

IDS IN FOCUS POLICY BRIEFING

Research and analysis from the
Institute of Development Studies

ISSUE 07
POLICY RESPONSES TO THE
GLOBAL FINANCIAL CRISIS
MARCH 2009

Voices of the Poor in the Current Crises

Findings from a participatory study on the impacts and responses to the food, fuel and financial crises indicate poor communities have been hit hard by high food and fuel prices, while the effects of the global financial crisis are beginning to be felt.

This brief reports on field research undertaken in February 2009 in poor rural and urban communities in Bangladesh, Indonesia, Kenya, Jamaica and Zambia. The research findings are illustrative rather than representative of the wider impact, and are intended to offer insights into the processes, institutions and relationships through which poor people are experiencing the crises. The study was designed to test a methodology for fast but systematic participatory monitoring, and aims to complement economic impact assessment.

Perspectives on the crises from poor communities: Complex compound crises

The global financial crisis is coming at a time when the shock of high food and fuel prices continues to reverberate. People have yet to recover from the peak of the food and fuel crisis, many prices remain unaffordably high, and fluctuation has created uncertainty (see table 1). Food and fuel crises are compounded by national crises – violent political transitions or natural disasters – and localised crises such as floods (Indonesia) and drought (Kenya). Poor households continue to face shocks related to their personal circumstances, from ill-health, deaths or job losses.

Table 1. Prices of basic goods reported in Focus Group Discussions in rural Bangladesh and Kenya, February 2009

Naogaon, Bangladesh (in taka; US\$1=Tk66 (March 4, 2009))	2009	2007-8	2006
Rice/kg	23/24	36	18/20
Red lentils/kg	100	112	80/85
Diesel/litre	45	50-58	38-40
Malindi, Kenya US\$1=Ksh 80 (March 4 2009)	2009	2008	2007
Maize flour (2kg)	140	75	50
Water (20l)	2	1.5	1
Paraffin (250ml)	35	25	20
Beans (250g)	30	15	10

Source: Focus Group Discussions in Dhamuirhat, Naogaon and Bango Laya, Malindi

Local economies

The impact of the global crisis is already being felt. In peri-urban Jakarta, migrant export sector workers started to return home late in 2008 when their contracts were not renewed; others have had their working hours reduced. The wider impacts of the downturn in export manufacturing are being felt by local businesses that depend on the export sector. By contrast, garment factory workers in Dhaka report that new jobs are available, but in poor quality, unsafe sub-contractor sweatshops, rather than in the labour standards-compliant factories.

Fluctuating agricultural prices have created uncertainty. In rural Kenya, food prices continue to rise as a result of drought, but farmgate prices have dropped sharply. In Bangladesh and Zambia, farmers report high fertiliser and diesel costs are constraining efforts to increase production. Credit is being squeezed, including in Jamaica, where the January 2008 crash of the investment company Cash Plus has meant investment capital losses for many low-income people. In rural Bangladesh, a microfinance NGO reported local lending was down and bad loans were up.

“ Eating less frequently, and less diverse and nutrient-rich foods was commonly reported across all ten communities ”

Naomi Hossain



Export sector workers facing job losses talking about their experiences in Gandasari, Jakarta

Livelihood adaptation has been swift, but into low-yield or dangerous activities. Women have been prominent in developing new forms of retail for low-cost food items, in small quantities and on convenient terms (see picture). Men from Kalimantan, Indonesia, were travelling to another island to mine gold, and cross-border smuggling was reportedly rising in rural Bangladesh – both illegal and dangerous but potentially lucrative activities.

How people are coping

Eating less frequently, and less diverse and nutrient-rich foods was commonly reported across all ten communities. The worst conditions were in Nairobi, where signs of acute malnutrition in children were reported by teachers and mothers.

Health-seeking behaviour was found to have changed in a small number of cases, with people resorting to self-medication and avoidance of expensive procedures. More common was the sense that education was at risk. There were many cases of children being withdrawn from school or college. In Indonesia and Bangladesh there was one case each of children being moved to (cheaper) madrasahs from general schools. Children were reported to be entering work, including unconfirmed reports from Kenya and Zambia of growing numbers of children and young girls selling sex.

The response

Apart from in Indonesia, community-based support was widely deemed inadequate. In some contexts,

middle-class people had been hit hard and were reportedly less helpful to poor neighbours than before. Faith-based support was prominent in Bangladesh and Kenya, but in Zambia, community and church-based support was declining and inadequate. NGO programmes were not prominent in any of the communities, other than a Catholic Church-backed school feeding programme in Nairobi.

Government programmes were similarly felt to be insufficient: public safety nets for the poor in Kenya and Bangladesh were roundly criticised for the small amounts disbursed. In Jakarta, migrant workers who had lost their jobs were not able to access government rice for the poor, which typically goes to longer-term residents. There were widespread concerns that even the limited public resources available to support people through crisis were not necessarily reaching the poorest.

Social impacts

Stress levels have been rising in many households, and there are signs of rising domestic violence, as well as incipient signs of inter-group tensions. Minority groups have been criticised for taking advantage of the crisis, but are typically disadvantaged compared to the majority in terms of access to official resources. Petty crime, drug and alcohol abuse were reportedly on the rise. In Jakarta rising crime was dated to the last three months, backed by local police statistics.

Conclusions and key messages

The global recession is coming on the back of an ongoing food and fuel crisis. Prices have declined, but not all prices, not everywhere, and not enough for people to return to 2007 living standards. As the direct impacts of crisis begin to be felt, many people in the ten poor communities in this research were aware of a new impending crisis, and were keen to understand what was happening and to share their experiences. Tracing the impacts of global financial crisis on people's lives and wellbeing is complicated by the interaction of compound crises on capacities to adapt, cope and respond. The complexity of these processes underlies the value of qualitative participatory research into how people experience and understand the crises as they unfold.

Credits

This *In Focus Policy Briefing* was written by **Naomi Hossain** from the Participation, Power and Social Change Team at IDS. The series editor is **Clare Gorman**. For other briefs on the crisis see: www.ids.ac.uk/go/infocus7

This *In Focus Policy Briefing* series has been funded by the UK Department for International Development (DFID). This briefing does not necessarily reflect the position of DFID.

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