosis. Many reported that their health had suffered. Raised levels of stress was a common complaint; others included weakness and other problems associated with hunger, chronic conditions being exacerbated, and a rise in risky sexual behaviour. Again, the consequences of these health impacts could be permanent, even over a short period of raised food prices. Overall, Kenya appeared to be affected the worst; there, people believed there to have been deaths from starvation.

The impact on children

Children were often acutely anxious about the impacts of the crisis, and worried that their schooling was at risk. The impact on children, their education and the likelihood that they would enter work early varied, depending on how severely household finances had been affected, material support available for school-going children, attitudes towards education and the availability of children's work. Everywhere, parents reported difficulties maintaining education expenditure, and absenteeism, school dropout and child labour were believed to have risen in all contexts except Indonesia. Some children were moving to cheaper institutions, including *madrassahs*, church schools or other institutions providing food or other material support. Some of the forms of work that children are engaging in, apparently in response to the food crisis, are unambiguously 'hazardous': recycling (often of stolen items), theft, drug peddling, sex work, brick fields. The most serious sign of impact on children was reports of rising abandonment, heard in rural Kenya, where a seven year drought was taking a heavy toll on family relations.

How children experience the crisis

RIGHT: Children in rural Bangladesh drew this picture of their classmate who had dropped out of school the previous year to go and work in a brick field.



Governments, faith-based institutions and charity

There were some positive views about existing government programmes – PATH in Jamaica, BLT in Indonesia, the 2006 fee waiver in public health clinics in Zambia and school feeding programmes in Kenya. Only the school feeding programmes were responses to the crisis, however; the others had been established earlier in the 2000s. Overall, government responses to the crisis were criticised for the following:

- providing too little: cash pensions for the elderly and widowed poor in Bangladesh, rice for the poor in Indonesia, food relief and school feeding programme meals in Kenya – were all seen as too small in amount to compensate for the food prices at their height.
- too few people: coverage of many programmes was too limited to reach all people in need in these communities. In Kenya, parents were said to be bringing younger children, some as small as 18 months, to eat free school lunches; this meant the already small amounts were having to stretch further.
- problems with beneficiary selection: one part of the reason that coverage is inadequate is that many of those who are selected, usually by local community leaders or officials, are not among the poorest, but are instead people with good connections.
- unpredictability. Uncertainty prevails around some government programmes, particularly school feeding programmes in Kenya, which are believed to be winding up in 2009 (see Box II).

Box II The impact of school feeding programmes in Nairobi

When M Primary School began a school feeding programme in 2007, so many of the pupils from N S Primary School, which does not have a school feeding programme, enrolled in M. The same was witnessed at school C when it began a school feeding programme. Head teacher, N S Primary School.

We initiated a school feeding programme in our school in 2007 which was fully sponsored by the school. However, given the skyrocketing food prices and the inability of most parents to pay the small fee we were charging them, we withdrew the programme in 2008. As a result 20 pupils transferred to schools with feeding programmes. We also registered a high rate of absenteeism due to the fact that learning is very difficult on an empty stomach. Teacher, B Academy.

M Primary School has put in place a government funded three-year school feeding programme. The programme is supposed to end in 2009 and we do not know how we will deal with the problem of hunger if the situation persists past 2009. As the close of the programmes nears, the food donated is getting less and already pupils are not getting enough. If the programme is terminated, most children are likely to drop out of school. Teacher, M Primary School.

Local officials, clearly under pressure to provide more support to communities in crisis, tended to agree that much more needed to be done. With elections recently completed in four of the countries and food prices generally on a downward trend, however, it is

quite possible that political pressure for new responses may not be urgent. It is not clear what will happen in Indonesia, which is set to have legislative and presidential elections over the next two to four months, and where pressures to increase support for those affected by crisis may increase.

International and national development NGOs were given little credit for responding to the crisis in most of these communities; some were roundly criticised for inappropriate policies, or, in Bangladesh, for merely 'giving and taking money [ie micro-credit]'. The importance of religious institutions in supporting people through the food crisis was a striking reminder of the significance of faith – not only because of spiritual support, which was clearly vital for many people spoken to through this research – but also because faith-based institutions appeared to have been so much more responsive to people in these communities in their time of need than has been the case among development NGOs. Yet both types of institution, as well as other charitable foundations and even informal private charity, were reported to be declining in their level of support, for reasons that ranged from declining migrant remittances to shrinking aid budgets, and the impact of the crisis on the middle classes – which does indeed appear to have been relatively severe in some contexts.

A social crisis? Signs of social fragmentation

One contribution of qualitative research into the crisis is how it has highlighted the social impacts of the crisis. These have been more significant than was anticipated, and suggest enduring consequences. These were most severe in Kenya, where the food and fuel crisis came on top of an ongoing drought, compounded by political violence and displacement. There were signs that relations within households were strained by the stresses of coping with high prices and the threat of unemployment. In Bangladesh the elderly and in Kenya, women and children were reported to be at increasing risk of abandonment. There were incipient signs of social tension between majority and minority groups, focused around access to resources.

A major concern within communities was around the criminalisation of youth. This is an issue of grave moral concern, because there does appear to be a new generation for whom the crisis has had profoundly negative effects. In some contexts, there were stories of children robbing each other of food in schools, in others, there were accounts of anxiety and strain at home, and there were widespread fears among children that their school days may be cut short. Most serious of all were accounts of children trading sex for snacks. These are all distressing indications of how the crisis has already affected children.² From a policy perspective, there may also be more instrumental concerns relating to the potential links with security, drugs and HIV/AIDS. Whether this is viewed

² It should be noted that stories about schoolchildren engaging in transactional sex were reported by multiple sources, including schoolteachers.

as a matter of moral or strategic concern, or a matter of children's rights, community concerns about the particular impacts of the crisis on their youth are serious and merit further attention.

Rising levels of crime are also a cause for concern: high and rising levels of theft, violence and extortion are likely to deter enterprise and investment, reduce wellbeing and people's sense of security, and ultimately damage trust in the state. Alternatives to state-provided security may emerge in such a context. Protection rackets were operational in two of the sites in this study; although these may not have emerged as a direct result of the crisis, it seems likely that the crisis has been a contributory factor to the success of their operations.

1. Vulnerability to crisis in the five countries

This section summarises the country-level evidence on the impacts to date of the food, fuel and financial crises, and their vulnerability to food, fuel and financial shocks, based on rapid reviews of reports on these countries from the Economist Intelligence Unit, the Economist, and the Financial Times, dating from January 2008. A full list of sources is provided in the References section.

Table 1.1 Vulnerability to food, fuel and financial shocks in the five countries

Countries	Vulnerability to food shock		Vulnerability to fuel shock		Vulnerability to finance shock	
	Demand	Supply	Demand	Supply	Capital shock	Trade shock
Indonesia	High	Low	High	High	Low	High
Zambia	High	High	Low	High	High	High
Kenya	High	High	High	High	High	Low
Jamaica	High	High	Low	Low	High	High
Bangladesh	High	High	Low	Low	High	High

Source: EIU, Economist, FT

Key: High: most food and fuel is imported and finance closely linked to international markets via capital flows or dependence on few commodities for export earnings

Food demand: proportion of the population near the poverty line

Food supply: imported food as % consumption

Fuel demand: people with fuel shortages

Fuel supply: levels of imported fuel

Finance: capital shock: vulnerability to crisis shock

Trade shock: shocks to private capital

Unstable government and new elections in Bangladesh, Kenya and Jamaica affected food supply and financial market growth. Bangladesh was hit by a cyclone in November 2007 leaving millions homeless and without food supply. Indonesia has been facing a soaring unemployment problem, and tourism industry declines due to security concerns. In Kenya the reduced maize production due to poor weather conditions has come on top of post-election violence, inefficient agricultural practices and increased transportation and production costs, the combination of which has led to food shortages.

Countries mostly dependent on commodity exports are expressing concern about the impact that this will have on growth. However, the decline in oil prices is seen as a positive factor in most countries, providing space for the authorities to expand domestic demand because of the weakening threat of inflation. In South Africa despite rising prices in recent years and expanding operations in 2007, the mining sector has actually contracted marginally, by 0.1 per cent in 2006 and 0.6 per cent in 2007, reflecting lower volumes of production (particularly for gold), as well as the impact of unscheduled mine closures for safety reasons and due to industrial action. The implications of this are likely to be significant for Zambia, which is rich in copper and earns most of its revenue from minerals exports; many people have to date been employed in this sector.

Table 1.2 Headline impacts of crisis to date

Countries	Key impacts
Indonesia	Fuel shortages, Food Riots, Food protest (over soya bean import restrictions)
Zambia	Food riots, Fuel shortages
Kenya	Violence, Internally displaced people, Food crisis, Fall in remittances
Jamaica	Crimes and violence, Finance, Decline in trade and Tourism
Bangladesh	Food and Financial crisis, violence

Source: Review of country reports from the Economist Intelligence Unit, The Economist, and The Financial Times

The Indonesian government argued that Indonesia was well placed to cope with a global economic slowdown, owing to strong domestic demand, a limited dependence on exports, diversified export markets and a strong domestic banking system but the Rupiah plunged to its lowest level against the US dollar since 2001, the trade surplus contracted from US\$33.1bn in 2007 to an estimated US\$25.7bn in 2008, mainly owing to higher prices for imported food and fuel and remittances from workers who have sought employment abroad suffered as global economic conditions weaken.

A combination of drought conditions and rising food prices is driving the crisis which is affecting populations already who are food insecure due to conflict, displacement and a drop in food production.

Due to the recent crisis there has been a food shortage in Bangladesh, Kenya and Zambia. Kenya in particular has been effected due to shortage of maize production are likely to increase expensive imports resulting in an overall inflation. Other underlying factors increasing the vulnerability to the impacts of rising prices, such as disruption in input and output markets, HIV and AIDS, overwhelming dependence on maize, high prices of production inputs, stagnant incomes and above market rate producer prices.

Remittances from overseas workers are a financial lifeline for countries like Bangladesh and Jamaica and in several cases represent the equivalent of as much as one-fifth or more of GDP with the major world economies already in recession, the flow of remittances is shrinking this year. Migrant transfers represent nearly 18 per cent for Jamaica, and remittances accounted for 8.8 per cent of GDP in Bangladesh in 2007.

In Zambia, copper exports have been affected by the recent financial crisis; the Government had to shelve a decision to introduce a new mineral tax because of the pressure from mining companies threatening to delay projects and cut jobs after the precipitous fall in global metal prices.

2. Local economies

2.1 High and fluctuating commodity prices

In February 2009, the view in all ten communities was that prices of food and agricultural inputs on the whole remained high, despite recent declines in many – but not all – locations. Many people viewed food prices as ‘sticky’, having moved up with rising fuel prices, but having failed to come back down to their previous levels when fuel prices dropped. Steep rises followed by sharp declines in some prices had also contributed to a sense of uncertainty.³

2.1.1 Food prices

Table 2.1 presents findings about local food prices from focus group discussions (FGDs) and interviews. Time periods vary between locations because participants were invited to specify the time-frames they considered to be relevant to analysing price changes, and to identify the most important consumption items.

Local reports of high food prices are consistent with global and national estimates of currently high food prices and food price inflation. Globally, food commodity prices remain at a historic high in the first quarter of 2009, despite recent rapid declines.⁴ The FAO Food Price Index puts February 2009 prices globally at above 2007 levels at the same time of year, although well below February 2008 prices. Nationally, in the five countries, food price inflation rates remain high (Table 2.2).

Table 2.1 Local food prices in 10 communities

Country and currency (exchange rates as of March 12 2009)	Location	Item (unit)	Time period			
Bangladesh (US\$1=69 taka)	Rural			2006	2007-8	Feb 2009
		Rice (kg)		18/20	36	23/24
		Red lentils (kg)		80/85	112	100
Indonesia (US\$1=11,900 rupiah)	Rural		Feb 2008	Aug 2008	Nov 2008	Feb 2009
		Rice (litre)	4,000	3,750	4,375	4,250
		Fresh fish (small)		14,000		20,000
		Fresh fish (large)	12,500	12,500	35,000	35,000
		Cooking oil (litre)	5,500	8,250	6,750	8,600
		Sugar (kg)	5,000	6,250	6,875	8,500
		Eggs (kg)		10,000		14,000
		Red onions (kg)	25,000	8,700	10,000	18,500
	Urban		Feb	Aug 2008	Nov 2008	Feb 2009

³ For a global picture on these issues, see Evans, 2009; World Bank 2008.

⁴ Evans, 2009.

			2008			
		Rice (litre)	3,000	3,000-3,500	3,500-4,000	4,000-5,000
		Cooking oil (kg)	5,000	6,500	6,000-7,000	8,000-9,000
		Eggs (kg)	14,000	13,000	15,000-16,000	13,000-14,000
Jamaican dollar (US\$1=91 Jamaican dollar)	Urban				2007/2008	2008/2009
		Mackerel			40	60
		Chicken back			25	70
		Turkey neck			25/30	60
		Oxtail			280	300
		Chicken neck			15	50
		Bread			80	180
		Cabbage			35	80
		Callaloo			15/20	60
		Coco/yam/dashe en			20-50	70-80
		Carrot (seasonal)			20	70
		Tomatoes (seasonal)			40	150
		Rice (large bag)			300	800
Kenya (US\$1= 80 Kenyan shilling)	Rural			2007	2008	Feb 2009
		Maize flour (2kg)		50	75	140
		Beans (250g)		10	15	30
		Water (20 litres)		1	1.5	2
		Rice (1kg)		60	60	80
	Urban			Jan 2007	Jan 2008	Jan 2009
		Maize flour (2kg)		40	72	120
		Water (20 litres)		1	2	3
Zambia (US\$1=5,620 Zambian kwacha)	Rural		Jan 2008	May 2008	Sept 2008	Jan 2009
		Mealie meal (25kg)	34,400	44,900	50,700	55,600
		Kapenta (sardines; kg)	50,000	66,700	41,300	45,500
		Beans (kg)	8,300	12,500	11,000	11,400
	Urban					
		Mealie meal (25kg)	34,400	44,900	50,700	53,800
		vegetables (kg)	3,200	3,500	3,200	7,500
		Beef (mixed cut; kg)	16,600	17,900	17,900	17,400

Table 2.2 Staple food prices and inflation in the five countries

Country	1. Staple prices			2. Food staple price inflation	3. Consumer Price Inflation (annual average)		
		Jan 2007	Dec 2008		2007	2008	2009
Bangladesh	Rice (retail)	Tk 18/kg	Tk25/kg	Rice: -16.8% (Jan 2008 – Jan 2009)	9.6	10.5	9.4
Indonesia	Rice (IR II wholesale)	Rp 4,959	Rp 5,200	'Food stuff': +16.35% (Jan-Dec 2008)	5.6	12	7.5
Jamaica	..	..	..	..	16.8	18.3	12
Kenya	Maize (wholesale)	US\$193/tonne	US\$342/tonne	Maize: +49% (Jan 2008-Jan 2009)	12	24	6.5
Zambia	White maize (retail)	US\$0.18/kg	US\$0.28/kg	White maize: +27% (Jan 2008-Dec 2008)	4.4	12.5	4.5

Sources:

1. Bangladesh: FAO GIEWS; Indonesia: BULOG; Kenya: FAO GIEWS; Zambia: FAO GIEWS
2. Bangladesh: NFPCSP; Indonesia: BPS; Kenya: FAO 2009; Zambia: FAO 2009.
3. IMF 2008. Note that projected consumer price inflation rates for 2009 are all considerably lower than those for the period ended 2008. These are annual averages, not December-December changes as inflation rates are commonly reported. Country CPI rates may differ from IMF figures, which are used here for consistency.

Climate conditions and natural disasters were believed to have contributed to current food price inflation rates. Bangladesh experienced a cyclone and floods in 2007 which affected demand and production. At the time of writing, in 2009, East Java is experiencing floods which reportedly increased some food prices in the Bekasi district community in which this study took place. Parts of Jamaica, including St Catherine, where one of the study communities is located, are currently experiencing drought. In Kenya, ongoing drought led to the official declaration of a state of National Disaster in January 2009, while flooding was also experienced in 2008; an estimated 10 million people are currently facing food insecurity, and food production has been down for two years. On a smaller scale, heavy rains affected the rural community in Zambia in early 2008.

Political instability and turbulent political transitions have also had impacts, most notably in Kenya, where the effects of the violence and displacement after the December 2007 elections are still being felt. In Bangladesh, elections in December 2008 ended a two-year period of military-backed administration. Indonesia is gearing up for legislative and presidential elections in the first half of 2009. National elections took place in Jamaica in late 2007 and in Zambia in late 2008.

Recent and imminent elections are also significant because of their likely impacts on perceptions of food crisis: food staple prices tend to be highly political issues in poor countries. Food prices

are an issue on which parties are competing in the run-up to the Indonesian legislative elections. In Jamaica and Bangladesh, focus group participants linked their timing of the food crisis to political transitions. The politicisation of food – as well as fertilizer and fuel – prices needs to be taken into account when interpreting reports of high food prices, although in the present context, food prices are globally at a historical high.⁵

Understandings of the causes of high food prices suggested scepticism about the smooth operation of food markets. In Zambia and Indonesia, some prices were acknowledged to be high because of seasonality: the harvest in Zambia is in April, and the ‘hungry season’ lasts from November through to March. In Indonesia, community members noted that the price of *sembako* – the nine basic food and fuel necessities – is affected by the seasons. Seasonal price hikes appeared to be familiar and accepted, despite the difficulties they cause. But retail food prices were seen to be ‘sticky’ in the context of the present crisis. In Indonesia and Zambia, people noted that while food prices rose with rising fuel prices, when fuel prices came down, prices remained high. Some held government responsible to at least some degree for taking action on high food prices. In Zambia, people felt that although mealie meal and fuel prices had dropped sharply in January 2009, the government had not done enough to respond to the crisis. In Bangladesh, episodic acute food insecurity has given rise to a deep-seated suspicion that rice trader hoarding is behind food price rises. There, hoarding by traders and failures by the administration to regulate adequately were among those blamed for high local food prices (see Box 2.1). This scepticism implies demand for governments to intervene – and to be seen to be intervening – to bring about the necessary adjustments; the need for a more direct hand in markets was articulated most clearly in Bangladesh.

Box 2.1 Analysing the causes of high local food prices in Naogaon, rural Bangladesh

While men in rural Bangladesh were aware that international food prices including rice imports from India, and fuel costs all pushed prices upward, they also understood there to be more localised causes of high food prices:

- Some dishonest businessmen hoard to make excessive profits.
- Some retailers take the opportunity of rising wholesale and trading prices to raise retail prices disproportionately.
- There is no ‘control system’ to check prices in the markets. That is why traders can say the delivery did not come in order to raise the price. The administration does not monitor markets.
- When crops are spoiled, food prices rise. An important reason for spoiled crops is that insecticide is ineffective.
- Failures of family planning due to lack of education have created population pressure: the population has grown but agricultural output has not kept pace.
- Changing local weather conditions as a result of pollution from brick fields mean rains are no longer timely and fields are often polluted with brick dust, affecting agricultural production.

⁵ Many thanks to Sudarno Sumarto for first highlighting this point.

Where evidence is available, it seems that retail food prices are indeed sticky: in February 2009 wholesale rice prices in Dhaka decreased by 14 per cent, while retail prices only declined by 3.9 per cent (NFPCSP 2009).

2.1.2 Fluctuating energy and agricultural input prices

Fuel, energy, transport and agricultural input prices had fluctuated more than food prices. Recent drops in fuel prices in a number of countries may explain why people were less likely to prioritise fuel prices as problems than food prices (which remain more uniformly high); see Table 2.3.

Table 2.3 Local fuel, energy, fertilizer and transport prices

Country and currency (exchange rates as of March 12 2009)	Location	Item (unit)	Time period			
Bangladesh (US\$1=69 taka)	Rural ¹			2006	2007-8	Feb 2009
		Fertilizer A		800-900	2200-2300	1000-1200
		Fertilizer B		500-600	1200	
		Diesel (litre)	2006 38-40	2007 55-58	2008 50	Feb 2009 45
	Urban ²				Feb 2008	Feb 2009
		Electricity/month			100	200
Indonesia (US\$1=11,900 rupiah)	Rural ³		Feb 2008	Aug 2008	Nov 2008	Feb 2009
		Urea (kg)	1,200	1,300-1,800	2,700	2,500
		NPK fertilizer (kg)			4,500	11,000
	Urban ⁴			Feb 2008	May 2008	Feb 2009
		Kerosene (litre)		4,000	10,000	8,000
Kenya (US\$1=80 Kenyan shilling)	Rural ⁵			2007	2008	Feb 2009
		Paraffin (250ml)		20	25	35
	Urban ⁶			Jan 2007	Jan 2008	Jan 2009
		Paraffin (300ml)		18	34	40
Zambia (US\$1=5,620 Zambian kwacha)	Rural ⁷			Jan 2008	Jul 2008	Jan 2009
		Kerosene (litre)		4,250	5,127	4,995
	Urban ⁸			Jan 2008	Jul 2008	Jan 2009
		Petrol (litre)		7,027	7,356	5,818

Prices for fuel, energy, transport and agricultural inputs were more directly shaped by government policies in a number of countries, as public subsidies were variously cut or increased, in some contexts for political reasons. Dropping fuel prices had not necessarily meant transport had become more affordable: in Kingston people complained that public transport remained expensive while in Bangladesh, hikes in bus fares had resulted in local violent conflicts between passengers and transport workers. In the rural Indonesian community, although fuel prices had dropped three times in three months, community members felt the benefits

relatively little, as they predominantly ride motorcycles, which use little fuel. They felt similarly that declines in pesticide prices were relatively unimportant, as only very small amounts are used.

Movements of fuel, energy and fertilizer prices, both up and down, featured prominently in the analysis of economic change in the two Zambian communities, where fuel and fertilizer price reductions were seen as politically-motivated (see table 2.4). In rural Bangladesh, a local government representative similarly suggested that fertilizer prices were political: 'how was it that a few days after the new government came to power, without any new contracts with other countries or new imports, it was possible to drop the price of fertilizer?'

Table 2.4 Timeline analysis of economic change over the last year, Zambia

Months	Highlights of economic changes	
	Kabwata (Urban site)	Chikwanda (Rural site)
Jan-March 2008	<ul style="list-style-type: none"> • Huge hikes in charcoal prices as a result of long and frequent power outages due to load shedding • Lack of functional drainage system causing a health risk in the rainy season 	<ul style="list-style-type: none"> • Some homes collapsed due to heavy rains.
April- June 2008	<ul style="list-style-type: none"> • Long load shedding periods which increased the cost of energy and lighting. 	Nothing significant
July -Sept 2008	<ul style="list-style-type: none"> • Fuel increased and transport costs also increased • Drastic increase in prices of most commodities • High rental charges • Death of the president, households filed with great uncertainties 	<ul style="list-style-type: none"> • Low income for crop production • Transport and food items drastically increased due to high costs of fuel
Oct- Dec 2008	<ul style="list-style-type: none"> • Presidential elections • Post elections with a lot of economic, and political uncertainties • Fuel reduced by about K2000 	<ul style="list-style-type: none"> • Fertilizer prices reduced to K50,000 as a campaign gimmick but failed to obtain the fertilizer because it was not readily available on the market • Preparation for crop cultivation • Price of fertilizer increased to K250,000 but obtained at price ranging from K350,000 - K400, 000 from traders
January 2009	Fuel remained steady but prices of commodities still increasing	Price of mealie reduced to about K55,000 from K65,000 the previous month

2.1.3 Uncertainty in agricultural markets

Rural communities' accounts of how fluctuating prices have affected their production decisions provide micro-illustrations of global market forecasts that the supply response to high food prices will be inadequate into 2009. '[U]ncertainty is emerging as a dominant feature of world

agricultural markets' (FAO 2008: 1): the stories and examples uncovered by this research help to explain why and how uncertainty has fed through into the calculations facing farmers in different settings.⁶

In the rural Zambian community, farmers reported that they had hoped to increase crop production in response to high prices, but the high price of fertilizer and pesticides was a constraint. They had shifted towards crops that require less or no fertilizer such as cassava, sweet potatoes and groundnuts. One concern was that these crops produce lower returns for farmers, as maize has a more established, officially-supported input and output market. Zambian farmers had experienced a number of uncertainties around fertilizer over the last year. While prices dropped sharply in the last quarter of the year, a decline viewed locally as part of the election strategy, they rose sharply again at the end of the year. Even while prices remained low, fertilizer access had been a problem.⁷

Farmers of maize, beans and livestock in the Lango Baya community in rural Kenya did not raise the issue of fertilizer prices, among other reasons because fertilizer prices meant that none of these farmers could afford it in any case. Before 2007, farmers claimed that outputs had been sufficient to feed families and sell some surplus. But since 2007, poor rains have meant poor harvests. Livestock prices have declined as a result of the lack of pasture: cows that sold for KSh9,000 in 2007 are selling for KSh7,000 in 2009, while goat prices dropped from KSh1,000 in 2007 to KSh800 in 2009. An ActionAid irrigation project involving provision of two pumps to draw water from the nearby river was helping some, but only those who could afford the fuel to operate these. Even these farmers reported facing uncertainty as a result of crop theft: one farmer noted that:

I have been growing maize, beans and other crops through irrigation in the hope of harvesting enough to feed my family and to sell. Thus, I have been sacrificing a lot in terms of minimising expenditure in order to buy fuel only to find my crop stolen from the *shamba*. This kind of theft was unheard of in the period before 2007. It has been brought about by lack of food since those that steal do it to feed themselves and their families and not for commercial purposes.

In semi-arid Naogaon on the border with India in north-west Bangladesh, a series of recent changes was affecting the calculus of farmers, and contributing to what was widely reported as 'a sense of uncertainty' around agriculture. Farmers had responded to high fertilizer prices by reportedly trying to cultivate with less fertilizer, reverting to compost or organic fertilisers, and mixing *lobon dhal* (TSP) and urea fertilizers with more expensive varieties. In addition, fertilizer smuggling from across the Indian border was reported to have risen in the last few months, particularly since the end of a two-year clampdown on smuggling during the military-backed caretaker administration (2007-2008). But even while fertilizer smuggling remained highly risky, so many local people were drawn into smuggling that local businessmen and landlords reported it became difficult to find agricultural labour. Irrigation costs remain 'sticky': the diesel price has

⁶ Also Evans 2009; World Bank 2008.

⁷ The sharp reduction in fertilizer prices was widely viewed as populist electioneering by the ruling party (see AFP 2008). Problems with access to fertilizer, particularly among poorer farmers, are associated with the official Fertilizer Support Program, which absorbed some 37 per cent of the agricultural budget in 2005 (World Bank 2007: 116).

declined, but the price for a season of irrigation remains at the higher price of Tk 700-800, rather than the Tk 400-500 it had been in 2007. While fertilizer smuggling may have relieved some price pressures, some farmers who had bought cheap Indian fertilizer had found it to be of poor quality. Farmers who had invested in expensive fertilizer and seeds at the height of the rice price spike were suffering because rice prices had dropped substantially, as were some poor people engaged in paddy and rice trading. A further recent change, not associated with economic crisis, was a reported change in production relations, with output-based contract production increasingly replacing the use of daily labour on larger farms.

Rubber farmers and traders in the Banjar district community in Kalimantan, Indonesia, had experienced particularly rapid downturns in their production (see table 2.5). In addition to loss of income, impacts on the sector locally have included a) an increase in the number of intermediary traders, from three to five, further driving traders' profits down; b) an intensification of tapping activity, including more labour-intensive tapping of older trees (see Figure 2.1), involving more effort and time; and c) migration of some plantation worker households in search of work.

Table 2.5 Declining income and turnover in rubber (Indonesian rupiah)

Activity	February 2008	September 2008	February 2009
Plantation owner daily income/ha young rubber trees	-	200	75-85
Plantation worker daily income/ha old rubber trees	-	65-85	10-35
Village rubber trader daily turnover	25,000	-	5,000
Village rubber trader two-day turnover	-	Up to 15,000	1,000-6,000

Source: Interviews with rubber workers, traders and owners, Banjar, Kalimantan, Indonesia.

Figure 2.1. The picture on the left shows tapping of young rubber trees and on the right of older trees. This more labour intensive practice involves use of ladders and may involve reaching high up into the branches. Source: SMERU 2009.



2.2 Employment and occupational change

The global financial crisis has already hit Indonesia, where job losses are being felt in the export sector. In Bangladesh, the crisis is not discernibly leading to fewer jobs yet, but new jobs are reported to be on cheaper production lines, in low-quality factories. Other formal sector jobs were also being cut, while people in the informal sector and the self-employed reported a range of impacts. Some wages have risen, but in no case enough to compensate for commodity price rises. Women and young people are diversifying into new activities, often at a considerable cost to their time and status, or at some risk.

2.2.1 Formal sector

Formal sector employment had experienced the most direct and significant consequences of the financial crisis, although the formal sector was only a major employer in the Jakarta and the Dhaka communities.

Job losses in the industrial complex in Jakarta

Job losses were most marked in the export sector in the Jakarta community, where the effects of lay-offs, short-term contracts not being renewed and shorter hours were having immediate impacts on export sector workers and through them, on to local businesses and services. Gandasari village lies within the West Java industrial area of Kabupaten Bekasi, one of five villages close to the industrial park MM 2100, opened in 1990, and now houses 155 companies, 67 per cent Japanese, and the rest from Korea, Europe and the US, with only two from Indonesia.⁸

The economic impact of the MM 2100 industrial area has been significant, and many Gandasari residents have benefited from its proximity. The area had been predominantly agricultural until the industrial area opened. New factories and businesses associated with manufacturing processes (eg waste processing) opened up within the village, while some 134 former farmers are now landlords, letting around 1,000 dormitory-style accommodation units, each housing up to four workers, mostly migrants from Central and East Java. Official figures put the Gandasari population at 7,000, but this is likely to be an under-estimate, as migrant workers are not systematically recorded as residents. Other businesses and services that emerged in response to this new population include stalls and shops selling food and daily necessities and mobile phone credit, both small local and larger chain stores, as well as motorcycle taxi and rental car services. Local residents more usually work as casual labour – loading goods, as security guards or cleaners – than in industrial production. Labour outsourcing companies report preferring migrants over local residents as production line employees, partly because they are perceived to have a higher level of education than the local average of junior high school.⁹

⁸ This information is from the Marketing Management of MM 2100, interviewed 24th February 2009.

⁹ Interview, labour outsourcing company, 25th February 2009.

Box 2.2 Export sector workers experiencing job loss in peri-urban Jakarta

Family networks and relationships are important to how and why migrants work in the export sector in peri-urban Jakarta. Iswi (24) came to Gandasari because his uncle had moved there 25 years ago, enjoying success as a mechanical workshop owner. Iswi found contract work in the MM 2100 industrial area, earning almost Rp1.5 million a month in wages as well as bonuses and some meals.

Iswi's Herni (23) and Ritna (21) followed in 2006 and 2007. Both have worked on contract in several companies in the area, most recently, at Mattel Inc. producing Barbie dolls. They were each earning Rp 1.4-1.5 million per month, consisting of the city minimum wage, bonuses and overtime.

Orders for Iswi's company have fallen, and since early 2009, working hours have been reduced to save on operational costs. At the end of 2008, Herni and Ritna's contracts ended and were not extended. The siblings have started to economise on food and other expenditure. They used to help out back at home by sending their father – a builder and labourer – and their mother – a vendor of cooked snacks – small amounts to help with their siblings' educational costs. Iswi has had his contract renewed for three months, but after that, if none of them has any new work, they are likely to return home. Iswi says:

It all depends on me. Here [my contract] was extended for three months, so I still have three months to look for other work. If there is no work, why should I stay here? It's would just be a waste of money. I'd rather go home to the village, rest, or help my parents work. The important thing is that it doesn't burden me, I don't spend anything, and that I can help my parents. We're unemployed here, there is no income, while every month we still have expenses, and there are lots of people looking for work, not just us. If we're in the village I can work on anything, like tinkering with motorbikes. Maybe I'll do that.

Herni, too, thinks she may enter the informal sector:

My mother sells small goods, like food, until late at night, so if I go to the village maybe I can help her.

By March 2009, the global financial crisis could already be felt in Kabupaten Bekasi, with a number of companies reporting a drop in production due to declining demand and rising production costs; official reports are that four companies have closed down, while other companies are tightening up, including by limiting overtime and laying off some workers.¹⁰ Within MM 2100, the number of workers had declined between January 2008 and January 2009 from 73,000 to around 68,500.¹¹ The Kabupaten Bekasi labour agency also stated that by February 2009 there were no job placements because there were no company requests for new workers. In Gandasari itself, the impacts of the crisis were being felt by November 2008. During focus group discussions in February 2009, community officials and members estimated that in

¹⁰ RepublikaOnline, 2009.

¹¹ Interview, Marketing Management of MM 2100, 24th February 2009.

the previous three months, 10 per cent of permanent workers had been laid off, and approximately 40 per cent of contract workers had not had their contracts renewed. Export sector job losses are highlighted within Gandasari by rising vacancies in rental accommodation, as migrant workers typically return to their home villages once their contracts end or they are laid off. Whereas there used to be nearly 100 per cent occupancy rates, residents reported that around 30 per cent of such units were now believed to be vacant.

Because export sector workers who are laid-off or whose contracts end usually return to their villages of origin, the research team were only able to speak to people who had very recently lost their jobs. In one case, two sisters had seen their contracts with the toy manufacturer Mattel end without being renewed last November and December respectively (see Box 2.2).

Concerns about the governance of labour recruitment agencies were noted. These companies have been increasingly important since 2000, and have been the route through which many contract workers access employment in the export sector. Job applicants have to make both official and unofficial payments amounting to Rp 1.5 to 2 million to 'smooth the way' to each new contract; these contracts have reportedly become on average shorter over time, so that recruitment fees need to be paid more frequently. Sometimes jobs are not found, although the fees are not returned. In other instances there were allegations of fraud, including embezzlement of workers' wages.

Garments production in Bangladesh

Although the majority of the population of the slum area of Kalyanpur, Dhaka is occupied in the informal sector, formal sector employment is dominated by the readymade garments industry. In contrast to export sector workers in Gandasari in Jakarta, Kalyanpur garments workers could identify no garments job losses in the past few months; if anything, they seemed to believe that as many, and probably more, jobs were available. However, new openings did not appear to be predominantly in higher quality factories where management is stricter about compliance with buyer requirements relating to health and safety, child labour and other labour standards. Instead, in late February and early March 2009, workers were reporting employment was readily available in poorer quality factories, including in small ad hoc sub-contractor units. Macroeconomic indicators for Bangladesh support the view that the sector has to date been unaffected by the crisis,¹² and that this can be explained by the sector's position at the lower end of the value chain. Privately, garments factory owners in Dhaka in February 2009 seemed upbeat, and confident that orders would hold ground with previous years, particularly because some expected Bangladesh would benefit from the cheapness of their product in a time of global economic crisis.

The position of the Bangladesh garments industry within the present global financial crisis has been shaped by its recent past, and in particular its exposure to global competition in the

¹² Bangladesh Bank statistics for February 2009 record that the taka value of readymade garment exports was higher in November and December 2009 than in the same months in 2007 or 2006 (Bangladesh Bank 2009). However, the association of garments manufacturers, the BGMEA, claims that orders were down by seven to ten per cent in January 2009, and are demanding government subsidies to see them through the crisis.

fiercely competitive apparels trade. The Bangladesh garments sector was widely expected to suffer after the Multi-Fibre Arrangement (MFA), which had ensured Bangladesh favourable access to developed country markets, ended in 2004. Instead, exports increased, although with some substitution towards relatively cheaper products using local fabric to take advantage of preferential access rules. The available evidence is that increasing competition has created pressure on wages and labour standards, such that labour standards remain generally very low (see Berik and Rodgers 2008; Ahmed and Peerlings 2009).

Evidence about sectoral conditions as a whole support the view among garments workers in Kalyanpur and businessmen associated with the garments trade nearby that there had been an overall shift towards cheaper products in the last three to four years. This included the absorption into the export industry of the trade in 'reject' clothing: the local trade in 'reject' garments has been pushed out by the emergence of new international buyers, who specialise in sourcing the very cheapest clothing, including clothes rejected for sale under brand names. This process has been occurring over the last two and a half years. In a focus group discussion with garments workers whose experience of the sector ranged between one and two decades, one summarised the situation as follows:

First, in the last two to three years, we have seen no garments [factory] close down. In fact, in front of our eyes we have seen five or six new ones emerging. Second, we do not know anyone who wants a job in the garments and cannot get one. To get into the good garments is a little tough, but it is no issue to get into a 'normal' (bad) factory – if you know someone there they will take you on.

A discussion with another group of younger garments workers in Kalyanpur found they also ranked factories, and were finding jobs in 'bad' factories easiest to come by:

Facilitator: So, jobs are available now? Are they increasing?

Participant: Yes they are. You just have to be of the right age and have the required papers ... getting a job in garment factories is not that easy for the men now. Those garments that do not pay salaries on time or misbehave with the workers usually hire girls as they do not have the courage to protest. So, men are facing difficulties in getting jobs ... but yes, jobs in garments factories has increased in recent times. More and more people are coming for the jobs and they are getting in. So, certainly the number of jobs has increased ...

Facilitator: So, there are two types of garments then, those complying with the rules and those not complying?

Participant: No, there is another type, worst ones (*joghonno*) – those that misbehave with workers and beat and abuse them.

Facilitator: Are finding jobs in these three kinds of garments equally easy?

Participant: No, it's easier to get jobs in the worst ones. They will hire you instantly. But there is no job security there. After ten days they may fire you.

Facilitator: Can you tell us how many of the garments in this area are good?

Participant: Nearly 20% are good ones, 20% are bad and the rest are the worst.

Workers also described increasing pressures to raise production through ever-higher targets, long working hours and poor or no protection of their rights as workers. These processes of change towards production of cheaper garments in lower quality factories with poor or no

labour standards date back several years. Unpicking the impacts of the current crisis from what appears to be being experienced as a 'race to the bottom' of the garments industry is complicated, in the Bangladesh case, by the end of the caretaker administration, which governed from January 2007 to January 2009: this two-year period saw a clampdown on all forms of illegal and criminal activity, including the operation of unlicensed garment factories. Kalyanpur locals felt the number of sweatshops had increased in the past three months because of the end of the caretaker administration. Given this complication, it is only safe to say that the previous three months appears to have seen a continuation of ongoing processes of growth in the low value, low labour standards end of the market. A labour organiser interviewer as part of this research argued that there had been no cases of job losses in the previous three months, and rather that orders to the Bangladesh garments sector had risen in November 2008 and January 2009, although they had dipped slightly in December.

In both Jakarta and Dhaka, the market in export sector labour has been highly flexible. Workers report that short-term contracts or 'outsourced' labour is reasonably common in the Indonesian export sector, while in Bangladesh, they say that it is easy to be both hired and fired – but in the 'bad' factories. In both cases, workers expressed concerns that even the regulations that are in place to protect them were not working as was intended. In Bangladesh, this has had impacts on the quality of work available to garments workers. The implementation of policies in these two countries has weighted the balance firmly in favour of flexibility; in both contexts, workers pointed that even the limited provision available to protect workers' rights were failing to do so.

Other formal sector employment

Formal sector employment was relatively unimportant in all the other communities studied. In the two Jamaican sites, relatively few people were in formal sector employment. In the urban communities, while there had been few job losses to date, people were believed to be anxious and insecure about their employment:

Are people losing jobs? No. The government is not laying off in the places people work. However, people fear that they will be laid off. They are stressed about that.

The majority of persons in the community are unemployed; only about 20% are employed. Of the employed people, not many are losing jobs. Housing Trust laid off some people but reemployed (respondents in Kingston).

In Zambia, the global downturn has hit the country's copper mine industry, affecting those directly employed in the sector, as well as those depending on the mining companies for their business. An estimated 6,000 employees have been retrenched since November 2008, and the Mine Workers Union of Zambia estimated that 10,000 out of a total of 23,000 registered miners were likely to be out of work by end March 2009. The areas in which the present study was conducted were not directly affected, although there have also been knock-on effects of companies that supply goods and services to the mines. In Mpika, in rural Zambia, a small transport company had begun to turn a good profit in 2008: over the last three years, the company owner had been contracted by copper mines to transport timber, cement blocks and copper concentrates. Towards the end of 2008, the downturn in the global copper price began to bite, and mining companies started to terminate contracts with transporters. The owner of

the company had some outstanding mine contracts, but had had to lay off two of his five drivers in November 2008; he was now moving into the transport of maize between farms and millers.

Other formal sector impacts that affected people within these communities included an airline flight attendant who had lost her job when the private airline she had worked at closed down in January 2009, having failed to cope with the high fuel prices. The company closed owing her two months' worth of salary, and the former flight attendant now relies on her cousin with whom she shares a home. She had been planning to save for further education, but, she said:

[I]t has been hard to find another job with the other airlines, they are all not employing ... I have been encouraged to start a business but the last time I tried, it didn't go well. I have very limited options, but I pray that I find a job soon.

In both the Kenyan sites, the lack of formal sector or any other jobs was a concern of longer duration than the crisis. The small number of members of the Nairobi community in formal sector employment (security, transport and the public sector) were reported to be fearful about job security, but there were no signs so far that any jobs had been lost to date.

Although efforts were made to capture impacts on employment from declining global tourism, particularly through site selection, few direct effects were identified. There were indications in the rural Lango Baya site that local youth were beginning to return from Malindi where they may have been involved in the tourism sector, and where jobs had been being shed; however, it proved impossible to verify this within the fieldwork period. Some people in Content in Jamaica who had been receiving remittances from family members working in the tourism sector were being affected. Within Content, people who had been selling poultry to restaurants in tourist resort areas reported a decline in the amount of meat they would normally sell.

In Banjar in Indonesia, informal job opportunities had recently increased with the operation of a new coal stockpile in November 2008. Locals mainly work in security and related informal jobs, as well as cooks for the staff. In one coal stockpile in the village, recruitment into informal jobs in the coal companies is controlled by a group who charge between Rp2.5 and 3 million for membership; before the current crisis, this was more realistic, but it is now unaffordable for most locals.

2.2.2 Diversification in the informal sector

While for some, wages and earnings had increased in nominal terms, for most, wages and earnings had not kept pace with the rise in food and other basic costs. A woman in Nairobi explained that although her monthly wages had doubled from KSh 2000 in 2007 to KSh 4000 in 2009, her rent had nearly trebled, from KSh 300 to KSh 1000 over the same period, and she was having difficulties feeding her family. In rural Bangladesh, women noted that although the daily agricultural wage rate had risen from around Tk 70-80 two to three years ago to Tk 110 in 2009 'it is still not possible to buy enough food and it is necessary to take loans too when there is no work, to buy food'. It should be noted that in the rural community in Bangladesh, lucrative alternative livelihood options such as smuggling across the Indian border was believed to have

created an agricultural labour shortage; this may help to explain why wage rates had increased. Construction worker wages had also increased in Dhaka. Garments workers' salaries had also increased slightly, after an ongoing and violent confrontation between workers and factory management across the sector, triggered by food price rises in 2006.¹³ However, garments workers reported that not all garments factories were complying with new labour laws on the minimum wage. A small stall owner in the Jakarta community reported that his earnings had declined with rising numbers of laid-off workers in the export sector. Before people started to lose their jobs, he noted that his daily turnover could reach Rp700,000, with a profit of 50 to 70 per cent. In February 2009, his turnover was down to Rp200,000– 250,000 per day.

Some wages in Zambia had changed over the crisis period, but most notably for those in the formal sector (see Table 2.6).

Table 2.6 Wages in Zambia, January 2007 –January 2009

	Monthly Take Home Pay				
	January 2007	July 2007	January 2008	July 2008	January 2009
Teacher	K672,000 to K1,193,000	K841,000 to K1,485,000	K841,000 to K1,485,000	K841,000 to K1,485,000	K1,145,300 to K1,631,600
Nurse	K748,000 to K2,105,000	K936,000 to K2,624,000	K936,000 to K2,624,000	K936,000 to K2,624,000	K1,121,000 to K2,624,000
Secretary in Civil Service	K653,000 to K1,190,000	K817,000 to K1,480,000	K817,000 to K1,480,000	K817,000 to K1,480,000	K915,000 to K1,480,000
Guard with Security Firm	K250,000 to K750,000	K250,000 to K750,000	K250,000 to K750,000	K250,000 to K750,000	K300,000 to K750,000
Pieceworker on a Farm	K3,000 to K15,000 per day	K3,000 to K15,000 per day	K3,000 to K15,000 per day	K3,000 to K15,000 per day	K3,000 to K15,000 per day

Source: Jesuit Centre for Theological Reflection, Lusaka

In Dhaka, the owner of a *vangari* or waste recycling business, reported having had a good year in 2008. When prices of goods and fuel were high, so were the prices of waste paper, plastics, iron, brass etc which are collected – sometimes stolen – mostly by young boys and then sold on to a recycling mill:

Last year, every day I profited with big margins. Price of everything increased every day, even over night. Even a kg of PVC pipe would fetch me Tk 45-50. Even if the prices were high last year I faced no trouble. This year the picture is different, the price of everything is normal now, but so are the prices of waste materials. Lots of shops have closed down. My business is on the brink of closing. Now I cannot collect anything from homes. When I tell them the price, the housewives chase me with brooms or start swearing. They cannot accept that I will pay Tk 10 taka for the same thing I bought for Tk 30 a month ago.

¹³ See CGS 2006.

Economic change involved a considerable amount of livelihood diversification. Examples included that in Bangladesh, rural Muslim women were reported to be working publicly in restaurant kitchens, and on the new 100 Days Employment Guarantee scheme. In Dhaka, new forms of retail had emerged. One involved the gathering and sale of rejected vegetables. This new strategy emerged when people recognised the possibilities for gathering broken or partly spoilt vegetables, previously discarded as unsaleable, from wholesale vegetable market serving the 500,000 residents of the Mirpur area. After the floods of 2007, new migrants from flood-hit areas started to collect these vegetables; some 60 to 70 people now regularly appear to gather vegetables for resale (some are also stolen). While the vegetable gatherers were initially children, adults and even unmarried girls now collect these for sale. The food price crisis has created a new group of lower-middle class customers who, while not ready to bear the shame of collecting rejected vegetables, are ready to buy these as cheap alternatives to standard vegetables. A mid-day market grew up around this trade six months ago, where surplus 'second' vegetables are sold in small quantities that are not available in regular shops (see Box 2.3). Other new retail forms include sales of small, unpackaged and therefore unbranded goods such as flour, which retail at a tiny Tk 1/kg less than the usual retail price, as well as local vendors of flour and other items, which aim to capitalise on the need to avoid rising transport costs by selling food close to people's homes.

Box 2.3 Diversifying into vegetable 'seconds': Sufia's survival strategy

Sufia, who is in her sixties, was embarrassed at being asked about her trade in vegetable seconds; she had, she stressed, neither stolen nor scavenged them, but had bought them from the wholesaler for Tk 30. When asked how business had been that day, she proudly counted her notes, and found she had earned Tk 75. This is 'enough for my lone stomach' these days: after marrying off her three daughters, she is now alone. Sufia's account of how she had diversified into vegetable rejects is as follows.

Sufia moved to Dhaka in the 1980s, and worked as a maid in a 'mess' – collective living arrangements – for low-paid formal sector employees. In March 2008, when the first wave of the food and fuel crisis hit, Sufia's employers decided to cook for themselves to cut costs, and she was let go:

The beginning was the hardest for me ... in these hard times even your own will turn into strangers ... my landlady told me to move out the very day I requested her to give me some time to pay the rent ... how can I blame my landlady who only knows me for two years when my own daughters have turned their backs on me?

I brought up my girls through so much hardship but now, to them, their own problems become pre-eminent ... that time each day brought new pain ... I spent the bulk of what I had in search for help and paid the penalty for my faith in my close ones ...

There were days I went without rice ... ate only one piece of bread per day. I searched for a job like mad but nobody needed a domestic help then ... how could they? Everybody had a hard time saving their own back that time ... it became a luxury in this area to keep a domestic help and even if somebody would, they didn't want me as I am too old ...

You never know whom or in which way Allah has decided to help you ... one day I went to [a northern suburb] to try for a job as a sweeper but I failed. But there I met a distant cousin of mine who lived there ... seeing my condition he gave me some money and agreed to give me a room in his house on the condition that I would look after it ... and after moving there one day I saw my neighbours going to the bazaar [market] to pick up rejected vegetables ... from that day my hunger won over my dignity ...

Now Sufia sits in a corner of the market everyday selling the four to five kg of vegetables that she collects. These she sells in 20-30g portions, earning Tk 70 per day. At first, she gathered for her own consumption. Soon, she realized there was a market for cheap vegetables in small quantities:

One day, I got a large amount of chilli at a cheap price. I was sitting with that wondering what to do with that quantity of chilli ... suddenly a woman came to me and asked, 'will you sell a little portion of these to me?' My greed took over and now I have saved Tk 7,000 by selling these vegetables.

In Indonesia, food retailers are also diversifying. In rural Banjar, one mobile vegetable seller had replaced expensive chicken and large fish with small, cheap *pupuyuh* fish and repackaging food items into smaller units. He had retained his customers, but they were buying less and often delaying payments. In Jakarta, a pair of neighbours had diversified from their jobs as small snack store owner and cleaner respectively into selling rice, which one woman was bringing in from her daughter's rice fields one hour away. The rice price hike had opened up a new market for local sales of good quality but reasonably priced rice; with the rice being procured without resort to a middleman, the two women had managed to boost their incomes.

In Kingston in Jamaica, people reported a range of new forms of 'hustling' to get by, particularly among women and children:

Hustling has increased. For example, youth will go to town and load bus or wash car. The prices they charge depend on the size of the car. There are some who we call 'goose men'. These are people who someone commissions to sell shoes. The commissioner might ask the person to sell the shoes for \$500 but he sells it for \$1000 and keeps the profit. On top of that, he keeps the money the person who commissioned him pays him. People are finding novel ways of hustling.

In Nairobi, women explained that the pattern of their days had changed dramatically since 2007. In 2007, more women focused on domestic work and childcare. In 2008, a growing number began to look for supplementary sources of household income. By 2009, most women would leave home early, seeking work washing clothes or cleaning compounds, or selling charcoal, vegetables and foodstuffs by the road side. Some small food kiosk operators now run their businesses until late at night and new activities include boiling or roasting maize by the road side, opening small salons, and offering cleaning services.

In Zambia, small businesses were also diversifying. A grocer explained that:

Before prices for commodities started increasing, I used to have up to about 30 to 40 customers a day, especially after pay day, but now I have only 10- 15 customers a day and these are my usual loyal customers (...) most of my customers complain of high prices, but what can I do? Since I started my business this is the hardest I have been hit. To survive I'm now looking to diversify into other areas of trade.

Even formal sector employees, including both men and women in the Zambian communities, were found to be seeking new sources of trading income. Urban women were more involved in selling food items and second hand clothes, as well as running restaurants and salons; men were reported to be engaging in trading in hardware and electrical materials, blacksmithing, welding and carpentry, radio, TV and cell phone repairs, and bar tending. People working in the informal sector argued that incomes earned were usually higher than earnings from formal employment. However, local consumer goods markets were reportedly saturated.

These findings underline the need for social protection strategies to work with poor women in their efforts to support their families. This includes cash and food transfers that go directly to women, and which were generally popular in these communities. Findings of women's efforts to adapt are also a reminder of the acute time poverty that many poor women face. Programmes geared towards supporting households through crisis need to avoid further burdening women by creating conditions that they lack the time or resources to meet, such as requiring that they use public services that are difficult to access or of poor quality.¹⁴

2.3 Credit and financial services

In most of the communities, there were signs of impact on credit and financial markets.

In Kingston, Jamaica, the collapse of investment companies CashPlus and Olint early in 2008 had a significant impact on the communities:¹⁵

Woman: Carlos, the CEO for Cash Plus, stole the funds. After this crash, other financial investment companies also crashed, including Olint. Cash Plus used to pay 10 per cent in interest every month. A lot of people were in Cash Plus. Some of these people were not working. Some used 'partner money'¹⁶ or borrowed money to invest. Some used their savings and all of it went. People borrowed from the credit union and invested in Cash Plus. Some took money from the bank and put in.

Man: At that time, persons in Cash Plus could pay all their bills. Then, they used to buy special imported juices, such as cranberry and pomegranate. People opened corner shops. They would buy oxtail and shrimps. People had more parties.

¹⁴ Molyneux 2006; Chant 2008.

¹⁵ Although apparently not operating like a pyramid scheme, Cash Plus is one of a number of local financial service institutions that had been offering extremely high rates of return – up to 200 per cent annually in some cases – in return for membership. The local financial press, and in particular the Gleaner, appear to have been raising questions and clamouring for tighter regulation for some time before it crashed.

¹⁶ A local variant of a rotating savings and credit association (ROSCA).

Woman: I know one lady who was in Cash Plus who paid \$100,000 for [...] school fees; paid for her brother's wedding and put herself through school too.

Woman: Before the crash, people were into haggling, wholesale, janitorial jobs. Cash Plus helped to push people into small business. We have secretaries, nurses, people in business administration, teachers, engineers and persons in stock inventory, soldiers, police, thieves, hardcart drivers ... all were in Cash Plus. People would hustle and throw partner (getting about \$48000 when it was their turn to get the dividends), then use their partner money to invest.

The crash of Cash Plus has affected local business. One Kingston retailer told her story:

For the past two and a half to three years, I have had this business. When I started out, I was on the sidewalk with two tables and I was selling glue, roll-on and so on. It took a lot of money to pay off bills. I bought gallons of bleach, cleaning agents, red and white polish, buckets of hair crème, shampoo. I set up on the sidewalk and sold only \$20 or \$10 per day. I advertised things myself. I used to throw partners' with my mother's friends and used the funds to send the children to basic school. I could now buy ½ dozen of each item. Things started to go alright. I could make \$7,000 in one day. Then I went into Cash Plus. I borrowed money to put in. I had to pay back \$11,000 per month. I started to feel the strain. After 2-3 months Cash Plus crashed and I had to use the money from the business to repay the initial loans. I still owe them \$15,000. It's harder now to make a profit since the competition is increasing. My cousin used to send things to do business. But now I can't find the money to send to my cousin to buy the things I need for the shop. Many times, my daughter can't go to school. I don't have the money to throw partner.

Access to formal credit is costly and difficult for many people in the Kingston communities to manage. There were reports that interest rates were high, and lenders were clamping down on defaulters:

Some people have loans. The interest rate goes up quickly. When you go to pay, another \$26,000 is added to it and your photograph is put up to show that you are a debtor.

In Dhaka and Nairobi, small businesses were reported to be struggling to manage their loan repayments. In Dhaka, an NGO managing a World Bank project to rehabilitate rickshaw pullers and owners who had been removed from the main roads under a transport project had been distributing technical support and loans, ranging from Tk 5,000 to 150,000, at standard microcredit interest rates of 12.5 per cent. The project has outstanding loans of Tk 11,230,000 among 640 men borrowers. A project officer explained that they were facing difficulties in collecting weekly repayments over the previous 12 months: the rate of failure to make weekly repayments had risen to 20 per cent from the usual five per cent. Three staff members on the project had had to resign in the last year over their failure to meet loan repayment targets.

In rural Bangladesh, the home of micro-credit, loan default was also reported to be on the rise. Across focus groups, people reported difficulties in meeting their weekly loan instalments:

One day when I went to pay the NGO loan instalment the children and all of us had to go without eating, because you can't not pay the loan instalment, so I used the *bazaar* [food shopping] money. So we had to go the whole day without eating.

Officials of the local branch of a large national micro-finance institution reported a decline in borrower numbers between 2006 and 2007; while borrower numbers were up in 2008, they were still lower than in 2005 or 2006 (see table 2.6). There had also been a rise in the number of defaulters¹⁷ since they started operations in 2005. Another large national microfinance institution operating in the area was unwilling or unable to share similar information with the research team.¹⁸

Table 2.7 Micro-finance branch office performance, rural Bangladesh

Year (Tk)	2005	2006	2007	2008
Total loan disbursement	29,174,971	24,539,769	21,913,282	22,894,635
Borrower numbers	2,213	2,644	1,679	1,884
Total loan recovery	21,419,760	24,534,899	19,080,147	20,833,960
Overdue loan amounts	0	38,620	68,578	128,694
Defaulters	0	15	20 ¹	31 ²

Source: NGO officials, Dhamuirhat, Naogaon, February 2009

¹ 20 includes 7 borrowers from 2006 from whom loans were still unrecovered; 8 had managed to repay their loans, and there were 13 new defaulters.

² 31 includes 15 borrowers from 2007 from whom loans were still unrecovered; 5 had managed to repay their loans, and there were 16 new defaulters.

In rural Banjar in Indonesia, few residents are able to access formal institutional credit through banks and cooperatives. Problems with maintaining motorcycle credit repayment schedules were reported in both rural and urban Indonesia; having to manage motorcycle debt is one way in which the present crisis is markedly significant from the household experience of the 1997/98 crisis, as few people had motorcycles at that time compared to now.

Informal credit has been playing a significant role in managing the crisis in some, but not all of these communities. Table 2.7 summarises the main sources of informal credit cited by community members.

¹⁷ Defined by this organisation as the inability to meet agreed repayment instalments, even if some repayments were being made.

¹⁸ Microfinance is generally believed to hold up better than other financial services during economic crisis. However, an August 2008 survey by CGAP of the 45 biggest MFIs found that only three reported not having been affected so far; 57 per cent said their portfolio at risk and 35 per cent that their default rate had increased as a result of the crisis. Powerpoint presentation by Eric Duflos and Barbara Gähwiler, CGAP (http://www.cgap.org/gm/document-1.9.7450/Impact_and_Implications_of_Food_Crisis.pdf). See also The Economist, March 21st 2009, 'Microfinance: Sub-par but not subprime', pp. 87, which summarises the situation as 'Lending to the poor has held up well but it is not as safe from the credit crisis as its champions hoped'. It cites IFC data showing that among the top 150 microfinance institutions, the share of borrowers a month late on loan repayments has increased from 1.2 per cent before the crisis to between 2 and 3 per cent now.

Table 2.8 Types of informal credit available in the communities

Bangladesh	Indonesia	Jamaica	Kenya	Zambia
<ul style="list-style-type: none"> • Neighbours • Relatives • Livestock 'leasing' • Food shops • Fertilizer/seed credit 	<ul style="list-style-type: none"> • Food shops/vendors • Neighbours • Relatives • <i>Bank keliling</i> 'roaming bank'/money lender • Rubber traders • <i>Arisan</i>: community rotating savings and credit group 	<ul style="list-style-type: none"> • 'Throwing partners': customary self-regulating group saving mechanism. • 'Round robin' arrangements in the rural community eg for covering funeral costs 	<ul style="list-style-type: none"> • Neighbours • Informal money lenders • <i>Merry-go-round</i>: a rotating savings group for women traders 	<ul style="list-style-type: none"> • Neighbours • Relatives • <i>Kaloba</i>: informal money-lenders charging interest up to 50%

Customary savings and credit groups appear to have been most important in the rural Indonesian and both the rural and the urban Jamaican communities. No such groups were mentioned as prominent potential or actual sources of support in either Bangladesh or Zambia. However, in both rural Indonesia and Jamaica, these customary modes of rotating savings and credit appear to have suffered during the current crisis. The Jamaican practice of 'throwing partners' involves a group of like-minded community members who agree to collectively save on a regular basis, with an agreed banker and period of time between 'draws'. In Kingston, some investors in the ill-fated Cash Plus were reported to have invested their *partner* money in the company. Other views were that the practice was struggling during the downturn:

We used to survive by throwing partners. Now, we don't have the income to save to throw partners. You see partner a throw, you have to know where the money is coming from or else you may start the partner and can't maintain it.

The partner thing don't work well like last time. Without jobs, it's impossible.

The view was similar on the other side of the world in rural Banjar, Indonesia, where *arisan* had to date been the main source of capital in the community. *Arisan* are customary groups that bring together between tens and hundreds of community members, who agree to save a fixed amount, usually starting at around Rp 5,000 each, which are raffled off weekly. Most community members are members of an *arisan*. The weekly *arisan* meeting has to date been a major event in this community, and also involves a *yasinan* or Koran recitation. However, recent changes include the postponement and even the disbanding of some *arisan*. In one case, a group that had only conducted the raffle twice was terminated, and the winners of the *arisan* funds were asked to return the funds. Others have increased the timetable to once every two or four months, which seems to be more manageable for people during a period of financial strain.

A widely reported source of informal credit is local shops, stalls and food vendors. Some of the reported change in food shopping habits (below) seems to reflect the relative ease of accessing credit from local shopkeepers, whose reliance on local customers makes them willing to extend credit, often on fairly easy terms to long-term customers or local community members.

2.4 Migration and remittances

2.4.1 International migration

Evidence that international migration from these communities had been affected by the global financial crisis was sketchy and ambiguous. In rural Bangladesh, community members estimated there were between 10 and 15 members working abroad, most in Saudi Arabia but a small number in Malaysia. Of these, only one had returned, within the previous four or five months. However, her case appeared to be a matter of a faulty visa – a problem which other local migrants who had used the same broker had not experienced. One man had two brothers living in Saudi, whose remittances in the last few months (he could not be more specific) had become more intermittent; other community members reported the same change, and nobody had an explanation for this. It is worth noting that nationally, Bangladesh has not to date experienced a net decline in remittance flows, although most recent statistics show that the numbers of international migrants leaving Bangladesh were down considerably compared to the same month the previous year.¹⁹ In urban and rural Jamaica, many people felt that remittances were declining:

There is a problem with remittances. Western Union is empty now. People are not getting as much money. [I used to get some] every holiday, [nothing] coming in now.

Remittances have gone down bad bad. A lot of families have relatives abroad/connections. As a result, we have to eat less, wear less. There is no crime resulting as yet but in time.

Official figures indicate that remittance inflows into Jamaica were down by 10 per cent in January 2009 compared to one year ago.²⁰ While not everyone had felt the decline in remittances – some felt that a lot of remittances were still coming regularly – there was a strong sense that remittances were likely to decline: ‘people are still collecting remittances and not investing though they know things will get worse’ one Kingston respondent predicted. The Grace Kennedy Foundation, a charity that provides educational support and which is believed to rely in part on migrant remittances, was reported to have reduced its level of support because of the downturn in remittances.

¹⁹ Any future rounds of research will need to probe this issue in greater detail. Aggregate statistics do not support the local view that remittances are declining or intermittent. Official figures indicate that taka values of international remittances from Saudi Arabia and Malaysia were on aggregate considerably higher in December 2008 and January 2009 than in the equivalent months 12 and 24 months previously (Bangladesh Bank 2009). In terms of numbers of migrants leaving to work abroad, the picture is less clear: the November and December 2008 numbers are down compared to a year previously, while more migrants left in November 2008 than in November 2006, but lower in December 2008 compared to December 2006 (Bangladesh Bank 2009).

²⁰ Bank of Jamaica (2009).

2.4.2 Internal migration

By contrast, remittances from internal migration were clearly down in several instances, while the study identified new strategies of internal migration, much directly attributed to the food and fuel crisis. In rural Mpika in Zambia, a retired couple were in some distress because the remittances from their children on which they had relied for the last 15 years had become irregular over the previous nine months. They used to receive K400,000 per month, and this was enough to cover their expenses and to hire workers to manage their fields and help them. The father said:

We have tried to describe our situation to our children but it seems like they are too engrossed in their lives to respond ... We understand that the economy is not good right now, that's why they have stopped sending money regularly, but if they were able to save in advance maybe they would manage to send us money all the time.

Others were attempting internal migration for the first time. But even within a country migration can be a risky business: social networks matter greatly for opportunities to migrate, but some migrants end up worse off than before, while others struggle unsuccessfully (see Box 2.4).

Box 2.4 Unsuccessful internal migrants

Farhad, 32, from rural Naogaon in Bangladesh, had worked as an agricultural labourer since he was a child. His wife worked as an occasional housemaid. When food prices rose in early 2007, Farhad's daily wages increased from Tk 60-70 to Tk 100-120, but basic food costs for the family, including their two children, rose to Tk 140 per day. Work as a digger was intermittent and highly strenuous. He began to buy food on credit, and when they had accumulated debts of Tk 9,000 he took the advice and help of local people to move to Dhaka one year ago.

Working as a labourer in Dhaka, Farhad initially managed to save Tk 100 per day. He then hired a rickshaw with the help of someone from his home area, and pulling a rickshaw, saved Tk 8,000-9,000 in five or six months. He paid off his debts and moved his family to Dhaka. There his wife became pregnant, and food prices again rose sharply. When his wife fell ill, the family decided to return to their village.

Food prices are still high, and Farhad works again as a digger. His wages are slightly higher, and he also drives rickshaw vans in the evening. Even then, it is a struggle to feed a family of five. They eat fish rarely now, and a cheaper variety of lentils. Farhad's wife used to gather green vegetables from the roadside, but now many people do this, and there is little left. The parents eat twice a day, to ensure their children can eat three meals. The season for labouring work is coming to an end, and Farhad has again decided to go find work in Dhaka: 'There is not much work here and I am thinking about moving to Dhaka. My body is here, but my mind is in Dhaka'.

Awai, 35, from rural Banjar in Indonesia, lives with his wife and two children in a nice house filled with possessions bought from his earnings in a diamond mine between 2000 and 2002. When the diamonds were all mined, the owner turned it into a rubber plantation. Since the diamond

mine closed, Awi has been tapping the rubber trees on other people's plantations. It is an onerous job because the trees are old.

Since the price of rubber fell sharply in 2008, rubber plantation workers began to dream about the stories being heard of a new gold mine in South Sulawesi Province. Awi and 11 fellow villagers decided to their luck there. Awi borrowed ten grams of gold from his in-laws, which he sold to cover his travel costs and his family's expenses while he was away.

After a week-long journey, the villagers arrived at the mine. But there they found the local government had issued a mining prohibition, and officials were raiding mining activities. Awi and his colleagues managed to operate a mining machine bought by one of his neighbours for three days; Awi was able to send home Rp1 million. Raids made it increasingly difficult to operate the machines and Awi began to mine alone using a crowbar for five days, again earning Rp1 million. Fear of being caught in an official raid made Awi and five of his friends return home. He spent Rp700,000 on transport home, Rp100,000 on gifts and gave the remaining Rp200,000 to his wife. After one month of trying, Awi's dream of obtaining gold ended. Now he has returned to tapping others' rubber trees, earning Rp25,000–Rp35,000 per day, while thinking about how to return the gold to his in-laws. 'Fortunately I borrowed the gold from my parents in law, so it is not too burdensome, he said.

3 Household responses

This section documents the main household impacts and responses in terms of food consumption, asset management, health and education. The findings are broadly consistent with existing knowledge of the channels through which crisis is transmitted to the poor, and though which people move into poverty or into deeper poverty.²¹

3.1 Food consumption

The impact of the food crisis has been felt most directly in terms of household food consumption; this was also the issue on which people in all communities spoke at greatest length and with greatest concern. Looked at across all ten communities in the five countries, the hierarchy of impacts from least to most severe was as follows:

1. **Spending a larger share of income on food;** this typically meant cutting down on other expenses, such as transport, communications, clothes, social activity. In Jakarta, people reported that they now only use prepaid mobile phone credit to send SMS or text messages in order to cut expenditure. In Kingston, a shopkeeper noted that:

Basically, people are buying less. People do not have the same amount to spend. In middle class households, people have to shop less. You have to stop buying things you don't need.

A mother of four children in Kingston said that the groceries she used to buy for J\$3,000 two years ago now cost her twice that amount. A father in the same community said:

There are 4 persons in my family. Two years ago, about \$2,000 would feed them. Now, I need much more. You go to wholesale with \$10,000 and you get a little scandal [transparent] bag. You go with \$1,000 and can't see what's inside the bag. One thousand dollars cannot provide for a family.

Figures 3.1 and 3.2 illustrate the declining purchasing power of the Zambian kwacha. Community members were asked to illustrate how food prices have changed by collecting food items amounting to K5000 and arranging them according to current prices, and what the same amount could purchase a year ago. It should be noted that while some wages in Zambia appear to have increased since 2007 (see table 2.6, above), this mainly applies to formal sector public employees; unskilled workers such as security guards had seen wages rise slightly, while the wage range for agricultural pieceworkers did not appear to have changed.

All socioeconomic categories were spending more on food than two years ago, and so this form of household response to the crisis was widely shared, even though the implications are far more serious for people who were already spending the vast majority of their income on basic food items before the crisis.

²¹ See Lustig and Walton 2009; also Baldacci *et al* (2002) and Prenzushi *et al* (1998).

Figure 3.1: Comparison of prices and food items over a period of one year in Lusaka





February 2008	February 2009
 <p>Items include: 1kg bag of mealie meal, 3 tomatoes, 2 onions, 50mls cooking oil, 25grams sugar, 50grams of Kapenta and 2 bundles of vegetables</p>	 <p>Items include: 1kg bag of mealie meal, 2 tomatoes, 2 onions, 25grams sugar, 50mls cooking oil and 1 bundle of vegetables</p>

Figure 3.2 Comparison of prices and food items over a period of one year – rural Mpika

February 2008	February 2009
 <p>Items include: 2kg bag of mealie meal, 3 tomatoes, 50mls cooking oil, 100grams of Kapenta, 1 cabbage and 200grams of beans</p>	 <p>Items include: 2kg bag of mealie meal, 3 tomatoes, 50mls cooking oil and 1 cabbage</p>

2. **Changing food shopping habits;** this meant buying smaller quantities more often and buying from cheaper sources. In Kingston, a shopkeeper reported that people were shopping more in wholesale shops. In Jakarta, people reported a growing preference for shopping at small local stalls as compared to chain shops, because credit was relatively easy. Men working in the informal sector in Jakarta also reported that they now:

buy rice in stages. In the past we would buy two litres per day to eat, now we just buy one liter. If we have more money by the end of the day, we will buy some more to eat late in the day or in the evening.

In Jakarta, where export sector workers used to buy cooked food to save time and effort, they increasingly report that they cook their own, particularly if they have had their hours cut or have lost their jobs.

The new forms of trade and retail described above are chiefly responses to new demand for cheaper products often bought in smaller quantities, and sometimes without the additional cost of travel. These are usually non-brand food items, and sold loose; there may therefore be a greater risk of adulteration. Again, changes in food shopping habits appeared to be fairly widely spread across the communities; most people were adjusting their habits, frequently trading off convenience, time, quality or brand value for cost. Other cost-saving strategies included gathering fuelwood or palm leaves instead of buying it, and cooking less frequently to save on fuel costs. In rural Kenya, people were also reported to be cutting down trees for firewood for cooking. The gendered impacts of changing shopping habits vary across the communities, depending on whether men or women are responsible for food shopping.

3. **Reducing the quality and diversity of food.** Reduced quality and diversity of food were reported in all the communities, but the extent of the deprivation this involved varied very considerably. In terms of quality, poorer people in Dhaka started to buy the coarsest variety of rice, which was being sold in rationed military-run outlets, as well as flour from street vendors, broken eggs, and fish and fruit that were no longer fresh. However, even these became more costly during the latter period of the food crisis, as the middle and lower middle classes also started to resort to these foods. One woman who works as a maid explained that:

We used to buy cow guts, the claws, skin, and wings of chicken, as these were cheap and the only source of meat for us. But now even those are not available as demand for them has increased.

In rural Jamaica, people explained their strategies:

Saltfish is now nearly \$200 per pound. Most of the times we used to throw away chicken fat. Now we have to use it to make cooking oil. Vegetables, cheese and milk, we can't buy them. Sweet pepper is \$200 per pound; lettuce is \$200. Cabbage is cheaper but carrot is sky high. There are no vegetables for poor people.

Vegetables are especially expensive because of the drought ... Rice is now cheaper than cornmeal. Cornmeal is no longer food for the dogs ... We now have to grate coconut and get the juice and throw in coffee, busy tea or cocoa. There is no need for milk.

In Indonesia, while the situation appeared to be less severe, people were scaling down their expenditures, buying cheaper small fish instead of expensive large varieties, cutting down on children's snacks, steaming or boiling instead of frying.

In Nairobi, the impact on dietary quality and diversity was particularly severe. Community health workers in Nairobi described how diets had changed over the last two years (see table 3.1).

Table 3.1 Community health workers on changing food intake in Nairobi

	January 2007	January 2008	February 2009
Breakfast	Milk tea Bread Chapati Ndazi Sweet potatoes	Porridge Tea	None
Lunch	Chapati Bananas Rice <i>Mboga</i>	None	None
Supper	<i>Nyama</i> <i>Ugali</i> Vegetables Fish Chapati	<i>Ugali</i> Rice <i>Sukuma</i> Maize/Beans	<i>Ugali/Sukuma</i>

In Kingston, children said they were eating less and poorer quality food than before, with many reporting not eating breakfast, but having to manage on a cup of tea before school. They used a matrix to describe their perceptions of consumption patterns across social classes, differentiating between the rich, 'no well rich' and the poorest. All the children present classified themselves as poor (see table 3.2).

Table 3.2 Children on food intake among different social groups in Kingston

Category	Rich	No well (moderately) rich	Poorest
Breakfast	Eggs, sausages, ham; whole loaf of bread	Porridge	Buy 1 egg and fry and buy only 2 slices of bread
Lunch/dinner	Oxtail, steamed fish and crackers with okro	Chicken leg and wing, with rice and gungo peas	Mackerel/sardines and rice

People were reserving the best foods they could afford for special occasions. In rural Kenya, farmers noted they only eat rice and chapati (unleavened bread) at Christmas, while in rural Jamaica, oats, cornflakes, milo and cheese have become luxury items, and 'milk and ice cream are for Christmas only'. In both Jakarta and Dhaka, women said they did not expect to eat meat other than during one of the two main Eid festivals. In both rural and urban Bangladesh,

however, poor people complained that they got poorer cuts and smaller quantities of meat after Eid-ul-Azha:²²

After I prepared the meat this year, my employer stored it all in the freezer, and gave me just bones and fats. They are still eating it after nearly one year (Dhaka woman working as a housemaid).

When choices have to be made, children come first in some communities, whereas in others it is men. In none of the communities were women, including pregnant women, said to be offered the most nutritious foods. In Kingston, parents said that:

We can't afford the right food. However, my children get the best. If they want the breast of the chicken, they get it. Parents have to eat what is left.

You have some people who will give the best to the man they are with and give their children what is left. Around here, every mother is conscious about her children. However, mothers cannot afford to feed their children as they should. No one can afford to buy tin feeds. Everybody buys Lasco [local powdered milk], which is not good for the children.

4. Gathering wild foods. Gathering wild foods appeared to be mainly a strategy of the poorest communities or the poorest within communities. This was reported most widely in the rural Kenyan community. There men farmers reported that on occasion, their only meal for that day would consist of wild fruits or vegetables, while women also reported drinking the juice of green coconuts (*madafu*) as well as wild fruits and leaves. Local NGO officials reported that many people, particularly women, were walking long distances to collect these foods, and that these were gradually being depleted. A similar story was told by women involved in begging in rural Bangladesh, who also reported that conflict was arising because these resources were under increasing pressure as middle class people were also increasingly gleaned, while some people were trying to protect wild foods and fuel found on their property. Poor women in rural Kenya also reported that poaching of wild animals had been taking place in the area.²³ In rural Zambia, too, the Chief of the community noted that people were relying more on wild foods than is usual for the time of the year – that is, more than they do as a result of merely seasonal price hikes.

5. Eating less and going hungry. Eating fewer meals and eating smaller quantities was common, but from what people said, quantities being eaten had declined dramatically among the poorest. The worst situation was reported in Kenya, while in Indonesia, there were fewer signs that people were cutting back on quantities of food being consumed. Community health workers in Nairobi said that some people were drinking tea without milk as a substitute for some meals, and across the rural Kenyan site, people reported now eating only one meal, often in the mid-afternoon. In a number of accounts, that one meal often consists mainly of wild leaves and vegetables. In Zambia, while the urban community were eating two to three meals a day, rural people were eating one or at best two, with the main or only meal being mealie-meal

²² This is the festival when wealthy Muslims traditionally sacrifice animals, a portion of which meat is supposed to be shared with the poor.

²³ Similar reports are beginning to appear in the press: 'Starving Coast residents turn to wild animals', *The Standard*, 22 March 2009.

with wild foods. Garments workers in Dhaka reported having to make do with only potatoes during a whole day's work. Even relatively affluent households cut down on meals at the height of the crisis.

For parents, and particularly for mothers, the burden of caring for hungry children could be heavy. The problem of sending children to school on an empty stomach was widely cited:

When we have no money, I set the cup under the pipe, say the 'Our Father' prayer, tell them to drink the water and go to school (mother in Kingston).

Where children are not able to eat properly even if you tell them to they don't want to go to school ... you have to feed the children a bit more because they don't understand and when they get hungry they start crying (From a focus group discussion with women describing themselves as beggars in rural Bangladesh).

Stealing of food is so common among students that it has become an issue that we deal with on almost a daily basis (Head teacher, primary school, Nairobi).

Some of the children leave home without breakfast and we are happy that they get food in school. Although the food only consists of maize, green grams and sometimes beans and the maize is usually too hard for the children to chew, especially the small ones, at the end of the day we are content that they have eaten something to last them till evening or the following day on days when supper is not cooked at home (Mother in rural Kenya).

Family relations have been messed up and in most cases, spouses live under tension. The father who is the bread winner is always under tension every day when it is approaching evening that he has nothing to take back to the family and that means going hungry because what is found in the day is all eaten and there is hardly any saving for tomorrow. The mother has the tension of consoling the young ones and bearing the burden of being with hungry children throughout the day. Children fail to understand why they cannot go to school or have stopped going to school whereas his colleagues are in school (From a focus group discussion with people living with HIV/AIDS in Nairobi).

3.2 Asset sales

The extent and type of asset sales varied considerably. The factors that affected whether people sold assets appeared to depend on the following:

- The existence of a market for the asset (rural Kenya)
- Perceptions of the potential seriousness of the situation and the possibility for coping without selling limited assets (rural Zambia)
- The pressure of accumulated debt (rural and urban Bangladesh)
- Opportunities for investment in migration or new economic activities with the proceeds of asset sales (urban and rural Bangladesh; rural Indonesia; Box 3.1)
- The extent of the asset endowment to begin with.

Box 3.1 Asset sales to finance new activities and pay debts

Alim had been working as a mosaic-cutter in the construction industry in Dhaka, while his two sons lived in the village home and worked the land. For the last two years they were producing crop for our own consumption by cultivating on their small piece of land. But when the prices of agricultural inputs increased, this became unproductive: 'If we had enough land to produce surplus crop, then it would have been logical to cultivate on our own. Now it's better to lease that land and get my sons engaged in other work.'

A year ago, Alim's job as a mosaic-cutter in the construction industry was doubly hit when new flooring materials started to enter the market, and the political and economic crisis, particularly high fuel prices, led to a downturn in construction. Alim was finding it hard to make ends meet.

Even with Tk 250 wage I was still struggling. That's when I decided to bring my sons here. Now one of them works as an office assistant and the other is a rickshaw puller. And after saving some money with three earning members, I decided to start a business which my wife can run with our help. We thought about selling firewood, as around that time fuel price was really high and also as I have access to construction sites where rejected woodchips are available in low price. So [having sold his mosaic-cutting machine to finance this] we started this business and with the help of Allah we can breathe more freely now.

Roni, a garments worker, was living with his parents, his wife – also a garments worker - and two school going children for the last two years. Their net earnings of Tk 5,000 were enough to maintain the six member household until food and fuel prices began to rise sharply; by April, they decided to send their parents and children back to the village home.

Nobody can guess how hard it was for us to take the decision, to send our kids away. But that was the best option we had. In that way their education will be ensured as certainly it wouldn't be possible for me to provide their education here. It's better for our parents in the village. And for us also as our expenses has decreased along with the pressure of looking after the kids and elders.

Every month, the couple sent Tk 1,200 taka to meet the expenses of the village household. But when Roni was diagnosed with tuberculosis in September 2008 and was unable to work, the village branch of the family were able to manage for a period, by borrowing and seeking help from kin:

When I wasn't able to send money, my parents borrowed from the local grocery shop, and my cousins were there also to look after them. But then again, after sometime, it became hard for us in the village also, as everybody was in bad condition. Then I decided to mortgage a portion of my land and paid the dues.

In rural Bangladesh, small farmers had been affected most because agricultural wages had risen slightly, making labourers better off but labour less affordable for small farmers: like Alim and Roni (Box 3.1), many see the best option as selling or mortgaging land, and entering a new area of work. Livestock sales were also reported.

In Nairobi, people were found to be selling small household items. People living with HIV/AIDS were reportedly resorting to selling donations of food. Asset sales were not widely noted as a coping strategy in the rural Kenyan community. One reason appeared to be that the crisis is believed to have hit most people hard, and markets for distress sale assets are likely to be limited: for instance, livestock prices have declined, partly because animals are emaciated because of the drought. In this context people have criticised eligibility criteria for relief, as access depends on having no assets:

The stringent requirements are not progressive and contribute to the stagnation of [the area]. How can one owning ancestral goats, cows and chicken, or one living in an iron-sheet house [be] considered to have food on the table? Such draconian criteria will hinder development in the sense that people will not want to own livestock or live in an iron sheet house because they will miss out on relief food. Are the donors asking us to sell our livestock or bring down iron sheet houses so that we can be eligible? (Farmer in rural Kenya).

In Zambia, people explained that in the past strategies for coping with crisis had included seasonal agricultural wage labour, selling off livestock such as goats, working for food from fellow community members, and begging. In the present crisis, however, most respondents, particularly in Lusaka, stressed the importance of delaying asset sales as far as possible. For some in Lusaka, assets were acquired mainly for prestige and status; they would only sell off assets after exhausting all other strategies for survival such as vending, reducing the number of meals per day, asking for help from friends and relatives, and borrowing from formal sources and informal moneylender, often at high rates of interest. For the rural community, assets were acquired as a store of wealth to be drawn upon only in critical circumstances, for instance during episodes of serious illness to pay for medical care. In such cases, most people would sell livestock such as chicken and goats. Rural people resisted selling off assets because of the likelihood that it may take a long time to return to a position from which they could recover those assets.

In Indonesia, some households reported selling assets such as livestock, poultry or gold in order to meet educational costs, to pay bribes in order to get a job, to finance a new business, or to pay motorbike credit. Otherwise, there were no reports of distress sales of productive assets.

3.3 Impacts on health

The present study did not conduct a detailed health and nutritional assessment, and the findings presented here are based on what community members reported.

1. **Acute malnutrition, including weakness and vulnerability to disease.** Women describing themselves as beggars in rural Bangladesh reported experiencing dizziness and fainting, while rural Zambian women explained that inadequate food meant they were not strong enough for fieldwork. Beggars in rural Bangladesh spend most of the day walking around villages in search of food and assistance. One woman said that:

A few days ago when I was 'going to the village' [going to beg] I went out without having eaten anything. After walking for a few hours, I felt extremely hungry and found I couldn't

walk any more. Those who were with me left me to rest beside a tree. I couldn't even speak from hunger. A little while later my eyes started to go blurry, and my head was spinning. I couldn't sit any longer and got up but fell down beside the road. After a while someone saw me and came and gave me water, and brought me some bread from a stall. My hunger abated slightly and I came home.

In the rural Zambian community, people reported high prevalence of various illnesses, but this was seen as seasonal rather than attributed to the present crisis. In Nairobi, women pointed out a rising number of children with browning hair, which they identified as the result of acute malnutrition.²⁴ In both Kenya and Bangladesh, people reported that young people were ageing prematurely, presumably as a result of hunger and anxiety.

Teachers in Nairobi reported that three children had died in 2007, to their knowledge of hunger, although this could not be confirmed during the research. If children had in fact been dying of hunger as early as 2007, this pre-dates the height of the food price crisis, but signals the vulnerability of this community to the food crisis which followed the ongoing drought.²⁵ In the rural Kenyan community, members said that there had already been some deaths from hunger as a result of the drought, which had been going on now for seven years.

2. **Chronic diseases.** In both urban and rural Jamaica, people reported rising problems with diabetes as a result of people eating too much (cheaper) starchy food. Others noted problems of high blood pressure and high cholesterol levels were also increasing.

3. **Impacts on people living with HIV/AIDS.** People living with HIV/AIDS in Kenya reported that the crisis had increased their levels of physical stress. The chair of a rural support group for people living with HIV/AIDS, himself living with HIV/AIDS, described how his nutrition had been affected by the crisis:

I eat once a day, normally dinner. My meals are usually standard from Monday to Monday that is Sima on its own or with wild leaves. Once in a while we eat meat. However, this is usually meat of sick cows and goats which are slaughtered by the owners and sold cheaply. Our family cannot afford to buy good meat from the butchery. I hardly get other food varieties at home but I do not complain because being single, I depend on my mother who works so hard to ensure that we have at least one meal a day.

To access anti-retroviral (ARV) drugs, people living with HIV/AIDS in the rural Kenyan community have to travel to Malindi town, about 50km away, straining household finances when fuel and transport costs were high. However, ActionAid has been supporting the costs of transport for these journeys. People living with HIV/AIDS also reported having to take ARVs on an empty stomach when food was hard to come by. In rural Zambia, there were concerns that people living with HIV were increasingly seeking shelter within the extended family, which was believed to further strain household capacities to cope with the food crisis.

4. **Risky sexual behaviour.** There were a number of examples given of increasing risky sexual behaviours. One rural woman observed that:

²⁴ Hair changing colour to become reddish and brittle is a symptom of kwashiorkor, a form of malnutrition associated with inadequate protein intake.

²⁵ See also Sulaiman *et al* 2009; KFSSG 2008.

With more and more dependent mouths to feed, household food stores are now inadequate. To survive, some are engaging in high risk activities increasing their risk also of exposure to HIV.

Teachers in Nairobi and community-based organisation (CBO) officials in rural Kenya also noted that young girls and boys were engaging in risky sexual behaviour, including commercial sex work. In the Nairobi community, teachers counted 13 pregnancies among primary school-going girls.

5. Stress. Raised levels of stress were widely reported. Women in Jakarta reported loss of sleep and headaches as a result of anxiety about economic conditions. In rural Kenya, one woman described her feelings:

These days it has become very difficult. Even though we are alive, our health is deteriorating. I used to have three meals each day, but now I am hardly managing a meal each day. When I am unable to get food, I just sleep, with hope that tomorrow will be better.

In rural Jamaica:

There is a lot of depression because of the crisis. Some go to church for prayer; some speak to their pastors. The frustration is being taken out on their partners and children. Stress levels are high.

6. Public health impacts. Problems with public services such as rubbish collection and drainage were posing risks to public health in Zambia, but these could not be attributed directly to the crisis. In Nairobi, use of public toilets now costs KSh3 per use; to avoid these costs, 'flying toilets' – the use of polythene bags then thrown away in the neighbourhood – have become common. The prevalence of 'flying toilets' and the poor maintenance of commercial toilets are contributing to public health threats in Nairobi.

7. Changing health-seeking behaviour. Healthcare costs can be high or prohibitive for the poor at the best of times. With finances strained over the period of the food and fuel crisis, households in Bangladesh and Jamaica reported finding it harder to manage the costs of accessing health services. In both contexts, some public health facilities are supposed to be free; however, long waiting times, additional – sometimes unofficial - charges including for tests and services not available at public clinics, and poor quality service meant that for many, public healthcare was not an easy option. Private healthcare was costly, however, and self-diagnosis and resort to folk remedies was reported.

In Zambia, a pair-wise ranking exercise found that urban people considered health to be their second highest priority for household expenditure, above education, clothing and rent. Compared to in Bangladesh and Jamaica, however, people seemed somewhat less likely to cite health expenditure and health problems as a significant problem associated with or exacerbated by the crisis. One factor appears to be that access to public healthcare services has been eased since user fees for public clinics were waived in 2006. A sequence ranking exercise found that for both the rural and urban communities, public health clinics were the first place they would seek

healthcare, largely because this was the cheapest source of medical care (see table 3.3). There were some problems: free drugs were reportedly often unavailable due to demand in public clinics, and the cost of prescribed drugs and of transport to district centres where drugs are available were found to be prohibitive in the rural community. In the urban community, there were complaints that pharmacy prices were high, and that the waiver of user fees had not significantly impacted on household incomes at a time when real incomes had effectively declined.

Table 3.3 Sequence ranking exercise showing health services provision preference since the crisis in Zambia

Health provider	Sequence for seeking treatment			
	Men		Women	
	Rural	Urban	Rural	Urban
Clinic (RHC)	1	1	1	1
Traditional healers	4	4	2	4
Church	5	-	-	-
Home remedies, i.e., herbs	3	3	-	3
Drug stores (<i>Kantemba</i>)	2	2	3	2

Key: 1 indicates first source, 2 – second, 3 – third, 4 – fourth and 5 - fourth

In Indonesia, health-seeking behaviour had not been greatly affected since the crisis in the rural community. *Puskesmas* (community health centres) have been providing free medical treatment under regional government policies set three years ago; since January 2009, these have been providing 24 hour service. *Puskesmas* are supported by central government-sponsored *jamkesmas* (health insurance). Services are free on production of a local identity card, although many community members use over-the-counter drugs for minor ailments to avoid the transportation costs and time to travel to the *puskesmas*. However, the decline in the rubber price has made services from midwives and nurses less affordable for some: one midwife said that although fees have been reduced from Rp30,000 to Rp25,000, she now sees only five patients per day, where 15 used to come.

Table 3.4 Matrix ranking exercise showing impact of the crisis on different occupation groups in Jakarta

Impact	Permanent employee	Contract-based Worker	Motor-cycle taxi driver	Landlord	Car rental owner	Farmer	Trader	Labourer
Less diverse diet	2	3	4	2	2	4	3	5
Unemployment	3	5	4	2	4	4	3	5
Cannot seek medical	2	5	5	3	4	5	3	5

treatment								
Drop out of school	3	5	5	2	4	5	3	5
Total	10	18	18	9	14	18	12	20

Key: 1=no impact and 5=most impact.

As Table 3.4 indicates, access to healthcare had been affected by some within the urban Indonesian community. Note that no social group in the community had been ranked '1', indicating that everyone had been affected to at least some degree. The groups affected most are the labourers, while farmers, contract works and motorcycle taxi drivers were thought to have been affected the next most. Men casual labourers in the poorer part of the village reported that they no longer go to private clinics, as they had done before the crisis. Some self-diagnosis was also reported, with one example given being the treatment of typhoid using deworming medication. People in the relatively wealthy section of the village tend to be in better health, and to have more choice of healthcare provider. While there is a secondary healthcare centre in that part of the village, most people, including the poor, prefer a local private clinic. This is despite the fact that service charges have increased compared to last year. One reason may be that the clinic provides free services to poor people with minor illnesses, with the possibility of reduced prices or instalment payment for larger procedures.

3.4 Impacts on education and child labour

The impacts on children's education varied in severity and type according to how household finances had been affected by the crisis, material support for school-going children, attitudes towards education and the availability of work for children.

Schooling in the Indonesian communities appeared to be affected least: no incidents of dropout below university level were reported, although one rural high school student had moved to a less expensive school closer to home. However, school authorities reported cases of delayed payment of school fees, and arrears were increasing; the impact of the crisis is likely to be felt at the start of the next academic year (June-July), when lumpy admissions and other costs are incurred. Parents stressed their intentions to keep children in school, and there were no indications that child labour had increased, although the burden of educational expenditure had risen relative to real income during the crisis. The impact of export sector job losses may not be felt directly in Gandasari village where the research was conducted, largely because export sector workers are typically young with small children. However, some export sector workers had been sending remittances home to help with the education of siblings, so potential impacts on school dropout may be transmitted to migrants' home regions.

Figure 3.3 The impacts of crisis on children in peri-urban Jakarta



Left and right: the impacts on education of export sector job losses in Jakarta are unlikely to be direct: these workers are typically young and unmarried or parents of pre-school children. But as migrants, they also used to send remittances home to help with siblings' education, and are less likely to do so now.

In Indonesia and in one of the two Kingston communities, dropout was not widely reported, but costs of schooling were a major burden. Jakarta parents complained that the School Operational Assistance programme (BOS) is inadequate for covering the costs of education, and that they still have to pay for school books, uniforms, and registration fees, which rise annually, while some also had to pay school fees. In Jamaica, while education is officially free, parents in Jamaica claimed that there were new charges and that these had been rising since the crisis, as parents' views below describe:

There is no free education. By the time we pay what they ask, it is the same as school fees. We even have to pay for PTA now.

I pay almost \$12,000 in books, PTA fees etc. That's the same as paying school fees.

Since 'free education', we have to pay a caution fee, auxiliary fee and insurance. Now that we have free tuition, we have to pay for using labs, depending on the school administration. Science children pay for labs in some schools. In some, whether or not you use the lab, you have to subsidize the costs. When children can't pay, they have to drop the subjects. The government pays for three subjects. If you can't pay for the lab this year, you can't sit the subjects and graduate. If you don't pay, you do not get the results or the report.

Free schools can't manage. Everything has to be paid for. Schools have to find a way to get money. Last year, the prime minister called some principals extortionists because principals were findings all sorts of ways of getting money from students.

In Jamaica, the strain of educating children was most noticeable at higher education levels. Children and young people reported feeling the impacts of parental stress on their educational ambitions (see Box 3.2):

Our parents let us know about their strain. I want to be an engineer but I may not be able to do it. I have to work harder if I am to achieve it. However, I have not lost confidence. I can do it but I just need to work more.

I want to be an economist. I want to go to UTECH. Last year, my mom paid \$12,000 for 8 subjects. She paid for 5 and the government paid for 3. But it costs lots of money to get boarding accommodation at UTECH and UWI. My parents are finding it hard now. The fee at UTECH is \$120,000.

Box 3.2 University education at a time of economic crisis, Kingston, Jamaica

My mother has two of us children living with her currently. I have a brother who is one year younger. He is 19 and he is trying to be part of the art programme. My parents didn't have a plan for my education. That was not priority. They didn't think I would last this long. I am the first in the family to go to college. Before university, I went to St Andrew's High for Girls and did well.

Neither of my parents were educated. My mother topped school at second grade. My parents are not together now. One lives in the top apartment in the yard and the other lives at the bottom. I had to rely on family but they didn't help. Only one helped through sixth form. My mother doesn't work. She is self-employed. My father is a bus driver. He doesn't help me now. He has other children and another agenda. I can't get a job because it is difficult for me to work and go to school. However, I would try to work. I would try to set my timetable in a way that I can work around it. I had to do it with the courses I chose. I was an A and B student. In the first year, I didn't do as well as I wanted to. In the second year, I have stepped up a notch. After the degree, I want to go to Canada to study further and work. I want to continue up to the PhD, then I would be satisfied. I would like to do counselling.

I have received no help from government and no further help from Grace Kennedy because they have other obligations. CSJP did help in the first year but then they had a budget cut so they couldn't fund everything. They only paid half. I didn't get a student loan. I don't know why. I am tired of rejection now.

I can't afford to eat at school. I don't have all the books. Sometime ago, I stayed in the library overnight in order to get access to books. There are thousands of students and sometimes only three copies of a book.

At home, we only cook on weekends. I use my scholarship to help out the family and then work on holidays.

Between last year and this year, our diets have changed. We don't buy chicken as much; instead we buy corned beef, which is cheaper. Cabbage is the only vegetable we eat and only on Sundays. I laugh about it instead of crying. The truth is I am not really laughing.

In Zambia, Kenya and Bangladesh²⁶, school dropout was widely reported, in some cases because parents could not afford school costs and in others, because children were entering paid employment. The magnitude and patterns of school dropout were difficult to ascertain. Some Nairobi school teachers felt there had been a drastic decline in enrolment and a rise in absenteeism, complicated by the fact that children were moving to schools with feeding programmes, and dropping out once these were discontinued. In Dhaka, too, movement to

²⁶ Supported in Bangladesh by findings from a national survey by Raihan (2008).

schools offering material support was found. Two families had moved their children from general schools into madrassahs because these are cheaper: 'studying in a madrassah is cheaper. You just have to pay Tk 50 per month and they will take care of the rest, which includes food and shelter', in the view of one parent. In an NGO school in Dhaka, the head teacher estimated that the dropout rate had doubled in the past year:

On average if we had 30 students in every class, then we lost five students in every normal year. But this year 10 to 15 students have dropped out from every class of our school. Many are not able to pay the fees while others do not have uniforms or books.

In Zambia, Bangladesh and Kenya, hunger was said to be deterring children from attending school, from travelling long distances to school, and was also affecting their learning. In Jamaica, poor children are entitled to free lunches, but there is stigma attached to this. Poor children seemed embarrassed because they were marked out as 'needy' because the free lunches they received were often different to the lunches given to paying children, sometimes in smaller boxes or a different colour.

Not all child labour in these poor communities can be attributed to the crisis. However, specific forms of children's work that were identified as new, increasing in magnitude, or specific responses to crisis included:

- Involvement in waste recycling (Nairobi and Dhaka)
- Migrating to Dhaka to seek employment in garments factories (from rural Bangladesh)
- Domestic service (rural Bangladesh)
- Sex work (Nairobi)
- Drug peddling (Nairobi)
- Working in garages and shops (Dhaka)
- Working in brick fields (rural Bangladesh)
- Rickshaw-pulling (Dhaka)
- Agricultural piece work (Zambia)
- Selling bagged drinks (Kingston)
- Buying and selling sweets at school (Kingston)
- Washing cars and loading buses (Kingston youth).

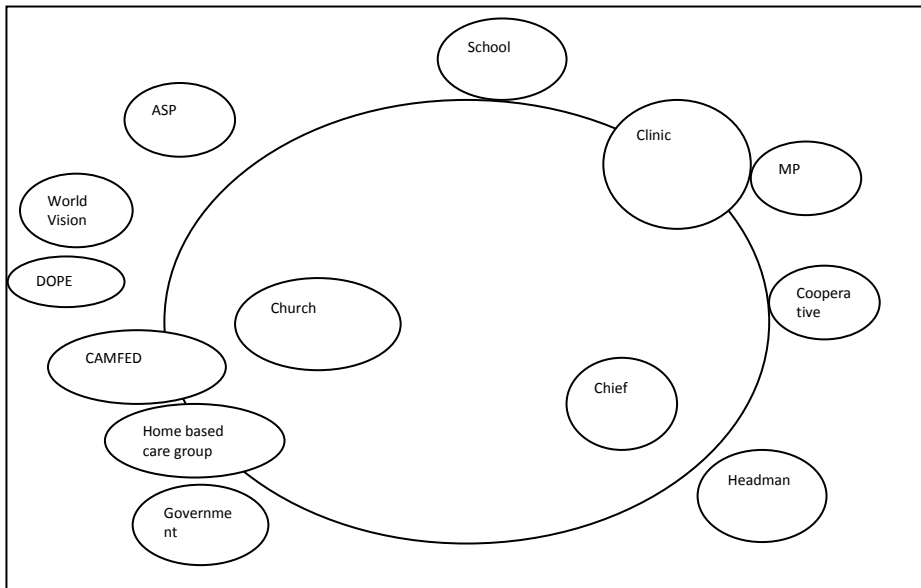
Accounts from these communities suggest a number of ways in which the impacts of even short term crisis on children may have enduring or permanent effects, including a) inadequate nutrition at crucial developmental stages; b) school dropout for entry into work, which is typically not reversible; and c) early entry into forms of work which may be hazardous in their own right. These impacts are likely to exacerbate economic and social inequalities, as the poorest are disproportionately likely to experience these permanent negative consequences.

4 Institutional responses

4.1 Government support

Table 4.1 summarises the sources of government support mentioned by people in the communities. This table is not an exhaustive list of all support officially supposed to be reaching these communities, and only includes those programmes which people mentioned that to their knowledge were in operation, even if they were themselves not directly benefiting. Two factors seem to shape which government programmes were mentioned. The first is that people discussed programmes which were of current importance to themselves. In the rural Indonesian community, for example, the national *raskin* or Rice for the Poor programme was not currently operating in their community, although it had in the past. In Zambia, government support appeared to be considered less relevant to coping with the crisis than elsewhere, and no major government programmes were noted as of significance. As figure 4.1 illustrates, government was among the institutions considered to be outside the community circle, with little or no influence on wellbeing. (Note that the size of the circles reflect the relative significance of the institution for the community, and the distance from the central community circle reflect accessibility). Parts of the state played a role in the urban community: there the Member of Parliament was valued as an advocate of community public goods, and the police were also seen as helpful. But on the whole, Zambians who participated in this research did not consider government support to be important to coping with the crisis.

Figure 4.1: Institutional diagram by women in rural Zambia



A second issue shaping the responses people gave to questions about official support is that despite the researchers' efforts to clarify the monitoring purposes of the research, there were likely to have been some expectations or hopes of new programmes or sources of assistance in

these communities.²⁷ It is plausible to argue that efforts to demonstrate need may have encouraged some to downplay any assistance being received.

Many local officials and community leaders interviewed as part of this research were clearly under considerable pressure to provide more support to communities in crisis. They tended to agree that much more needed to be done, and that the resources with which they were being equipped to handle the situation locally were woefully inadequate. An important issue to understand here is the processes through and the extent to which the pressures to provide food security for local communities are able to be transmitted through to higher levels of the political and administrative systems. It is worth noting that with elections recently completed in four of the countries, and food prices generally on a downward trend, political pressure for new responses may not be urgent. It will be interesting to observe what happens in Indonesia, which is set to have legislative and presidential elections over the next two to four months.

With elections recently completed in four of the countries and food prices generally on a downward trend, however, it is quite possible that political pressure for new responses may not be urgent. It will be instructive to observe what happens in Indonesia, which is set to have legislative and presidential elections over the next two to four months.

4.1.1 Popular social protection schemes

Some public programmes were popular and considered important to coping with the crisis. In the rural Indonesian community, the BLT or unconditional cash transfer to the poor was widely appreciated, in contrast to the non-functioning *raskin* programme. *Raskin* is managed by neighbourhood units, highly dependent on the willingness and capacity of the neighbourhood head to collect and distribute rice from the sub-district office. In two neighbourhoods, people reported that they had not received *raskin* for six months in one instance, and two years in another. Neighbourhood unit heads claimed that the rice was of such poor quality that it was not worth distributing, especially when the income of people from rubber was high. But when the rubber price dropped sharply, poor local residents would have preferred to have had the option of buying *raskin* rice, sold at Rp1,600/kg, rather than having to pay the current retail price of around Rp4,000–Rp4,500 per litre. ‘We still really need the *raskin* rice,’ said one poor homemaker.

By contrast, the cash transfer programme BLT (Bantuan Langsung Tunai, involving payments of Rp 100,000 per month) is reported to be running smoothly. People believe the 275 household beneficiaries are accurately targeted; where mistargeting has occurred, households are asked to share their allotted resources with other households considered poorer. In one neighbourhood, 48 out of 105 beneficiaries had been replaced as the original beneficiaries moved, died or moved out of poverty.

In Jamaica, the PATH programme, a conditional cash transfer which replaced a number of social assistance schemes in 2001, was appreciated in both the rural and urban communities. It was

²⁷ In the Dhaka research site, the research team was publicly harangued by a local waste merchant on grounds of being yet another research team bringing no benefits to the community. In rural Jamaica, when asked if focus group participants had questions or additional comments to make, they asked: ‘When will you bring some food for us?’

often cited as the only source of support for poor people. The scheme makes payments to targeted households that meet pre-set criteria of eligibility (including female household headship, number of children, and possession of consumer goods) on the basis of children's school attendance and regular medical check-ups.²⁸ The Citizens' Security and Justice Programme (CSJP), which focuses on improving community infrastructure and violence prevention, was also mentioned in the urban community. CSJP was valued in particular for its sanitation component which is successfully reaching the poorest households.

In Kenya, the programmes that were most widely valued by the urban and the rural communities were school feeding programmes. Two of the government primary schools in the urban community had had school feeding programmes, which teachers explained are allocated on the basis of official assessments of the school infrastructure; schools with better facilities have not to date had feeding programmes. Teachers noted that the introduction of feeding programmes attracted many students into schools, but also that dropout rates rose when programmes were discontinued:

When M Primary School began a school feeding programme in 2007, so many of the pupils from Nairobi S P School, which does not have a school feeding programme, enrolled in M Primary School. The same was witnessed at C school when it began a school feeding programme (Headteacher, Nairobi S P school).

We initiated a school feeding programme in our school in 2007 which was fully sponsored by the school. However, given the skyrocketing food prices and the inability of most parents to pay the small fee we were charging them, we withdrew the programme in 2008. As a result 20 pupils transferred to schools with feeding programmes. We also registered a high rate of absenteeism due to the fact that learning is very difficult on an empty stomach (Teacher, B Academy, Nairobi).

Parents are required to contribute KSh 100 per term to pay for firewood to cook the food, which some struggle to pay. Quantities of food served are small, and in the rural area, some parents were bringing pre-school aged children along at lunchtime, so that the amounts had to stretch even further. In both the urban and the rural communities, the programmes were reported to have stemmed dropout and absenteeism, to have encouraged re-enrolment among dropouts, and in the urban schools, educational attainments were also believed to have improved over the period of the feeding programme.

In Bangladesh, while rural people were generally highly aware of programmes for the poor, there was widespread criticism of how these operated (on which more below). The urban poor have to date been excluded from most public social protection schemes, which exhibit a marked 'rural bias' in Bangladesh.

In Zambia, neither of the communities had received support through the Public Welfare Assistance Scheme (PWAS), which targets the 10 per cent poorest, in 2008. An official in the rural district noted that PWAS funding has tended to be erratic, and spread thinly across the district. In the rural community, people felt that the Fertilizer Support Program (FSP), which provides 250,000 small farmers with fertilizer subsidies annually had reached fewer than in previous years. In the rural community, around 15 households were believed to have benefited

²⁸ Levy and Ohls, 2007.

in the 2008-9 farming season, and the FSP was reported to have been delivered late. In the urban community, the local MP's efforts through the Constituency Development Fund were appreciated, through the development of new roads. Although Zambia has Social Cash Transfer Schemes (SCTS), these are currently only in operation in five districts, although there are plans to scale up to an additional five districts later this year. The two communities in this study are not located in these ten districts and so will not benefit from the SCTS this year.

Table 4.1 Summary of government support reaching the communities

	Country	Bangladesh	Indonesia	Jamaica	Kenya	Zambia
Social protection schemes and public works programmes						
1	Rural/urban community	Rural	Rural and urban	Urban	Rural and urban	Rural and urban
	Name of programme/year of inception	Vulnerable Group Development; 1970s	Bantuan Langsung Tunai (BLT)	Citizens' Security and Justice Programme (CSJP)	Food relief	Public Welfare Assistance Scheme. There were no beneficiaries of this scheme in either community in this study.
	Features	National; wheat distributed to locally selected very poor women; training & microfinance	Direct cash transfers to targeted poor households		Maize distributed among locally targeted poor	Food assistance and other essential commodities (eg blankets) targeted to the 10% poorest
2	Rural/urban community	Rural	Rural and urban		Rural	Rural
	Name of programme/year of inception	Elderly and widows pensions; 2001	PNPM		Maize distribution to selected poor through Constituency Development Fund	Fertilizer Support Programme
	Features	National; small monthly cash payments to locally selected elderly and widowed	Community conditional capital transfer using participatory processes to develop local infrastructure			250,000 small-scale farmers per year targeted nationally for subsidies

		poor	and microfinance			
3	Rural/urban community	Rural	Rural and urban			Urban
	Name of programme/year of inception	100 days scheme; 2008	Rice for the Poor (Raskin); 2000 (after 1997-8 crisis)			Constituency Development Fund
	Features	Pilot public works scheme modelled on Indian NREGA	Rationed rice sales supposed to be for poor households, distributed locally and through variety of channels			Members of Parliament distribute ZMK400 million for local infrastructure development
4	Rural/urban community	Urban				
	Name of programme/year of inception	BDR basic food sales; 2007				
	Features	Rationed sale of basic food goods at low prices				
Health and education/conditional cash transfer programmes						
1	Rural/urban community	Rural	Rural	Rural and urban	Rural and urban	
	Name of programme/year of inception	Primary education stipend programme; 2002 (replaced food-for-education)	Bantuan Operasional Sekolah (BOS)	PATH	School feeding programmes	
	Features	Conditional cash transfer targeted to poor households whose children attend school	School Operational Assistance; participating schools are not supposed to charge fees	Conditional cash transfer		
2	Rural/urban community		Rural			
	Name of programme/year of inception		BOPD—Bantuan Operasional Pendidikan			

			Dasar)			
	Features		Basic Education Operational Assistance			
3	Rural/urban community		Rural and urban			
	Name of programme/year of inception		Puskesmas			
	Features		Free health services in integrated health clinics			
4	Rural/urban community		Rural			
	Name of programme/year of inception		Jaminan Kesehatan Masyarakat (Jamskesmas)			
	Features		Health insurance for the poor			

4.1.3 Criticisms of social protection programmes

Four criticisms of official social protection schemes were widely heard:

1. **Inadequate coverage.** Most of the programmes were targeted rather than universal in their coverage. Programmes such as the VGD programme and old age and widows' allowances in rural Bangladesh, the food relief programme in Kenya, and PATH in Jamaica, were deemed to exclude many needy people who met the official criteria. The Chief of the rural Kenyan community explained that they received eight 90 kg bags of maize every three months to distribute to the needy, with each family receiving only two kg of dry maize; many of the needy were therefore being excluded.²⁹

2. **Inadequate benefits.** Most programmes, including popular ones, were considered to be providing too little support. In the urban Indonesian community, women rated *raskin* poorly in terms of its importance to their welfare, on grounds that the amounts of rice being sold were so small as to have a negligible impact. Rural Bangladeshi women complained that the Tk 200 or Tk 300 amounts being paid for the old age and widows' allowances were grossly inadequate because of food price hikes: 'can anyone feed themselves on only Tk200 [US\$2.89] per month?' one woman asked. In the rural Kenyan community, the quantities and diversity of the school feeding programme were considered inadequate. In addition, children typically get somewhat less than is officially supposed to be the case because parents take younger children – including some as young as 18 months – along at lunchtime.

²⁹ Evaluations of some of these programmes in Jamaica and Bangladesh support the local view that exclusion errors are common. See Levy and Ohls 2007; Ahmed *et al* 2004.

3. Selection biases. Concerns that programmes intended to reach the poor were instead going to the less poor were fairly widespread. In rural Bangladesh, people felt that allowances and entitlements were mainly going to those with good connections to local government representatives. One woman said of her attempt to get onto the pilot '100 Days' public works programme:

I went and begged at the feet of the council member, telling him I have no husband, please give me work, but he wouldn't give me work. First he said, you are a woman, you won't be able to do it. But I said, I only eat by working. Even then he didn't give it to me.

There were concerns that food relief in Kenya did not always reach the neediest. Some selection biases were less overt. *Raskin* is specifically intended to benefit local people. Even migrants who had lived in the community for a long time and had acquired local identity cards did not have access to the programme.

4. Unpredictability. Finally, unpredictability about whether the programmes or individual entitlements to resources would continue was a source of insecurity. A teacher in a Nairobi primary school was worried that more children would drop out when the school feeding programme ended, as is likely to happen later in the year. In rural Bangladesh, some women complained that their children were no longer receiving the primary school stipend programme: 'if they miss school for one day, their name gets cut' – suggesting the difficulties of meeting the conditions of the transfer was causing unpredictability around access to the stipend.

4.2 Formal non-governmental responses

Support from NGOs was uneven. In Bangladesh and Indonesia, NGO support during the crisis was effectively absent, although faith-based and charitable institutions played an important role. In Jamaica, NGOs were more prominent in the urban communities. By contrast, NGOs appeared to be playing a comparatively significant role in supporting communities in Kenya, and received a more mixed evaluation in Zambia. The World Food Programme and the Red Cross were operating or supporting government relief programmes in Kenya (see table 4.2 listing formal non-governmental responses and support received during the crisis). As was the case with respect to government programmes, people mainly cited programmes that they considered to have been valuable; as such, the list is not exhaustive of all sources of support.

Two issues emerge from the assessment of formal non-governmental responses to the crisis. First, faith-based institutions and local charitable organisations and foundations appear to play a significantly greater role in all the communities compared to NGOs. In Bangladesh, known for its large development NGOs, little support during the crisis appeared to be forthcoming. The largest NGO, BRAC, was believed to be distributing assistance among its members, but this had not occurred in the community in the study. In Zambia, women were highly critical of one international NGO which, they said, had been distributing dolls:

These organisations bring dolls for our children! Are we going to eat these dolls? We are hungry and we are only interested in help that will provide us food and fertilizer.

By contrast, a shrine of a Sufi saint near the Dhaka community was reported to play a significant role in providing food security (see box 4.1). The manager of the shrine reported that they had been feeding up to 500 people daily at the height of the crisis. Donations were, he claimed, mainly from local people, and substantially from people who were themselves poor. Rather than having declined during the crisis, he said that shrine income and expenditure on food had risen throughout the period.

A second issue to emerge was that, unlike the shrine of the Sufi saint, many non-governmental sources of support were believed to be declining. In Jamaica, people believed that support from the educational charity Grace Kennedy was drying up, because the foundation is understood to depend to some degree on donations from migrants. In rural Jamaica, people said:

In the community, we have no support from churches. Only Miss Nellie gives us little rice. Churches do not care about anyone anymore. Offering to churches are less now. Sometimes, we get food from Food for the Poor but it's not frequent.

Box 4.1 The Feeding Programme at the Tomb of Shah Ali, Dhaka

Just a kilometre from Kalyanpur, the Tomb or *Mazar* of Shah Ali, a *Sufi* saint, is probably the single greatest source of charity for the local poor. Lunch is provided and currently at least 450 people eat there daily – a massive undertaking involving 50kg of rice and 50kg of lentils with vegetables and meat, as well as four to six saucepans of food cooked by disciples. In addition to the regular inhabitants and beggars, day-labourers, rickshaw-pullers and transport workers come to eat a good meal and ease the burden on their income. Most of the cost is borne from the *mazar's* annual earnings, around 60 per cent of which is from donations from poor people.

Salam Miah was one of the 2,000,000 pilgrims who visit annually, and like most he is poor. He had brought a goat as an offering, which he had vowed to sacrifice in return for his daughter's recovery from her illness. It had cost him Tk 1,000 and six months to save the money to pay for it. When asked when he himself had last eaten mutton, he looked confused and answered, 'I can't remember'.

Donations from poor people like Salam Miah have kept the food service and other charity activities of the *Mazar* going during the crisis. Strikingly, the donations received have almost doubled, from Tk 6,939,938 (2005-6) to Tk 11, 225,100 taka (2007-8). When asked why, the manager of the *Mazar* committee speculated that political and economic crises make people feel more vulnerable, and so they depend more on extra-mundane (spiritual and religious) means to help them through crises; this is why they donate more. At the height of the food price crisis, more than 550 people ate there daily; because food costs had spiralled, they were turning away 50 people each day. The numbers had started to rise after the 2007 floods; before that it was barely 300 per day.

In Jakarta, two local charitable foundations have recently faced funding problems, as private donations have dropped as a result of the economic crisis. In Zambia, officials from some NGOs and CSOs in the areas studied said they were scaling down their support to communities because of declining funding from the state and from international donors. When asked about the reasons for the decline in financial support, the global financial crisis was cited. The crisis

was perceived to have resulted in reduced aid budgets from developed countries as they concentrate on meeting domestic demands for goods and services for their citizens.³⁰ Staff from one international NGO that relies substantially on individual private donations from Australia, North America and the UK explained that sponsorship had scaled down and in some cases people had stopped their contributions altogether, in response to job losses or anticipated job losses. In rural Mpika, that NGO had seen its budget cut by some 17 per cent compared to the previous year. They had halted infrastructure programmes and frozen staff salaries, but claimed they would not cut down on their food security programme.

4.3 Informal support

Informal sources of support, in particular loans and gifts from neighbours, relatives and local shops, stalls and food vendors were relied on by many (see section 4.3). Migrant remittances may also fall into this category of support, particularly where payments are occasional support in times of crisis, rather than regular payments (section 4.4). Relatively formalised forms of private charity were also found to be significant in a context of crisis (section 6.2). However, there were some findings that indicated that informal private charity had been hit hard by the crisis. The experiences of women earning a living as beggars in rural Bangladesh was indicative: they reported the following changes since the crisis:

- a halving of the amounts of rice they used to earn regularly by begging³¹
- a decline in other charitable gifts
- competition with other poor and even lower middle class people over wild foods gleaned from public and private lands
- a rise in aggressive and rude responses to requests for alms.

Other people reported that it was less possible than before to depend on neighbours and relatives for support, because all were suffering from the food and fuel crisis. One reason that informal support may have declined is that food and fuel prices appear to have hit middle class or relatively affluent groups in these community fairly hard.

Informal private charity may have been hit particularly hard because many middle class people are in formal sector occupations where cash incomes are relatively fixed over the short to medium term; by contrast, informal sector traders, people involved in the extra-legal economy, and even manual wage labourers in some sectors have seen their nominal incomes rise, even if in real terms they remain absolutely worse off, their decline in purchasing power has been somewhat less precipitous. Informal charity appears to be highly elastic, and quick to decline when middle class incomes drop. In Bangladesh women engaged in begging reported that wealthy people had brushed off their requests for assistance with reference to government programmes to which they are, at least in theory, entitled.

³⁰ It seems likely that declining real aid budgets is the consequence of weakening foreign currency, particularly with respect to the UK£ sterling rather than actual ODA cuts.

³¹ In Bangladesh and across parts of South Asia, begging does not generally attract the level or type of stigma it does in contemporary Western societies; for many, giving to beggars can be a spiritual act which brings religious blessings. Widows and people with disabilities may be able to survive on the income from begging, as had been the case for the group of beggar women involved in this research.

Table 4.2 Formal non-governmental support

	Country	Bangladesh	Indonesia	Jamaica	Kenya	Zambia
1	Rural/urban	Urban	Urban	Urban	urban	Urban
	Organisation	Shrine of a Sufi saint	Foundation for corporate social responsibility established by MM 2100 (local industrial park)	Mother Teresa's home	Catholic Church	Young Women Association
	Features/activities	Local private donations fund feeding programme; around 500 people fed daily since crisis started	Assistance to schools in form of computers, learning materials etc, depending on school proposals	Care of the elderly	School feeding programme	
2	Rural/urban community		Urban	Urban	Urban	urban
	Organisation		Amanah Youth Association IPA	Father Holong	Mosque/Muslim centres	Kabwata orphanage
	Features		Education funds for orphans and children from poor families		Feeding programme	
3	Rural/urban community		Urban	Rural	Rural	Rural
	Organisation		Institution for the Education and Care of Orphans (LPPAY)	JBDC	ActionAid	CAMFED
	Features		Educational support to poor families		Irrigation project food loans , income generating activities	International NGO providing educational support
4	Rural/urban community		Urban	Urban and rural	Rural	Rural

	Organisation		Edelwis Early Age Education (PAUD)	Grace Kennedy	APHIA II	WorldVision
	Features		Private charitable pre-school for poor children	Educational support	Home based care, food relief for PLWHAs and orphans and vulnerable children	
4	Rural/urban community		Urban	Rural	Rural	
	Organisation		Bunda cooperative	Nellie's	Red Cross	
	Features		Membership based organisation providing subsidised loans		Food relief	
5	Rural/urban community			Rural	rural	
	Organisation			Church	Catholic Relief services	
	Features			Food for the poor	Food relief for the elderly	
6	Rural/urban community			Rural	rural	
	Organisation				Danida	
	Features				Provision of water	

5 Social impacts

A wide range of social impacts from the crisis were reported, and the present report can only focus on three. These include intra-household impacts, particularly signs that the gender- and age-inequities in the distribution of household resources are worsening; inter-group or social relations, with a focus on ethnic and religious difference; and crime, violence and insecurity, with a focus on the 'everyday' forms of crime and insecurity that affect people most routinely. Overall, the picture that emerges is one of societies under considerable strain, in some contexts coping reasonably well, but others experiencing extraordinary social tensions.

5.1 Intra-household impacts

Women, children and the elderly were disadvantaged with respect to the distribution of household resources to varying extents in different communities. In rural Indonesia, people did not feel that the more limited household resources had been increasingly unequally shared. But elsewhere, household food and medical care resources were often earmarked for men, or in some contexts for children. In Bangladesh, women were reported to be eating least and last in many households and there were instances of women not receiving healthcare when male household members had done so. The justification was often that as bread-winners, men needed to be fed or receive medical treatment as a priority. However, there were also households in which women were the main earners, in which men were still given priority. This partly reflects gendered cultural practices, but also the real insecurities and likelihood of deeper impoverishment faced by widows. In one household of Dhaka migrants who left their village after the 'river took their land' during the 2007 floods, a teenager described the household arrangements:

I haven't had a full stomach for months. When the food prices were high, we used to have two meals a day. At morning, after eating whatever was left from the previous day's meal, me and my mother went out to work. We used to skip our lunch and eat in the evening after my mum got back from work and cooked. Only my father used to get lunch as he was ill at that time.

In another Dhaka household, a woman related how when her husband was diagnosed with appendicitis a year a half ago, his mother sent Tk 20,000 taka for the operation in a private hospital. A year later, she was believed to be suffering from the same condition, but no help was forthcoming: borrowing from her parents, she managed to pay for some injections – although what she needed was unaffordable surgery. Yet gendered ideologies around household resources showed some signs of becoming more equitable in Bangladesh. In a number of younger households, couples were reported to be eating together, or jointly sacrificing food to ensure their children could eat three meals.

In one of the pair of Kingston communities in the study, people felt that some children were suffering disproportionately from the crisis, while parents concentrated resources on themselves. While the community across the lane prided itself on investing in its children, in the other community, people believed that neglect of children had increased during the crisis, and that children were the single worst affected group. It was estimated that in that community, around one-third of parents prioritised their children, while the remaining put themselves first:

Some people just don't want to send their children to school.

With some of the parents, there'll be a dance and they have to look fit; children are less priority.

Many parents prioritize themselves rather than their children.

Explanations for the differences in attitudes towards children in communities separated only by a lane included that where children were being neglected, it was because women were having babies that they did not really want and men were inadequate or often absent fathers. In this community, the crisis was felt to have led to a worsening of neglectful behaviour with the worst impacts on children. The same discussion concluded that neglect of the elderly had also increased during the crisis (see figure 5.1).

Figure 5.1 Focus group participants in Kingston analysing the impacts of the crisis on different social groups



There were reports of rising stress levels and arguments in households from many of the communities, and of rising domestic violence from some. In some contexts, violence was seen to be directed at children by parents:

Women beat dem children more than men do. When women hungry and have nothing to eat, they beat their children and verbally abuse them. Women are more stressed (respondent in Kingston).

In others, such as in rural Bangladesh, fights between couples were reported to be on the rise, particularly because women have to face their children's requests for food. In Indonesia, women denied that there had been a rise in domestic violence, but noted that arguments between husbands and wives had increased.

Box 5.1 Abandonment of the elderly

Amena, in her sixties, was deserted by her son during the crisis. She had worked as a cook and lived with her son, his wife, and their three children in Dhaka. She and her son were the breadwinners, because her daughter-in-law stopped working when she became pregnant a year ago. In the middle of the food crisis she lost her job.

It happened during last Ramadan. My employer demanded that I should come at night after breaking my fast to cook their dinner. As I refused, she told me I was not needed anymore. Upon returning home when I informed my son and his wife, they went berserk. How can you leave a job at such a bad time? We had a bad brawl, I knew it was a bad time, but they didn't understand that it would have been too much for me to go at night and cook. At one point I swore at my daughter-in-law and said – 'why don't you try for a job?' 'Yes, I will try', she replied, 'but you won't be able to reap the fruit just by sitting idle.'

I understood what she meant a couple of days later, when my son told me that he was separating as he couldn't take it anymore ... 35 years ago when we were coming to Dhaka, I lost this son in Gouripur station. I still remember how I searched for him like crazy for the whole day. Now this very son is deserting me in times like these when I have no other way to survive than him.

Amena's son left her in November 2008. Since then, she has survived through the trade in vegetable 'seconds' and by working as a housemaid.

In Kenya and Bangladesh there were reports of a rising trend towards family members being abandoned. This appeared to be most acute in the rural Kenyan community, where women reported that it had become common for men to abandon their families under the guise of looking for work in the city; some were said to never return, while others showed up once a year, at Christmas. In some cases both parents have left, leaving children to act as household heads. A rural Kenyan woman described the situation:

Is it possible here in [the rural Kenyan community] that families have broken up because of food? Of course, there are many, many abandon their homes, leaving the wife and children without anything. The wife/mother is subjected to lots of indignities because she must provide something for the children ... In these crises, women and children suffer most. It is not unusual to find, like my neighbour here whose husband run away a long time ago. He claimed he was seeking employment in town, but never returned from town when he found employment. He never sent any support home. However, when the job ended, he came back here briefly, noticed life was miserable and he left never to be seen again.

In rural Kenya and in urban Bangladesh a tendency for families to focus increasingly on the nuclear unit was also report. In Bangladesh, this meant abandoning the elderly (see Box 5.1).

5.2 Inter-group relations

There were incipient signs of social tension between social groups, most notably in Nairobi. The most tangible signs of growing tensions emerged in relation to majority Christian views on a feeding programme for practising Muslims:

Although we are suffering as youth in [the Nairobi community], and our parents and friends are struggling, the Muslims always have food. Every Friday, the mosque opposite provides food and even clothing. This support is only for Muslims. We have been to the mosque a few times dressed in *buibui*³² like the other Muslim women and managed to get food. It seems the people at the Mosque found. We are told they cannot give food to *kafirs*. A few weeks back our friends, young men, were caught dressed in *buibui* like women; it was embarrassing, but we must survive (FGD participant, Nairobi).

The exclusion of people of other faiths from the support provided by Muslims seemed to generate animosity and intense hostility. Some people argued that when there is support from the church or government there is no discrimination, yet Muslims were seen to be encouraging discrimination, and possibly using food to convert desperate residents to the Islamic faith. Also in Nairobi, there were accounts of young boys being sold to Asian traders for sex in exchange for food; such reports highlight how deprivation has heightened awareness of socioeconomic difference along religious or ethnic-cultural lines, creating social tensions.

In both the rural Bangladesh and the Jakarta community, there was a tendency to deny that minority social groups were disadvantaged compared to the majority. In both communities, the impression that was conveyed was one of social harmony, despite difference. This may indeed be true under non-crisis conditions, although what appears to majority and powerful groups as social harmony may also be containment of social tension or divisions. In both those communities, there were minority groups that were disadvantaged with respect to official social protection schemes. In rural Bangladesh, the indigenous *Shaotal* population is typically excluded from government programmes, the benefits of which are in the hands of local government representatives who seek to maximise political capital from their distribution. Church- and Christian faith-based organisations were known to provide some social services to this group, however. And the *Shaotal* population has a political history of mobilisation around their rights in this part of Bangladesh. In the Jakarta community of Gandasari, migrant export sector workers were generally excluded from the rice for the poor and cash transfer schemes from which some longer-term residents benefit. While this was not a community featuring the exclusion of all migrants – other non-natives had received considerable help from local officials and community leaders, including the right to live on public land – there was a distinct sense of separation between the temporary residents and the more permanent inhabitants. In both rural Bangladesh and Jakarta, there was ample scope for social tensions to arise around the distribution of resources for coping with crisis.

In Bangladesh, Indonesia and Jamaica, there were also signs that social practices that had previously cemented the social capital between groups were declining. The decline of the *arisan* or

³² A garment that covers the head and body worn by Muslim women; a local variant of the *burkah*.

rotating savings scheme, in the rural Indonesian site also affected attendance at the *yasinan* or weekly group recitation from the Koran, which had been conducted at the same time, and which was an important regular social event. Many people said they no longer attended. Changes in social participation were not noted in the Jakarta site; there, people said they were still managing to contribute to, for example, funeral costs, borrowing from family members if necessary, in order to meet this important social obligation. In rural Bangladesh, a decrease in the number and scale of major social events such as weddings or *milads* [prayer and sermon sessions to mark anniversaries or important events]; fewer such big occasions were now held, and fewer people were invited and the food was less lavish when they did occur. Together with the reported decline in private and informal charity in some contexts, these changes in social behaviour signal a growing inability to finance the rituals and practices that bind societies together.

5.3 Crime, violence and security

5.3.1 Criminalisation of the youth

Concern was expressed in all the countries about criminalisation and/or substance abuse among youth, directly attributed to the pressures of the crisis. In Kenya this was associated with specific concerns about the exclusion of unmarried youth from relief resources. Raised levels of drug abuse were reported in Bangladesh, Jamaica, Zambia, and Kenya, and rising alcohol abuse was reported in Zambia, Kenya and Indonesia. In Zambia, young focus group participants chewed *khat* throughout the session. While in some contexts this was seen as merely an antisocial or wasteful way of coping with the stress and frustration of coping with crisis, in Kenya and Jamaica there were concerns that this was connected to a growing involvement in the drugs trade among young people in these communities. A man in Nairobi said that:

A man in hunger cannot afford leisure. Even if one drinks beer, it is not for leisure as before, but just to kill the stress.

Other focus group participants in Nairobi said that the lethal local brew 'kill-me-quick' was replacing the beer that people used to drink for leisure.

Children and youth becoming involved in criminal activity was also reported. Again in Nairobi, a headteacher told the following story of criminalisation among schoolchildren:

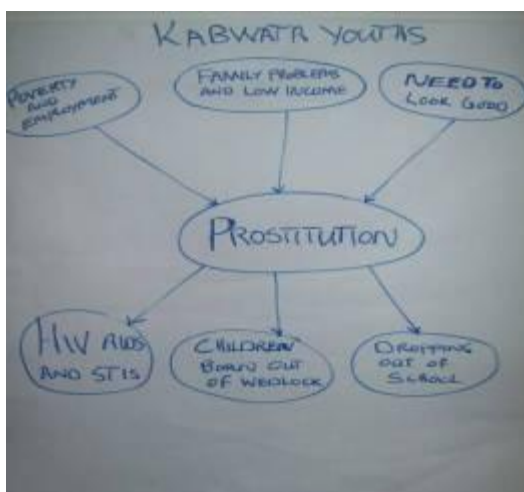
A copper bell belonging to our school was stolen by one of the students and sold to a scrap metal dealer at an industrial area at a cost of KSh20. The bell was very valuable to the school since it was bought when the school was first opened. We pursued the issue with the chief and after investigations we learnt that the boy had sold it to a middleman who then sold it off to the dealer. By the time we got to the dealer, the bell had already been smelted. I received threats from the middleman that I would be raped should I pursue the issue further.

Children in Nairobi were also reported to be carrying criminals' guns for a fee of KSh25.

Girls and young women were also reported to be increasingly entering into sex work in Kenya and Zambia. In Lusaka, youths reported a rising number of girls and young women entering sex work as

one of the most significant problems facing their community, caused by poverty and unemployment, family problems and low income, and the pressure 'to look good'. Among the effects they detailed included HIV/AIDS/STIs, children being born out of marriage, and school dropout (Figure 5.2).

Figure 5.2 Lusaka youths' analysis of key problems



In Nairobi, youth had also witnessed a rise in sex work, involving girls as young as 14 as well as boys. Teachers in Nairobi attributed the rising number of schoolgirl pregnancies to hunger, as girls were believed to have been exchanging sex for food and snacks. In the research community, there had been 13 pregnancies in primary schools in 2008, a figure which teachers felt constituted a rising trend.

5.3.2 Crime, extra-legal economic activity and community security

Previous sections of the report have documented entry into a range of forms of extra-legal and illegal activity. Much diversification in the informal sector, particularly in the area of the retail food trade, is likely to fall foul of official regulations and standards. However, more serious concerns arise with respect to the rise in economic activity that is either actively criminal, or which puts participants into conflict with the law and law-enforcement. These included:

- Smuggling, in particular but not only of fertilizer, in rural Bangladesh
- Theft of metal and other items for the waste recycling industry in Nairobi and Dhaka
- Sex work, as noted in the previous section
- Drugs trade (Bangladesh, Kenya, Zambia)
- Brewing and sale of illicit alcohol (Kenya)
- Mugging (Kenya).

In neither of the pair of Kingston communities was there a strong sense that crime rates within the communities were rising. There was, however, general agreement that 'hustling' and 'going on the

juggle' were increasing, suggesting that people were finding ways of earning a living that were not necessarily within the law. The impacts may not be felt locally, however; control by powerful local 'dons' keep the peace internally, and in the last five months have meant there have been no major conflicts between the pair of communities:

Under community rules and regulations, there is to be no violence against women, no [theieving], no raping, no disrespect to elders, no telling tales to Babylon, no homosexuality (though we have it here a lot; all bad man too). If you are found in the act, you get flogged. People use sticks and big boots. If two women fight, they get beaten too. In this community, even at 5 am, there is at least one person in the community who would help another.

But while the communities may have internal security, they perceive agents of law enforcement to be a source of insecurity, as in this discussion of the local police:

Man: More police are on the road but the police are also hustling.

Woman: I asked one policeman for money and he said 'when him done run the road'. [taking bribes from taxi drivers]. More police are hustling since the crisis. They are the biggest hustlers, thieves and extortionists. Many of them are criminals who got licenses to become police. They wear knapsacks and go around collecting.

Woman: If there is a dance, we have to pay something to the police for them to allow it.

Man: Police take money from peoples' houses. I understand that the police raided a man's house, stole his razor phone and hid it in shoes.

Woman: They take away rastaman's weed [marijuana] and then sell it to other people.

In Nairobi, internal security was also being provided by what appear to be criminal gangs. Business owners reported paying a mandatory daily fee of KSh20 to a group called the 'Maasai' to ensure the security of their business. That this group was reported to have prevailed in recent clashes with the feared *mungiki* militia group³³ gives a sense of the degree of violence and control exerted on the local community under study.

Even in the relatively harmonious and well-governed per-urban Jakarta community, members reported that petty crime levels had risen, in this case in the previous three months. This was later confirmed by police statistics.

³³ For more details on the *mungiki*, see The Economist, 'Next machetes, then machineguns?' Mar 12th 2009.

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Annex 1. Research methods

Background and objectives

This report presents findings from a pilot study commissioned from the Institute of Development Studies (IDS) by the UK Department for International Development (DFID) and relating to the impact and response to the food, fuel and financial crises, conducted in a total of ten communities in Bangladesh, Indonesia, Jamaica, Kenya and Zambia. The study had two objectives:

- a) to provide a rapid report to demonstrate the human impacts of the crisis; and
- b) to develop and test an approach using participatory and large qualitative methods and tools with the view to assessing the potential for such an approach to be used in more countries over a longer period.

The research was coordinated by Naomi Hossain supported by an inter-disciplinary advisory group at IDS working with research partners in five countries, including BRAC Development Institute (Bangladesh), SMERU (Indonesia), Mpereeza Associates (Kenya) and independent researchers in Jamaica and Zambia. The pilot took place in the ten weeks from mid-January 2009.

Activities of the pilot included trying to develop an approach that could be integrated with or complement DFID-funded micro-economic quantitative analysis of the crisis being led by the Overseas Development Institute (ODI), as well as taking into account participatory research being undertaken by the World Bank in other countries.

The pilot study aimed to produce rapid, 'real-time' findings on the social and qualitative dimensions of the crisis, to include impacts and responses in relation to a) livelihoods and employment (migration and remittances, formal and informal sector employment, prices of production inputs, travel); b) household consumption, productive and human capital investment (health and education spending); c) inter- and intra-household relations and dynamics, social cohesion and impacts on gender and inter-generational relations; d) official state, civil society or informal institutional social protection mechanisms (state safety nets, church or mosque charity, NGO loans or grants, neighbourhood, kin group or community support networks); and e) perceptions and experiences of insecurity, to include concerns about crime and social and political unrest.

Timing was a critical factor, as the study needed to generate rapid outputs to inform policy debates, including in advance of the G20 meeting on April 2nd 2009. Time was also important in establishing the feasibility of rapid, responsive, participatory monitoring of the crisis: the pilot needed to demonstrate that study outputs could not only be high quality and useful, but also that sufficiently rapid to give an almost instant 'snapshot' of crisis impact and response.

The present report focuses on the research findings in relation to the impact of and response to the food, fuel and financial crises. A second report focusing on lessons from the methods and approach will be produced in May 2009.

Country selection

In consultation with DFID, the five countries in the pilot study were selected on the basis of the following:

- The existence of DfID programmes and a history of development cooperation with the country
- Integration into the global economy, and the likelihood of being able to pick up a range of early impacts via different transmission channels (commodity prices, export trade, tourism, remittances) from the global financial crisis
- Potential for comparison of the impact of and response to the present and previous crises (eg 1997-8 Asian financial crisis)
- Poverty levels
- Vulnerability to insecurity (eg potential for rising crime, insurgency or terrorist activity)
- Potential resonance with UK domestic audiences Potential for identifying high quality research partners able to conduct the research at short notice.

Bangladesh, Indonesia, Jamaica, Kenya and Zambia were selected as the five countries that best fit these criteria for the pilot study.

Research partners

IDS drew on its development research networks to identify appropriate researchers in each country. The criteria for selection of research partners included the following:

- Experience of and capacity to undertake participatory, qualitative research
- An academic background in anthropology, sociology or qualitative approaches to poverty analysis
- Capacity to build junior researchers' capacity to undertake any future monitoring field research activities
- Ability to undertake the research within the very short time-frame.

The initial plan was to collaborate with one or a pair of researchers in each context. Time pressures meant, however, that in a number of cases, two pairs of researchers conducted the research simultaneously. In Indonesia, a larger team was employed in two research sites. In some cases, an overall country research coordinator managed the research. The full research team is listed in the Acknowledgements section of the report.

Site selection

The plan was to conduct research into an urban and a rural site in each country. These were not intended to be representative of the county as a whole, but to use a light-touch qualitative approach to explore processes and generate insights into how people within these communities were experiencing the crisis. Communities were selected on the following bases:

- Local economic integration into the global economy
- Poverty levels

- Vulnerability to rising insecurity
- Research partners' previous experience of working with the community.

Sites met these criteria to different degrees, with implications for the comparability of findings across the locations. For example, because the two Indonesian communities were relatively more integrated into the global economy than any of the other communities, they were also on average more prosperous. Neither was among the very poorest, even within Indonesia. By contrast, the rural Bangladeshi site was selected in part because the research team there had previously conducted research in that community as a control group for research into the impacts of BRAC's Ultra Poor (CFPR) programme. This meant that this was a community with a high concentration of the very poorest people in the country. In each country, at least one community was selected in which the researchers had worked previously. In Lusaka and Dhaka, the researchers were also acquainted with the community, although they had not previously conducted formal research there. In rural Kenya, the team was supported by the NGO ActionAid Kenya, which had programmes in that community. Table A1.1 summarises the key features of the ten communities.

Table A1.1 Summary characteristics of the rural research sites

Country	Bangladesh	Indonesia	Jamaica	Kenya	Zambia
Location	Dhamuirhat village, Naogaon district	Simpang Empat village, Banjar District, South Kalimantan	Content, St Catherine	Lango Baya, Malindi	Chikwanda, Mpika district, Northern Province
Main economic activity	Agriculture: mostly smallholders; increasing contract-based leases. Cross-border smuggling from India also lucrative. Internal migration common	Rubber production; most households own rubber plantations, others tap rubber on others' trees. In afternoons, employment as teachers, truck drivers, labourers in coal stockpile, or stallholders/traders. Some coal stockpiles, employing workers.	Subsistence farming but no potable water, dependent on rainfall. Mainly bananas, yams, coco, coffee, peas, beans and some vegetables. 95% estimated to depend on subsistence farming.	Subsistence farming, maize, charcoal, petty trading, some wildlife poaching. Soil is reportedly good, and some irrigation projects locally.	Agriculture. Only 12km from Mpika, which is a transport hub and trading area for cross border trade with Tanzania.
Global economic integration	Medium because cross-border trade significant. Some international migration.	Highly affected by global rubber price.	Low. Some internal and international migration remittances. Produce sales to tourism industry, but very small scale.	Low-none.	Medium, some cross-border trade.
Poverty levels, social indicators	Extremely high; one of the parts of the country with the highest concentration of extreme poor households.	Study in August 2008 found overall welfare increased greatly since 2005. Around one-fifth to one-quarter classified by community as destitute, around one quarter as poor, while more than half are believed to be above the poverty line.	High	Extremely high. High dependency ratio, very low social and educational indicators.	High. Low education indicators, high HIV/AIDS rates, alcohol abuse, chronic malnutrition.
Sources of	Border security/police threat	Rubber price volatility.	Rainfall impacts on	Drought. The rains have	Fertilizer prices fluctuate.

insecurity	to smugglers	During 1997-8 crisis rubber prices increased, people became better off. This crisis likely to involve declining rubber prices.	agriculture.	reportedly failed seven times in a row. Theft of crops out of starvation reported by farmers.	
Environment/ climate conditions	Semi-arid; irrigated paddy production. Complaints about pollution from brickfields affecting cultivation and air quality. Reports of disputes over wild vegetables and fuelwood	Complaints that coal stockpiles have led to environmental degradation.	Drought-prone.	Drought. The rains have reportedly failed seven times in a row. Poaching of wildlife reportedly rising and charcoal, wild foods and fuel sources running out.	Rains destroyed some community housing in 2008.

Table A1.2 Summary characteristics of the urban research sites

Country	Bangladesh	Indonesia	Jamaica	Kenya	Zambia
Location	Kalyanpur, Mirpur, Dhaka	Gandasari, Bekasi district, Jakarta	Southside and Tel A Viv, Parade Gardens, Kingston	Mukuru, Nairobi	Kibwata, Lusaka
Main economic activity	Garments factory work, rickshaw-pulling/owning, domestic service, recycling business, small trade.	Export sector employment, services to migrant export sector workers.	Informal sector, domestic service, 'hustling', remittances	Informal sector, some employed in industrial area and estates as security guards, domestic workers, teachers, taxi drivers, blacksmiths and mechanics	Informal sector, some formal sector
Global economic integration	High, particularly for garments workers, but with knock-on effects on local economy.	High.	Medium, because of dependence on international remittances	Low	Low

Poverty levels, social indicators	High, with high rates of social deprivation and poor social indicators eg child labour, school enrolment.	Mixed. Former farmers and current landlords benefited from renting land and accommodation to export sector. But education indicators higher for incomers than long-term residents. Pockets of chronic poverty.	Official sources: 70% poor, incomplete secondary education, high dependency ratio, poor living conditions. 20% moderate, self-employed, secondary education 10% well off, tertiary educated, formal sector service professionals.	High. Estimated 70% population under 35, most youth (aged 18-35) unemployed. High proportions of people living with or affected by HIV/AIDS including orphans.	High. Social indicators include high levels of educational exclusion, alcohol abuse, sex work.
Sources of insecurity	Permanent threat of eviction (this is government land); last occurred in 2002. Many livelihoods believed to verge on the criminal, so police are a source of threat		Crime and violence from neighbouring community; police corruption also feared.	Crime and conflict between local protection group <i>maasai</i> and <i>mungiki</i> militia group.	
Climate conditions	Most residents left southern Bangladesh because they lost lands to river erosion.			Public health conditions very poor	

Table A1.2 Summary of research methods and tools used in the different countries

Bangladesh	Indonesia	Jamaica	Kenya	Zambia
Focus group discussion Key informant interviews Timeline analyses Case studies Observation Drawing and story-writing with children	In-depth interviews and discussions with key informants Focus group discussion Timeline analyses Trend analyses Cause and effect analyses Matrix ranking of impact Observation	Community conversations Focus group discussions Personal interviews Timelines to enable verification/triangulation Card-sorting, which enables the data to be seen, verified and discussed	Desk reviews Key informant interviews Focus group discussions Timeline analyses Observation	Focus group discussions Key informant interviews Ranking and Scoring Matrices Institutional analysis Sequence ranking Pair-wise Ranking

	<p>Case studies</p> <p>Institutional analyses</p> <p>Transect walk</p>	<p>Pie charts to give validity to social data</p> <p>Transect walks</p> <p>Street corner conversations and impromptu interviews with traders</p> <p>Visits to local shops, supermarkets and markets</p> <p>Farm visits</p> <p>Observation</p>		<p>Causal Flow Diagrams</p> <p>Timelines</p> <p>Storytelling</p> <p>Observation and listening</p>
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Methods development

A first round of methods development took place within IDS, drawing on expertise from the Participation, Power and Social Change and the Vulnerability and Poverty Reduction teams there. Drawing extensively on the available literature, learning from previous experience with multi-country participatory studies, and guidance and direction from Robert Chambers, an initial research matrix was developed to set the broad parameters to guide the country research teams.

At this early stage of the research, the IDS coordination team concluded that the quality of the pilot research would be enhanced if country research teams were able to refine and further develop the methods in relation to their country- and community-specific contexts as they considered best. The decision was taken to encourage the country teams to experiment and innovate with research methods, within a broad common framework. This decision was based on the recognition that at this initial stage of pilot research, there were few benefits to be had from overly tight coordination of research methods. In addition, learning from previous participatory research projects, and the working principles and practices of the IDS Participation, Power and Social Change Team both indicated that the best research strategy was for country research teams to own their research, so that they were able to direct it towards capturing the impact of crisis as was unfolding within their specific contexts.

For this reason, while on many issues, the report is able to compare findings across the different communities, some issues and approaches were taken up more in some than in other contexts; researchers were able to focus on topics that their experience indicated was of more significance there than may have been the case in other contexts. In Jamaica, for instance, in the interests of gaining entry and developing a balanced perspective on the security dynamics of the crisis in the urban context, the decision was taken to work in a pair of neighbouring urban communities which had historically been in conflict. Other issues which the research had hoped to pick up on proved to be beyond the scope of the community-level research. For instance, in Kenya and Jamaica, efforts were made to uncover the impacts of the global decline in the tourist trade, and communities were selected on the basis of their proximity to centres of these industries. However, unpicking the impacts of the tourist trade proved difficult, partly because the links between communities and tourist sectors in these countries are indirect, as the micro-economies of many tourist resorts appear to be substantially insulated from local economies. In addition, the participatory nature of the research meant that the research teams were often directed to focusing on issues that the common research matrix framework had not anticipated, such as findings about abandonment of children and the elderly. Overall, the decision to encourage country research team ownership of the methods enriched the research in the pilot phase. Lessons from this experience will be explored in more detail in the Methods report to be prepared in May 2009.

Research methods and tools used are summarised in Table A1.2.

Coordination, research process and synthesis

The field research took place over February 2009. Coordination mostly took place remotely, using skype, mobile phone calls and email, with the coordinator visiting the Bangladesh and

Indonesian research teams for periods of just under one week. In each community, at least one pair of researchers made initial contact with community leaders, and introduced the research, often with a large initial focus group discussion around the issue of changes affecting the community. Researchers were asked to spend one week in each site, and as far as possible to stay on-site to maximise the experiential learning. However, in most cases this did not occur, sometimes because of concerns about security. The amount of person-time devoted to the research varied because of different research team sizes. This variation has permitted insights into the amount of work that can be conducted using more and less time.

The country teams aimed to produce transcribed case studies and interviews or focus group notes, as well as country reports. These outputs were shared with the coordinator, who was responsible for synthesising them into the present report. The time required to transcribe and translate qualitative research findings was, as always the case, a major constraint, and in some instances, abridged notes and draft reports were used.

Value and limitations of the research

This research was conducted unusually rapidly, and its value is partly that it is a source of 'real-time' or up-to-date data about the crisis impact. While efforts were made to verify and triangulate findings from several sources, the research is based primarily on perceptions and what people reported within these communities. Overall, there is likely to be a tendency to emphasise declines and hardship, even though the research also identified groups that had benefited from the crises. Where possible, efforts have been made to contextualise findings within a broader context, including providing supporting evidence from national and other sources of data. The findings of this research are likely to be most valuable when used to complement other monitoring data such as quantitative and institutional assessments, and when the sites are revisited and treated as 'sentinel' sites through which to monitor the crisis over time.