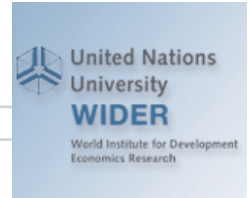


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Grounded Indicators For Well-Being as a Problem of Security

Geof Wood, University of Bath
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GROUNDED INDICATORS FOR WELL-BEING AS A PROBLEM OF SECURITY

Geof Wood

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Professor of International Development
Department of Economics and International Development
University of Bath
Claverton Down
Bath BA2 7AY

Email: G.D.Wood@bath.ac.uk

Tel: (0)1225 826736

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Introduction

This paper is not a philosophical one. It seeks to move rather rapidly from a theoretical point of departure to a series of, in principle, observable indicators, which might constitute part of the agenda for the empirical research of well-being. It is also not exhaustive in claiming a comprehensive account of well-being. Instead it addresses, axiomatically, a sub-set of ideas within a broader set of conceptions about well-being. Thus it sees the problem of security as a major element in the understanding of well-being. Even as a sub-set of well-being issues, security and insecurity have many dimensions only some of which are pursued here. The approach adopted here reflects debates about vulnerability and livelihoods, and operates with a strong sense of time, opportunity, choice and risk. Although for some, the idea of security is inextricably associated with law and order and rights, here the focus is more upon the informal and social conditions for predictability of well-being rather than the statutory context for it. It tries to identify those ingredients of behaviour which are, or could be, in the control of ordinary people in poor situations, given modest policy support. The issue of predictability is central to the theme of this paper.

The broader conceptual elements of WED at Bath deploy three main traditions: a universalist approach to human need; a resources profile approach to understanding livelihoods dynamics; and a set of insights into quality of life, relying strongly upon a subjective notion of well-being. All three of these traditions impinge upon a focus on predictability and security. Of course, behind these traditions lie others which offer enrichment to the well-being theme. Clearly the capability arguments primarily associated with Sen, derived from a prior set of more precise propositions about entitlements, and also drawing upon Rawls' notions of primary goods. There are also anthropological accounts of the 'good life' associated with Redfield and, later, Bailey *inter alia*. Even further back, we should not forget the importance of what might be called the alienation tradition--the forerunner of the structure/agency dyad pervasive across the social sciences. Theories about access and discontinuities between peasant and bureaucratic rationalities embodied assumptions both about what is valued and the organisational conditions under which rights and entitlements could be realised. The associated arguments about labelling and interface further revealed the distortions of the universal meted out to the local: i.e. the power structures through which conformity and alienation denied self-actualisation of culture as expressed through the words and deeds of the subjective good life. Later 'development' themes about participation and governance also have their place in the more fundamental lexicon about senses of belonging, membership, choice and influence over personal destiny: social local rights metamorphosing into political and universal ones. Even counter, alternative and post-development ideas can be understood as a continuation of the self-actualisation theme, celebrating cultural relativism over modern universalism. It is an irony that the universalist proposition about autonomy (in THN) lends itself more to relativist self-actualisation than it does to globalised modernist principles.

All these themes come into the story about predictability and security as a function of well-being. It is a primordial instinct to seek safety for oneself and valued others. Thus there is an additional aspect to be opened up in our discourse: the avoidance of fear about safety. The subjective and fearful feelings of anxiety and panic about safety are common to all humans as a sense of ill-being, but these are exaggerated for some categories of the population due to non-idiosyncratic, systemic vulnerability, characterised by a weak control over personal destiny. Clearly there are a multitude of propositions about political economy, inequality and powerlessness which lie behind that weak control. But essentially, fear and security are inversely related. So if fear is a key element of ill-being, so security is a key part of its resolution and thus a feature of well-being. Fear is strongly associated with the unknown, with uncertainty and unpredictability. It is associated with not knowing if one has the resources (mental, material and social) to cope with unassessable challenges. It is not knowing if one can discharge emotional and cultural responsibilities for kin and friends. It is not knowing whether one can protect oneself or offer protection to valued others in the present and future. Those who can, invest considerable resources in mitigating fear by reducing risk of failure and decline in all forms of well-being (emotional, material, objective and subjective). Those who cannot, remain in fear which thus becomes a prevalent condition in countries with a high incidence of poverty. And an inability to invest derives not only internally from constrained resources (of all kinds) but also externally from uncertainty.

These arguments touch on an emerging debate with the THN proposition that autonomy and health are the key two universals for all, to be pursued through varying sets of needs satisfiers. Health, of course, is a form of security or safety. But the relation between autonomy and security is more problematical. Autonomy is not always a precondition for security: not sufficient, and also not always necessary. The realities of power and inequality mean that autonomy and security need to be disentangled conceptually, even though we may all agree that sustained or 'quality' security can only be an outcome of autonomy. However the reality of well-being for many poor people globally is that their security is achieved through asymmetrical loyalty to or dependence on other powerholders, whether formal or informal: i.e. under constrained conditions of choice and agency. Indeed, depending on the timeline chosen for the analysis, is there a trade-off between autonomy and security for poor people with weak control over personal destiny as manifested through either capability and access, or their profile of resources? The timeline issue distinguishes between value driven and analytic judgements about the quality of security. Short term security achieved at the expense of dependency may be valued less by the ethical philosopher than the impossible dream of higher value security which embodies the principle of autonomy as outlined in THN. One resists the Keynesian cliché at this point--but the issue is taken up again below. Meanwhile, for this paper, security is adopted as a proxy for well-being.

The intention in the next section is to present a series of 12 analytic statements about the security dimension of well-being which have been distilled from previous writing. The following section outlines a series of 7 principles, derived from these statements, through which the security dimension of well-being could be improved. That discussion leads into a summary description and justification of the indicators of change which could realise those principles. It is these indicators which become the research agenda for the empirical analysis of this dimension of well-being.

The Problem of Security for Poor People

When considering the conditions of poverty for poor people in developing countries (and probably elsewhere too), a major feature of those conditions is uncertainty. Apart from the general conditions of uncertainty that afflict the total population and threaten a general sense of personal well-being, the poor experience an exaggerated sense of uncertainty. This derives from: the paucity of effective resources under their command; their consequent inferior position in relation to other, superior, power-holders in the society; and their resulting vulnerability to hazards and shocks. Such uncertainty comprises therefore a series of risks, which have to be managed effectively.

However these risks are likely to be co-variant, occurring in small pools which increases both their probability as well as intensity and significance of impact. The co-variance arises from the narrow spread of activity through which livelihoods are pursued. This is an absence of diversity in a portfolio of options, a lack of choice. In agriculture, a climate disaster not only damages the crop of the small farmer, but at the same time reduces the prospects of off-farm employment on the cropland of neighbouring farmers. It also has knock-on effects in reducing post-harvest employment opportunities, including for women, which historically deliver not just incomes but crop shares (as a hedge against price inflation). Consequent scarcity of food products in local markets increases local prices and reduces family entitlements in the Sen sense of tradable exchange. If assets have to be sold to meet extra prices (including, typically, livestock), an over-supply of assets also reduces their market value. But at the same time, the excess supply of labour has also reduced its price. All these co-variant problems occur within a small pool of relationships and options, characterised by inequalities and interlocked transactions. They are only relieved by migration of some family members into wider pools. Although the conditions for the urban poor vary from the rural conditions, many rural conditions are reproduced in the cities of peasants, with segmented and imperfect labour markets dominated by brokers and intermediaries who also control residential areas and access to public goods and entitlements (in a non-Sen sense). Their risks are thus interlocked with few exit options, since other parts of the city and the other labour markets within the city are also managed in similar ways and thus difficult to enter.

Risks have many dimensions, but can also be classified into shocks and hazards. Of course everyone is vulnerable to shocks, although perhaps not equally. Thus the impact of an earthquake shock will vary according to the quality of house construction, and the insurance provision upon it. Likewise with flooding. Disease epidemics, even class neutral ones with respect to incidence like HIV/AIDS, can have a differential impact upon families of different classes. However the poor are more vulnerable to

hazards than others because they have less resistance to them and less room for manoeuvre to prepare for them in terms of resource mobilisation. Hazards are what we can expect to happen at different stages in a family life cycle. Thus we can expect illness to occur for key adult income earners. Richer families can prepare for such eventualities through savings, insurance and other risk spreading such job diversity among family members. Thus they can not only cover the costs of treatment, but can also ride out the loss of income. Weddings, dowry expenses and funerals are all predictably heavy demands (often derived from social and cultural expectations and thus important for the maintenance of social and cultural resources) which thus constitute hazards to ongoing livelihoods. Some dimensions of well-being have to be served through meeting these obligations. But the poor are compelled to make key sacrifices in order to do this, such as deepening their dependence of others and further removing their freedom of action subsequently. The alternative is exclusion and a deepening of risk and vulnerability as a result.

In all societies, without exception, the quality of these options and the depth of Faustian trade-offs are determined by the surrounding conditions of inequality and political economy. But there is global variation, with the poor in poor, developing countries suffering more than others. In richer countries, albeit characterised by severe inequalities, poor people usually have some baseline of statutory rights and entitlements (in a non-Sen sense) to welfare. Not so for the poor in poorer countries beset by severe inequalities alongside problems of governance, accountability and transparency--i.e. a poor environment for the defining and honouring of rights. Such conditions set limits for poor people's successful agency, and also for the progressive agencies, which are trying to support them. Even richer families in poor, developing countries have problems with their respective states, but they are, partly by definition, better equipped in terms of their profile of resources endowment to operate both with the problematic state as well as other institutions.

Thus poor people have less control over the institutions through which they must seek their livelihoods and well-being, in all four of its dimensions (emotional, material, subjective and objective). This draws our attention to the multiple dimensions of inequality and asymmetries of power across many arenas. Poor people face daily and repeated humiliation and reminders of their inferiority, lack of worth and respect. They are continuously forced to act in ways that undermine a personal sense of dignity. Those family members who experience this externally, bring back those frustrations and senses of inadequacy internally. Shame can easily translate into other emotional states and problematic behaviour: depression and domestic violence. These are fears, which gnaw away at the psyche.

This is how we return to the autonomy/security issue. Clearly there is dignity in autonomy, a sense of personal worth and direction. Thus it is valid for well-being analysis to distinguish between two forms of security: autonomous and dependent. And this is not just a distinction between means, between needs satisfiers, as it were. The means certainly entail the ends--i.e. the quality of that security. This is akin to the proposition that rights gained are far more meaningful than rights awarded. Thus autonomous security can be seen as fundamentally enabling, both reflecting adequate control over personal destiny as well as providing the basis for further options and choices, and thus risk spreading. By contrast, with dependent security, the means subvert the quality of the end achieved. It is ultimately a disabling process, which repeatedly forecloses future options for autonomous security. Thus the sustainability of one's personal security and safety depends upon the arbitrary, non-statutory, non-rights based behaviour and favours of others. Some might argue (Standing at ILO for example) that this is not security at all, just insecure clientelism. But this is the dilemma for analysis: what is a second best, debased option for the comfortable observer is the only game in town for others. Clientelism at least entails predictable flows of goods, services and even constrained opportunities in return for loyalty and loss of independence.

In this context, what induces poor people to accept dependent security rather than take on the added risk of asserting broader rights to choice? There is an irony here with risk aversion being both a feature of well-being as well as contradictory to it. Risk aversion has long been associated with peasantries around the world ever since Chayanov saw it as the rational response to uncertainty. The proposition here is that the poor are distinguished from other classes by their induced discount rate. Looking at the composition of household budgets for the poor, in which for example much higher proportions are spent on food, as compared to other classes, a much higher proportion of their budgets are allocated to short term needs rather than medium to longer term ones over their own or children's lifecycle. In addition to non-stored food (which for very poor families can account for 70% of expenditure), shelter and clothing are the other priorities. Everything else including health spending (except at moments of

crisis) is much less significant. These proportions, including significantly spending on education, are allocated very differently and over a longer timeline, the less poor the family. For poor families, this reveals a high discounting of the future over the present. Of course, this discount rate is induced. So poor people's time preference for the immediate present over the even the near future is not a wilful choice associated with cultures of poverty and such like. But to secure the present is not just a matter of time constrained household budget allocation. It also involves entering relationships and agreements which will deliver these immediate needs, agreements which are immediately attractive even if they foreclose choices and investment for the future. In other words, risk averting behaviour--taking what is on offer as a response to uncertainty rather than looking for more tenuous options but of longer term value. The classic example is the immediately available high interest loan, which has trapped the poor the world over.¹ But interlocked transactions abound: credit linked to labour obligations; job access in return for commission; shelter and services in return for loyalty and labour obligations; sexual favours; the bonding of one's children; mortgaging of land to other's use; vacating prime real estate sites; trading at below market prices and perhaps on non-repayable credit; protection charges; early committal of children to work; and so on.

In other writing, the idea of an institutional responsibility matrix has been advanced as a framework within which to analyse the variation of welfare regimes within which people pursue livelihoods and well-being. This matrix has domestic and global dimensions, but at these two levels it essentially represents the 4 arenas of state, market, community and household. For different classes in different countries, these arenas are more or less problematical, more or less dysfunctional. Although well-being is a function of agency in all of these arenas simultaneously, the problems associated with particular arenas require more reliance upon others in the framework which might be working better. Thus in countries with problematic states and highly imperfect markets, poor people at least have to rely more upon community and household arenas, even though they too may have their own problems (i.e. communities may comprise arbitrary hierarchies and untamed power; households may be over-patriarchal for the well-being of women). Poor people in overall conditions of insecurity are less able to manipulate these problematical institutional arenas to their advantage. And indeed their relative weakness in one arena (e.g. in relations to the state) forces their increased reliance and dependence upon another arena (e.g. the community) where their revealed powerlessness exposes them to more intensive exploitation, since they do not have a demonstrable exit option. This entails a further erosion of self-respect via the negative trade-off between security and autonomy.

These outcomes of insecurity can be further understood by distinguishing between capital and resources. In effect, the above describes the conditions of weak social capital not just for the society as a whole but especially for sub-sections of the population. That is to say: the overall capability environment is sufficiently problematical as to prevent the realisation of entitlements (in both the Sen and non-Sen senses) through formal institutional behaviour. The sense of a formal capital stock of transparent, rights based institutions characterised by the principles of equity is missing. The capital that may exist instead is 'dark': functional to those classes and groups who can play in the darkness, but exclusionary to those who need to rely upon 'light'. Under those conditions, poor people's well-being can only be pursued through the deployment of personal social resources (in contrast to public social capital) in imperfect market arrangements (especially labour markets, but also the trading of goods and services in the informal sector) and in the community and household arenas. It is this reasoning that places the 'resources profile' approach so centrally in the arguments about well-being. It is also important to recognise that such resources (social and cultural ones especially) are not just means towards well-being, their possession is also part of the meaning of well-being itself. In other words, they have affective value, not just instrumental value. They are in part a measure of the quality of life. And their possession also brings the notions of security and autonomy closer together towards a principle of enabling autonomous security, reducing risk and thereby fear. It would also either enable the possessors to play better in the darkness, or, with others, create the light.

However, such possession of functional resources is an idealistic jump in the argument. The road is strewn with boulders. Keeping in mind the broader version of capability (i.e. beyond the simpler notion of human capital or human resources), we should distinguish between those who have a capacity or potential capacity for meaningful agency in respect of their security and those who do not. Many labels have been invented for the latter, but clearly a feature of their condition is complete dependency on whatever quality of institutions and relationships within which they are situated. They are completely

¹ This, of course, is the main rationale for microfinance programmes.

reliant upon the protection of others (formal and statutory, or informal but predictable) for any version of well-being. So they possess few, if any, meaningful resources and have few if any choices for action. But even for those with a capacity for meaningful agency (in a policy context, one might refer to this as a capacity for counterpart social action), they require forms of social protection from somewhere in the institutional responsibility framework to alter their time preference behaviour away from the induced immediacy of the present with all its dark relational and institutional connotations towards investment in the future. In other words, a support mechanism whereby their perceptions of risk over time reduce their discount rate, and enable them even at the margin within poor households to re-allocate their household budgets away from the present towards the future. In this way, they would be realising the condition of security and in the process displaying the presence of it too.

At this point, the distinction between autonomous and dependent security comes back into play. While the policy objective may be to reach the state of autonomous security, the reality within the political economies of developing countries, as discussed above, is that that is a difficult state to reach. Under present conditions in many of these societies, poor people with agency are having to find that social protection informally, through relationships and institutions which work more predictably for them than the state. Thus their current strategies for reaching security beyond the immediate point in time still relies upon socially guaranteed or informal rights rather than statutory ones.

The problem is that these 'rights'² are subject either to adverse incorporation or to low value reciprocity. The dependency entailed in such security arrangements either have the function of foreclosing more ambitious and stable options in the longer term because they require commitments and obligations to present powerholders (adverse incorporation); or the mutual interdependence between poor people themselves cannot deliver anything on sufficient scale to alter the discount rate (low value reciprocity).

Improving the Security Dimension of Well-Being

As promised above, this short section outlines 7 principles of improvement which derive from the preceding axioms. It is proposed that if each of these were achieved, then the well-being of poor people in developing countries would be enhanced. More importantly for elaborating the agenda of 'researching well-being', each of these principles can be illustrated by discrete sets of indicators which then comprise the elements of what we understand by the security dimension of well-being.

The first principle is the alteration of time preference behaviour. The more that people are able to commit resources to the avoidance of risk and the management of uncertainty in the future, the more secure and happy they will feel in the present. In other words, the prospect of well-being is a vital, even necessary, condition of ongoing well-being. If people feel confident in the future in terms of stable prices, law and order, well-functioning relationships, then they are more prepared to forego aspects of present, even desirable consumption and risk some investment in that future. This both helps to achieve security (means) but is also evidence of a stronger sense of it in the present.

The second principle, closely related to the first, is an enhanced capacity to prepare for hazards. We might think of this essentially as insurance, saving and planning. The point made above about hazards, in contrast to shocks, is that they are predictable as events, with high probability attached to them. There may be uncertainty about actual impact, depending on other conditions at the time that the predictable event occurs. Vulnerability and insecurity occurs when it has been impossible to prepare for these eventualities, either because the resources are simply not available for this objective, or because other factors and perceptions have induced a higher discount rate than is rationally necessary. Such perceptions may be a function of past family history, with structurally induced sub-cultures of despair and fatalism. But the absence of preparation is a loss of autonomy, as it compels the poor to rely upon others who can exploit the emergency and significance of the event to be countered. Peasant families who live on the margin of subsistence in South Asia have long experienced an erosion of key productive resources (e.g. land and livestock) when unprepared for disaster has driven them into the clutches of landlords and moneylenders.

² Which some political philosophers deny are rights at all.

The third principle of formalising rights is more utopian, and perhaps guilty of ethnocentric, western modernism. It certainly connects closely to the universal-local theme of the WED research objectives. In a sense, we are dealing here with a hierarchy of preferences. Some security is better than none. Forms of security which reflect local relations of dependency and adverse incorporation are preferable to an absence of security, so that informal security regimes are preferable to insecurity regimes. However, security obtained through the predictability of informal rights still retains elements of arbitrariness and preferentialism and thus constitutes a threat to sustained security. It remains trapped within local social relations and cultures which contain inequities and uncertainties, as well as foreclosures. So universal, formal rights would be preferable to local, informal ones, if only the state was characterised by good governance, accountability and bureaucratic principles (in a positive, Weberian sense) of equity. Thus predictability would be enshrined in legal process. Protection would be guaranteed. Thus the prospect of security would positively contribute to present well-being. People would feel safe, and these dimensions of fear, at least, would be removed.³

The fourth principle is almost another version of the third one: de-clientelisation. The proposition behind this principle may be contentious since it refers to the pervasiveness of clientelism as both the source of immediate security for most poor people across the world as well as the constraint to autonomous security. While this may appear as a sweeping generalisation, and over-emphasised as a defining element of political economy in this paper, I challenge those with any empathy for the condition of the poor world-wide to refute the proposition. Some critics of this proposition argue that it comes from a particularly South Asian perspective. But some of those critics, for example with African experience, are often obliged to counter that the poor in Africa do not even have the luxury of clientelism, and are more clearly excluded than adversely included. So other remitting principles may apply to them rather than de-clientelisation. But do we have examples at the other end of the continuum, where the poor in developing countries are not dependent upon informal patronage of some kind? It seems that one would have to argue for the non-existence of hierarchy, inequality and class stratification and a well functioning state offering widespread social protection in order to sustain such a position. While it is true that some societies in South America have been able to offer limited social insurance via employee rights, those rights have never extended to all, and under conditions of increasing flexibilisation and casualisation of labour the provision of social insurance attached to employment is also eroding. And such discussions about social insurance have rarely investigated the circumstances of the labour market in terms of recruitment and segmentation, in which access to such limited rights has itself been achieved via patronage, at a price. Thus the principle of de-clientelisation is defended. As a principle it is akin to Esping-Andersen's notion of de-familialisation--namely here is an institution which is close to and dominant over the determination of poor people's livelihoods both socially and culturally, yet it comprises a set of informal rights which systemically discriminate against particular sub-sets of the population. The family, with its pervasive patriarchy, discriminates against women, hence de-familialisation as a condition of universalist social policy in social democratic or liberal countries where the state is assumed as a well-functioning and superior substitute. While the family may remain as a problem for similar reasons in other countries, neither the state nor the community (the two arenas within which clientelism thrives) can yet be favoured as a substitute for the family. So in such countries, de-clientelisation is the first pervasive, dysfunctional condition to resolve as a precondition for poor people's well-being. No-one is suggesting a magic wand will remove this fundamental feature of the structure-agency relationship in those societies where it is prevalent, and neither would that be desirable in the absence of improvement in formal rights and good governance. However there are indicators to track moves in that direction, moves which are often the agenda of rights-based NGOs and civil society.

The fifth principle is enlarging choice and the risk pool. As noted above, a key problem for the poor is the narrowness of their risk pool, exacerbated by co-variance. Too many of their eggs are in one basket.⁴ It is interesting to observe that pre-Green Revolution farming peasants practised far greater crop and management diversification as a conscious risk spreading strategy, though this was undermined by the mono-cropping tendencies of the Green Revolution technologies. Of course the limited skill base of poor rural people outside of agriculture and agricultural services limits their employment either to that agriculture, or to unskilled labour in rural works, construction or trading

³ Idiosyncratic fears are something else.

⁴ Perhaps one should say 'apples' to capture the co-variance point, since rotten eggs do not tend to infect others, unlike apples.

where competition is fierce. Families would minimise their exposure to income risk if they were able to extend their skill base and/or diversify their access to employment in a wider range of sectors. Likewise with personal relationships and thus the social aspects of their resource base. Reducing their sole dependence upon one patron would also reduce the negative consequences of that one relationship going sour. It might also offer some opportunities for a stronger bargaining stance over local rights and obligations. Diversifying the skill base as well as the functional spread of one's resources across different access points is, of course, also a function of investment and altered time preferences. This can be done via different family members. There are salutary lessons from Bangladesh or Bihar in India, where key families spread their risk across different political parties, business sectors and indeed countries. This gives them a resilience to changes in regime and the patronage and favouritism that accompanies such changes. So, to summarise: the poor need to extend the options and arenas through which to deploy their profile of resources as a way of coping with both shocks, hazards and the continuous constraints of the clientelist political economy. In this way, their grip on security is strengthened, the prospects for it are enhanced, and thus present well-being too.

The sixth principle refers to the improvement of the quality and predictability of institutional performance, which of course must, at least partially, be achieved via poor people's agency through their empowerment and voice. This is a familiar governance and accountability point when considered in the context of the state in the institutional responsibility matrix. It refers to a process whereby poor people's long term and sustainable well-being can only be achieved by transferring their rights-based claims from the informal, personalised domain to the formal, bureaucratic domain. In other words, the counterpart principle to de-clientelisation. It also emphasises that security is not only achieved through immediate, personal activity but requires the activity of claiming opportunities, services and benefits from other agencies with guarantees. However, outside the state (including the internationalised state), the market also needs to operate in non-arbitrary, non-exclusionary ways without monopolies and associated rent-seeking. Well-regulated markets maintain contractual rights, reduce uncertainty of employment and offer dimensions of social insurance. It has been interesting that the focus of much attention and advocacy has been upon governance and accountability in relation to the state, but not upon the improvement of regulated markets.

The seventh and final principle is the strengthening for poor people of well functioning collective institutions, which especially at the local level reduce adverse incorporation by offering an institutional alternative which is both instrumental and affective. In contrast to the sixth principle, the seventh emphasises the community aspects of the institutional matrix, and thus reflects some pessimism about improvements in the institutional quality of the state and market, at least in the short and medium term. In other words, people cannot rely exclusively upon the successful reform of national or global level institutions, but also have to rely upon forms of collective action which are sufficiently stable and rule bound as to offer services and benefits in a reasonably guaranteed and predictable manner. Successful common property management of key basic needs and opportunities, mutual social protection and so on.

Indicating the Research Agenda

Taking each of these improvement principles in turn, the corresponding indicators are outlined. Of course, these indicators are not exhaustive. Some can be demonstrated from existing data sets, whereas others would require new, primary data. Some are unambiguously concrete and measurable, though thresholds of significance are always a problem. Others are, at this stage, less easily convertible into observable measures. Some may be more obvious illustrations of the principle than others. The criteria for selecting some and not others may be simply due to the lack of social science imagination. Thus the following discussion is necessarily tentative and explorative, requiring several iterations through debate, before settling upon a framework for post-RANQ data gathering in WED.

Altering time preference behaviour:

- **Small family size/perceptions of desired family size.** It has long been recognised that poor families in the context of uncertainty, especially characterised by high infant mortality and child morbidity, seek to spread risk through repeated pregnancies with 'random' outcomes for family size. Where opportunities exist for smaller, stable families (i.e. improved natal and post-natal healthcare), is there evidence that families are opting if not for smaller family size, then at least a conscious and deliberate desired family size target? This would indicate an acknowledgement of the importance of concentrating scarce resources upon the skill development of children to enhance their opportunities in the labour market, thus betraying a stronger sense of confidence in future socio-economic conditions. It would signal a move away from immediate, contemporary survival of larger numbers of children, thus trapped into low and/or traditional skill levels.
- **Redistributing family budgets away from immediate basic needs.** Given the recognition that poorer families spend a much higher proportion of their household budgets upon immediate consumption needs (especially food), any re-distribution of the time pattern of spending away from immediate consumption towards longer range investment for family member development or protection reveals a confidence in future opportunities as well as the stability of the economy in which savings will retain their value. It would, of course, also reveal that the family had improved current well-being sufficiently to re-distribute across time in this way, and felt secure enough in the present to re-allocate for the future.
- **Redistribution of inter-generational transfers.** Such transfers encapsulate the previous two points. Family level decision making behaviour on transfers in a three generation, extended family model not only reflects trade-offs between care, consumption and capacity investment priorities by the decision makers (i.e. typically, but not always, the active adults between grandparents and children), but also interacts with the policy and wider institutional environment. For example, publicly available old-age care services, enable stronger investment flows towards children; grants and concessional study loans for children release funds for current family projects and care. Of course, the policy environment also impacts upon the moral content of the relationships between generations. Loan taking children may feel less obligation to their parents as both generations get older and needs change.
- **Larger scale, longer term borrowing.** The recent emphasis within poverty-focussed development upon micro-finance has matched closely the high discount rates of the poor, with small, high turnover loans and high frequency repayment arrangements. To the extent that poor families express a preference for borrowing for longer range projects, so they are indicating a change in their discount rates and a willingness to accept more risk. To the extent that institutions are prepared to lend larger amounts without significantly increasing (perhaps even reducing) the interest rates on such loans, and without insisting on full collateral cover, then they too are signalling a faith in the future. Thus present security and a perception of future security become mutually reinforcing. At present, the data for such an indicator may lie more in aspirations than actual behaviour, given the limited availability of finance for the poor beyond the microfinance concept.
- **Reduced access saving.** Open access saving has become an axiom of the microfinance movement: the easier the access to one's own savings, the higher the propensity to save. However, a very strong indicator of trust in the future (in the sense of trust in the stability of money as well as the institutions managing it) is the willingness to commit savings to schemes where the penalties for early withdrawals are high, if available at all: reduced access, in other words. Such an indicator can also be enlarged to embrace long term pension schemes as well as a readiness to invest in stocks and shares. Such a change has been notable in India for example, with the dramatic expansion of the stock market. This is also happening elsewhere in South Asia, but of course the question for us is how far such readiness is extending to the poorer classes, with other more immediate priorities for consumption?

- **Wider access to social insurance products.** This is a similar issue to savings, with both institutions and customers seeing the possibilities for offsetting risk without exposing themselves to devastating co-variance on the one hand, nor unacceptable immediate consumption trade-offs on the other. Such insurance can happen in a range of arenas (see the discussion on hazards below).
- **Use of debt for human capital investment.** We are used to the analysis of usury, where debts are incurred to fund present consumption and other social obligations. We also observe a steady move into larger scale debt for house-building, and even productive investment (whether farmers credit, or for irrigation and other infrastructural services). However we are yet to see a significant raising of debt (outside some access privileged sectors of the middle class with employment-related schemes) for the human capital development of family members. Whereas this practice has become more common in Western countries, with the burden of debt increasingly transferred to the students themselves, it is still a rarity for poor families in poor countries. There is much evidence of generational sacrifice for educational investment, but usually through savings and trade-offs rather than debt. This would be a very powerful indicator of altered time preference behaviour and risk assessment.

Enabling preparation for hazards:

- **Higher use of insurance products: health, shelter, crop, dowry, membership subscriptions/shares to collective insurance arrangements.** What is the evidence of forward planning for hazards (i.e. predictable, problematic events). The most directly obvious is insurance across the range of activities that form the basis of livelihoods. Health is familiar, and in the absence of accessible public provision, free of cost at the point of delivery, then private insurance is a key indicator. Of course the take up of such insurance reflects the conditions for institutional supply as well as the attitudes and realistic choices of individuals. There is also an issue of which family members get selected for insurance, with gender and sibling biases likely. Insuring one's shelter and key forms of income (crops, livestock) is familiar, and measurable. Perhaps dowry (or brideprice) is less obvious, but these are significant hazards in societies where the maintenance of personal social resources are key to survival. Insuring against the unbalanced composition of one's offspring is unlikely, though it would be a good indicator of preparation. So perhaps the dowry/brideprice issue is more to do with savings than insurance. Insurance products may be provided by formal institutions, but where their quality and performance is uncertain and discriminatory, then the formation of more local collective institutions such as ROSCAs and ASCAs, and others forms of local level social protection, become important indicators of people thinking ahead, and raising the quality of current security by reducing risk in the future.
- **Creation of public goods: vaccination; food storage and market intervention for price stabilization; common emergency facilities; fire proofing measures in urban slums; seed storage for re-planting.** Some examples are contained in this list, but it could be extended. What is the evidence of inclusive national or community (universal and local) action beyond the normal definition of insurance to reduce public risk and advance collective security? Vaccination is a standard indicator, and a willingness for example to devote national resources to HIV/AIDs remedial interventions is distinguishing some societies from others.⁵ Also at a national level, price stabilisation on essential foodstuffs and the prevention of famine through controlling speculation has been achieved through institutional storage of staple grains and their release into local markets, triggered by thresholds in seasonal price bands being broken. The other examples here are more local, and within collective action as community rather than wider public goods.

⁵ There is an international public goods dimension to this example, currently being pursued under the auspices of the World Bank.

Formalising rights:

- **Written by-laws or voluntary codification of practices for local charitable institutions.** The objective in formalising rights is to reduce uncertainty. Even small steps can be significant. Thus outside the state, with the myriad of organisations in the civil society of developing countries, can we observe an increasing formalisation of the relationship between clients and these organisations which would clarify expectations and reduce the arbitrariness of voluntarism? Many organisations are now formalising their governance arrangements and accepting sector wide codes of practice. Some federations of CS organisations are also adopting kyte marking as a form of self-regulation, as well as working out functional and territorial complementarities in order to inform clients better of their options and opportunities for assistance. Indicators are difficult to devise for such processes, but verification can be made through the existence of regulatory instruments like by-laws, as well as the formal and disseminated existence of voluntary codes.
- **Introduction of formal criteria for entitlements.** For both state and CS organisations, a demonstrable reduction in arbitrary inclusion/exclusion from entitlements can be witnessed via the publication and dissemination of transparent criteria. As an example, present forms of local social protection via the mosque or jamatkhana in N.Pakistan reflect all kinds of preferentialism and favoured kin status, with 'loyalty' probably the key qualifying condition. In other words, a highly interlocked basis of entitlement in the absence of publicly available (at the local community level) criteria. However, some of these institutions are responding to requests and external incentives to regularise the local distribution of zakat, for example, but announcing clearer, objective criteria for inclusion in the distribution. Where such processes can be observed, then we have an indicator of formalisation, functioning to remove uncertainty and offer clear guarantees on which a family can plan and rely. The secure prospect of social protection thereby releases other security-procuring options for such families.
- **Agreed queuing and access arrangements.** This formalisation extends into the management of access, under conditions of scarcity, by prioritising need in a manner which convinces the excluded or tail-enders that others have superior and/or more immediate claims to their own. There is much theory here, derived from the work of Schaffer et al in the 1970s, from which indicators can be derived. For example, the adoption by agencies of points-accumulation formulae to arrange the prioritisation of entitlements, information to clients about their position in waiting lists, the knowledge that if conditions change and become more acute (as in health or income flows or need for shelter) one's queue position will be accelerated.
- **Voluntary registration and external audits.** A willingness among CS agencies to register their operations, thus agreeing to comply to service delivery levels and quality, and to subject themselves to external audit against published commitments and expectations. Although social development and employment generation NGOs (including MFIs) are currently a long way from such practices, most of those which receive donor funding, for example, are obliged to accept external performance audits. These can be tracked for different societies as an indicator. The organisational behaviour induced by such incentives/pressures should be a relevant proxy for introducing more certainty of rights in the voluntaristic sector.
- **Improved access to formal justice.** A higher frequency of successful use by poor plaintiffs and defendants of the formal court system, with shorter waiting times and lower costs. A major present indicator of insecurity is the inability of the poor to have any realistic recourse to the courts to defend themselves against the harassment of competing elites and clients.

De-clientelisation:

- **Seasonal wages compatible with overall patterns of market demand.** This is a key contra-indicator of interlocked labour markets and evidence that the hiring and reward of labour reflects prevailing pure market conditions. It is evidence therefore that landlords and key local employers are unable to use their patron monopoly and monopsony positions to extract rents from labour beyond the surplus value of labour incentives required by the capitalist relationship. It is probably also evidence that labour markets are not segmented, with entry restricted to favoured groups relying upon the social closure of other groups. Such segmentation is also compatible with rent extraction and client status, prioritising loyalty over voice. Real wage levels compared to shadow wages are relatively easy to track as a quantitative indicator.
- **De-linking of employment and credit markets.** A major form of clientelism and entrapment is exercised through the interlocking by patrons of labour and credit transactions. Typically in agrarian systems with high seasonal fluctuations in employment opportunities and income flows, advances in lean times of the year are partially 'paid for' by offering labour at sub-market rates during the peak demand for labour. In addition, other family members may be bonded into labour services, especially the domestic and post-harvest labour of women. Again, seasonally adjusted wage levels are a relevant indicator, but also the extent to which clients have alternative borrowing options and are able to purchase essential foodstuffs in seasonally smoothed commodity markets (see price stabilisation above).
- **Wider spread of employment/income sources.** Families can be distinguished, with appropriate primary data, on the variable of income diversity. A family, or even individual adult, able to find employment or other trading/service selling opportunities in different sectors of the economy are reducing their vulnerability to market collapse through co-variance and concentration of risk. The availability of alternative income streams also strengthens an individual's bargaining position in each sector. This gives them exit options from exclusive reliance upon one source, thus offering the prospect of autonomous rather than dependent basis for security.
- **Increased migratory behaviour.** Mobility indicates freedom from specific patronage, not only with respect to markets, but also social relations. In many circumstances, migration may not imply total freedom from such relationships in class terms, since we have much evidence that rural-urban migrants, for example, move from a familiar set of networks, social resources and patronage into new forms of patronage as a necessary condition of entry into other new opportunities. Migration may also deepen some relations of patronage. For example, labour migrants moving from Bihar to Punjab in India have to raise loan funds and perhaps commit the 'bonded' labour of family members in their natal village to enable migration in the first place. However, increased geographical mobility certainly challenges local monopolies of power and offers a route to a more autonomous basis for security.
- **Non-directed voting behaviour.** This is a problematic indicator to measure, since the counterfactual is difficult to establish. However evidence of local electorates replacing representatives by others in successive elections would indicate at least that they were not trapped into a single relationship of loyalty, with little freedom over their voting choice.
- **Higher levels (value and frequency) of reciprocal exchange (e.g. through ROSCAs and ASCAs).** This has already been indicated in the discussion of mutual assurance/insurance above. Clearly the more that poor people increase the value of reciprocity, so they are providing for themselves key alternatives to hierarchical dependency. In so doing, they are also participating in the formation and maintenance of institutions, activity which is itself an indicator not only greater independence but also of a less alienating future.
- **Seizure of untitled assets.** While not being sure how this issue would appear outside South Asia, within the sub-continent, unallocated state controlled land and other resources (forests, embankments, water-courses), where rights are not clear, are usually captured by local elites thus displaying and reinforcing their monopolies over the livelihoods of others. The extent to which poorer classes are able to assert their control over such assets in opposition to elites reveals a confidence in collective action and a willingness to discard their client status. They are indicating a willingness to incur new forms of risk, local level political risk, thus compatible not only with a

present sense of security, but also the deliberate investment in the prospect of greater autonomy as the basis for future security.

- **Participation in local judicial processes.** Poor people, poorly educated with low levels of literacy, are typically excluded from taking any role in formal judicial processes (for example, as lay magistrates) and usually find it hard to obtain justice from such institutions as plaintiffs or defendants. (See above, access to formal justice). The issue here is different. At the community level, most developing societies have institutions of local regulation and justice. Typically, these too are dominated by local elites and elders (male of course) drawn from those elites. Their judgements typically uphold the interests of those elites, and especially their dominant control over local property, but also over dependent men, women and children too. Punishment and other sanctions which accompany these discretionary judgements add to uncertainty, both objectively and subjectively. Civil society movements thus have entry into these institutions, participating in the decisions and judgements as a key objective. Such entry is measurable.

Enlarging choice and the risk pool:

- **Non-local circulation of savings.** One of the problems with microfinance is that it confines poor people's savings to local financial markets, making their savings growth dependent upon local economic performance with recycled, revolving loans. This concentrates risk for these savings into local markets which are high turnover and low productivity due to the loan size ceilings trapping opportunities at the lower skill, easy entry, saturated end of the economy. Thus an important indicator is to take poor people's savings into wider circulation, linking them to wider opportunities for investment and growth. This also reduces vulnerability to co-variance of risk, instead spreading risk across different portfolios and activities.
- **Diversification of employment opportunities.** The indicator appears here as part of enlarging choice and the risk pool, but has been substantively discussed above under de-clientelisation.
- **De-segmentation of labour markets.** Although mentioned above, this is a crucial element in the reduction of co-variance and dependency. In many developing countries, particular sub-sets of the population (perhaps ethnic, linguistic, regional or caste groups) have virtual monopolies over particular sectors of the labour market, operating strong social closure on outsiders. This functions to concentrate their own risk into one part of the labour market (which could be vulnerable to technological change or changes in global market demand and sourcing), and contains them within the power structures of that sector. Thus sub-groups in the society need to spread their sub-group risk across different sectors and activities in order to secure gross income sources from which social protection re-distribution can occur within their identity and sense of moral obligation. The indicators here would be the openness of recruitment and the diversity of sub-group activity.
- **Proliferation of easily accessed service providers (including financial products).** This is basically a replacement of monopolies by competition. Even with the proliferation of CS development agencies, let alone government services, for local populations monopolies still exist as an outcome of territorial 'agreements' between providers. This restricts the prospect of exit, enforces loyalty and denies voice. With no effective accountability on performance, rent seeking and corruption confounds rule bound behaviour thus maintaining uncertainty, arbitrary entitlements and dependent forms of security.
- **Within family risk spreads through migration and remittances.** Again this has been identified under de-clientelisation, but clearly has a function in enlarging choice and the risk pool. The indicator certainly requires disaggregated data at the household level.
- **Wider associational membership (e.g. professional, artisan, sector) with mutual insurance services.** This is a social resources/capital issue, with accompanying problems of measurement. Before the global flexibilisation of labour, a standard indicator would have been trade union membership but this is now a weaker indicator, especially in societies where trades unions are

themselves reproducing clientelist politics. Membership of political parties is equally problematic, since they also reproduce patron-clientelist forms of power. Some of this point is covered by the earlier references to collective action under 'preparation for hazards' and 'de-clientelisation': thus ROSCAs, community level organisations for managing villages and slums, common property arrangements. But none of these really enlarge choice and the risk pool. We need evidence of people going beyond their immediate social resources and networks to participate in wider institutions, which are not vulnerable to the principle of subtraction. Such organisations have to be established on de-personalised grounds, with rules of membership independent of particular personalities. The existence of membership of such organisations, whether organised around employment or commercial interest, or community and neighbourhood, or the school, becomes an indicator that poor people are moving into trust relationships outside their own circle of risk.

Improving quality and predictability of institutional performance, partially via poor people's agency (empowerment and voice):

- **Media critiques of annual government budgets.** These are broader forms of agency, stretching beyond the local and linking to the universal. While poor people may not be directly participating in the review of national government spending priorities, the evidence of their representation at these levels indicates a wider desire in the society for forms of public spending and fiscal policies which are committed to altering the time preferences of the poor. The involvement of the media in such critical analysis would indicate that in some way the poor had managed to recruit opinion formers in the middle class to their security and well-being 'project'.
- **Shifts in budget priorities towards human resource investment.** There are simple proxy measures for determining pro-poor national budgets in terms of proportions on development and social sector spending. Within the focus upon education and health spending, it is possible to identify support for literacy, vocational skills enhancement, re-training; support for wider gender participation; support for poor people's key health priorities. There are also possibilities of direct budget support for employment generation, especially through infrastructure investment.
- **Pro-poor commitments in political party manifestos.** Large scale CS organisations are now proposing that their 'members' scrutinise the claims of competing political parties to deliver pro-poor policies. Training and public events are organised to enable this scrutiny to occur, alongside hustings. Voter education can be controversial, but where there is evidence that political party representatives are being elected or removed by virtue of their records of support for poor people's security, that becomes an index of the confidence to pursue the agenda into the wider political realm.
- **Electoral outcomes correlated to indices of constituency mobilisation by civil society organisations.** This is an extension of the previous measure. This would demonstrate a clear linkage between social mobilisation and political outcomes in terms of improvements in institutional responsibility. In many ways this is the ultimate test of the value of CS activity, though it is also very sensitive if the boundaries get blurred.
- **Court cases against politicians and bureaucrats as a result of popular criticism.** Such anti-corruption, direct accountability is not yet widespread. It would certainly indicate a shift in power relations in the society. Although a 'remote' indicator of well-being and security, it links institutional performance to the interests of the poor and reveals a willingness to express, collectively, views about the negative behaviour of power-holders. In other words, the act of popular criticism is itself an indicator of determination to change the conditions under which livelihoods are pursued.
- **Access to justice (speed of queue time, acceptance of documentation, speed of outcome, implementation of court decisions).** This accompanies the formalisation of rights, and in principle offers some very precise 'process' measures of institutional performance directly connected to the rights agenda. The typical circumstance is that poor people are denied justice through the operational bias of court systems against them, enabling widespread corruption among minor officials and superior manipulation by power-holders in local and national political

economies. Without meaningful and predictable support from the legal process, poor people remain reliant upon the uncertainty of informal relationships both hierarchical and reciprocal. While valuable in the absence of anything else, it is not the ideal state of affairs for sustaining security in the longer term.

Strengthening membership of well functioning collective institutions, which reduce adverse incorporation:

- **Clear rules determining eligibility for membership.** In the absence of improvements in institutional responsibility in the wider political and economic domain, effective participation in local collective action which can substitute for the failure of conducive universal principles becomes essential. Uncertainty can be reduced and risks spread by families belonging to wider, community level organisations. There are crucial issues here of inclusion and exclusion, centred upon the certainty of membership. The sense of belonging and shared identity offers key psychological dimensions of well-being and security. In other words, strategic as well as practical resources. But to be successful in this way, such organisations need to adopt aspects of formality and transparency in order to ensure predictability as well as equity of benefit.
- **Clear rules indicating rights of members and behavioural expectations.** Thus, in addition to clear principles of membership, some deliberate and formal specification of rights and obligations reduce the prospect of arbitrary and discretionary behaviour of fellow members. Resulting trust in the principle of cooperation reduces transactions costs and negotiating ambiguities, thus adding to the sense of security and predictability.
- **Rules for conduct of business, basis of decisions and sanctions for non-compliance and free-riding.** Such rules, familiar as conditions of successful common property management, are also essential ingredients of trust and a constraint to cheating.
- **Range of services and inclusivity.** Collective action may be single purpose, such as the management of a micro-hydel in Northern Pakistan which nevertheless have key positive multiplier effects on livelihoods; or they may be deliberately multi-functional, for example, combining common property management with mutual credit and insurance. A capacity to be inclusive with benefits and services within the 'identity' expectations of members is important for all, even if particular members for idiosyncratic reasons are technically free-riders (e.g. the elderly, the sick, the disabled). Such signals of inclusivity reassure other, active, members that should they also fall on harder times, their interests will be secured. This variable then becomes evidence of both altered time preferences as well as expansion of the risk pool.
- **Extent of internal cross-subsidies.** This reinforces the point above, and can be measured relatively easily through the existence of social protection funds, for example. Another example would be the operation of criteria, which included members for services for which they could not pay. Lawson-MacDowall offers an interesting contrast between the operation of micro-hydel systems in Northern Pakistan and Nepal, with much greater evidence of cross-subsidy and inclusivity in Pakistan derived from close senses of identity and traditions of mutual social protection. Thus, while objective measures of living standards may be low, a sense of well-being derived from secure inclusion, is strong.
- **Length of cycles for membership and entitlements.** Security is obviously enhanced if collective institutions are perceived as stable over lengthy periods, perhaps even between generations and thus part of an institutional generational transfer. Predictability of entitlements (in a non-Sen sense) are essential, whether in a continuous sense over time, or reliably triggered in response to hazards, shocks and crises.

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