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RESILIENCE AND SUSTAINABLE POVERTY ESCAPES IN THE **PHILIPPINES**

Report

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This document was prepared by Vidya Diwakar, of the Overseas Development Institute (ODI).

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There is a companion policy brief to this research report: Diwakar, V. (2018). Sustaining Poverty Escapes in the Philippines: Policy Implications Brief. Washington D.C.: USAID.



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EXECUTIVE SUMMARY

The focus of this report is on resilience and household poverty escapes and what explains why some households escape poverty and remain out of poverty (sustainable poverty escape through building resilience), while other households escape poverty only to fall back into poverty (transitory poverty escape). This case study finds that transitory poverty escapes and impoverishment are significant phenomenon in the Philippines. Findings from this report are based on analysis from three rounds of the panel component of the Family Income and Expenditure Survey over 2003-2009 in addition to qualitative research approaches, in particular, key informant interviews, life histories, and participatory wealth ranking in two regions (Bicol- Daraga and Albay; and SOCCSKSARGEN- General Santos and Sarangani). The report investigates the resources (land, livestock, and assets), attributes (household composition and education level), and activities (including jobs and engagement in non-farm activities) of households that enable them to escape poverty sustainably and minimize the likelihood of returning to living in poverty again often in the face of shocks.

Key findings from the report include those around the:

Household resource base:

- Electricity has acted as an enabler for households in their pathway out of poverty according to both quantitative and qualitative data. Electricity is notable for its ability to support sustained escapes from poverty, and based on qualitative findings is largely viewed as a ‘fait accompli’ as coverage is now very high (91% of the population in 2016 according to WDI, 2018).
- According to the qualitative data, in rural areas, livestock provides households with subsistence, a source of investment, and insurance in times of need.

Household attributes:

- Social capital emerges from the qualitative findings as being important to sustaining a poverty escape. Families without supportive networks are often amongst the most vulnerable, and feature strongly in cases of chronic poverty in the qualitative data analysis.
- Regression analysis indicates that an increase in household size by one member is associated with a *reduced* risk of impoverishment by 27%, reflecting the importance of productive income earners within intra-household networks.
- Women’s empowerment, an important component for sustained poverty escapes in the qualitative analysis, was reflected in control of savings, household decision-making, and engagement in community-level politics and social programs.
- In regression analysis, household heads who completed secondary education were less than half as likely to be chronically poor relative to escaping poverty sustainably.

Household activities:

- A lack of market access and high transportation costs often constrained agriculture wage labor and self-employment in agriculture from being a pathway out of poverty for the rural chronic poor based on qualitative analysis of data. However, agriculture work combined with a non-farm enterprise was associated with a reduced risk of transitory escapes in the regression analysis.
- Salaried employment and self-employment in non-farm enterprises were often successful routes out of poverty according to the qualitative analysis, and were more successful in urban areas. The qualitative analysis indicated that salaried employment can provide stable returns, while non-farm enterprise are also appealing as it has the potential for higher returns.
- Migration was a way of life for a majority of life history respondents at some point in their lives, but more common amongst sustained escapers relative to transitory escapers according to the qualitative

analysis. For those without social capital, however, migration was not always a pathway out of poverty or a way to improve resilience.

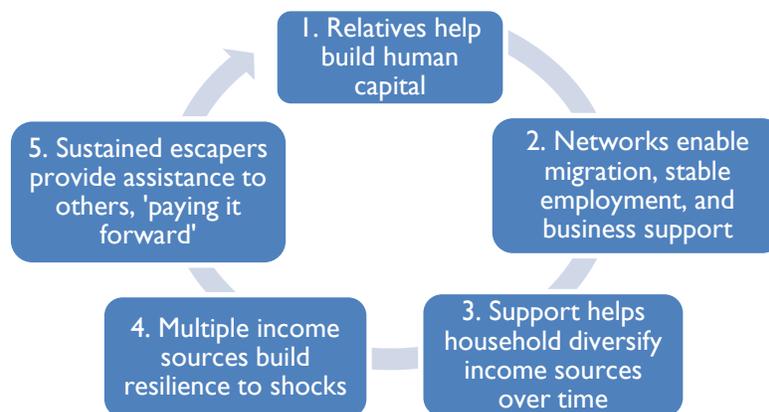
- In the life histories, both the chronic poor and sustained escapers successfully availed loans for children’s education, though the former category also took out additional loans to pay for medical bills and other household expenses.

Household shocks:

- A greater presence of high-intensity typhoons was associated with over double the risk of impoverishment relative to a sustained escape from poverty in regression analyses. The effects of these disasters extend beyond immediate damage to infrastructure and housing to impact education and livelihoods, which can impact long-term wellbeing.
- Regressions indicate that households in all regions were less at risk of impoverishment or an escape from poverty that was transitory rather than sustained, when compared to households in the Autonomous Region in Muslim Mindanao (ARMM), likely due to regional differences in crime and conflict.
- An increase in health spending is also associated with a higher risk of impoverishment according to regression results. In the qualitative data, health shocks were the reason cited by many households for falling back into poverty after escaping.

Our analysis shows that households’ strategies for sustained poverty escapes centers around social capital, which is instrumental in initially promoting escapes out of poverty, though not always a driver in the process of sustaining these escapes over time in the fieldwork sites. Households sustain poverty escapes often through multiple income sources, and maintain resilience in the face of shocks as a result of this **livelihood diversification** or successfully assessing market demands. **Non-farm enterprises and salaried employment** have provided successful avenues out of poverty, with the latter preferred by some for its stable, steady income. Once households manage to sustain escapes from poverty, they engage in a virtuous cycle of ‘paying it forward’ by aiding other families (see Figure 1). However, households without larger family networks or social capital, often the chronically poor, remain largely excluded from the poverty reduction process.

Figure 1: Virtuous cycle of sustained poverty escapes in the Philippines



Note: The report is accompanied by a policy brief (Diwakar, 2018), which presents policy implications for sustaining poverty escapes in the Philippines that emerge from the analysis presented in this study.

I. INTRODUCTION

Research by CPAN supported by USAID’s Center for Resilience investigated the extent and drivers of transitory and sustained escapes from poverty across a series of country studies to better understand the sources of resilience that enable people to sustainably escape poverty given the complex risk environments in which they live. The objective of this report is to investigate the drivers of sustained and transitory escapes from poverty in the Philippines (see Box 1). It responds to the question: what are the factors associated with households escaping poverty and subsequently staying out of poverty? How does this compare with households who escape only to later fall back into poverty? It brings together:

- New **quantitative analysis** of the panel component of the nationally-representative Philippines Family Income and Expenditure Survey (FIES), comprising 6,529 households interviewed in 2003, 2006, and 2009 in rural and urban areas of the country.
- Insights from 15 **key informant interviews** with government and development stakeholders in Manila, and interviews with knowledgeable community leaders in the provinces of Albay, Sarangani, and General Santos in the Bicol and SOCCSKSARGEN regions of the Philippines. The provinces were chosen as analysis of the FIES revealed they had the highest shares of households that were transitory escapers and sustained escapers, and are in USAID areas of interest.
- Information from eight **focus group discussions** (FGDs) used to create historical participatory wealth ranking in four sites: Polangui (rural Bicol), Daraga (urban Bicol), Sarangani (rural SOCCSKSARGEN), and General Santos City (urban SOCCSKSARGEN). The gender-disaggregated community FGDs provided a snapshot through which to better understand the meso-level drivers of mobility in wellbeing.
- **Life history interviews** with 40 men and women identified during participatory wealth rankings as being in households on the different poverty trajectories in the fieldwork sites. Note: All names are anonymised in this report.
- **Wider literature** on the extent and nature of poverty reduction and poverty dynamics in the Philippines in recent years.

Box 1: Definitions of poverty trajectories used in the study

Impoverishment in this study refers to the process whereby a person or household that is non-poor slips into poverty. **Chronic poverty** is long-term poverty that persists over many years or even a lifetime, and is often transmitted intergenerationally. **Transitory poverty escapes** refer to individuals or households that used to live in poverty, succeeded in escaping poverty, and then subsequently fell back into poverty. USAID defines resilience as “the ability of people, households, communities, countries and systems to mitigate, adapt to and recover from shocks and stresses in a manner that reduces chronic vulnerability and facilitates inclusive growth” (USAID, 2015). In this work, resilience is viewed as a set of capacities enabling households to escape poverty and remain out of poverty over the long term (a **sustained poverty escape**), even in the face of shocks and stresses. In other words, in the context of this study, the capacity to be resilient means an individual or household is ultimately able to avoid becoming impoverished or a poverty escape that is transitory.

The research affirms that “people, economy, and the environment matters” (Male FGD, Daraga) for development, and within that, for sustaining poverty escapes in the Philippines. Social capital has helped people escape poverty. Engaging in a range of economic activities and having multiple livelihoods- especially in stable, salaried employment or non-farm businesses- has then helped sustain poverty escapes, even when faced with climate-related and other shocks. However, households without larger family networks or other forms of social capital, often the chronically poor, remain marginalised from these virtuous cycles. The challenge is to ensure that the chronic poor can benefit from economic growth.

The following sub-sections introduce the macro-, micro-, and meso-level context for poverty-reduction in the Philippines and in study sites. Section 2 provides an overview of poverty dynamics in the Philippines based on analysis of the FIES. Section 3 presents the methodology for the mixed methods study, acknowledging limitations of the analysis and proceeding to investigate the role of household resources, capacities, activities and shocks in sustaining poverty escapes. Section 4 discusses processes behind poverty escapes. Section 5 concludes and directs the reader to a companion paper addressing policy for reducing impoverishment and for sustaining escapes.

1.1 MACRO DRIVERS OF GROWTH AND POVERTY REDUCTION

The measures of poverty for the Philippines indicate reduction in the past 25 years. Poverty dropped from 27% in 1991 to 8.3% in 2015 according to the international \$1.90 a day poverty line, representing an absolute decline in poverty by 8.7 million people. **Various macro factors have driven poverty reduction in recent years, including: high economic growth rates averaging 5.4% between 2006-2015 and 4.1% in the preceding decade, the rapid rise in remittances, a strong export sector, and a growing transportation and communications infrastructure** (World Bank, 2014, 2018). As a result, the mean per capita consumption of the bottom 20% grew faster per year (1.31%) than the average of the population (0.05%) between 2000 and 2009, marking its growth as pro-poorest (author's analysis based on WDI, 2018).

In addition, **a commitment of the government to inclusive growth has also been witnessed through various national social-protection programs that have been rolled out since the turn of the century, such as the KALAHI-CIDSS (KC) project launched in 2003 to improve human development services and promote bottom-up budgeting, and the Conditional Cash Transfer (CT) program in 2008, known informally as the 4Ps.** Other development initiatives have complemented these efforts more recently, such as the Sustainable Livelihood Program rolled out in 2011, and the KC-National Community-Driven Development Program approved in 2013. It has been argued that the absence of these initiatives could have worsened poverty trends. For example, the official poverty rate in 2013 could have been 1.4 percentage points higher without the CCT (Albert, 2015).

Despite good economic performance and some national development programs, **the pace of poverty reduction has fallen behind other East Asian countries.** Between 2006 and 2015, the poverty rate declined by 0.9 percentage points annually compared to over 2 percentage points in China, Indonesia, and Vietnam (World Bank, 2018). Moreover, when examining progress against the national poverty line, which is considerably higher than the international \$1.90 line, the poverty rate declined by just 3.3 percentage points between 2003 and 2015 to 21.6%, exacerbated by high population growth amongst the poor. Other self-rated measures find that almost double that share of families (42%) still consider themselves to be poor in 2018 (Social Weather Stations, 2018).

Most households that experienced a fall in real income between 2000 and 2009 were engaged in agricultural activities, such as crop farming, fishing and animal husbandry (Reyes and Tabuga, 2011). Low factor productivity in agriculture and services has inhibited the degree of pro-poor growth, while manufacturing is also not growing sustainably (World Bank, 2014). As a result, a low-productivity, low-skill services economy has emerged, prompting out-migration and preventing the translation of growth into poverty reduction. The pro-poor growth that did occur over this period was thus not from agriculture, but possibly driven by migration of poor household members, remittances, and assistance from non-governmental organizations during these years.

In addition, disasters have pushed households into poverty. **In 2009 alone, EMDAT data suggests that the Philippines had the greatest number of disasters among countries across the world with its experience of 25 disaster events** (Reyes and Albert, 2018, forthcoming). Shepherd et al.

(2013) find poverty to be the most important factor in vulnerability to disasters in the Philippines. Person-made disasters, such as those arising from insurgency, transportation accidents, and industrial accidents are also common— Metro Manila has the greatest incidence of fires (and casualties from fires) in the world and the Autonomous Region in Muslim Mindanao (ARMM) had the most reported events of armed conflict in the country (Reyes and Albert, 2018, forthcoming). There is also **a relationship between climate change or armed conflict and chronic poverty** in the Philippines (Bayudan-Dacuycuy and Baje, 2017). Natural hazards like typhoons can make it difficult to attract private investments that can contribute to growth, and thus create a vacuum that can be saturated by armed groups (Sganzerla, 2016).

I.2 MICRO DRIVERS OF POVERTY REDUCTION

Macro-analysis provides one side of the story, which can be aided by micro-level analysis of poverty determinants among Filipino households. This section offers a brief literature review of these drivers. Bayudan-Dacuycuy and Baje (2017) observe that asset ownership and college education have the largest impact on reducing total and food poverty. Relatedly, Rutkowski (2015) finds that in-work poverty is primarily a result of low education levels as well as low access to productive jobs. In the absence of a burgeoning formal sector to provide regular or productive jobs for the population, **informal jobs—a key contributor of wage inequality in the country— are widespread** (Rutkowski, 2015).

Other inequalities also prevail. For example, **ethnic groups that are Muslim (Moros) were found to be the worst-off ethnic group in terms of access to basic services. However, gaps in literacy rates, access to electricity and sanitary toilet facilities between ethnic groups have narrowed between 2000 and 2010** (Reyes et al., 2017). Although gender inequalities have also narrowed since the early 2000s (Mina and Imai, 2016), there is a long way to go to eliminate gender inequalities and discrimination. **Women continue to face constraints in certain sectors like agriculture, specifically related to agricultural services that continue to favor male farmers, and less involvement in decision making than men within agricultural households** (Pandey et al., 2010; Hwang et al., 2011; Layton and MacPhail, 2013). Insofar as agriculture continues to employ a large share of the poor, it is poor women who bear the brunt of these inequalities.

Studies on poverty dynamics build on the literature by exploring changes over time in poverty status of households. In the Philippines, studies of poverty dynamics often compare chronic with transient poverty, where chronic poverty is characterized by its extended, persistent duration and is often transmitted intergenerationally, while transient poverty is that which is endured for shorter periods of time. At least half of households below the national poverty line in the country during the 2000s have been chronically poor, with rates of chronic poverty higher than transient poverty (Bayudan-Dacuycuy and Lim, 2013). **Low education levels, risky occupations including in agriculture, lack of comprehensive health services or health insurance and a high dependency burden is associated with chronic poverty** (Bayudan-Dacuycuy and Lim, 2014).

In addition, both the chronic and transient poor are affected by negative shocks to varying degrees (Mina and Imai, 2016). **Shocks in the labor market, including job loss and income reduction resulting from food price inflation between 2006-2008, increase chronic poverty, while the disasters such as drought is associated with a significant increase in transient poverty** (Bayudan-Dacuycuy and Lim, 2014; Fujii, 2013). As another shock, **higher than normal rainfall has an impact on chronic poverty across urban and rural areas, while areas of armed conflict also have higher rates of chronic poverty as well as higher poverty rates in general** (Bayudan-Dacuycuy and Baje, 2017). For example, by 2015, ARMM had nearly 54% incidence of poverty (ARMM, 2017).

A lack of gainful employment, low access to credit and health, and lack of institutional support has affected the ability of poor households to mitigate the negative effects of shocks

(Reyes et al., 2009; Reyes and Mina, 2013). A lack of social networks also renders households more likely to be in chronic poverty, compared to those who are part of NGOs or cooperatives (Bayudan-Dacuyucuy and Baje, 2017). In contrast, having social capital such as knowing a political figure was found to be associated with improved personal agency and wellbeing (Narayan et al., 2009). Finally, remittances, which may be viewed as another proxy of social capital, is associated with increased consumption of goods, higher human capital investments, and an increased likelihood of escaping poverty (Tabuga, 2007; Pernia, 2008; Ang et al, 2009).

I.3 MESO-LEVEL DRIVERS OF POVERTY MOBILITY

The above macro and micro drivers of poverty was based on the literature. We now move from the literature to explore meso-level drivers of mobility as revealed in the qualitative FGDs in this study, summarized in Table I. This sets the local context for the life histories analysis to follow. A brief socio-economic background to the study areas is also provided in Annex C.

Table I: Meso-level changes and drivers of poverty dynamics from the FGDs, 2008-2018

Upwards	Downwards
<p><u>Resources and livelihoods</u></p> <ul style="list-style-type: none"> • Non-farm jobs. Shift from agriculture- to services • Two or more family members earning from regular employment, allowing investments in own property • Extra income – from apartments for rent or farm land rented or purchased, and sometimes inherited. • Own business. Depends on: location (i.e. barbers only need little capital but good location). • Remittances; Opportunity to work in Manila/ abroad • Diversify livestock- cows, chickens (10 hens), goats • Ability to assess market needs following disasters. <i>“It’s about knowing what the people will need during times of natural calamities.”</i> <p><u>Demographics and human capital</u></p> <ul style="list-style-type: none"> • When child finishes college and works, their money helps educate siblings and increases family budget • Alternative Learning System- Department of Education program - integrates formal and in formal sources of knowledge and skills for adult learning. • <i>“Nagsusumikap”</i> – hard work (i.e. to finish school, look for a stable job, raise children to have education) • Pooling of funds of family and/or relatives that allows for investment that would later gain returns <p><u>Assistance</u></p> <ul style="list-style-type: none"> • Conditional Cash Transfers (CCT)/4Ps; • Department of Agriculture and the municipal government gave agricultural tools; • Senior Citizen Benefits though not enough to sustain the needs of the elderly; • Indigenous persons given livestock by government; • Zero collection policy (e.g. exam fees) in elementary and high school; 	<p><u>Resources and livelihoods</u></p> <ul style="list-style-type: none"> • Lack of assets i.e. farm land, and insufficient income from assets. <i>“It is not cheap to rent land.”</i> • No or low skill employment that is contractual or seasonal e.g., charcoal making. <i>“It’s difficult to find a job.”</i> <i>“We earn a little. It is not enough.”</i> • Lack of education; hence, lack of employment opportunities. <i>“We have a hard time finding jobs.”</i> • Low wages and inflation (e.g., rice at around PHP 46-47 per kilo). <i>“Prices are too high.”</i> • <i>“No Work, No Pay”</i> in cannery and local fishing • Risks of certain activities i.e. tricycle driving. Costly accidents, spare parts prices are increasing, health condition may mean you have to sell your tricycle and in the process, lose a source of livelihood • <i>“I am a single parent, I am the sole breadwinner.”</i> • Vicious cycling of loaning or borrowing money for personal needs. <i>“We are in debt because we need to borrow money for food.”</i> <p><u>Demographics and human capital</u></p> <ul style="list-style-type: none"> • School-aged children and costly school projects despite zero collection policy mandating no fees shall be collected from children and only voluntary contributions are allowed • Big family- <i>“Before, my family would only need one sack of rice, but now we need two.”</i> • Disability and health problems of the breadwinner • Adverse social norms- some beneficiaries of social assistance do not use the money for its intended purpose, but for gambling and drinking. <p><u>Assistance</u></p> <ul style="list-style-type: none"> • Agricultural subsidies from government (livestock and tools) but sometimes of poor quality or without associated training- participants sold everything and

<ul style="list-style-type: none"> • PhilHealth services/ membership procedures improve. Note: PhilHealth, established under The National Health Insurance Act of 1995, aims to provide social health insurance coverage to all Filipinos. • Family Resource Allocation and Management Enhancement: community, values-based capability program aimed at empowering communities via mass-based savings system. <i>“I used to be very poor (level 5) but through the trainings and seminars of FRAME (values formation and financial management skills), I was able to slowly progress out of it.”</i> <p><u>Infrastructure and regulations</u></p> <ul style="list-style-type: none"> • Construction of Legazpi International Airport • Farm to Market Roads • Improvement in the road network system <p><u>Credit</u></p> <ul style="list-style-type: none"> • Improved access to credit from formal institutions/ private lenders, trust between lender-borrower. <i>“It is easier to ask for credit, there are more lenders now.”</i> • The “5-6” scheme, which some participants claim is helpful despite the high interest rate. <i>“I was able to get a loan to set up my own business.”</i> <p><u>Women’s empowerment</u></p> <ul style="list-style-type: none"> • 4Ps family development sessions helpful in giving mainly female members a voice. • More confident in skills because they believe that they can do jobs traditionally dominated by men. • Kalipi: Government provides livelihood training/seminars (i.e. door mat making), which women sell at the local market. • Regional Improvement Club provides livelihood and equipment (such as meat processing implements), community building, knowledge/ resource sharing 	<p>money used for other expenses, rather than providing a sustainable livelihood.</p> <ul style="list-style-type: none"> • 4Ps: Some believed that targeting was political, delayed roll out of money received by beneficiaries forces them to take out loans from loan sharks. • NGOs started pulling out, fearing reputational risks of being associated with scam NGOs that were set up by politicians to siphon government money (the ‘pork barrel scandal’, exposed in 2013). <p><u>Government regulations</u></p> <ul style="list-style-type: none"> • Tricycle boundary granted by the Municipal Tricycle Operator Permit (MTO), limits the distance at which they can travel and their earning capacity . • The system of government mandated wages was not always perceived to be fair. Even if there was an increase in wages in one sector (i.e. increase in government employee wages), wages in other sectors would not necessarily increase. <p><u>Natural hazards:</u> El Niño in 2011-14, Typhoon Juaning (2011)/ Haiyan (2013)- poor households “back to zero”</p> <ul style="list-style-type: none"> • Some had months of no electricity, so non-farm work and town market were affected, increasing commodity prices. Many relocated due to disasters. • Farmers –low harvest, destroyed rice and corn crops. <i>“Your livelihood is gone when your cow dies.”</i> <i>“During typhoons, our crops get destroyed and it destroys our source of income.”</i> • Some believe it is God’s will: if it is your time to experience hardship, then you will be impoverished. <i> (“kung panahon mo ngayon at nasa baba ka”)</i>
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Additionally, in the FGDs certain differences emerged by gender, urban compared to rural areas, and over time:

Gender: Men’s FGDs were more likely to reference government assistance as an important driver of upward mobility, while remaining cognizant of delayed rollout and limited coverage of these initiatives at the local level. An exception was PhilHealth, which women were more likely to cite as a positive driver, though also acknowledging its limited coverage. Relatedly, women were also more likely to mention disability and health problems as drivers of downward mobility. On economic activities, the importance of stable employment, whether through a regular job or through two or more family members engaged in income generation, was cited across women’s FGDs, though only in half of men’s FGDs. However, as a complement to this, men were more likely to emphasize the benefits of extra income from apartments for rent or farm land rather than through stable employment per se. Women’s empowerment was cited as an upward driver solely amongst women’s FGDs in the recent period.

Area of residence: Key differences in mobility drivers between rural and urban areas were around resources and livelihoods. Rural areas consistently referenced the importance of non-farm jobs, regular

income sources from multiple family members, and diversification within agriculture (i.e. of livestock), and across sectors (moving into non-farm jobs) as drivers of upwards mobility. Relatedly, a lack of assets such as farm land characterized drivers of downward mobility commonly in these areas. In contrast, low wages and inflation was regularly cited as stressors amongst participants of urban FGDs. Interestingly, though national assistance programs like PhilHealth and education scholarships were mentioned in both urban and rural areas as drivers of upward mobility, in urban areas this was restricted to the Mindanao region. In contrast, in Daraga, only 4Ps was mentioned and in only the female FGD, compared to various forms of assistance being regularly mentioned in nearby Alabel and across male and female FGDs.

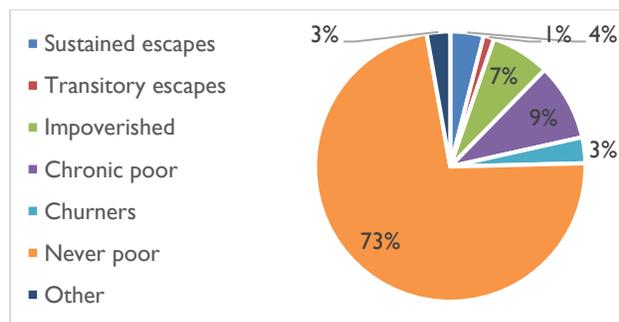
Time: Certain drivers of mobility during the earlier five years, from 2008 to 2013, were different from that of the overall decade. In addition to what is listed in Table 2, upward mobility during this earlier period was attributed to cheaper prices of basic commodities and a price increase in agricultural products, which improved farmer profits, and more assistance from international non-governmental organizations. Drivers of downward mobility specific to the earlier period included: 1) lack of job opportunities in non-farm sectors, which was linked to; 2) lack of customers for existing businesses and limited available credit from formal lending institutions, plunging existing businesses into debt; 3) low investment in study sites including into infrastructure (water pumps and road networks); 4) limited government programs; 5) lack of doctors and supplies in health facilities; and 6) limited scholarships. In contrast, in recent years, FGDs referenced credit mainly from formal institutions, and government assistance as being important drivers of upward mobility, while low wages was a particularly salient recent driver of downward mobility.

2. POVERTY DYNAMICS, WITH A FOCUS ON TRANSITORY AND SUSTAINED ESCAPES

The previous sections highlighted factors that influence poverty dynamics based on the literature and FGDs. This section introduces analysis of the panel component of the Family Income and Expenditure Survey, a nationwide survey, which tracked almost 6000 households of all income levels in the Philippines across survey years. Although four rounds of panel data are available with to study poverty dynamics, this report makes use of the 2003, 2006, and 2009 rounds as they measure poverty in a consistent and comparable manner.

Panel analysis reveals that only 4% of households escaped poverty sustainably, while double that share escaped only to fall back in (1%) or became impoverished for the first time (7%) between 2003 and 2009 (Figure 2). Moreover, over a quarter of the population were poor during at least one of the survey years. This merits an investigation into the drivers of poverty dynamics, and in turn how to promote escapes from poverty in the Philippines that are sustained over time.

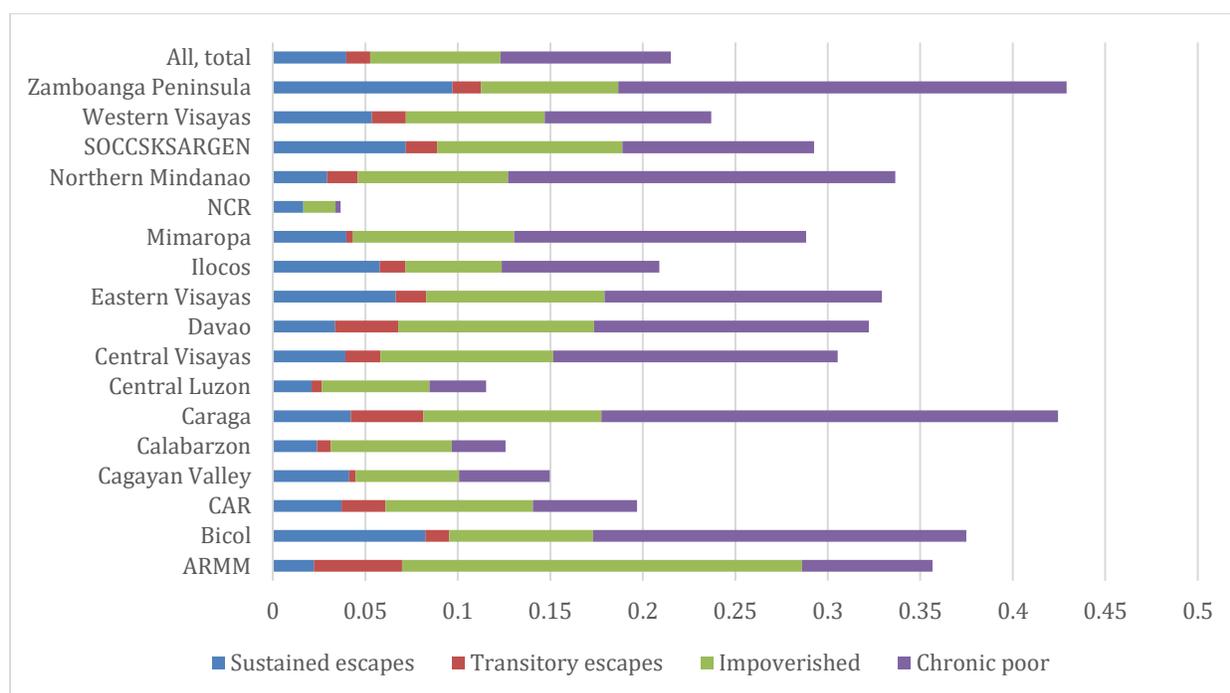
Figure 2: Poverty trajectories in the Philippines, 2003-2009



There are also urban-rural differences (see p. 19) and regional variations in poverty trajectories (Figure

3). Chronic poverty rates reached 25% in Caraga. As many as 8% of households in Bicol experienced sustained escapes from poverty, compared to under 2% in the NCR. While the ARMM saw 26% of households either transiently poor or impoverished over the survey period, NCR, Cagayan Valley, Central Luzon, and Ilocos had under 7% experiencing the same trajectories. As noted earlier, higher shares of sustained and transitory escapes from poverty in Bicol and SOCCSKSARGEN guided our choice of sites for qualitative data collection for this research.

Figure 3: Regional variations in poverty trajectories in the Philippines, 2003-2009



3. WHY DO SOME HOUSEHOLDS ESCAPE POVERTY ONLY TO FALL BACK INTO IT, WHILE OTHERS ESCAPE POVERTY AND REMAIN OUT OF POVERTY OVER TIME?

This section examines the factors that help or hinder households' ability to escape poverty sustainability over time. Factors are categorized inductively into those around: (i) household resource base; (ii) household attributes and capacities; (iii) engagement in certain activities; and (iv) shocks. The analysis relies on mixed methods research, comprising:

- Analysis of three waves of the Philippines Family Income and Expenditure Survey (see Box 2, and the Annex for regression results and summary statistics)
- Life histories with 20 urban and 20 rural men and women in households on different poverty trajectories in Albay, General Santos City, and Sarangani provinces, constituting the Soccskargen and Bicol regions of the Philippines. See Annex for the qualitative tools and approach employed.

It is worth mentioning that the timeframe of the panel data (2003-2009) fails to capture recent developments since 2010, such as higher, faster GDP growth and increased infrastructure investments. In this context, Figures 2 and 3 may paint a more negative snapshot of poverty trajectories compared to the post-2010 period. Nevertheless, it is worth emphasizing that our analysis does not aim to explore the magnitude of poverty reduction, but rather the drivers behind certain poverty trajectories. These are

likely to persist beyond the survey period. In any case, to reduce time-related discrepancies, we draw on growth and regionally-disaggregated poverty data from 2015 where appropriate, and complement the panel analysis with qualitative tools that consider panel survey years alongside pre- and post-survey periods. For example, key informant interviews trace developments in local study areas and at the national level in recent decades, focus groups explore drivers of mobility over survey periods and in subsequent years, and life histories retrospectively document changes in wellbeing across survey and post-survey periods. The mixed methods approach thus allows the data to be triangulated and mitigates limitations that may arise from solely relying on quantitative analysis.

Box 2: Approach to quantitative analysis

This study employs multinomial logistic regressions to investigate determinants of transitory poverty escapes and impoverishment. Our equation is similar to that employed in Diwakar (2016), where:

$$Pr(Poverty\ Trajectory_{i,t} = 1 \mid \beta, v_{i,t}) = F(\beta_0 + \beta_1 Head_{i,t} + \beta_2 Region_{i,t} + \beta_3 H_{i,t})$$

for $v_i = (1, Head_i, Region_i, H_i)$

where $Poverty\ Trajectory_i$ is probability of the household i experiencing a transitory poverty escape, becoming impoverished, or sustaining a poverty escape,

$Head$ is a vector of variables defining the characteristics of the household head,

$Region$ is a set of dummy variables on household region, and if it is urban or rural, and

H is a vector of household specific controls.

The base outcome is whether a household has experienced a sustained poverty escape. A variable coefficient that is greater than one indicates that a household has a higher risk ratio of the outcome (transitory poverty escape, impoverishment, or chronic poverty) relative to the base reference group of sustained escapers. **The analysis that follows only comments on variables that are statistically significant at conventional levels** (p-value<0.05; or otherwise marginally at p-value<0.10 where explicitly noted). We also include a 5% band above and below the poverty line in which we exclude households from the analysis to minimize measurement errors.

This report aims to understand the drivers of poverty escapes that are transitory rather than sustained. The findings in this section draw on a combination of quantitative and/or qualitative research analysis, as specified in the text. In what follows, life history interviewees are classified according to their poverty trajectory: SE= sustained escaper, TE= transitory escaper, E= escaper (in recent years), CP= chronic poor. There was a large share of households escaping poverty in recent years (trajectory 'E') in field sites, not long enough to be a sustained escape but nevertheless suggestive of very recent improvements in welfare, beyond the survey period, and prompting incorporation of this trajectory into the analysis.

3.1 INITIAL HOUSEHOLD RESOURCE BASE

Key Messages:

- **Electricity and livestock have acted as enablers for households in their pathway out of poverty according to both quantitative and qualitative data. Electricity is notable for its ability to support sustained escapes from poverty, and in the qualitative fieldwork is largely viewed as a 'fait accompli' as coverage is now very high (91% of the population in 2016).**
- **According to the qualitative findings, in rural areas, livestock provides households with subsistence, a source of investment, and insurance in times of need.**

Regression results reveal that an increase in asset value is associated with a lower risk of chronic poverty. **Households with electricity experience a 52% reduction in the risk of chronic poverty, the largest reduction amongst resource variables.** All results are relative to sustaining an escape from poverty. Electricity is an important resource for sustained poverty escapes, particularly when coupled with the ability to hire, use or buy other electricity-using assets. For example, it plays a role in helping households improve cooking technologies, providing irrigation for farming and energy for non-farm businesses to operate (Pachauri et al., 2013). Other research in Philippines also found electricity to facilitate livelihoods, such as electric sewing machines used at home or electric irrigation.

Some life history respondents allude to these benefits of electricity. As Miriam (rural Alabel, SE) noted, she and her husband “built a three-bedroom house made of bamboo walls and tin roof... [and] also enjoyed the comforts of water and electricity”. However, for the most part, having electricity today was regarded as a ‘fait accompli’ in the qualitative data, given its prevalence across much of the country. In the panel dataset in 2009, sustained escapers on average were more likely to have electricity (83% of households) compared to the chronic poor (52%). In recent years, electricity coverage has increased further, reaching 91% of the population in 2016 (WDI, 2018).

Livestock is another asset that in the regression analysis is associated with a reduced risk (by 46%) of chronic poverty and impoverishment (by 43%) relative to sustaining a poverty escape. Livestock provides rural households with subsistence needs, a source of investment, and insurance in times of low earnings. For example, Miriam (rural Alabel, SE) notes that “Piggery is a good investment. A pig can give birth three times in a year with six litters at the least. In the sale of three litters, one litter accounts for the investment and two litters account for your profit.” Rene’s family growing up (rural Alabel, E) was able to raise six cows, which his father would routinely sell whenever his siblings would need money for education. Typically, sustained escapers through agriculture in the qualitative interviews diversified their sources of income beyond crop farming and into raising livestock.

Unfortunately, the impact of land ownership was not able to be assessed in the panel dataset due to data limitations. The qualitative analysis, however, highlights the importance of land as an enabling asset for farming in rural areas, discussed later. However, it is worth mentioning that this is a contentious issue in the country, given that many communities live on state-land that can be relocated at any moment in the absence of a title. Life histories furthermore corroborate this, finding that many households in urban and rural areas build homes as informal settlers or on government land, particularly the chronic poor. The importance of community in helping maintain these resources by reconstructing houses, for example, is also evidenced in life histories and focus group discussions across rural and urban areas, particularly in the face of shocks such as typhoons, another point we revisit later.

3.2 HOUSEHOLD CHARACTERISTICS

Key Messages:

- **Social capital emerges from the qualitative fieldwork as being important to sustaining a poverty escape. Families without supportive networks are often amongst the most vulnerable, and feature strongly in cases of chronic poverty in the qualitative analysis.**
- **Regression analysis indicates that an increase in household size by one member is associated with an *increased* risk of chronic poverty but a *reduced* risk of impoverishment by 27%, the latter reflecting the importance of productive income earners within these intra-household networks.**
- **Women’s empowerment, an important component for sustained poverty escapes in the fieldwork, was reflected in control of savings, household decision-making, and engagement in community-level politics and social programs.**

- In regression analysis, household heads who completed secondary education were less than half as likely to be chronically poor relative to escaping poverty sustainably- the largest decrease in risk amongst all attribute variables.

Demographics and support systems for a “better life”

Beyond household resources, the characteristics of the household and its head are also associated with sustained escapes or descents into poverty. Descriptively in the latest survey year, households had five members including two dependents on average. In the regression analysis, **an increase in household size by one member is associated with an increased risk of chronic poverty (by 29%), but a reduced risk of impoverishment (by 27%)**. The chronic poverty result is mirrored in the literature (Bayudan-Dacuycuy and Lim, 2014). The finding around impoverishment may reflect a smaller average household size amongst households above the poverty line, and lower costs of accumulating human capital in a context where primary and now post-primary education is free. Also, poor and near poor households in the country generally manage three meals a day, albeit of variable quality with one survey finding that 29% of families rate their food as “poor” (Social Weather Survey, 2017). Meeting subsistence needs is thus less of an issue, and any additional income earners for better-off households could improve wellbeing rather than contribute to impoverishment. **In addition, an increase in the age of the household head reduces the risk of impoverishment and escapes from poverty that are transitory rather than sustained in the regressions**. However, these benefits eventually trail off as the household head becomes much older. Together with the emphasis on multiple income earners noted in the FGDs above, these findings are suggestive of the importance of productive income earners, rather than dependents, that can contribute to improved welfare especially for households that are already above the poverty line.

An important aspect of this demographic driver is the pooled income of husband and wife. To this end, **gender relationships are described largely in a positive light in the qualitative interviews mentioned more often in urban areas, with marriage seen to improve respondents’ wellbeing, particularly in dual-income households or when combined with good financial management**. For example, Marisol’s (urban Daraga, E) marriage gave her a “better life”, as her husband supported her college education and the education of their children in private schools. She was also able to save money as her husband entrusted his monthly salary to her. In other instances, in the qualitative findings, **women’s empowerment was reflected in control of savings, household decision-making, and engagement in community-level politics and social programs**- the latter more common in rural areas. However, despite these manifestations of empowerment, Filipino women continue to earn only 76% of what men earn, and are more likely to work in the informal sector or occupations with lower pay (World Bank, 2012). The analysis of the panel dataset also reveals that female workers constitute just a quarter of working family members aged 15 and above. Promoting economic empowerment of poor women in this context could help support pro-poorest growth.

Beyond collaborative spousal relations, the **collaborative family is successful often as a result of strong social networks, which play a key role in poverty alleviation when it works**. For example, migrants often rely on connections to secure employment, or may live with relatives during initial years of migration, reflective of Filipinos’ culture of having strong family ties and applying “bayanihan”. In addition, life histories include cases where aunts take over childcare, lend money for medication, and help with other household expenses. Lino (urban General Santos, TE) remembers: “There are a couple of times when I will have no income from the shop so I borrow money from the neighbors to buy medicines”. Other life history respondents also note taking loans out from neighbors but also banks (particularly sustained escapers), faith-based organizations, and other local lending institutions.

In contrast, families without a supportive network are amongst the most vulnerable, and feature strongly in cases of chronic poverty in the life history interviews. Hope's (rural Alabel, CP) family, for example, had difficulty in paying for the school fees, as there were fees for the toilet, blackboard use and school supplies. She did not own proper school shoes, so wore slippers to school, walking for one hour on tough terrain and through rivers just to arrive in school. During rainy seasons, especially during high intensity rainfall, river levels would be high and prevent her from going to school. Though Hope's parents occasionally borrowed from their neighbors, it was an insufficient addition to household income so she had to drop out of school after a year to help with the family harvest. Lucy (rural Alabel, CP) also experienced hardships stemming from an unsupportive network, illustrating that social capital can also be negative or even exploitative. At the age of nine, Lucy began to work for her aunt's family in a nearby city, with the promise of education in return. She served her aunt's family for 20 years without being paid or sent to school. Through the help of a friend, Lucy was eventually able to escape from her abusive aunt.

Education: "Our children are our hope"

The qualitative analysis shows almost universal recognition of the importance of education for improved wellbeing and as a strong driver of social mobility. Life history interviews highlight a pattern of lifelong education, where interviewees might drop out of education when resources were scarce, but go back later in life. **In the regression analysis, household heads who have completed at least secondary education were 63% less likely to be chronically poor relative to escaping poverty sustainably- the largest decrease in risk amongst all attribute variables. These households, where the head completed at least secondary education or higher, were also much more likely to have a higher number of members who had also in turn completed secondary education (74% compared to 32% otherwise),** enabling better employment opportunities. For example, household heads with at least secondary education were more likely than other heads to be government officials, professionals, clerks, service workers, traders, and machine operators. Together, secondary and tertiary education combined with better employment opportunities has promoted a virtuous cycle of resilience-building for future generations.

Free secondary and tertiary education has reinforced this drive. Free secondary education became effective in 1997, while free tertiary education in more than 100 state universities was signed into legislation in 2017. Reflecting on her earlier struggles, Linda (rural Polangui, E) noted that "the conditions are way better now because of free secondary and tertiary education. How I wish we had that during our time." As a result of these policy changes, secondary education today has become increasingly widespread, with 66% net enrolment rate in secondary schooling by 2015 (UIS, 2018). **In the life histories, tertiary education emerged as the new aspiration to ensure sustained improvements in wellbeing for children.** Alice (rural Polangui, SE) shares that her parents adequately managed their resources despite being poor, and funded her and her siblings' education. Through her and her parent's hard work, determination and initiative, Alice graduated from college and found a stable job, which she credits as her pathway out of poverty. Relatedly, three in four sustained escapes in urban and rural fieldwork areas alike had a college degree, compared to just one in four transitory escapers. Tertiary education has been a critical initial bedrock from which households then sustained poverty escapes over time, according to qualitative analysis of the fieldwork.

In contrast, **household heads who have completed only primary education are more than twice at risk of impoverishment relative to a sustained escape from poverty, albeit at a marginal level of significance (p-value<0.10). This may reflect instances wherein households get mired in debt for education-related and other expenses. In regression results, though data limitations preclude us from investigating the reason for loans, receipt of a loan is associated with a higher risk of impoverishment relative to a sustained escape.** This could be

a case of reverse causality, where loans are taken out to mitigate a severe descent into poverty. Or, it may be due to the conditions of the loans. In the fieldwork, Alice (rural Polangui, SE) recalls that her parents would often take out a second or third loan from a variety of sources— relatives, informal lenders or ‘loan sharks’, and formal lending institutions- in order to pay off previous loans. Rene (rural Alabel, E) recounts “my father would drown in debts because he needed to send my siblings to college”. In other instances, households forego investments with immediate returns in favor of the long-term benefits of education. For example, though Juan (rural Polangui, CP) wanted to legally own his tricycle, he could not afford to buy one because he had already taken loans for home improvement and to support his children’s education. “Our children are our hope,” he emphatically noted, reaffirming the instrumental importance of education both for the wellbeing of future generations and as a form of insurance as household heads age out of economic activities and into non-productive years.

However, in spite of the drive towards securing higher education, interviews with local leaders in Sarangani revealed that certain groups continue to be left behind. According to the interviewees, **indigenous people are often amongst the poorest, lacking educational opportunities because teachers normally hold classes for only three days a week due to remoteness and poor road conditions.** Without a regular supply of education, the chronically poor in these areas are without the intangible assets through which to escape poverty, let alone sustain that escape over time.

3.3 HOUSEHOLD ACTIVITIES

Key Messages:

- **Household heads that engaged in agriculture alongside owning a non-farm enterprise experienced a 75% reduced risk of transitory escapes from poverty- the largest risk reduction amongst resource variables. On its own though, a lack of market access and high transportation costs especially for small farms with production inefficiencies often constrained agriculture wage labor and self-employment in agriculture from being a pathway out of poverty for the rural chronic poor in the fieldwork.**
- **Salaried employment and self-employment in non-farm enterprises were often successful routes out of poverty according to the fieldwork, and were more successful in urban areas. While salaried employment can provide stable returns, an appeal of engaging in a non-farm enterprise is the potential for higher returns.**
- **Migration was a way of life for a majority of life history respondents at some point in their lives, but more common amongst sustained escapers relative to transitory escapers according to the qualitative analysis.**

Agriculture: A mainstay for the poorest households

The economic activities that households engage in can make or break their ability to sustain poverty escapes. Self-employment in agriculture was a common activity for the poorest rural households. **Sustained escapes through self-employment in agriculture was possible when linked with intense diversification and collaboration. On diversification, household heads engaged in agriculture work while owning a non-farm enterprise experienced a 75% reduced risk of transitory escapes from poverty according to regression results,** at marginally significant levels ($p < 0.10$). Collaboration within the household was an important aspect in upward mobility through strongly diversified agriculture and non-agriculture activities, according to qualitative findings. Grace (urban Daraga, E) moved in with her in-laws after marriage, who own farmland where they grow coconut and root crops, with livestock. Her in-laws also saved enough money from farming to buy a sound system and set-up a rental business. Her husband helps with the business and farming, while she works as a seamstress. Grace’s close relationship with this family network, and diversification within agriculture but also to non-farm enterprise has helped the family move out of poverty. Miriam’s (rural Alabel, SE) childhood family is an

example of collaboration and increased intensity of diversification within agriculture. They raised livestock, and through money lent by her uncle, purchased land on which they planted corn, cassava, yams, and onions, and sold their agricultural produce in a bigger public market space in General Santos City. Miriam recalls the hard work this required: “We were up at dawn. We tilled the land, we planted, we harvested. We brought heavy sacks of produce to the market”.

While possible, sustained escapes through agriculture alone remained infrequent. **According to the qualitative findings, production inefficiencies of small-scale farms, lack of access to the market, high transportation costs often prevented self-employment in agriculture from contributing to poverty escapes in rural areas.** Lorna’s family (rural Alabel, CP), had to leave their land because of high transportation costs between the farm and market. They would pay PHP300 to rent a motorcycle to bring produce to the market and the same amount to bring it back to their upland barangay. Moreover, a large dependency share (with seven children) rather than productive members, and farming as their only source of income aggravated financial pressures for the family.

Wage labor: Insecurities prevail

In contrast to self-employment, wage labor offered few opportunities for households to sustainably escape poverty. Agricultural wage labor was almost twice as common amongst the chronic poor relative to sustained escapers in the life histories. Daily basic pay in agriculture on average was almost unchanged in 2015 compared to its 2001 level in real terms (Briones, 2017). Non-farm wage labor also followed a similar trend by poverty trajectory, but was more common in urban areas. Non-farm laborers and unskilled workers were the most common non-farm occupation type in the panel dataset, with a slightly higher share amongst the chronic poor (30%) compared to sustained escapers (23%). **In the fieldwork, relatedly, a similar trend was observed, with individuals moreover often engaging in these activities out of compulsion rather than choice.** Fe (rural Alabel, CP) notes that working for her aunt in her grocery store was the only way that she could help her parents, while Lito (urban Daraga, CP) similarly recalls that he “worked odd jobs wherever available” to help pay for his education. This reflects a trend of older boys taking often more than one petty trade sales jobs to support schooling.

During their adult years, while absent amongst the primary livelihoods of sustained escapers, **life history respondents who were chronically poor or had only recently escaped poverty, engaged in tricycle driving as a common livelihood especially in urban areas.** Richard (urban Daraga, CP) notes that being a tricycle driver is “the only easiest and fastest way to earn money”, though also comes with high risk of accidents. However, tricycle drivers (mainly men) and garment factory workers (mainly women) were also often affected by policy regulation of labor markets (see Table 2).

Balancing risks and rewards: salaried employment vs non-farm enterprises

In contrast to wage labor, salaried employment and self-employment in non-farm enterprises were more successful routes out of poverty according to the fieldwork, and more common in urban areas. These were often underpinned by social capital (discussed in Section 4). In the fieldwork, there were several instances of household employment in local government, often achieved through social networks, that helped provide a steady income. Data limitations preclude us from assessing the importance of salaried employment amongst sustained escapers in the panel dataset.

The incentive for engaging in a non-farm enterprise is the chance for a higher reward compared to steady but lower returns through stable employment. These businesses often required “hard work”. However, as Marisol (urban Daraga, E) reflects, hard work can be a worthwhile sacrifice because a good business “allows you to invest in other sources of income.” In this way, and with start-up capital from a sibling, she was able her to complement her bakery business with other

opportunities including selling beauty products. **Amongst sustained escapers in the panel dataset, the most common non-farm entrepreneurial activities in the latest survey year was wholesale and retail trade (27%), and manufacturing (8%).** At the intersection between petty trade and business in the fieldwork moreover was a proliferation of ‘sari-sari stores’, an avenue for women to diversify activities and reduce business risk through this source of liquidity, though not remarkable in terms of income generation or on its own to sustain an escape from poverty.

Migration: Connections and financial management matter

In addition to working in their home towns or villages, **half of sustained escapers and a majority of transitory escapers in the life history interviews chose to migrate at some point in their lives or had family that migrated and were sending home remittances.** Migration was a common strategy for parents of sustained escapers in urban areas- only one life history respondent in the fieldwork was born in the same city of the interview, reflecting the role of ‘permanent’ migration of the household in aspirations for a better future. Often when they were young, respondents across rural and urban areas would themselves migrate internally for few years at a stretch, sometimes in groups and often to the capital to undertake various jobs in the service sector- markedly different from their parents who engaged predominantly in agriculture or fisheries livelihoods even following internal migration. International migration of respondents and other family members or relatives was more common from urban areas, and heavily gendered, with men typically engaging in construction work, and women as domestic workers typically in the Middle East. **For those without social capital, the fieldwork highlights how migration was not always a key driver for escaping poverty or a way to improve resilience** (Box 3). Moreover, in regression results, remittances are not statistically significant, possibly reflecting its mixed use as a productive source, to stave off impoverishment, and smooth consumption, rather than in increasing income.

Box 3: Temporary migration and permanent employment for a sustained escape

Carmen was originally unable to find work in the Philippines as a teacher because she lacked the “proper recommendation” in spite of passing the required exams. Living in poverty at the time, she then migrated to Saudi Arabia with her cousins who had been overseas Filipino Workers in the past, and was a tutor for a princess in the country. Feeling that her salary was too low for overseas employment, she decided to return home after six years, though later re-migrated to the United Arab Emirates for a substitute teaching position, and then to Saudi Arabia again for domestic work as a caregiver for an elderly woman in a wheelchair. Heavy duties of caregiving in this latter post, ranging from the physical exertion of pushing the wheelchair around and reduced sleep to cater to the needs of her employer ultimately exerted a toll on her, and she returned home.

The following year, because of her ethnicity and education, Carmen was offered a government post at the Office of Muslim Affairs through her brother’s close connections with the Moro National Liberation Front (MNLF). Initially, Carmen was given the post of Statistician. After a year, she was promoted to the position of secretary to the Executive Director. At that point, Carmen was earning as much as she was getting when she was working overseas.

Source: LHI with Carmen, urban General Santos, SE

3.4 HOUSEHOLD SHOCKS AND STRESSORS

Key Message:

- **A greater presence of high-intensity typhoons was associated with over double the risk of impoverishment relative to a sustained escape from poverty in the regression analysis.**

The effects of disasters extend beyond immediate damage to infrastructure to impact education and livelihoods, which can affect long-term wellbeing.

- **Regressions indicate that households in all regions were less at risk of impoverishment or transitory rather than sustained escape from poverty, when compared to households in ARMM, likely due to regional differences in crime and conflict.**
- **An increase in health spending by households is also associated with a higher risk of impoverishment according to regression results. In the qualitative data, health shocks were the reason cited by many households for falling back into poverty after escaping.**

Households that are non-poor or have managed to escape poverty through resources, education or economic activities can fall into poverty in the face of shocks. The main shocks in the qualitative data were climatic instabilities, crime, and poor health. In each case, family and wider community networks were often available for support and helped cushion the negative effect of the shock on family welfare. Lack of this support often meant severe impoverishment. We discuss the main shocks from the fieldwork in turn.

1) Natural hazards and the risk of impoverishment

Typhoon (meteorological hazard) and drought (climatological hazard) were the first and second most common natural hazards reported in the life histories, reflecting trends in the country at large. Drought predominantly affected interviewees engaged in agriculture. For example, spells of drought brought by El Nino between 2011 and 2014 required Myrna (rural Alabel, CP) to fetch grass from areas further away from her house to feed her cow, Anton (rural Alabel, CP) to avail loans from moneylenders and rely on government rations for food, and John Rey (rural Alabel, E) to take out a loan to fund his son's college education.

Rapid-onset high-intensity typhoons had a more catastrophic impact on wellbeing, according to participants and suggested by our regression analysis. Between 2007 and 2010 alone, the country experienced 67 typhoons, located mainly in Luzon compared to other areas (Israel, 2012). **In our regressions, greater presence of high-intensity typhoons (signal number 3) was associated with over double the risk of impoverishment relative to a sustained escape from poverty.** Typhoon Reming in 2006, Juaning in 2011, and Nina in 2016 devastated public infrastructure, homes, schooling, and livelihoods. Local leaders interviewed in Polangui noted that Typhoon Juaning destroyed public infrastructure and left Polangui and nearby towns without electricity for months. Life histories add to this narrative. For example, the school in which Richard's wife (urban Daraga, CP) was employed was closed for long periods of time due to its conversion into an evacuation center. His tricycle work, too, was affected as he needed to attend to the house first before his livelihood. Mailyn (rural Polangui, TE) recalls how her fish cages were affected by natural hazards: "If a storm destroyed a fish cage, we lost money on feeds and the net and it took another five months to raise fingerlings again."

In the face of disasters, families "give high priority to repairing our house right after a storm. We need shelter and a roof above our heads more than anything." (Carlo, Polangui, CP). To this end, Carlo's family has rebuilt their house from materials that remain in the house and from neighbors. Also effective was the role of local governance units primarily in the immediate recovery period following disasters, which typically provide construction materials – which Carlo's family for example used to build a sturdier home—and other relief goods.

2) Crime, conflict, and down-sizing livelihoods

Conflict and crime also affected household ability to sustain poverty escapes. **Regression results indicate that households in all regions were less at risk of impoverishment or a transitory relative to a sustained poverty escape, when compared to the ARMM.** Interviews with local

leaders moreover revealed that though the security has improved over the last decade in some areas like Sarangani, during recent road improvement projects by the government, insurgent groups terrorized private contractors who refused to pay the revolutionary tax, thus hindering access to key infrastructure for households (KGI).

As another shock, life histories highlight instances of terrorism and crime exerting a downward push on wellbeing. Terrorism caused fear in parents in letting children walk to school (Gerry, General Santos, CP). Types of crime include land grabbing (Carmen, General Santos, SE), respondents' involvement in a gang due to limited job opportunities (Lito, Daraga, CP), and burglaries. John Rey's family (rural Alabel, E) experienced several burglaries and bandits threatening his household at gunpoint to extort money during harvest time. However, these incidents did not bring his family "back to zero" as they had other livelihoods and an ample maize harvest. Nevertheless, his parents "down-sized their livelihood" by limiting time spent on fields, corn planted and harvested, and by selling livestock "because it was hard to maintain them, as we found it increasingly difficult, and we became more afraid due to the crime incidences." As such, though crime did not render John Rey destitute, it still prevented his family from escaping poverty.

3) Poor health and mitigating its adverse effects

Another type of shock is ill health, which can impoverish individuals and households. **An increase in household expenditure on health is also associated with a higher risk of impoverishment in regression results. The fieldwork also saw many instances of poor health, with sickness (particularly lung-related illnesses including tuberculosis) observed commonly amongst the chronic poor, many who were not PhilHealth members.** Anton (rural Alabel, CP) noted "My family and I don't have PhilHealth because we don't have the financial means to be a part of it." As a result, they did not have enough money to continue his father's treatment, who then eventually passed away. Even for chronically poor households with members covered by PhilHealth (which covers room charges and doctors' fees), challenges in paying for any or the correct dosage of medicine remain. As Juanito (rural Alabel, CP) notes, "the problem starts once you get out of the hospital" and may even dissuade some families from getting medical attention in the first place. For example, Nena's (urban Daraga, CP) husband did not receive medical consultation for a cyst due to the possibility of her husband having to stop work. "We cannot afford for my husband to stop working. Our family relies on him," she noted.

For those who live in poverty but may be closer to the poverty line than many chronically poor, the adverse effects of poor health can sometimes be mitigated through social connections and government assistance for hospital costs or grants for hospitalization. This was evidenced in the fieldwork. Rene's husband (rural Alabel, E) experienced a disabling event that caused him to resign from his job. The role of PhilHealth insurance in defraying almost a third of his hospital bills prompted the family to thereafter enroll in health insurance as self-employed individuals. However, **transitory escapers in the fieldwork often fell back into poverty following an unexpected health shock, which was associated with another shock (Box 4), as a result of which they were unable to continue their usual economic activities.** Indeed, in the fieldwork, health shocks were the most prevalent shocks for pushing households that has escaped poverty, back into poverty.

Box 4: Health and related shocks preventing a poverty escape from being sustained

In August 2017, Dindo began to suffer from severe stomach pains. As the main income-earner in his family, he continued to drive his tricycle albeit with great difficulty. However, by November, he became immobilized from the pain and was hospitalized for treatment. The doctors diagnosed him with stomach cancer in December 2017. From then on, Dindo has been staying at home because of his weakened condition, and has stopped driving his tricycle. His wife, mother and two sisters now take care of him. His mother, who used to work in the rice fields, has recently stopped her work as well because of a worsening

case of rheumatism. Nobody in his immediate family is working, which has put a strain on finances and reduced his family’s wellbeing.

Dindo’s family meet everyday subsistence needs through provisions by his brother, and his two sisters’ husbands who work in Legaspi city on minimum wage salaries. His brother, also a tricycle driver, brings his son to school including all other expenses that the child may need. Dindo now relies on siblings for his medical expenses. His wife on several occasions also asked her siblings and close relatives in Tabaco City to lend her money so that she can bring her husband for the hospital check-up and buy him his medicines. However, the family is unable to raise money for his treatments and has foregone a number of scheduled appointments and medications due to lack of funds.

Source: LHI with Dindo, transitory escaper in rural Polangui

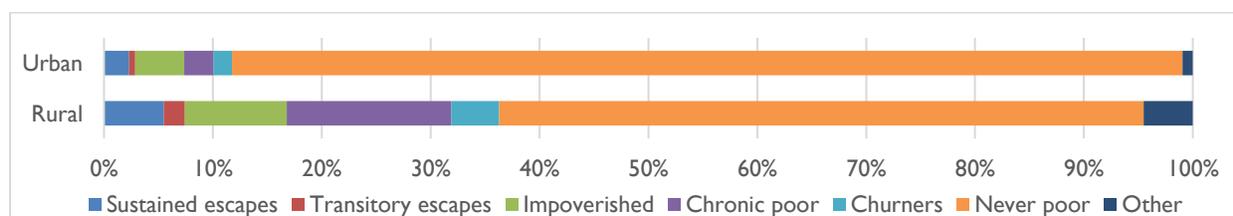
3.5 SPOTLIGHT ON URBAN IMPOVERISHMENT

Key Message:

- For every 10 households that sustained a poverty escape between 2003 and 2009, in rural areas 18 became impoverished; while in urban areas, the figure was 23.
- Without ample job opportunities or the development of productive jobs in urban areas, high levels of unemployment and underemployment have persisted. Other facets of urban poverty include inaccessible social services, aggravated during disasters.
- A greater presence of high-intensity typhoons is associated with over four times the risk of impoverishment relative to a sustained escape from poverty in urban areas.

While the analysis so far focused on sustained escapes generally, there are important differences between rural and urban areas. **For every 10 households that sustained a poverty escape between 2003 and 2009, in rural areas 17 became impoverished; while in urban areas, the figure was 20. Poverty mobility was higher in rural areas. The share of chronic poverty was also over five-fold higher in rural compared to urban areas.** Of these, differences in rates of chronic poverty between areas are statistically significant. More recently, urban poverty in absolute numbers continue to rise, and urban poverty rates remain high, affecting 14% of the population in 2014 (ADB, 2014). Today, the Philippines alongside China and Indonesia are amongst the top three countries with the highest concentrations of urban poor in the East Asia Pacific region (Baker and Gadgil, 2017).

Figure 4: Poverty trajectories by area of residence



The higher ratio of impoverishment to sustained escapes from poverty in urban areas (Figure 4) reflects a risk environment different to rural areas. Rural poverty has driven rural-urban migration in past years, but without ample job opportunities or the development of productive jobs in urban areas, **high levels of unemployment and underemployment have persisted, pushing millions into slums** (UPRCP, 2011). Housing projects have been insufficient to absorb over 100,000 families in ‘danger’ areas such as along waterways or roads. Resettlement programs are often far from basic services, lack quality, and bring difficulties in paying mortgages in the absence of productive jobs (UPRCP, 2011). Indeed, analysis of the

panel data reveals a lower rate of mortgages of property in urban compared to rural areas even amongst sustained escapers.

Other facets of urban poverty include inaccessible social services. Even though secondary and tertiary education has become free, supply has not increased to match demand. Congestion in urban areas has meant that as many as 70-80 students may be crammed into primary school classrooms (UPRCP, 2011), lowering quality of learning and delay or prevent progression. Local leaders interviewed in Daraga also noted that there remained a lack of health facilities and doctors in the area.

Inaccessibility of services can be aggravated during disasters. Local leaders noted that the eruption of the Mayon Volcano in 2018 saw at least 13,000 people in Daraga and neighboring areas moved to evacuations centers in schools and covered courts, which has put added pressure on access to limited essential services. Relocating families away from danger areas affected by typhoons and volcanic eruptions has also led to an arrangement where families live in relocation areas and travel to farmlands in danger zones to till their land when this is permissible. However, this journey may prove difficult depending on the location of their barangay. Though road improvements have been observed since 2013, particularly as a result of the construction of an airport, local leaders noted that the road system was only improved for less than one in five barangays in the municipality.

To investigate household-level drivers of urban poverty dynamics, we regress our correlates on the subset of urban dwellers, which account for 48% of households in the sample. A key nuance emerge from our earlier analysis. In particular, **a greater presence of high-intensity typhoons is associated with over four times the risk of impoverishment relative to a sustained escape from poverty.** Indeed, the impact of flooding in Manila alone causes business disruption and a host of health and sanitation issues. The cost of accessing water in slum dwellings can skyrocket, and many in informal settlements or without property tenure may not be able to access a water pipeline. The lack of basic urban services is alarming, with ineffective urban planning as well as low expenditures for urban infrastructure that consistently lag behind the pace of urbanization (Human Cities Coalition, 2016).

The analysis so far examined drivers of transitory escapes from poverty, impoverishment and chronic poverty, relative to sustaining escapes from poverty. The next section builds on this analysis by exploring common strategies for sustaining poverty escapes over time.

4. ONWARDS AND UPWARDS: KEY INGREDIENTS FOR SUSTAINED ESCAPES FROM POVERTY

Key message:

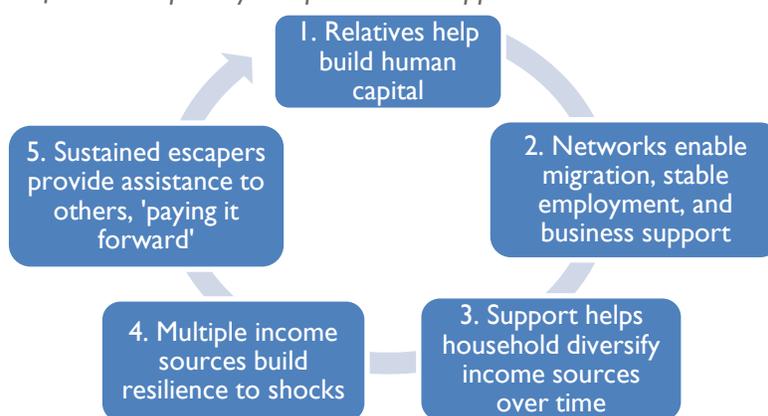
- **Social capital is instrumental in initially promoting escapes out of poverty, though not a driver necessarily in the process of sustaining these escapes over time according to the analysis of the qualitative data.**
- **Households sustain poverty escapes often through multiple income sources, and maintain resilience in the face of shocks as a result of this diversification or successfully assessing market demands. In order of importance, salaried employment and non-farm enterprises have provided successful avenues out of poverty in the fieldwork, with the former more common in urban areas and preferred by many for its stable, steady income. Sustained escapes in agriculture was still possible through diversification (within agriculture but particularly into other non-farm activities) as noted in the regression results, and intra-household collaboration as evidenced in the fieldwork.**
- **Once households manage to sustain escapes from poverty, they engage in a virtuous cycle of 'paying it forward' by aiding other families.**

Social trust, cohesion, and continuity of social ties have been instrumental in promoting escapes out of poverty in the Philippines. The sense of community in fieldwork sites is strong, and a key driver of poverty escapes though less so of longer-term resilience. Its use varies across poverty trajectory:

- **Transitory escapers** may rely partly on business income and/or on support from neighbors, relatives, and local government assistance.
- **Poverty escapers in recent years** continue to rely on these connections, for example in the city government or local government networks, which has helped with daily expenses including on education as well as with defraying costs associated with shocks.
- **Sustained escapers** typically do not have to rely on these connections once they are out of poverty (though they still have them, particularly abroad), but instead use income from livelihood activities to cover costs (or loans for education or to growth their businesses). To maintain resilience in the face of shocks, they also use this income and may to a lesser extent rely on social networks. As they age into post-productive periods, they continue to receive support from children.

The social cohesion and capital evidenced in the qualitative life histories is moreover manifest across all categories of drivers—in nurturing capacities through supporting the education of relatives, helping secure livelihoods, and relatedly in resilience to and building back resources in the face of shocks. We explore these next, as strategies to escape poverty, and the strategies households take thereafter to ensure that they sustainably remain out of poverty.

Figure 5: Virtuous cycle of sustained poverty escapes in the Philippines



Ingredient 1: Social capital for human capital

A key driver of a poverty escape in the fieldwork is through accumulating human capital, often supported by relatives not necessarily part of the nuclear family. For example, Jessa (urban Daraga, SE) moved to her paternal aunt’s house in a nearby city during her high school years and received funding and allowances for education from her aunt. During her college years, she then moved to Albay to live with her uncle and his family. “My uncle persuaded me to finish college so that I can find a job and have a better life.” She adds that she would help around the house as a form of payment for the generosity of her relatives. These relatives and other better-off community members are instrumental moreover in providing funds to offset costs associated with shocks and promoting the human capital of children. For example, Julie (rural Polangui, E) asked her brother in Qatar for additional financial support for her children’s education. Two years ago, the same brother provided assistance for the laboratory procedure and medication of her fourth child who suffered from a swollen kidney. **The first ingredient of a sustained escape is thus having a foundation of strong family networks. This is particularly relevant in the process of initially escaping poverty, as it provides households with insurance**

and help with human capital, so freeing up their ability to build on existing income sources upwards out of poverty.

Ingredients 2 and 3: Social capital and collaboration for livelihoods and diversification

Coupled with human capital are certain features of work and livelihoods, which have proved particularly fruitful for those escaping poverty and then sustaining that escape over time. **Through different activities, poverty escapers, whether recent or sustained over time, have benefitted from social capital at different levels, from intrahousehold collaboration to community support and up to connections with local leaders.** As noted earlier, success in farming was possible when linked with diversification (typically into non-agriculture enterprises, but also possible within agriculture) combined with collaboration. Non-farm enterprises as a pathway out of poverty was more common, particularly for individuals with a second stable activity to fall back on (see ingredient 4) and where start-up capital and support from siblings reduced business risks. Another route to sustainably escape poverty was through salaried employment, typically in urban areas and in local government, preferred for its low risks and steady income. Jessa (urban Daraga, SE) found out from a friend inside the ‘barangay’ about a job opening as a health worker, which she applied for as it “provided a steady income”. The importance of political connections for upward mobility has been an instrumental trend in the country (Narayan et al., 2009).

For households not engaged in non-farm employment in the Philippines, migration provides a lucrative alternative. **Sustained escapers typically drew on social networks in various stages of migration.** For example, Miriam (rural Alabel, SE) recalls her childhood family was helped in their migration to Sarangani: “My paternal uncle... assisted my father in bringing our whole family to Sarangani,” recalled Miriam. “When we first moved to the new place, the community helped us build a house – *bayanihan* style - that was bigger than the one we used to live in.” **Escapes out of poverty in the fieldwork are also sustained when women migrate internationally for short-term domestic work, often a few years, to help build up the human capital of their children. They may secure this employment through social networks.** For example, Michael’s wife (urban Daraga, SE) decided to work overseas for higher pay due to their growing family. Through her sister’s referral, his wife found work as a domestic helper in Singapore in 2013.

Ingredient 4: Multiple income sources for savings, and resilience to shocks.

As noted earlier, **non-farm activities and enterprises, whether at home or abroad, were fruitful to those who had additional livelihoods to contribute to household income, or a second stable activity to fall back on.** As Carmen (urban General Santos, SE) notes, “Having a regular paying job allows me to nurture my business while it is not profitable. At least, I still have my salary to live on while my catering business is still getting off the ground.” On activities rather than enterprises, the difference of tricycle driving amongst the chronic poor, compared to those who had escaped poverty recently, was that the latter might drive tricycles to augment income alongside existing primary occupations. Diego (urban General Santos, E), worked as a tricycle driver during the evenings. To increase his income, he also became a community organizer for a local politician and became active in organizing youth-related activities.

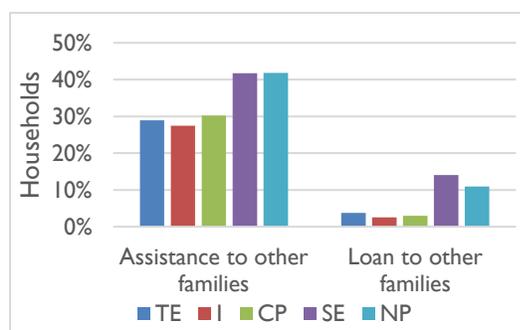
Sustaining an escape from poverty during productive years often saw a reduced reliance on others, including reliance on social networks. In turn, improved income over time, whether initially supported by social networks or maintained through “hard work” (Rico, urban Daraga, SE), may then enable households to access formal loans for productive purposes and so continue to sustain poverty escapes over time. Jose (rural Polangui, SE) recently took out a loan at a local lending institution, payable for one year with 2% interest per month, to further expand

his business. Improvements in business over time results in increased savings for households, which then helps maintain resilience.

For sustained escapers, often the key to maintaining resilience in the face of these shocks was their ability to draw on multiple income sources. Alice (rural Polangui, SE) was able to remain out of poverty in the face of typhoons destroying her pig pen and rice crops due to savings and earnings from multiple livelihood sources, which were pooled to use as a counterpart capital for a formal loan to repair and improve the pig pen. Cash in hand through sari-sari stores as a secondary livelihood activity was also a source of liquidity. **Equally important is the ability to assess and respond to market demand as niche service providers.** Michael (urban Daraga, SE) notes he could “earn more during typhoon seasons because there are a lot of houses that needs cleaning.”

Ingredient 5: Virtuous cycles and paying it forward

Figure 5: Assistance and loans by poverty trajectory



Having diversified their income sources, considerably improved welfare, and maintained resilience, the final ingredient of a successful poverty escape is the multiplier effect it generates. **Quantitative analysis suggests that sustained escapers are contributing to a virtuous cycle of poverty escapes by ‘paying it forward’.** In the last survey year, 44% of sustained escapers provided assistance to other families, a share that was considerably higher relative to the other poverty trajectories of interest, with the difference between sustained escapers and

impoverished and chronically poor households statistically significant at marginal levels ($p < 0.10$). Similarly, 14% of sustained escapers provided loans to other families, compared to 6% amongst transitory escapers. In the fieldwork, evidence of this virtuous cycle is also seen in the sources of support that poverty escapers benefitted from. These sources included wealthier relatives in cities both within the Philippines and abroad providing the human capital support as described earlier, and nurturing growth from below.

5. CONCLUDING REMARKS

This report finds that social networks have been instrumental in helping people escape poverty, while economic activities and multiple sources of livelihoods- especially in stable, salaried employment or non-farm businesses- have helped sustain poverty escapes in times of climatic instabilities and other shocks. Moreover, the poor who escape poverty sustainably are ‘paying it forward’ by helping social networks, providing both as insurance in times of distress and an enabler for a poverty escape. In this way, through growth from below, a virtuous cycle of sustainable poverty escapes is witnessed in the Philippines.

However, a word of caution is necessary in this tale of zealous optimism. Households without larger family networks or social capital, often the chronically poor, remain largely excluded from this cycle and in some instances also from formal social assistance, which could otherwise act as a substitute for family-based networks. The challenge going forward is how best to include the chronic poor in the virtuous cycle of pro-poorest growth such that they may also escape and sustain poverty escapes in the Philippines, and in doing so, to ensure that safety nets are effective in cushioning against impoverishment. The associated brief (Diwakar, 2018) discusses policy implications of these findings in more detail.

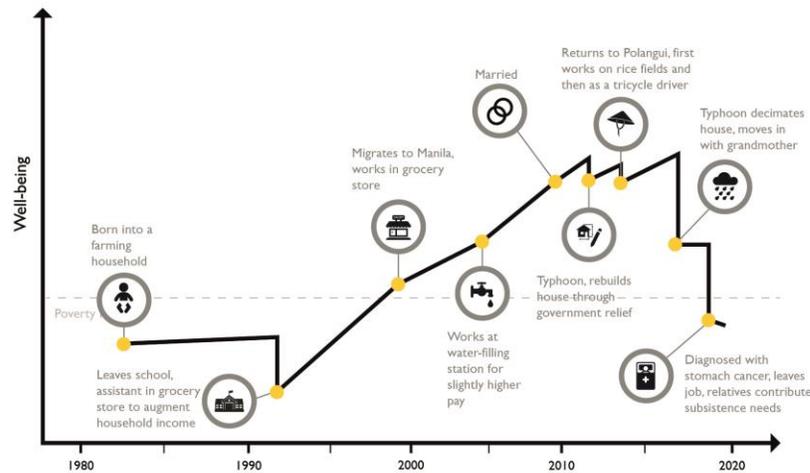
Figure 6: Life history diagrams of transitory and sustained escapers in the Philippines

LIFE HISTORIES

PHILIPPINES



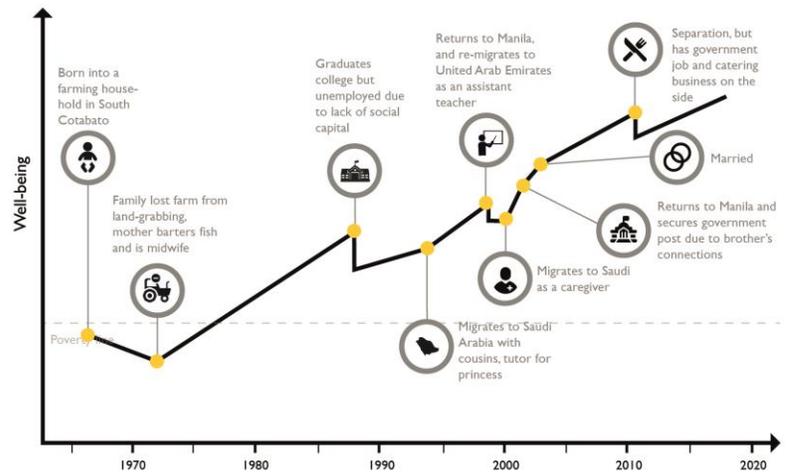
DINDO
Born 1982
Polangui



While typhoons devastated Dindo's home and lowered his family's welfare, it was ultimately a health shock that rendered their escape from poverty tenuous. He was diagnosed of stomach cancer in 2017 and had to stop driving his tricycle, leaving the household without any income earners.



CARMEN
Born 1966
General Santos City



College education provided Carmen with expanded opportunities through migration, which allowed her to escape poverty. Ultimately, it was a stable government job complemented with a non-farm business which ensured that her escape from poverty was sustained.



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ANNEXES

A. SUMMARY STATISTICS

Variable and mean values	Transitory escapers	Impoverished	Chronic poor	Sustained Escapers	Entire sample
Resource base					
Electricity (%)	0.68	0.75	0.52	0.83	0.88
Livestock raising (%)	0.20	0.12	0.19	0.16	0.11
Improved water (%)	0.70	0.70	0.64	0.77	0.85
No sanitary toilet (%)	1.23	1.31	1.33	1.19	1.11
Asset index (share of items)	0.14	0.19	0.12	0.27	0.41
Rural residence	0.76	0.70	0.86	0.73	0.52
Attributes and capacities					
Household size	5.50	5.66	6.48	4.70	4.67
Share of children (%)	0.33	0.42	0.46	0.21	0.25
Dependency ratio (%)	0.42	0.52	0.50	0.31	0.36
Household age	50.63	50.53	46.65	54.07	52.78
Female head (%)	0.18	0.17	0.08	0.19	0.21
Primary education of household head (%)	0.62	0.59	0.69	0.52	0.41
At least secondary education of head (%)	0.28	0.36	0.23	0.40	0.56
Activities					
Employed head (%)	0.84	0.82	0.91	0.88	0.78
Head employed in non-farm sector (%)	0.23	0.33	0.22	0.39	0.47
Head employed in agriculture (%)	0.61	0.49	0.68	0.49	0.30
Non-farm enterprise (%)	0.41	0.44	0.42	0.49	0.49
Remittances/ transfers (%)	0.57	0.65	0.70	0.61	0.65
Receipt of loan (%)	0.21	0.25	0.24	0.38	0.33
Shocks and stresses					
High intensity typhoon (% households in area)	0.27	0.39	0.25	0.37	0.53
Log(per capita health expenditure)	3.98	4.29	3.74	4.85	5.46
Alcohol consumption (%)	0.73	0.66	0.78	0.73	0.63

Note: variables averages are given for the latest survey year

B. REGRESSION RESULTS

Across rural and urban sample

VARIABLES	(Non-farm variable included)			(Farm variable included)		
	Transitory escape	Impoverish	Chronic poor	Transitory escape	Impoverish	Chronic poor
Electricity	0.739 (0.273)	0.774 (0.195)	0.480*** (0.117)	0.743 (0.275)	0.777 (0.195)	0.478*** (0.116)
Livestock	0.991 (0.357)	0.569** (0.143)	0.540*** (0.128)	1.006 (0.363)	0.568** (0.142)	0.540*** (0.129)
Improved water	1.182 (0.411)	0.905 (0.212)	1.204 (0.275)	1.221 (0.425)	0.925 (0.216)	1.228 (0.281)
No sanitary toilet	1.404 (0.503)	1.238 (0.316)	1.319 (0.318)	1.467 (0.527)	1.231 (0.315)	1.321 (0.320)
Asset index	0.140 (0.227)	20.32*** (17.97)	0.0596*** (0.0615)	0.132 (0.215)	19.49*** (17.21)	0.0578*** (0.0595)
Household size	1.108 (0.108)	0.730*** (0.0478)	1.290*** (0.0806)	1.109 (0.108)	0.731*** (0.0478)	1.292*** (0.0808)
Share of children	0.214 (0.323)	1.871 (1.962)	10.47** (12.20)	0.196 (0.295)	2.008 (2.103)	10.80** (12.60)
Dependency ratio	3.037 (3.823)	0.684 (0.626)	3.468 (3.613)	3.545 (4.489)	0.669 (0.610)	3.473 (3.617)
Household age	0.759*** (0.0641)	0.857** (0.0538)	0.765*** (0.0483)	0.756*** (0.0644)	0.858** (0.0539)	0.762*** (0.0482)
Age-squared	1.003*** (0.000849)	1.002** (0.000638)	1.002*** (0.000651)	1.003*** (0.000858)	1.002** (0.000639)	1.002*** (0.000653)
Female head	0.800 (0.441)	0.621 (0.203)	0.627 (0.234)	0.758 (0.419)	0.612 (0.200)	0.612 (0.229)
Primary education of household head	1.117 (0.674)	2.646* (1.371)	0.825 (0.369)	1.095 (0.665)	2.662* (1.375)	0.820 (0.368)
At least secondary education of household head	0.515 (0.347)	1.853 (1.019)	0.371** (0.178)	0.495 (0.335)	1.864 (1.022)	0.369** (0.178)
Employed head	2.146 (1.384)	1.159 (0.432)	1.055 (0.422)	1.324 (0.899)	1.611 (0.624)	0.707 (0.298)
Head in non-farm activity and enterprise	1.993 (1.627)	0.550 (0.239)	0.947 (0.433)			
Head in farm activity and non-farm enterprise				0.249* (0.178)	1.011 (0.407)	0.686 (0.284)
Head employed in non-farm sector	0.444 (0.316)	1.990** (0.689)	0.731 (0.257)			
Head employed in agriculture				3.264* (2.058)	0.734 (0.237)	1.764* (0.569)
Non-farm enterprise	1.574 (0.556)	1.481 (0.364)	0.847 (0.200)	4.720** (2.927)	1.234 (0.387)	1.059 (0.356)
Remittances/ transfers	1.132 (0.353)	0.976 (0.200)	0.837 (0.169)	1.148 (0.359)	0.974 (0.199)	0.845 (0.170)
Receipt of loan	1.196 (0.425)	1.554* (0.363)	1.027 (0.245)	1.208 (0.430)	1.540* (0.359)	1.018 (0.243)

High intensity typhoon	0.659 (0.326)	2.622*** (0.513)	1.062 (0.257)	0.655 (0.324)	2.600*** (0.510)	1.058 (0.255)
Log(per capita health expenditure)	0.818* (0.0941)	1.345*** (0.0959)	0.970 (0.0698)	0.823* (0.0947)	1.348*** (0.0960)	0.972 (0.0699)
PhilHealth	1.701* (0.547)	1.143 (0.256)	0.945 (0.204)	1.681 (0.542)	1.148 (0.257)	0.945 (0.204)
Alcohol consumption	1.054 (0.374)	1.460 (0.352)	1.214 (0.287)	1.016 (0.362)	1.436 (0.346)	1.196 (0.283)
Rural area	0.732 (0.282)	1.060 (0.268)	2.260*** (0.609)	0.724 (0.277)	1.027 (0.259)	2.236*** (0.600)
Region: Bicol	0.0705** (0.0761)	0.0154*** (0.0134)	1.795 (1.617)	0.0764** (0.0824)	0.0173*** (0.0149)	1.913 (1.722)
Region: CAR	0.364 (0.434)	0.0519*** (0.0495)	0.604 (0.633)	0.381 (0.455)	0.0545*** (0.0520)	0.624 (0.654)
Region: Cagayan Valley	0.152 (0.260)	0.00226*** (0.00245)	0.675 (0.824)	0.158 (0.268)	0.00249*** (0.00270)	0.718 (0.875)
Region: Calabarzon	0.0853** (0.0957)	0.0334*** (0.0293)	0.822 (0.771)	0.0966** (0.108)	0.0361*** (0.0317)	0.878 (0.824)
Region: Caraga	0.268 (0.289)	0.0464*** (0.0420)	5.599* (5.303)	0.302 (0.327)	0.0490*** (0.0443)	6.025* (5.709)
Region: Central Luzon	0.128* (0.147)	0.0520*** (0.0462)	1.593 (1.533)	0.133* (0.152)	0.0558*** (0.0495)	1.668 (1.606)
Region: Central Visayas	0.114** (0.123)	0.0744*** (0.0643)	2.981 (2.749)	0.126* (0.136)	0.0815*** (0.0703)	3.183 (2.936)
Region: Davos	0.331 (0.350)	0.0782*** (0.0706)	2.784 (2.659)	0.363 (0.385)	0.0829*** (0.0749)	2.983 (2.853)
Region: Eastern Visayas	0.0671** (0.0754)	0.0380*** (0.0330)	0.828 (0.765)	0.0710** (0.0799)	0.0398*** (0.0347)	0.860 (0.794)
Region: Ilocos	0.272 (0.320)	0.00998*** (0.00913)	1.463 (1.412)	0.308 (0.361)	0.0106*** (0.00972)	1.550 (1.497)
Region: Mimaropa	0.0303** (0.0430)	0.0249*** (0.0237)	1.597 (1.539)	0.0345** (0.0490)	0.0271*** (0.0258)	1.725 (1.664)
Region: NCR	1.18e-06 (0.000455)	0.0111*** (0.0116)	0.532 (0.755)	2.98e-07 (0.000246)	0.0128*** (0.0134)	0.609 (0.865)
Region: Northern Mindanao	0.185 (0.210)	0.0620*** (0.0577)	5.241* (5.078)	0.204 (0.232)	0.0671*** (0.0623)	5.619* (5.452)
Region: Soccsksargen	0.0897** (0.0932)	0.0394*** (0.0336)	0.590 (0.536)	0.0978** (0.102)	0.0424*** (0.0362)	0.622 (0.565)
Region: Western Visayas	0.164* (0.168)	0.0251*** (0.0216)	1.108 (1.008)	0.186* (0.190)	0.0279*** (0.0241)	1.193 (1.086)
Region: Zamboanga Peninsula	0.0584** (0.0645)	0.0189*** (0.0168)	1.638 (1.504)	0.0658** (0.0728)	0.0207*** (0.0183)	1.749 (1.608)
Constant	1,248*** (3,071)	249.7*** (461.5)	58.64** (108.2)	673.3*** (1,665)	250.6*** (463.6)	54.09** (100.1)
Observations	1,167	1,167	1,167	1,167	1,167	1,167

Standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1

C. KEY CHARACTERISTICS OF STUDY AREAS

C.1 - Bicol Region: Bicol has been one of the fastest growing regions over the last five years, consistently over 5% annually, and in 2015 posted the fastest growth (8.9%) in the country (NEDA, 2018; Bersales, 2016). The region is characterized by rich flatlands, where agriculture is the mainstay, though its services sector contributes most to the regional economy (NEDA, 2017). Population growth for Bicol since the turn of the century has averaged 1.4%, reaching 5.8 million people in 2015, with 27.5% of the population living under the national poverty line (PSA, 2018).

Agriculture is the main occupation of rural **Polangui**, with rice fields common in upland areas and root crops a staple. District-level key informants, however, note that steady growth in the area is nurtured through the establishment of town malls, referred to as “industry partners”, and retail stores. This growth is despite a rise in out-migration to Manila and/or abroad for employment, which key informants reflect is partly due to an increasing number of people completing college following the scholarship program initiated by the provincial government during Governor Joey Salceda’s term (2007-2016). The key constraint to growth cited by FGDs and knowledgeable community leaders have been disasters, such as eruption of the Mayon Volcano in January 2018, which saw 86,000 people affected by early February, with 65,000 taking temporary shelter in evacuation centers (UNOCHA, 2018).

Economic development in **Daraga** improved since 2013, following the construction of the airport, improvements of the road system, and helped by its proximate location to Legazpi city. Today, Daraga has transformed into a highly urbanized municipality. Key informants note that it is home to the most number of business establishments in the province (over 1,500 registered businesses), including general merchandise, hardware, cosmetology and *sari sari* stores. Handicraft manufacturing, though key informants note has dwindled since the 1990s, remains a common economic activity. Other non-farm activities in Daraga include construction, especially in the aftermath of disasters, and quarrying.

C.2- SOCCSKSARGEN: The region was reorganized in 2001 to consist of four provinces: South Cotabato, Cotabato, Sultan Kudarat, and Sarangani. It aims to “establish its role as the sustainable food center of the South” (NEDA, 2018). However, SOCCSKSARGEN recently posted decelerated growth, from 6.2% in 2014 to 3.3% in 2015, due to a declining contribution of the Agriculture, Hunting, Forestry, and Fishing Sector that was not offset by expanding industry and service sectors (Bersales, 2016; NEDA, 2018). Moreover, as much as 37% of families in the region lived in poverty in 2015, with rates highest in Sarangani (47.3%) and lowest in South Cotabato (19.8%) including General Santos City (NEDA, 2018).

High poverty in **Sarangani** may stem from its predominantly rural livelihoods (aquaculture, fishery, agriculture plantations), high share of elementary occupations of its young workers, and high percentage of indigenous people (IPs). On the latter, IPs comprised almost a third of its population according to district-level key informants, and are considered as some of the poorest in the country, often lacking educational opportunities. Though security has improved over the last decade, it has impacted poverty reduction, with the uneducated poor amongst the most vulnerable to recruitment by insurgent groups. In addition, *El Niño* in 2014-16 affected the Mindanao region and placed Sarangani in a state of calamity, affecting thousands of farmers and destroying crops leading to extensive production losses.

General Santos City has the biggest land area and seaport in the region, and boasts a modern airport. The biggest employers in the city are the cannery, fishing industry, and the malls. The main shock noted by district key informants was the 2001 bombings of the city by insurgents. Today, conflict has reduced and remains largely instigated by non-city residents, with an additional noted concern by key informants around youth extremism. Due to the perception of relative safety in General Santos compared to neighboring areas, key informants have observed that the city has recently experienced an influx of internally displaced persons from the conflict in Marawi.

D. APPROACH TO PARTICIPATORY WEALTH RANKING

In the Philippines, it is not possible to access the household identifiers from the Family Income and Expenditure Survey. However, we have the district identifiers, and given that USAID also works in some of those areas, we are able to return to them for this research.

This means that the research needs to recreate household wealth trajectories over the previous 10 years using participatory wealth ranking. Specifically, it will conduct historical participatory wealth ranking for three points in time using pre-determined wealth classifications.

Approach to historical wealth ranking (estimated time 2.5 hours):

1. Assemble a focus group of 15–25 participants. Explain the purpose of exercise – stress that this is research and there will be no direct benefits coming from this exercise.
2. Introduce the focus groups to different wealth categories, which have already been determined by previous research (see table below). Ask FGD participants their opinion on those different wealth categories (these categories were slightly adapted during each FGD). Display the wealth categories and talk through them.

Wealth categories for participatory wealth ranking (households do not have to have all characteristics).

	Assets	Education	Nutrition
Indicators of very rich households	<ul style="list-style-type: none"> • Owns some farmland; Owns house with concrete walls, galvanized iron roof • Owns 2-3 motor vehicles: jeepney or tricycle or motorcycle • Employs laborers to work on farmland or enterprise • Lives on income from own produce sold to middlemen or directly to merchants • May receive overseas remittances; Has savings • Able to recover from shocks without external assistance 	<ul style="list-style-type: none"> • All children go to private schools in urban center. • With children reaching tertiary level of education. 	<ul style="list-style-type: none"> • All family members have balanced meals
Indicators of rich households	<ul style="list-style-type: none"> • Owns some farmland; Owns house with concrete walls, galvanized iron roof • Owns one motor vehicle: tricycle or motorcycle • Employs seasonal farm hands (planting and harvesting seasons only) or enterprise • Lives on income from own produce sold to middlemen or directly to merchants • May receive overseas remittances; Has some savings • May be able to recover from natural and man-made shocks or illnesses without external assistance 	<ul style="list-style-type: none"> • All children may go to private schools in urban center. • Children reach tertiary level of education. 	<ul style="list-style-type: none"> • All family members have balanced meals
Indicators of medium households	<ul style="list-style-type: none"> • May own a parcel of land given by his landlord; Owns house with semi-concrete walls and roof made of indigenous material or tin roof • May own a motorcycle. • Farm tenant who depends on regular wage determined by the landlord. • May receive local or international remittances • Might receive conditional cash transfers from government. • May need some external assistance to recover from natural and man-made shocks or illnesses 	<ul style="list-style-type: none"> • All children go to government school or private schools. • Children may reach tertiary level of education. 	<ul style="list-style-type: none"> • All family members eat 3x/day with meals limited in variety and quantity.
Indicators of poor households	<ul style="list-style-type: none"> • Does not own land. Settles on land of kind-hearted relatives or friends. Owns house with semi-concrete walls and roof made of indigenous material • May own a bicycle/ tricycle • Employed by households or household enterprises. • May receive local remittances • Recipient of conditional cash transfers from government. 	<ul style="list-style-type: none"> • Children finish elementary and secondary levels in public schools. • With external aid, children may continue to attend 	<ul style="list-style-type: none"> • All family members can eat at least 2x/day limited in variety and quantity

	Assets	Education	Nutrition
	<ul style="list-style-type: none"> Need external assistance for survival from natural and man-made shocks or illnesses 	<ul style="list-style-type: none"> vocational courses or tertiary schools 	
Indicators of very poor households	<ul style="list-style-type: none"> Does not own land. Settles on land of kind-hearted relatives or friends. Lives with extended family or settles on government property May own a bicycle No steady income; no remittances; Casual laborer Recipient of CCT from government Need external assistance for survival from natural and man-made shocks or illnesses 	<ul style="list-style-type: none"> Children finish elementary and maybe secondary in public school. 	<ul style="list-style-type: none"> All family members can eat at least 2x/day limited in variety and quantity.

For the purposes of identifying households which are transitory escapers, the poverty line is set between the level of medium and poor households in the above table. A separate table with characteristics of urban areas is also created for FGDs in urban areas (available on request).

3. Ask those households present to assign their current situation (2018) to a particular wealth category by attaching post-it notes to the large piece of paper.
4. Then ask them about their situation five years ago and ask them to assign themselves to a category for that time period.
5. Explain to the focus group how households are on different wealth trajectories and start a discussion about the reasons behind impoverishment and upward mobility between 2013 and 2018. Start to fill in a table, like the table below.
6. Do the same exercise for 10 years prior.
7. Explain to the focus group how households are on different wealth trajectories and start a discussion about the reasons behind impoverishment and upward mobility between 2013 and 2008. Continue to fill in a table, like the table below.
8. Ask if they know of any households in the community on PNN or PNP trajectories? Write those names on post-its and stick on the large paper.

Main Reasons for Impoverishment and Upward Mobility

Between 2008 and 2013 (10 Years Ago and Five Years Ago)		Between 2013 and 2018 (Today and Five Years Ago)	
Bullet point drivers of upward mobility	Bullet point drivers of downward mobility	Bullet point drivers of upward mobility	Bullet point drivers of downward mobility

9. Investigate if there are any differences in reasons for impoverishment across the two time periods (e.g., opening of a health center may have resulted in a fall in health shocks, climatic conditions, etc.).
10. Have a discussion about the different types of support/program involvement for households on the different trajectories. Ideally, we can then conduct life histories with households receiving different types of support (e.g. stipends, being in farmer organizations).

E. LIFE HISTORY INTERVIEW TEMPLATE

Life histories with one household head. Either male or female. Ideally the person who took part in the FGD. If that is not possible, then whichever of the male or female household head who is available.

Important points:

- The outputs of the life history interview will be: 1) a narrative of the respondent's life and 2) a life history map (see end of document for an example)
- Map the life of the respondent against the pre-determined well-being classifications.
- Life periods are (though not all may be relevant to every respondent):
 - Childhood: 0 – 12 years
 - Youth: 13 years to marriage/start of own household OR 20 years (whichever is relevant)
 - Young adulthood: Marriage/start of own household or 20 years– 40 years
 - Late adulthood: 40 years – 60 years
 - Old age: 60 years +
- Ensure you identify well-being levels at these points:
 - Childhood
 - Just before start of own household/marriage
 - Just after start of own household/marriage
 - Now
- Focus on upward and downward mobility and reasons for these changes (why the upward or downward mobility in well-being).

Introduction, focus and consent

- When you arrive at the household, introduce yourself, the research and purpose of research:
- Explain our focus: in as much depth as you need to – that you want to understand changes in assets and well-being during their life and to learn more about why such changes happened. Positive and negative events. Explain to them that at five different points in their lives you will be asking questions about; what has enabled them to improve their lives? If they have fallen back then why have they done this? If they were able to manage in the face of shocks then how were they able to do this?
- Obtain informed consent- i.e. ensure respondent agrees to take part in the interview.
- The interview will be anonymous – it won't have their name on it.
- You are going to take notes and record the interview - these notes will only be seen by other members of the research team. The recording will only be made available anonymously to the people who will be transcribing the interview.
- You will write short stories from the interview – some of these (without their name) will be seen by other people.
- Ask permission to take a photograph (if you will do so)
- Other people will see their photograph (without their name)

Getting started

- Write down interviewee's name, age, gender, (interviewer's name).
- Note down individual's appearance and demeanour (happy, sad, anxious, etc).
- Describe house and compound.

Genealogy/demographic

- Draw genealogy tree or table and note sex/ages (date birth) of the household members (nuclear household or, if there are other family members living on the same homestead, include those members); who's married to whom; include multiple spouses and circle the respondents

household; level of education of each household member (especially the person being interviewed, and the spouse).

- If female-headed household, ask how it got there (ie. death of husband or migration or...?)
- Focus on people within the household.

Livelihoods and assets now

[Note for researchers: You can choose whether to do this now or do this chronologically].

[Note to researchers: Interested in physical assets which may include land, livestock, Implements – hoes, trailers, cart, plough, tractors, number of houses, ‘state’ of houses (i.e. tin roof?), clothes/household items, mode of transport, consumer durables (e.g. mobile phone). Get as accurate estimate as possible, but rough magnitude is better than no magnitude at all e.g. more than 5 cows but less than 20].

- Livelihoods now: Can you rank your livelihoods now? (i.e. primary, secondary, tertiary livelihood). Probe for all other livelihoods activities/sources.
- Assets now: What assets do you have in the household? Can you rank them in terms of value? Does your house have electricity? Do you have a mobile phone?
- Land now: Do you own the land you work on/ If you had to sell it, whose decision would it be? (Sharecropping, leasing, mortgaging- which type? Or are you working off someone else’s land?)
- For household: Where do children study? Did they always do that or how it has changed?

[Note to researcher: This is a good point to locate the respondent on Y-axis of life history diagram].

Childhood – approximately 0 to 12 years old

[Note to researcher: at this point we are getting at parent’s livelihood and assets].

- When and where were you born?
 - Parents: Where are your parents from? (Origins of the family - in the case of migration from another place, when did they move and why?).
 - Siblings – how many? Which birth order? Are they sisters or brothers?
- Education: What level of education did your parents have? What level of education do you and your siblings have? How was your education, and your siblings’ education, funded?
- Affirmative action and discrimination: Did you or your family receive any benefits (scholarships, stipends, social assistance...) based on your ethnicity during your school years? Did you experience jealousy from friends or family as a result?
 - Did you experience any stigma or discrimination in gaining access to schooling or during your time at school by anyone, including teachers, other students, or administration? What type of discrimination did you face?
- Livelihood of parents: Can you rank your parents’ livelihoods i.e. occupation during your childhood? What was the main occupation of your parents? What was their second occupation/ source of income? What was their third occupation/ source of income?
 - If involved in crop agriculture, which crops and why?
 - Who were the crops sold to? Who did you get agricultural inputs from?
 - What was the nature of those relationships (i.e. selling crops/getting inputs/etc)?
 - Assets of parents: what assets did your parents have? Can you rank them in terms of value or importance for income generation?

Ask about the house and compound:

- Describe your house and compound you were a small child (e.g. at age 8 years old)
 - electricity, building materials, etc
- How did it compare with other compounds in your village?
- How did it compare with the house that you live in now (much better, better, the same, worse, much worse)?

[Note to researcher: This is a good point to locate the respondent during childhood on Y-axis].

Ask about home Life:

- relationship with parents and siblings;
- responsibilities – what were your chores?
- how was work divided among different members of the family (young, old, men, women)?
- food – and type of food and number of meals/day?
- leisure activities? Paid and unpaid labour outside house?
- health of interviewee and family during childhood?

Ask about important relationships for building livelihoods and coping with shocks:

- Key relationships: landlords, friends, employers, richer households, social networks, neighbours, kinship networks, employment relations, cooperatives, banks
- Looking back over this early part of your life do any difficult events or periods stand out?
- Probe shocks, coping strategies taken, channels of support (relatives, friends, NGOs, church, moneylender etc)
- Note carefully all changes in asset levels, ask if there are any assets that have been particularly important for escaping poverty? Any death of livestock that has been influential?
- Note changes in livelihoods. Any non-farm income/ activity/ enterprise? How did they get this?
- Looking back over this early part of your life are there any positive events or periods that stand out?

Youth – approximately 13 years to marriage (or 20 years old, whichever is more appropriate)

- School: When did you leave school?
 - Probe around if, when and why respondent left school?
- Livelihoods: What livelihood activities did you engage in and can you rank them from the most important to the less important in terms of income?
 - If involved in crop agriculture, which crops and why?
 - Who were the crops sold to? Who did you get agricultural inputs from? What was the nature of that relationship?
- First job/ enterprise/ livelihood activity: What was it? Rank livelihood activities at this period of your life in terms of their importance to household income and food security (e.g. farming, livestock rearing, job, small enterprise...)?
 - How did you get this job/ start this enterprise/ move into this livelihood activity? Did you get help from anyone?
- Job, discrimination: Did you experience any stigma or discrimination in securing a job or while working by anyone, including line managers, other colleagues, or administration (or clients? service users? if in public-facing job)? Was this in any way related to your ethnicity?
 - Did you receive any different (positive) treatment when trying to get a job because of your ethnicity? Did you experience jealousy from friends or family as a result?
 - Has the government helped or hurt your ability to get a job? Have they taken any action to reduce discrimination that has benefited you specifically? Did you experience jealousy from friends or family as a result?
- Job, migration: If you migrated away from the village, did you have a job before you went? How did you find this job? How did you send money back to your family?
- Job, NFE: If you started a non-farm enterprise why did you decide to start this?
 - If so, who and how did this work?
- Describe working conditions/ constraints/ profitability/ shocks/ risks/ coping strategies associated with the different livelihoods activities
- Any credit/ loan taken out? For what? Largest amount? Ever taken loans to repay loan?

- Assets during youth and before marriage/starting own household: What assets did you have before starting own household? How does this compare with assets during childhood? Account for changes in asset holdings – probe reasons for sales and main source of finance for purchases or main reasons for acquisitions and from whom.

Important relationships for sustaining livelihoods and coping with shocks:

- Key relationships: landlords, friends, employers, richer households, social networks, kinship networks, employment relations, cooperatives, banks
- Any participation or engagement in social safety nets? How important is this for your household? When/ in what event has it been especially important?
- Looking back over your youth are there any difficult events or periods that stand out? (use this question to probe shocks, coping strategies, changes in asset levels, changes in livelihood strategies)
- Looking back over your youth are there any positive events or periods that stand out? (Use this question to probe opportunities, investments, resilience)

Young adulthood

Ask about their marriage:

- Are you married?
- How did you meet your husband/ wife?
- Parent's/ family's views of the match? Their view of the match?
- How much was the dowry? Was all of it able to be paid? What was the source of the dowry and where did it go?
- Move to your spouse's village – feelings about that/ problems; setting up home; relationship with in-laws/ extended family/ community; relationship with spouse/took jobs or not? What jobs? Family pressure/consent on jobs?.

Ask about their livelihoods:

- Assets at marriage – in particular productive assets – livestock, agricultural implements, land, rickshaw...
- What livelihood activities did you engage in and can you rank them from the most important to the less important in terms of income and food security? Which were the most important assets for following each particular activity?
- Describe the working conditions/ constraints/ profitability/ shocks/ risks and coping strategies associated with each of these livelihoods activities.
- If involved in crop agriculture, why are you farming? Which crops are you farming? Who owns the land which you farm on? If sharecropping/ leasing what are the arrangements of this? Is it easy to find land to sharecrop/ lease here?
- Have price changes of agriculture goods (either inputs such as seeds or the sales price for crops) affected you? How?
- How did you get any better livelihoods during these years?
- Did you ever migrate? How did you get the good/better jobs if you did?
- Social networks that helped you get the jobs/work?
- Any credit/ loan taken out? For what? largest amount? Ever taken loans to repay loan?,

Ask about their children:

- Make sure dates of births have been identified
- Any difficulty with births?
- How have you financed the education of your children?
- Remittances from older children/ kin

Ask about the health of family members:

- Health of interviewee and family?
- Impact on household well-being?
- Were there any periods of sickness? If so, of who and where did you go for treatment? How much did it cost and how did you find that money?

Ask about relationships which were important for building livelihoods and for coping with shocks:

- Key relationships: landlords, friends, employers, richer households, social networks, kinship networks, employment relations, cooperatives, banks
- Any participation or engagement in social safety nets? How important is this for your household? When/ in what event has it been especially important?
- Looking back over your early adulthood are there any difficult events or periods that stand out? (Use question to probe shocks, coping strategies, channels of support [relatives, friends, NGOs, church, moneylender etc], changes in asset levels, in livelihood strategies).
- Looking back over your early adulthood are there any positive events or periods that stand out? (use this question to probe opportunities, investments, aspiration, resilience)

Late adulthood

- Which assets does the household now have?
- Livelihoods during late adulthood – which assets were particularly important for the different livelihoods activities
- Compare assets at marriage and now and account for changes. Account for changes in asset holdings – probe reasons for sales and main source of finance for purchases or main reasons for acquisitions and from whom
- Were any assets particularly important for escaping poverty? Has the loss of any particular asset been important in the household experiencing any downwards mobility? How did the household cope with the loss of this asset?
- Compare livelihoods at marriage and now and account for changes. For instance, is there now any non-farm income/ activity/ enterprise? What was the source of finance for this? Why did they decide to start this?
- If involved in crop agriculture, why are you farming? Which crops are you farming? Who owns the land which you farm on? If sharecropping/ leasing what are the arrangements of this? Is it easy to find land to sharecrop/ lease here?
- Have price changes of agriculture goods (either inputs such as seeds or the sales price for crops) affected you? How?
- Has there been any change in the profitability of these livelihoods between early adulthood and late adulthood? Has the nature of shocks facing these livelihoods changed over time?

Ask about the health of family members:

- Health of interviewee and family?
- Impact on household well-being?
- Were there any periods of sickness? If so, of who and where did you go for treatment? How much did it cost and how did you find that money?

Important relationships for sustaining livelihoods and coping with shocks:

- Key relationships: landlords, friends, employers, neighbours, richer households, social networks, kinship networks, employment relations, cooperatives, banks. If any of these relationships have been important, how have they been important?

- Any participation or engagement in social safety nets? How important is this for your household? When/ in what event has it been especially important?
- Looking back over your late adulthood are there any difficult events or periods that stand out? (Use this question to probe shocks, coping strategies, channels of support
- [relatives, friends, NGOs, church, moneylender etc], changes in asset levels, changes in livelihood strategies).
- Looking back over your late adulthood are there any positive events or periods that stand out? (use this question to probe opportunities, investment, acquisition, aspiration, resilience)

Older age

- How is life during older age?
- Working or not work? Are you able to support yourself? If not, who is supporting you?
- Health? Were there any periods of sickness? If so, of who and where did you go for treatment? How much did it cost and how did you find that money? If you are taking regular medication, where do you get this from?
- Widowhood: age when spouse died; implications; feelings; change in status
- Relationships with others: responsibilities; support from children; role in community; status?
- Any participation or engagement in social safety nets? How important is this for your household? When/ in what event has it been especially important?
- Any changes in recent years?
- Looking back over your older age are there any difficult events or periods that stand out? (use this question to probe shocks, coping strategies, channels of support [relatives, friends, NGOs, church, moneylender etc], changes in asset levels, changes in livelihood strategies)
- Looking back over your older age are there any positive events or periods that stand out? (use this question to probe opportunities, investment, acquisition, aspiration, resilience)