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## People's definition and escape from poverty trap

By Maham FATIMA <sup>af</sup> & Raza Ali KHAN <sup>b</sup>

**Abstract.** The traditional methods of poverty measurement include material or objective indicators such as income, expenditure, calorie intake, education or living standards. However, this study is aimed to identify whether people perceive poverty through these factors or not. The definitions of poverty given by study respondents have proven that although, poverty can be defined through objective indicators but its scope is not limited to them rather it includes various other indicators including no children or parents, lack of self-efforts, person's laziness, sense of understanding things and mental stress. Through interviewing household heads, some coping strategies have been identified which are employed during economically difficult events. Apart from increasing income sources and reducing expenditure, the coping strategies also include living in joint family system, social networking and borrowing in form of general provident fund as the selected sample was from government sector, they utilize their funds at times of need which give rise to a self-perpetuating poverty. The people's perceptions related to poverty determine the nature and extent to which society is encountering hardships and prevalence of poverty in it.

**Keywords.** Poverty, Perceptions, Coping strategies.

**JEL.** I32.

### 1. Introduction

There has been a contention among scholars on how the issue of poverty to be handled which has presented several basic concepts to illuminate the logistics of poverty definition. The issue of poverty is complex and multi-faceted; hence, the solutions are also elusive. However, there exists some ways to combat the issue and make the life of impoverished better through correct assessment and effective policy making. The way poverty is perceived has a profound impact on how it is talked about. Poverty has been defined in multiple ways which reflect that associated perceptions of the subject matter vary with place and society. Therefore, the complex nature of this phenomenon should be appreciated from the eyes of each society. The way a community in United States define poverty may differ greatly from the way a community in Pakistan or any other country define it. Similar to this, the way a society defines poverty and employ coping strategies would only be applicable to that particular society which may not necessarily work in any other society.

This study is intended to provide a straightforward account of how the citizens of Karachi - people living in business hub of the country and provider of numerous economic activities, talk about the subject matter. This study would define poverty

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on the basis of local definitions perceived externally for which the researcher has conducted field work and group discussions.

For knowing the real definition of poverty, it is essential to be able to understand it through the people in poverty. An insight to the realities of poverty through viewing it from perceptions of those living in poor conditions provide useful information about the ways in which people (perceived as poor or who perceive themselves as poor), cope with poverty. The existential realities of poverty include the problems, aspirations, pains and possible solutions to these. These issues can be analysed and understood through getting information about their past experiences and how their poverty affects their welfare. It also provides insights to the way in which these people anticipate future and cope up with poverty. Poor people attempt to find solutions to their problems and pains through responding to the risks and employing livelihood strategies. Risks, responses to them and coping strategies, hence, provide information about the realities of poverty. This study would attempt to understand realities of poverty through these lenses.

Risk is associated with every activity generating income, whether it is used by poor or non-poor. However, for poor, certain risks are specific to their settings, for example poor have high probability of getting infected by any malaria due to stagnant water as they face this issue more as compared to the non-poor. The localities of poor population have sub-standard living conditions, encountered with lack of infrastructure, isolation, crime, lack of services, pollution and vulnerable to natural disasters like floods, landslips or droughts. These risks, when realized, may lead to even further poverty issues or in some cases, may threaten the survival of poor people while facing challenges in coping with this experience. In case of severe conditional outcomes or misfortune, recovery from the mentioned issues may trigger downward spirals and make it more difficult than it would have been at the outset.

The strategies to cope up with the on-going poverty are related to people getting engaged in different activities, economic or non-economic simultaneously, seeking for adequate income. The literature on coping strategies of people for poverty centres on efforts of the households to prevent shortage of basic needs provisioning through looking for various activities that may generate income; these efforts are intended to avoid year round dependence on single dominant sector and to mitigate the risk of production failure in any one activity (Small, Harding & Lamont, 2010). As per the statement of Bernstein, Crow & Johnson (1992: 13), "life for many entails a daily struggle in which much energy and ingenuity is needed to secure livelihoods in the face of various crises". Whenever, the circumstances cause the failure of one source of income falls, there exists another secondly preferable source of income that keeps the consumption smooth and minimizes the loss occurred from failure of first source.

Earning livelihoods and putting their best are central to the lives of each and every person, particularly poor and their experience of poverty. Hence, the strategies they use to earn their livelihoods illuminate into their realities. In context to assessing the poor's poverty perception in order to understand the realities of their lives through the lens of coping strategies they employ, a question of interest arises, i.e. do the people who consider themselves as poor diversify their income sources as a coping strategy or not? Diversification of income sources serves as one of the coping strategies for poverty, however, it may either keep the people in poverty traps as the poor continues to work for low-risk low-income activities or it may serve as a way to get out of this trap.

Through using the poor people's own poverty perception, it is possible to examine whether the people who consider themselves as poor are more diversified as compared to those who do not perceive themselves as poor and are satisfied with their single income. This would infer as whether diversification acts as a response to poverty or a way out of poverty. Hence, this study would also assess this aspect of the study along with other coping strategies of poor for poverty.

### 2. Literature review

Poverty measurement in developing countries is dominated by absolute terms that make a person poor if he does not earn a specific income threshold. Other forms of inequalities are given little attention with most empirical work focusing on the connection between growth and poverty trends. However, poverty may be defined in relative terms which has been adopted by some developing countries, like one observed by Nándori (2011) while studying people in Hungary.

In the developing countries, poverty definition tends to be more towards objective aspect rather than subjective ones as the standard of living, the root cause of many other problems, is comparatively lower than the developed countries. People, in developing countries, have lower life expectancy, their death at the age of 40 or little above implies that they live with severe deprivation, they do not have adequate access to health services which cause them die of diseases which can be cured.

Through studying stigmatization of poverty in America, Morton (2014) demonstrated that the assessment of poverty through people is essential as the results and accordingly designed policies may vary within each culture. For instance, in a developed state like America, poverty is not defined as the inability to meet the necessities of life or income parameter defined by the state government rather it is considered as something beyond this because people of this state are able to meet their ends. In America, the stereotypes about poor people are developed as those who are experiencing untreated disease or disorder, a flaw of character or a lifestyle which has some impoverishments. Such stereotypes have also been confirmed by the modern literature and historical media that exist in America, the problem is that these stereotypes have spread extreme poverty in states. Morton (2014) explained that such stigmatization has made the efforts to alleviate poverty as non-productive.

The mentioned perceptions related to poor have led to further issues like decline in the contributions to non-profit organization that serve homeless and poor, profiling and injustice, lack of public interest and support in the welfare programs, higher tension in societies with wealth disparity and increase in the issue associated with poverty like mental illness or substance abuse.

Research studies on coping strategies seek to explore the ways in which deprived people manage to manipulate resources through complex and innovative methods so that they are able to mitigate potential risks of livelihood. Although, the researches based on coping strategies imply that poor people either increase income or minimize their expenditure, however, since poverty and vulnerability are multi-dimensional, dynamic and cannot be assessed on the basis of access to income only; therefore, the people respond to these multi-dimensional aspects in diverse ways (Bakasa, 2016).

The literature on subject of coping strategies has presented many typologies and classifications. A major distinction of this classification was made by Mingione (1987) into two types; one are those which are focused on making better use of internal household resources and the other are those which emphasize on mobilizing external resources that are provided by the friends, family, relatives, local communities or the state. The coping strategies are also classified as monetary and non-monetary resources. The monetary resources are those which are obtained through formal labour or financial support provided by the state and provincial authorities; whereas, the non-monetary resources include activities by household members for meeting their needs, goods and services provided by official agencies and relations of mutual support (Velasquez *et al.*, 2017).

A substantial examination of coping strategies, including Sepiso (2013), employed by poor people has found that deprived people mobilize their assets to cope with the risks associated with livelihood. Such examinations of coping strategies are focused on guarding against poverty and coping with the livelihood risks. The literature on coping strategies has identified following survival methods:

A number of studies attempting to find the ways of coping livelihood during the times of economic recessions in less developed countries have found that poor are tended to reduce their expenditure or utilize their savings, more commonly in such circumstances. Velasquez *et al.*, (2017) took the primary data of four rural regions of Bolivia including La Paz, Potosi, Oruro and Chuquisaca in 2004 and 2005 to study the coping strategies and mechanism of poor households during the periods of shocks. Through employing multinomial logit estimation method, they found that level of human capital influences the coping strategies adopted by households. They found four major coping mechanisms of rural poor that included work more, use savings, sell animals or take help from non-profit organizations (NGOs). One of the broadly employed coping strategies in sustaining livelihoods and mitigating its associated risk is minimizing the expenditures (Velasquez *et al.*, 2017).

Amendah, Buigut & Mohamed (2014) also attempted to examine how poor cope up with extreme economically deprived conditions. They used dataset from the Indicator Development for Surveillance of Urban Emergencies (IDSUE) research study which was conducted in four Nairobi slums from April 2012 to September 2012. Through studying the livelihood, earned income and expenditure patterns of households, they found some major coping strategies, particularly, the reduction in expenditure which includes limiting consumption, cutting back on the use of utilities or changing diets that help them to cope in times of crisis. While studying the Indonesian rural households, Setiawan (2002) examined that the poor communities, during the time of declining income, respond by cutting down their less essential goods, eating more of their crops and by changing their dietary habits.

Changing dietary habits as a way to cope with crisis was also confronted by Haan, Drinkwater, Rakodi & Westley (2002) in Brazil during the hyperinflation in the country. Undeclared work as a source of income, support from family, friends and public institutions were also found as one of the coping strategies by TNS Qual, EU commission (2014) during the economic crisis in seven EU countries including Germany, France, Portugal, Greece, Spain, Ireland and Romania. The study also reported partners going out for work and taking a second job as the survival strategies during the economic crisis in the mentioned states. This report also found that respondents had even sold their personal or household items such as jewellery, cars, gold, home appliances or other valuable things which are less needed, or the people kept these things as security against some loan. Another two major coping strategies were mentioned in the report including making use of savings to overcome the adverse outcomes of reduction in income, or exchanging items or services with friends and acquaintances. While using the data of Households in rural areas of La Paz, Oruro, Potosi and Chuquisaca from 2004-05 survey, Velasquez *et al.*, (2017) indicated four ways adopted by the rural people to compensate the shortfall of income. The first one is to increase the working days or hours and to increase the labour market participation. The other methods include utilizing savings, selling assets like animals and the aids from non-government organizations.

One of the ways to cut down expenditure includes walking on foot; people may travel on long distance on foot rather than travelling through any transport means. This strategy was found among the poor people of Zimbabwe by Cephas & Bernard (2012) which was considered to be a major source of saving money and to sustain the livelihoods. Similar observation was made in Mexico which experienced hyperinflation and in that time, its poor community long distances for work and farm on foot that were near to American border in order to cut down the transport cost. Other strategies having little impact on minimization of expenditure include stinting on education, medical costs and basic food stuffs.

However, it is to be noted that the strategies used to minimize expenditures are commonly for short time and they are adopted out of necessity. This makes the above mentioned strategies different from the long term survival methods which are aimed to invest in opportunities that yield positive returns. Hence, the strategy

to minimize expenditure may be effective in times of crisis but it may not have effects in long term as they become inequitable and socially unsustainable. These strategies may only cater the needs of more powerful households for a short time but in long term, these strategies work at the expense of the interest of other households. This can be illustrated through an example that in short term, less poor people cut down their expenditure on health or expenditure to cope up with their survival; however, this would make the poor men and women, in the long term, unable to sell their labour force for earnings.

The second type of poverty coping strategy discussed in the study of Bakasa (2016) is the development of urban and rural linkages. This strategy implies that poor people in urban areas develop their links with the relatives in rural areas to take the advantage of cost differences. The rapid urbanization in the world has divided many African countries, like others, into two geographically separated but mutually supportive households that include the urban areas and the rural ones. As found by Namwata, Mgabo & Dimoso (2010) during their study in Zambia during the economic crisis that cooper miners in mining towns are found to have strong linkages with the rural areas during the times of economic crisis. They use their relatives in rural side as their survival strategy.

A general assumption is that when people migrate to the urban areas, they remit earnings to their families in rural areas rather than receiving money from them. However, Rakodi (2002) presented contradicting views as the study showed limited flow of money from rural to urban areas. Hence, it can be said that money does not flow only from urban to rural areas, it may take reverse action as well. As found by Lestedi (2003) in the capital city of Botswana, Gaborone that the individuals in urban areas had maintained strong linkage with the rural areas in the form of property ownership, participation in social activities over there or through engaging in economic activities. The urban dwellers draw on various essential resources from urban-rural linkage in times of adversity including exchange of goods, money or visits, regular consultation with friends in rural areas or frequent communication with family and relatives over there.

As evident from the observations of Akkoyunlu (2015), the urban dwellers, specifically those who are categorized as urban poor, have maintained strong connections with the people in urban areas in order to ensure their survival. As the urban poor has moved towards adaptation and strengthening of rural-urban linkages, this represents essential safety valves and welfare choices for the people living in urban areas and experiencing economic fluctuations. In consideration to the economic vulnerabilities and rising urban poverty, the rural-urban linkage as economic survival strategy has gained importance. Rural-urban linkages can be defined as the structural social relationships developed among the people living in urban areas with those living in rural areas. Linkages between rural and urban individuals play a vital role in generating employment opportunities, income and wealth. However, Akkoyunlu (2015) notes that the potential positive outcomes of this linkage have been ignored and remain unrecognized at the national level while designing trade and other economic policies.

The other major coping strategy adopted by poor communities is the diversification of income. As discussed by Bakasa (2016), people respond to the adverse economic and social changes like industrial restructuring or unemployment by generating income from multiple resources or getting engaged in different activities so that they are able to maximize their income levels. It includes holding oneself responsible for activities that are not associated with their current job status and they may be in or outside their workplace which help in generating additional income. For instance, Chagonda (2010) observed that workers in banking sector of Zimbabwe responded to the adverse outcomes of financial crisis by working in places outside banking sector, like getting engaged in small or medium business. Similar strategies were adopted by the teachers who got engaged in cross border trading as a moonlighting activity so that they may generate additional income (Chagonda, 2012). Not only that people respond to financial crisis through

diversifying income that generate additional income rather they also increase the household members who work and incorporate the non-working house members into labour market who increase the income resources to the household.

The empirical literature on the people's perceptions regarding poverty and the concept of subjective poverty within a country or cross-country settings has been well-established. However, knowing the reality of poor community from the people living in that circle needs to be investigated. In continuation and expansion of what Khan & Siddiqui (2007) had investigated, this study is aimed to investigate not only the lives but the understanding and coping strategies of poor through their perceptions.

### 3. Research methodology

This section provides a brief overview about the research methods and targeted sample used while collecting information on perceptions of poverty from people. It explains the study area, data collection and analysis methods.

#### 3.1. Research method

The research paradigm of this study is mixed; the rationale for choosing this method is that the study topic required equal treatment to quantitative and qualitative components of research in consideration to the research objectives. The quantitative aspect of study is catered through survey questionnaire in which respondents were asked about their income and expenditure details to find out the gap between their resources and needs which would help in highlighting their strategies to fill up these gaps. Whereas, the qualitative aspect is covered through interviews from same respondents with more detailed answers. The data of qualitative method is used for explaining and building the initial quantitative findings. The qualitative data of field work constitute discussion about the people's perceptions which have served to shed light on clearer picture of the phenomena under study leading to addition of richness and depth in the quantitative data.

Through interview, the research communicates with the respondents directly face to face. Unstructured interviews have been conducted from the selected sample to know their perceptions on the meaning and coping strategies for poverty. The interviews were conducted from different respondents living in different districts of Karachi.

#### 3.2. Study area

The study area of this study involves the participation of people from a city which is considered as the economic hub of the country i.e. Karachi. Having around 6000 people per square kilometre (Calkins, 2013), this city has coped up with almost every possible problem of the society including bigger ones like human trafficking, corruption, pollution, terrorism, violence and many others to inadequate sanitary, unclean drinking water and traffic jams which seem to be smaller. Since, the study attempts to understand poverty beyond its contemporary objective measures, the people from such a diversified and developed megacity may perceive the phenomenon under investigation in a different way.

#### 3.3. Sampling

Using criterion sampling, the study respondents chosen were government employees from grades 1 to 5 as they lie in the lowest income quintile provided by state to its officials. However, it was not possible to interact with each individual falling under this criterion; therefore, 100 respondents were chosen on the basis of convenience. Furthermore, in order to identify gap between income and expenditure, thereby, assessing their coping strategies, the respondents had to disclose information about their income level and expenditure components for which every individual may not be willing. The sample belongs to different areas and towns of Karachi.

3.4. Data analysis

The primary data collected interviews has been analysed quantitatively. The phase of data analysis includes descriptive analysis of demographic, income and expenditure data of respondents. At the last stage of data analysis, the findings in the form of poverty definitions and coping strategies of respondents identified from interviews are presented. The qualitative interview data has been analysed in light of existing literature. The study includes categorical data such as data on demographic characteristics of respondents, their income and expenditure patterns. This data has been presented through pie chart as well as bar chart, whichever appropriate.

4. Analysis and discussion

This is the central part of the research as it represents the findings of interviews. It provides the demographic details of the respondents, their income and expenditure statistics. It presents answers to the core component of the study including definitions of poverty given by respondents and their coping strategies.

4.1. Demographic profile of respondents

Figure 1 below represents the demographic details and distribution of study sample. The studies like Garidzirai (2013) and Davids (2010) have found that socio-economic factors affect the perceptions of people related to poverty. Davids (2010) found in his study that people from urban areas do not consider poverty to be resulting from lack of basic facilities, contrary to those from rural areas. Participants of this study belong to different areas of Karachi which vary in terms of development; therefore, their perceptions may or may not define poverty through traditional objective measures.

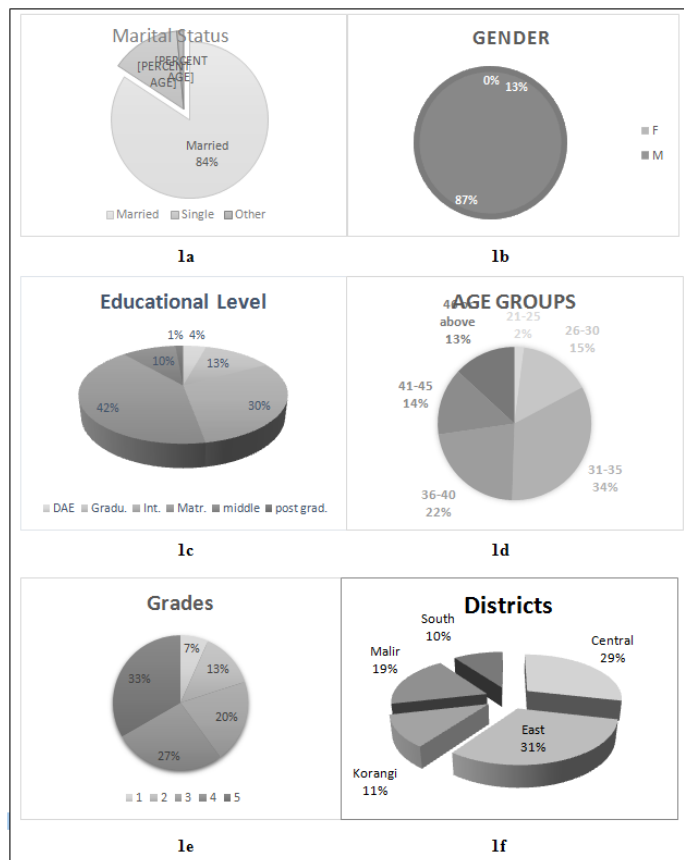


Figure 1. Demographic Profile of Respondents



### 4.2. Perceived definitions of poverty

Measurement of poverty is significantly important in order to estimate the scope and ramification of this challenge, designing policies and monitoring their effectiveness. However, this measurement does not simply demand counting and collating exercise rather it is essential to first define the term “poverty”. Inaccurate or under-assessed definition may lead to extensive problems at the very first step which may create differences between perceptions of people and motivations of those who define and measure poverty. Although, the studies support objective or absolute poverty but there exist disagreements over the policies formulated to alleviate poverty. Apart from the income based approach, there have been increasing concerns about the deprivations in several other dimensions beyond income like access to adequate facilities, employment status, society and individuals’ own efforts. Hence, the basic material dimension, used traditionally, to measure poverty has expanded for the inclusion of some non-material dimensions towards a more holistic view of well-being (United Nations, 2010).

When the participants were asked to define poverty according to their views, most of them started with a very similar conception of poverty that emphasizes on the absolute terms, irrespective of their area of living or employment status they possess. They defined poverty as lack of resources necessary for survival as expressed in following words:

- Poverty is when you cannot get your needs or desires fulfilled at the time of requirement.
- Poverty is when your expenses exceed your income
- Poverty is being unemployed or jobless.
- A family becomes poor when its female members has to work to earn livelihood, when the income of male member is not enough to meet the basic needs and when the children of the family cannot acquire education from some known and reputable institutions with sufficient facilities required for study.

**Box 1:** *Lack of Income or Excess of Expenditure*

Another important cause or indicator of poverty can be education as defined by this definition:

- Poverty is lack of education

**Box 2:** *Lack of Education*

Although, education is considered to be an equalizer between different economic classes prevailing in the society; however, this notion has been a myth more than a reality. This development goal still remains unachieved which has widened the gap between poor and non-poor as larger as twice before. The differences between academic qualified or cognitive performers, whether in elementary, middle or college level students, have substantial differences in their income or poverty status as compared to those who do not attain education. The resultant differences further contribute to more stratification in the society as who attends schools, obtain education, studies in well-known institutes, drops out from school or graduate from college. It further limits the social and economic mobility, causing the perpetuation of gap between poor and rich people. This dimension explains poverty as objective deprivation that occurs when the adult literacy rate is low.

A major poverty assessment approach is expenditure dimension that defines the proportion of income spent on expenditures including food or non-food expenses. Most of the empirical studies focusing on poverty measurement in Pakistan rely on the data provided by Human Integrated Economic Survey (HIES) that includes household expenditure on food and non-food items, consumption for a range of items and income estimates from various sources. The expenditure statistics are

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used as a reliable approach to calibrate poverty line (Rao, 2006); however, the definition below defines poverty beyond income or expenditure, alone:

Poverty is not about your income rather it is about the way you spend that income. A person with an income of million can be poor if he does not know how to spend it, on the other hand, a person with Rs.10,000 income can be rich if he knows how to allocate this income.

### Box 3: *Inefficient Allocation of Income*

Another definition provided by respondent explains poverty to be more an outcome of bad luck. According to below definition, born inferior makes a person poor; however, this calls for the role of individualistic approach that define poverty as sole responsibility of an individual.

Poverty is hierarchical; it passes on from generation to generation. If a person is born in a poor family, he would most probably remain poor throughout his life because he does not have any wealth accumulated by his ancestors that may help in fulfilling his needs and desires.

### Box 4: *Being Born Inferior*

In counter argument to previous definition, poverty has also been defined by respondent in following words that emphasize on individualistic poverty:

Poor is one who does not work and make effort to earn livelihood.

### Box 5: *Lack of Willingness to make effort*

Considering the above definition of poverty, the fate or bad luck of an individual cannot be said as being cause of someone's poor condition rather his own efforts and hard work may change his luck.

Although, in developing countries, the definition of poverty is considered to be dominated in absolute terms but under this study, participants have defined poverty as including some non-material deprivations.

Poverty is nothing; it is the thinking of a person that makes him poor or rich. We are not poor; in fact poor are those people who need our assistance. This world system is functioning due to the people who are called poor. How a building can be constructed if there is no labour? How a person can be a minister if he cannot open the door of his car himself? I am rich because I can prepare my food whenever I want, I can get it ready; I am rich because I can get my clothes ironed whenever I want; whereas, those who are called rich cannot get anything done or ready without the service of a person whom the society calls poor.

### Box 6: *Lack of High-browed Thinking*

Other definitions of poverty provided by respondent include:

- Poverty is mental stress, a person is poor because he is unable to cope up with the challenges he is facing in his life.
- Poverty is nothing, it can be competed like any other thing in life but a person cannot face any challenge if he does not have the sense of understanding and belonging, if he does not know how to behave in society, how to talk with people and how to be a good human.
- Poverty does not only occurs due to lack of income or monetary resources, a person can be poor if he or she does not have children or if the children do not have parents.

### Box 7: *Inability to Combat with situations*

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While asking the respondents about the major cause of poverty, few said that poverty prevails in Pakistan because the people here have their self-interest; they are concerned about their needs only. The greed for their personal interests has forced stronger people to exploit the weaker ones. This notion has been explained by one of the respondents in following words:

- This country is not poor; poverty is being intentionally spread so that those exploiting others can exploit more. This country has everything still it is poor not because its people do not have sufficient income or income generation resources but because they are being exploited.

### **Box 8:** *Widening Gap between Rich and Poor*

With this definition, participants identified corruption as a major source of poverty generation as found by Ogboru & Abimiku (2010). According to them, corruption increases transaction costs that further lower efficiency of institutions resulting in diversion of resources into private pockets, inappropriate allocation and distortion of investment priorities. In this way, corruption makes a state unable to promote social justice and development. As Kaufmann (1999) explained that corruption is systematic and entrenched in most developing countries. Hence, under this approach, a corruption entrenched society like Pakistan, makes its people helpless due to non-access to their rights. It implies that corruption is against all the efforts made to reduce poverty. Keeping this into consideration, most of the respondents were of the view that state government is responsible for the prevalence of poverty and non-achievement of millennium development goal. According to these participants, the officials are not sincere towards this effort; they are having their personal interests.

However, a female participant explained that it is not only the officials who are fighting for their personal interests rather each and every person in the society is exploiting others for his personal gains. Another respondent explained that Pakistan has almost every resource available, the only thing left is sincere and consistent effort. The country has been over-diagnosed by its economists about its economic issues and their severe outcomes but the treatment has yet not started in effective manner. In light of this discussion, it can be implied that poverty is not only lack of objective measures rather it is the result of individual's lack of efforts too.

### 4.3. Income and expenditure gap

Figure 2 represents the gap between income and expenditure of sample families. A high volatility can be observed from it with families having their monthly expenses greater or lower than their income. Family # 3 has much higher expenditure than the income because their major expense items include food expense of Rs. 20,000, house rent for Rs.8000 and medical for Rs.10,000. It covers the expenditures through secondary source of income. Family # 7 spends Rs.30,000 on food with an income of 20,000; this high expense is due to large family size of 9 family members. This family lives in joint system and the brothers have their car transaction business that generates an income around Rs. 40,000 which helps them to easily cover their expenditures.

Family #14 has the largest house among all other sample households of 400 sq. yards because of which their utility bills amount to Rs. 30000 and a larger family size of 8 creates food expenses equal to Rs. 12000. This family also has its own business to generate secondary income that generates up to Rs. 60,000 per month. Similarly, family #34 has an income of Rs. 21000 to cover expenditure amounting to Rs. 47600; this higher amount is mainly spent on food and utility bills. Although, the family owns its residence which free them from house rent but their house size is comparatively larger which has increased the amount of their utility bills. This family lives in a joint system to overcome the expenditure. If their

income and expenditure gaps are monitored, some coping strategies can be identified which are discussed in later sections.

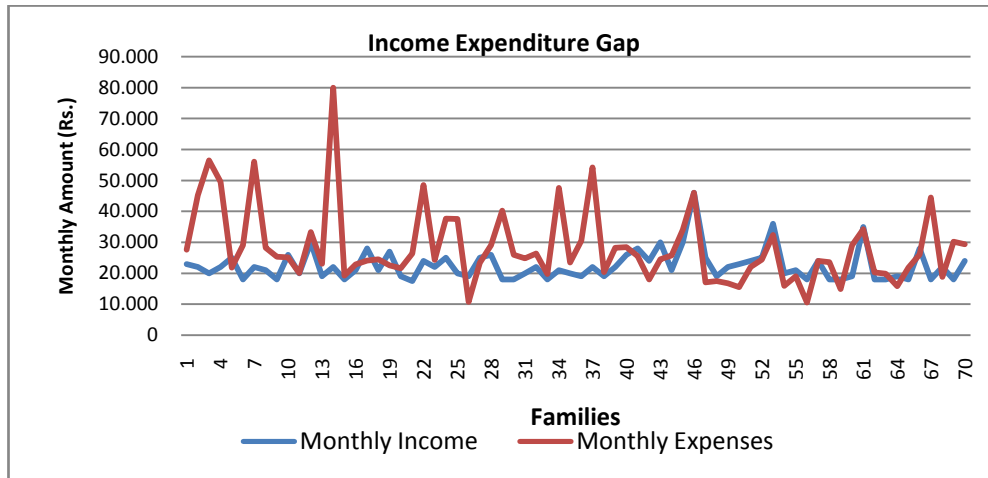


Figure 2. Monthly Income Deficit of Sample Households

There are some points in Figure 2 which indicates positive income like family #48 which has an income of Rs.19000 and expenditure of Rs.17000; this is because they are only two members with no children which allow them to save money. With a secondary source of income and less expenditure, family #26 is also able to have positive savings.

Table 1 represents the statistics for income, expenditure and savings. The average gap between income and expense for sample family is a negative saving of Rs. 5,773 with minimum dis-saving of Rs. 58,000 and a positive saving of Rs. 8,300. A higher dissaving is due to larger family size as three families in sample had 8 children and 10 family members with only two earners. This gap is filled through coping strategies discussed in later sections. The income discussed, here, is the single income of family head and other sources are not included in it.

Table 1. Income Expenditure Gap Statistics

	Income	Expenditure	Saving
Average	22492.86	28265.86	-5773.00
Minimum	17500	10500	-58000
Maximum	46000	59600	8300

#### 4.4. Coping strategies employed

The literature on coping strategies has classified them into two types: one includes those strategies which seek to improve the allocation of internal resources while, the others are concerned with mobilizing external resources. The respondents in this study avoid themselves to be left more deprived through pooling resources, using social networks skilfully, constructing their houses with less expensive material and by working in formal as well as informal economies such as real estate agents, private car dealings through personal contacts etc.

Social networking is considered to be an important coping strategy as social groups understand the adversity of financial and social deprivations (Ezeanolue, 2010). The respondents in this study were found to seek help from their relatives, friends and family in times of hardship. When these families encounter one of the most difficult times like marriage of a family member or child, birth of a child, own marriage or any huge medical expense, they probably seek aids from their social networks. Families with higher expenditure and lower income probably borrow. However, the money borrowed from these social networks has to be returned at specified time. Most of the respondents pay back the amount in later months which further lower their income resource to meet up daily expenses.

Since, the selected sample include government employees, they have the facility of General Provident Fund to fulfil their timely needs. However, this amount is also deducted from their monthly income which leads to their entrapment in a self-perpetuating culture of poverty. The endogenous financial fragility may also lead to increased inequalities in the society which forces the borrowers to increase their indebtedness to fulfil previous financial commitments as their income is not sufficient to service the borrowed money (Minsky, 1982). Scarcity of any kind of resource may result in excessive borrowing as in difficult economic situations, people are not left with any other way but to borrow, since, the people in Pakistan are not provided any such social security to cope with their deprived conditions. This may also tend to make more problematic decisions, late bill payments, incautious borrowing of money or needless purchases.

Furthermore, in government organizations particularly, the lower level staff relies on officer level employees for their financial aids. These officers help the lower level staff through providing them charities or lending money. The trend of these aids has lowered the self-esteem of employees and they are less likely to seek out for some constructive economic activities that generate income for them also. This problem has also been defined as one of the main causes of poverty while defining poverty through people's perceptions.

This study has found that average monthly expenditure of households on food is 47% of their income. Utility bill payment, education and house rent expenses are other major expenditure items. However, these people tend to adjust their expenditures as per priorities as shown in Figure 3 where first priority is food followed by utilities, rent, education, medical and clothing. This means that they compromise education over food and medical over education. The medical facilities provided from government to public sector employees is not enough to reduce the medical expenses as it does not cover Out Patient Department (OPD) and expense of medicines.

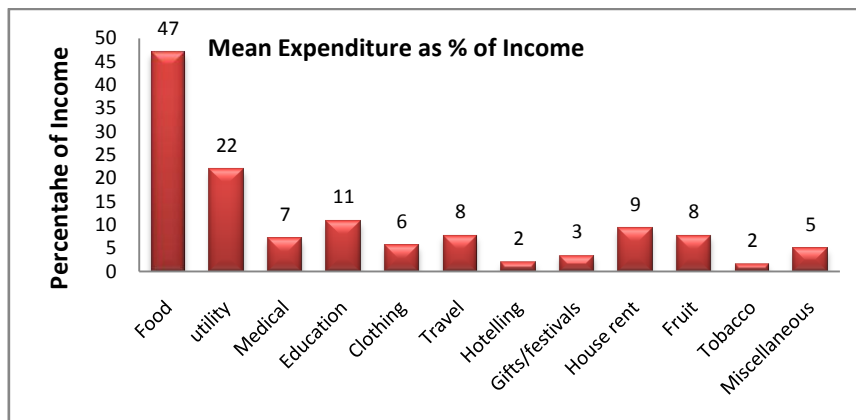


Figure 3. Average Monthly Expenditure

A major coping strategy has been identified from their expenditure pattern and observing their lifestyle i.e. Joint Family System. In Pakistan, particularly, joint family system is a symbol of unity among siblings even after having their nuclear families. However, this tradition also provides a way to the house members to reduce their expenditures as the major expense items like house rent, utility bills, even food etc. are shared among house members. As expenses on hoteling are much lower (refer to Figure 3), it explains that families reduce their consumption expenses and they are more likely to eat homemade food as it is comparatively less expensive. Other common coping strategies include using credit, removing children from school and working in part time. The household heads who own their dwelling places and who are not required to pay for it, are less likely to employ coping strategies. Owning a house or not paying for it tends to free up 9% of their

income (refer to Figure 3). This amount of income may have been allocated to rent, however, own house allows the households to cater their other necessities.

As explained by one of the respondents that understanding among spouses also play an important role to cope up with difficult situations. He explained that his wife has been with him in every tough economic situation for moral as well as financial support. Although, one of the definitions of poverty mentioned above explains that a family is poor when its female member has to work to earn livelihood, however, it tends to be one of the coping strategies employed by people. Pakistan, being an Islamic state, does not force women to work or restrict them to household responsibilities but in order to stabilize their livelihood and help their male family members; women come out of their houses to earn money. This points out to another common coping strategy that include expanding income resources which is not only possible through part time job but by engaging other family members in earning as well. Table 2 summarizes the identified coping strategies of sample families.

**Table 2. Major Coping Strategies of Respondents**

Strategies	Ways of Implementation
Income Diversification	<ul style="list-style-type: none"> <li>• Part time jobs</li> <li>• Car dealing business</li> <li>• Own shop</li> </ul>
Reducing Expenditure	<ul style="list-style-type: none"> <li>• Adjusting Education, Medical and Clothing expenses</li> <li>• Walking long distance on foot</li> <li>• Efficiently using grocery or other consumer items</li> </ul>
Joint Family System	<ul style="list-style-type: none"> <li>• Sharing food, utilities or rent expenses</li> </ul>
Borrowing	<ul style="list-style-type: none"> <li>• Financial aid from upper level officers</li> <li>• Borrowing from family, friends and relatives (Social Networking)</li> <li>• General Provident Fund</li> </ul>
Female family member contribution	<ul style="list-style-type: none"> <li>• Tuitions</li> <li>• Stitching</li> </ul>

## 5. Conclusion

The principal component of this study was to investigate the understanding, experiences and coping strategies of low income people. Although, strong emphasis from literature has defined poverty beyond absolute terms, emerging the concept of multi-dimensional poverty that is not only restricted to income or expenditure approach only but it includes education, living standards etc. However, these measures fail to recognize the multi-faceted feature of poverty as they ignore the perceptions of members in related community and their understanding about the phenomenon. This leads to making people voiceless and powerless in the identification process of who can be said as poor and who cannot be. With this realization, this study aimed to involve members of the community. Knowing people's perceptions may also prove to be misinformed on the ground, making it impossible to define welfare of people in quantitative sources, therefore, this study has used qualitative technique to provide some clue regarding the welfare of people.

The first objective was to obtain the perceived definitions of poverty from people. The variations among people while defining poverty may be caused due to differences in family size, responsibilities of informants, abilities of households to generate other sources of income, average health status of the family, their mood, and patience and stress level. However, it is evident from the definitions of poverty given by participants that the notion of poverty has to be defined beyond income, expenditure or education. It includes the blessings, the support of family particularly spouse, self-esteem, sense of belonging and logical thinking.

Another objective of the study was to identify the coping strategies employed by people and the results show that the respondents were found to have reduced their expenditure or diversified their income sources as identified by Bakasa

(2016). This income diversification strategy reminds the Greek proverb referred by Chambers (1988: 7) as “fox knows many things but the hedgehog knows one big thing”. Many studies including Ohio (2012) have found that poor behave as fox as they have highly diversified portfolios and they are not able to specialize in one activity which does not allow them to diversify their income sources from more than two activities. This is why many respondents were found to be working in part time and they earn higher their specified income source. Many of the part time workers are working in their current positions only because it provides job security as the institutes are government owned. People in this category take up a second income in response to poverty or low income paid from their primary source. In terms of reducing expenditure, they were found to compromise on their clothing, hoteling and medical expenses and lived in joint families to avoid whole burden of utility bills, house rent and food. Since, the participants were government employees; they probably rely on their general provident funds or borrowing from their social networks to cope up with difficult economic situations. These strategies, although, fulfil the timely needs of these people but they lead to a self-perpetuating poverty that is caused due to lower income levels in later months.

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