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Abstract

The article is organized around two general questions: (1) how have the rural poor fared during reform; and (2) to what extent have the rural poor adapted to new conditions during reform? This article contributes an original analysis to the rural poverty issue in two ways. First, it explores a topic that previously has not been analyzed in the literature; and second, it uses survey data which allows an in-depth examination of rural poverty at the household level. Our data allow us to focus on households living in poverty, and our units of analysis are rural households and rural individuals.

Our data suggest that there are fundamental differences in the stock of human and productive capital between poor and non-poor households. In our sample, households at or below the poverty line have a mean size of 2.7 persons, while households above the poverty line have a mean size of 4.0 persons, representing a substantial difference. An individual at or below the poverty line is older, having a mean age of 53.7 years of age, while an individual above the poverty line has a mean age of 47.9 years of age, which is also a considerable difference. Individuals at or below the poverty line have lower levels of education: husbands have a mean educational level of 9.7 years and wives 9.5. Conversely, individuals above the poverty line are better educated and have a mean of 10.8 years for the husband and 11.0 years for the wife.

Individuals living in poverty are more likely to feel lonely, unhappy and depressed. On a scale of 1-4, with 1 being "never" and 4 being "most of the time," persons in poverty have a mean score of 1.85 for feeling lonely, 2.06 for feeling happy, and 1.81 for feeling depressed. Persons above the poverty threshold have a mean score of 1.46 for feeling lonely, 2.35 for feeling happy, and 1.50 for feeling depressed. These results are important because they are linked to pro-reform behaviors. In particular, statistically significant correlations show that:

(1) Feeling happy is positively correlated to increasing land plots.

(2) Feeling happy is positively correlated to feeling in control of one's life.

(3) Feeling in control of one's life is positively correlated to increasing land plots.

(4) Feeling in control of one's life is positively correlated to satisfaction with village life.

(5) Satisfaction with village life is positively correlated to increasing land plots.

Therefore, persons in poverty have more negative psychological dispositions and less positive, which in turn affects the likelihood of using opportunities created by reform such as participating in the land market.