



Gender Issues in Developing Poverty Assessment Tools

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by

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Introduction: Why is gender important in the poverty assessment tools?

In 2003, the United States Congress amended the Microenterprise for Self-Reliance Act, which concerns the microenterprise related activities of the US Agency for International Development (USAID). According to this legislation, half of all USAID microenterprise funds must reach the “very poor.” The legislation refers to “microenterprises and their households” as the recipients of this funding and defines very poor as those living below the international poverty line of \$1/day (adjusted for purchasing power parity) or those living in the bottom half of the population below the national poverty line.

In accordance with the legislation, USAID is developing, field testing, and certifying poverty assessment tools for use by microenterprise practitioners to report on this information. To develop and field test tools, USAID has been working with the IRIS Center at the University of Maryland, who will conduct household surveys in four different countries (Bangladesh, Peru, Uganda, and Kazakhstan) to determine the accuracy of various indicators in assessing poverty levels. Following these field tests, practitioners will field test tools in a variety of settings and assess the practical implications of their implementation. This process has been designed to assess tools from the standpoints of accuracy and ease of use for practitioners.

Gender difference and inequality are a critical consideration in the development of these poverty assessment tools. The problems involved in extrapolating from household-level poverty status to individual poverty status have been documented already¹. This has significant implications for the degree to which the practical outcomes of USAID’s poverty assessment process are likely to support the spirit of the legislation. Although the gender issues discussed below affect both women and men, failure to accurately assess women’s poverty status relative to the household is particularly likely to undermine the valuable work of the many programmes targeting women. Many micro enterprise programmes are reaching women in households on or above the borderline of the poverty line. But the women receiving programme assistance may have been targeted as persons living under the poverty line due to their high levels of vulnerability within the household and much lower access to or control over household income.

The tools being developed by USAID will assess poverty at the household level. Problematic implications owing to gender differences and inequalities remain, however, and in some ways are magnified by the potential for data collection and analysis error. Although in many ways a subset of broader reliability and credibility challenges faced in designing these tools, those relating to gender can be assessed in four main categories:

- ***Gender inequalities*** within households which lead to gender differences in access to information about different household members.

¹ There is a large theoretical and research literature looking at the complexities of intra-household negotiations and the implications for both women and poverty assessment. This includes the seminal paper on ‘cooperative conflicts’ by Sen 1990 and taken further by eg Kabeer 1994, 1997, 1997 ed and Dwyer and Bruce eds 1998. See also papers in Beneria and Bisnath, eds 2001, particularly sections on Women’s Access to Resources, Gender and Poverty (Vol 1) and Families and Households (Vol 2).

- ***Gender differences*** in patterns of income-earning, asset ownership, consumption and expenditure which are often arbitrarily ignored in indicator selection.

Failure to take adequate account of the complexity of intra-household relations, gender differences in work, assets and expenditure patterns is likely to lead to significant ***data collection errors***, even at the household level, because of unreliable information being given by different household members

These inaccuracies are likely to be compounded by

- ***Gender dimensions of the interview situation***, which may lead to both women and men respondents giving different responses depending on the sex of the interviewer.
- ***Analysis errors*** on the part of both interviewers and statistical analysts. Gender preconceptions and prejudice on the part of the interviewer may compound all the above. Gender preconceptions and prejudice on the part of statistical analysts will also lead to inaccuracies in analysis because of incorrect weighting of responses to different questions and lack of attention to gender difference and inequalities in explaining correlations (or lack of correlation) between the different dimensions poverty.

Challenge 1: Intra-Household Relations and Gender Inequality

Potential data collection errors at the household level

Current methods of poverty measurement such as the World Bank's Living Standards Measurement Survey as well as existing methods of poverty assessment in use by practitioners measure poverty at the household level.² They make assumptions about the ***levels of knowledge*** which different household members have about the incomes, expenditure, consumption and assets of other household members. In one scenario the assumption is that the 'household head' – assumed to be the man – knows about all the affairs of all other household members. In a somewhat different scenario a woman micro-entrepreneur is asked questions about the household income and the affairs of her spouse or partner. These two different scenarios are then aggregated into the overall poverty assessment as if there is no bias in either response.

However, a very large body of academic and rigorous research has shown these assumptions to be false.³ Even where gender relations within households are equitable, in many cultures separate income streams and responsibilities are the norm, whereby women and men have their own separate resources and spheres of control. Where they are inequitable both women and men conceal significant amounts of income, resources and expenditure from spouses and other

² For an overview of these methods, see Manfred Zeller (2004) "Review of Poverty Assessment Tools" available at <http://www.povertytools.org/documents/Review%20of%20Poverty%20Assessment%20Tools.pdf>

³ Honesty about these inaccuracies is rare in the poverty literature, much of which glosses over uncertainties and inaccuracies in the 'data cleaning' process. The complexities of intra-household negotiation and resulting significant inaccuracies in initial information given to researchers is discussed in passing in many of the references in Note 1 and in detail for Bangladesh in Todd 1996; for Zimbabwe in Lacoste 2002; for Nicaragua in Cloke 2001.

household members. Some of the most common indicators of poverty such as savings and assets are often secret and confidential. Women in particular may be unwilling to discuss these issues from fear not only of theft or jealousy from neighbours (including witchcraft), but also appropriation by husbands or in-laws. In-depth anthropological research in Zimbabwe, for example, has revealed very different women's savings patterns from those found by surveys with the same population (Lacoste 2002). At the Small Enterprise Foundation in South Africa, obtaining information on second-hand values of assets proved extremely sensitive for the same reasons (Simanowitz, personal communication).

The errors to which intra-household inequalities lead when assessing levels of female individual poverty are well-known⁴. What has been less acknowledged is that even when collecting household-level data, failure to take account of gender inequalities and the complexities of intra-household negotiations over resources, income and expenditure is likely to lead to inaccurate data for large numbers of households in those many contexts and cases where:

- Households do not conform to the one man/one woman norm, e.g. joint households, polygamous households where wives live under one roof, etc. (much of Africa, South Asia and Islamic countries). Here not only are there differences between women and men, but also between women in the same household.
- There are high levels of (generally but not always) male weekly/monthly, seasonal and/or semi-permanent labour out-migration and where remittances are unpredictable and sporadic (many rural areas in all continents including Eastern Europe).
- Where legally or community-recognised marital unions are unstable and/or where legal systems make it difficult to enforce even recognised property rights (much of Africa and low-income Muslim households in Asia and maybe Eastern Europe)
- Where consensual cohabitations rather than legal/community recognised unions are the norm and men commonly have transient relations with more than one woman (many urban contexts in all continents).

Household instability is a greater problem in low income households and contexts undergoing rapid economic change, i.e. those where many micro-enterprise programmes work.

⁴ See a World Bank study by Haddad and Kanbur in 1990 cited in the World Bank 2000 World Development Report found that measuring at the household level underestimated poverty by over 25-30% which is a huge degree of inaccuracy. These papers can be found at: http://www.worldbank.org/poverty/inequal/abstracts/hhd_gen.htm A 1991 follow-up paper by Ravi Kanbur which discusses the issue of intra-household targeting in terms of economic theory can be found at: http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/1991/10/01/000009265_3961002000638/Rendered/PDF/multi0page.pdf IFPRI has also done a lot of research on this which can be accessed at: <http://www.ifpri.org/themes/mp17/pubs.htm> An interesting and more recent paper by Aminur Rahman which discusses ways of measuring intra-household food disparity (but using rather complex economic formulae) can be found at: <http://www.wider.unu.edu/conference/conference-2003-2/conference%202003-2-papers/papers-pdf/Rahman%20Aminur%2020160403.pdf>

A particularly tricky and contentious area is the high level of male expenditure on personal luxuries, alcohol and multiple households in many cultures. While it can be a sign of male wealth, it is also a cause of female and child poverty. It is rarely included with sufficient emphasis in survey questionnaires because of mutual embarrassment and rarely fully reported. It is unclear whether it should be a consideration in counting households as non-poor or poor.

WHY IT MATTERS: POTENTIAL FOR MISCLASSIFICATION

Household 1 judged poor because women and children are hungry, but male respondent and MED beneficiary fails to disclose large amounts of male expenditure on alcohol and a mistress in town. (Actually not poor by household classification but woman poor if assessed on individual level and in a very vulnerable position in a very unstable relationship where she is dependent on credit to finance a small income-generation project).

Household 2 judged poor because women and children are hungry, but female respondent does not know how much the man is spending on alcohol and a mistress in town because he never discloses his income to her. (Again not poor by household classification but woman poor if assessed on individual level and in a very vulnerable position in a very unstable relationship where she is dependent on credit to finance a small income-generation project).

Household 3 judged not poor because, although women and children are hungry, the female respondent and MED beneficiary discloses the large amounts of male expenditure on alcohol and a mistress in town which she has secretly found out. This is entered in the expenditure assessment. (Alternative possible scenario extrapolating from same Household 2)

Household 4 judged not poor because, although household income levels are less than or the same as 1 and 2 the children are not hungry and go to school (and so marked under consumption and expenditure) because the man does not spend his income on alcohol and other women.

(Based on case studies of microfinance clients interviewed by the author in Zimbabwe.)

Household-level information based on reporting of one household member only is likely to lead to very significant errors in data collection.⁵ Gender relations will therefore have to be taken into account during the investigation process itself, even in collecting data at the household level, to assess the accuracy and reliability of information given.

Potential data analysis errors

These inaccuracies in data collection will also have significant implications for **reliability of statistical correlations and identification of indicators and variables** based on existing data. Intra-household relations are likely to be important in explaining the observed low levels of correlation between such variables as food security and household expenditure – given that food security is in many cultures the responsibility of women and cash income-earning that of men, which means that high male incomes do not necessarily lead to food security. Correlations may

⁵ See Note 2 above.

exist for the same variables using slightly different or more refined gender-sensitive indicators and/or taking into account intra-household decision-making structures.

For example, low correlation between cash expenditures and food consumption may be explained in some contexts by intra-household inequalities in control over cash incomes. If a lack of correlation with expenditure measures were to lead to discounting of food consumption data as a reliable indicator it would lead to the somewhat absurd situation where ????

Challenge 2: Quantification of Non-Market Production and Services

Potential data collection errors at the household level

Existing poverty assessment tools assess poverty in relation to one or more of four economic measures of poverty:

- Incomes
- Assets
- Expenditure
- Consumption

The assumption is that respondents can reliably quantify these, or that this can be done by the investigator and analyst through using ‘shadow’ estimates.

However, as the wealth of recent research on poverty has indicated, the cash economy represents only a part of the means by which poor people can decrease their vulnerability and increase their well-being. Its significance varies considerably between contexts and people. Increases in cash incomes over time may be more a reflection of vulnerability and dependence on markets rather than real increases in well-being. To some extent, even \$1 a day measures of poverty have tried to take this into account in relation to subsistence food production, though even here the degree of accuracy possible where there are high and unpredictable price fluctuations and peoples’ market access depends on status and contacts.

Women’s household services or diversified subsistence activities are, however, generally ignored, despite their equal importance in food provisioning, translating raw materials into consumables and household wellbeing. For example in villages in West Bengal studied by the author in the late 1970s (Mayoux 1982) women were involved in a great diversity of food provisioning and related activities essential to the survival of their households including (but not only) collecting snails and small fish from landlords’ paddy fields in the ‘hungry gap’ in September, gathering leaves and wood for cooking, getting water and so on. The diversity, seasonality and invisibility of these activities mean they are not captured in most quantitative surveys. Since that study these activities have become impossible because of use of pesticides and decrease in common lands. This means households now have to buy many of these goods.

Women’s roles may be different where livelihoods are more marketised, but this does not necessarily imply higher ‘incomes’ or wellbeing. It would be highly inconsistent, arbitrary and

inaccurate (not to say plain gender-biased) to take into account non-market incomes when dealing with ‘male’ goods and services and not those of women.

WHY IT MATTERS: POTENTIAL FOR MISCLASSIFICATION

Household 1 judged not poor because, although actual food consumption is the same, the woman works outside the home and has little time so they also have high expenditure on processed food and fuel. (Actually the poorest if household income for HHs 2 and 3 were corrected to reflect income contribution of non-market work and services)

Household 2 judged poor because expenditure on food is low because the woman does not work outside the home and spends long hours processing or collecting most of their food and fuel for free. (Actually higher household income than Household 1 if woman’s non-market contribution is included)

Household 3 judged poor because the narrow asset indicators chosen do not include women’s jewelry (Actually better-off than 1 or 2).

(Extrapolated from case studies of landless and marginal farmer households from the author’s research in West Bengal.)

At the same time, female-specific indicators, may prove to be significant and very useful **proxy indicators of poverty**. Examples already discussed are particular type or number of items of female clothing (e.g. sarongs, saris or church clothes) or household goods (e.g. dish-dryers in Malawi). Other possibilities might be whether or not women have to perform certain foraging activities in the lean season, or can afford to buy certain types of fuel at that time. All methods for translating frameworks of variables into contextualized measurable indicators will therefore benefit from being gender-sensitive both in design and implementation. These would however have to be locally contextualised rather than decided *a priori*.

Potential data analysis implications

Again these inaccuracies in data collection will also have significant implications for **reliability of statistical correlations and identification of indicators and variables** based on existing data. Women’s **non-market activities** and **female-specific assets** will need to be taken into account as a possible **explanatory variable** in explaining patterns of statistical correlation and hence in assessing the reliability of particular indicators.

Challenge 3: Respondent Gender Bias

A critical element in reliability of the investigation process in many contexts is likely to be gender differences between interviewer and interviewee. There are likely to be serious problems of reliability where men are interviewing women in gender-segregated societies. Even elsewhere

women and men may give very different responses depending on the gender of the interviewer and respondent perceptions of their gender attitudes. For example, a study in Nicaragua found significant differences in response on the poverty status of the same households depending not only on whether men or women were interviewed, but whether they in turn were interviewed by men or women (Cloke 2001). It will therefore be crucial that all researchers, men and women, are sensitised to the gender issues outlined above and take these into account in their investigation and recording of responses.

Challenge 4: Analyst Gender Bias

There is often a tendency on the part of statisticians to treat gender issues as marginal concerns, despite the overwhelming evidence that women are vastly overrepresented amongst the poor and the gender inaccuracy of most poverty assessment tools. It will be crucial that gender inequalities and differences are fully taken into account in design of questionnaires, assessment of data accuracy and analysis of the findings. This will need to go beyond simple gender disaggregation of findings to gender analysis of patterns of correlation.

Summary Challenges and Possible Ways Forward for USAID's Poverty Assessment Project: Proposed Outputs for Discussion

The above challenges face all tools for poverty assessment. The tools being developed for USAID have a number of specific features which affect how they can be addressed:

- The legislation mandates use of the \$1 a day (or national equivalent) definition of poverty.
- The Tools are therefore only concerned with establishing a cut-off 'poverty level' point between poor and non-poor, not fine gradations within poor and non-poor groups.
- Given the legislation's ambiguity in this regard, USAID (by no means without debate) has decided that the tools will measure household-level rather than individual-level poverty.
- The tools have to be practical and usable by practitioners or local verifiers within limited budgets.

In view of the importance of practicality it is obviously not possible to expect full coverage of all household members and all the relevant income/asset/expenditure and consumption indicators. Even if all members were interviewed, there is no guarantee that completely accurate information would be obtained because of respondent/interviewer bias.

The precise implications are impossible to specify until full reports are available on the findings of the pilot studies. However it is likely that the following will need to be considered and discussed:

- How best to assess the levels of knowledge which particular household members have about the affairs of other members, and hence the likely accuracy of responses of the interviewee. Is this best done as a checklist conducted through a general question on patterns of intra-household decision-making as part of the Background Household data, fine-tuning of existing wording on key indicators where inaccuracy is deemed likely, e.g. savings and income, or a general interviewer assessment of likely accuracy done at the end?
- Whether or not in designing future tools there might be easily verifiable gender-specific proxy indicators which might be relevant and useful taking into account gender differences in work, assets, expenditure and consumption patterns (This is likely to require development of a reliable and gender-accurate local indicator selection tool and may not be feasible under the current IRIS project though potential tools are currently being developed by the author in her work with a number of Southern NGOs and MFIs)⁶.
- What appropriate measures both male and female interviewers should take to avoid (or at least assess) respondent gender bias.
- What implications the likely, and in some cases unavoidable, gender biases and hence household-level inaccuracies have for analysis of the data.

⁶ Details of tools and findings from early pilot tests will be available by early 2005 on the DFID-funded EDIAIS website www.enterprise-impact.org.uk

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