Pergamon

World Development, Vol. 26, No. 1, pp. 1–19, 1998
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0305–750X/98 $19.00 + 0.00

PII: S0305–750X(97)10015–8

The Asset Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies

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Summary. — Identifying what the poor have, rather than what they do not have, focuses on their assets. This paper contributes to the extensive vulnerability/assets literature, by categorizing the assets of the urban poor in terms of an "asset vulnerability framework." These include both tangible assets, such as labor and human capital, less familiar productive assets, such as housing, as well as intangible assets, such as household relations and social capital. Results from a recent urban study show that the poor are managers of complex asset portfolios, and illustrate how asset management affects household poverty and vulnerability. Translated into operational practice this framework facilitates interventions promoting opportunities, as well as removing obstacles, to ensure the urban poor use their assets productively. © 1998 Elsevier Science Ltd. All rights reserved

Key words — assets, vulnerability, household relations, social capital, labor, housing

1. INTRODUCTION

After more than a decade of debt and recession, and of economic stabilization and structural adjustment policies, in both developing and transitional economies, structural poverty reduction has re-emerged as a central development priority. Not only has this revived focus on poverty renewed conceptual and methodological debates about meanings and measurements of poverty, it has also challenged policy makers to reassess the viability of current interventions for poverty reduction.

This paper is intended to contribute to the debate about more sustainable local level poverty reduction strategies that strengthen people's own inventive solutions, rather than substitute for, block or undermine them. Based on the empirical results of a recently completed urban research study, it seeks to identify what the poor have rather than what they do not have, and in so doing focuses on their assets. Drawing on the extensive work of Sen (1981), Swift (1989), Maxwell and Smith (1992), Davies (1993), Devereux (1993), and Putnam (1993), this paper categorizes the assets of poor urban individuals — women, men and children — households, and communities in terms of a fivefold "asset vulnerability framework." These include well-known tangible assets such as labor and human capital, less familiar productive assets such as housing, and largely invisible intangible assets such as household relations and social capital.

This provides the opportunity to explore empirically the contribution of an urban study of longitudinal responses to macroeconomic crisis, rather than studies of short-term responses to natural/human-made disasters, to current asset/vulnerability debates, and their associated poverty reduction strategies. Research results show that the poor themselves are managers of complex asset portfolios. In highlighting both obstacles and opportunities in asset accumulation, the paper illustrates how asset management affects household vulnerability. Translated into operational terms, this framework contributes to the development of more appropriate analytical tools to facilitate those interventions which promote opportunities, as well as removing key obstacles. This is intended to assist the urban poor in using their full portfolio of assets as productively as possible, complementing current

*The author is grateful to Jesko Hentschel, Jeremy Holland, Michael Jacobs, Peter Sollis, and the anonymous reviewers, for their helpful comments in drafting this paper. She would also like to acknowledge Michael Cohen, Diane Elson, Amartya Sen, Ismail Serageldin, Alison Scott and Richard Webb for their advice, and to thank Michael Gatehouse, Helen Garcia, Jeremy Holland, Kathy McIlwaine and Cecelia Zanetta, for their assistance, in the research project that provided the data for this paper. These are the views of the author, and should not be attributed to the World Bank, its Executive Directors, or the countries they represent. Final revision accepted: August 16, 1997.