

## Aspirations matter: Shaping aspirations can play a crucial role in enabling people to pull themselves out of poverty

### Summary

Low aspirations and well-being are inextricably linked, especially amongst the poor. Recent research shows that the poorest Ethiopians are more likely to have low levels of self-esteem and to hold a fatalistic view. These same individuals are also unwilling to borrow money or invest in education or new business. Research from India highlights the success of an after school programme designed to build self-esteem and raise the aspirations of teens in the slums



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of Mumbai. Participants in the programme had higher aspirations and greater self-esteem than their peers, as well as higher wages and better test scores.

### Policy conclusions

- Low aspirations and a sense of helplessness discourage poor people from investing in activities that might improve their material well-being.
- Programmes that foster self-esteem, a sense of control over one's destiny and a belief in self-help have a long-term impact on wages and school performance.
- Policies designed to improve material well-being (such as micro-lending or agricultural extension) ought to consider the role that aspirations play in the decision to take up new practices.

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### Policy context

Research in developed countries highlights the link between aspirations and well-being among poor people. Aspirations are essential to encourage people to help themselves out of poverty and research shows that in general, poor people have lower aspirations as a consequence of their economic background. Extensive evidence in developing countries suggests that the poorest often fail to make choices that would improve their material well-being.

## Overview

Policies that target poor people's aspirations complement policies designed to improve people's economic situation. Poor people in developing countries are trapped in a self-reinforcing cycle of poverty, low aspirations and a sense of helplessness. Evidence from India and Ethiopia show the potential that programmes targeting people's self-esteem, aspirations and ability to help themselves can have on material and psychological well-being. Encouraging people to help themselves increases the likelihood that they make choices that will enhance their material and psychological well-being.

## Research findings

Ethiopians who identify themselves as poor are more likely to agree that 'one's success or failure in life is a matter of his/her destiny.' These same people are also less willing to improve their standard of living, make changes in their earning activities or believe that they can become as successful as their role models. Low aspirations and a sense of fatalism are also linked to an unwillingness to borrow money and an aversion to investing in education and new businesses, after accounting for standard socio-economic determinants, such as wealth, family background and features of the local community.

Research from India suggests that interventions aimed at raising aspirations, self-esteem and a sense that one can help one's self improve material and psychological well-being. Akanksha (which means aspiration in Hindi) is an afterschool programme that emphasizes activities that boost self-esteem and a sense of control over one's destiny, targeting children and teenagers growing up in the slums of Mumbai.

Individuals who participated in Akanksha named role models, whom they aspire to be like, who were both richer and more likely to live outside the community than those who did not participate, after accounting for a wide variety of own, parental and community characteristics. Akanksha participants also had higher self-esteem and were more likely to believe that their own

actions could improve their economic status. Those with higher self-esteem and a greater sense that they were in control of their own lives reported higher wages and achieved better scores on their school exams.

## Ongoing research

Do policies aimed at improving aspirations complement policies aimed at improving economic well-being? Ongoing research will focus on untangling the cyclical relationship between low aspirations and poverty, and work is underway in Ethiopia to evaluate the impact of interventions that improve self-esteem and an ability to help oneself.

## For more detailed information

Tanguy Bernard, Stefan Dercon and Alemayehu Seyoum Taffesse, 'Beyond fatalism – an empirical exploration of self-efficacy and aspirations failure in Ethiopia', 2011

<http://www.csae.ox.ac.uk/workingpapers/pdfs/csae-wps-2011-03.pdf>

Pramila Krishnan and Sofya Krutikova, 'Skill formation in Bombay's slums', 2010

<http://www.econ.cam.ac.uk/dae/repec/cam/pdf/cwpe1010.pdf>

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