

NOTES ON ASPIRATIONS AND THE POOR¹

Debraj Ray
New York University

1. INTRODUCTION

I begin by summarizing the main points of Arjun Appadurai's paper:

- [1] The capacity to aspire is a specific instance of "culture". Unlike some other forms of culture (e.g., traditions), it is future-oriented rather than past-oriented.²
- [2] Aspirations are socially determined, so the capacity to aspire is unevenly divided between rich and poor. This has intrinsic as well as instrumental consequences.
- [3] The intrinsic consequence is that the "terms of recognition" are adversely tilted against the poor, stripping them of voice and dignity.
- [4] The instrumental consequence is that the poor thereby lack "the [aspirational] resources to contest and alter the conditions of their own poverty".³
- [5] The implication is that all efforts should be made to give the poor "voice" (as opposed to "loyalty" or "exit"), and that any project "should develop a set of tools for identifying the collective map of aspirations".

The ideas in this paper are extremely thought-provoking, though the paper is perhaps a bit long and rambling for its central content (by the yardstick of my discipline at least). I found myself placing Appadurai's ideas into two categories. One was the category of self-evident truths: for instance: yes, of course, the poor should be given "voice". The second was a more intriguing category, generated by some of the substantive, falsifiable points⁴ made by Appadurai. For instance, I found myself asking:

- [1] What are the determinants of the "capacity to aspire"?
- [2] What is the link between aspirations and actual individual behavior, such as the propensity to save?
- [3] How might aspirations be affected by economic and social change, such as economic growth, higher mobility or the rise of religious fundamentalism?

¹Thanks to Jonathan Morduch, Rohini Pande, and especially Srirupa Roy and Nilita Vachani for useful comments.

²Past-orientation is emphasized in the literature and suggests that culture and development are opposed. With the future brought back into the discussion, a pathway emerges for culture and development to go hand in hand.

³Examples of resources at the individual and collective level include the willingness and ability to save, the scope to be patient, and the power to lobby.

⁴In my book, falsifiability is a good thing! There is little point in being even-handedly inclusive.

[4] How can aspirations be affected by *deliberate* group action? What are the pathways between activism and aspiration?

As an outsider to this sort of conference, my goal is very simple. It is to outline my reactions (as I read Appadurai's paper) in some constructive and hopefully useful way. The only way I know to do this is by outlining a very simple framework, maybe no more than a merely classificatory structure, for thinking about some of the points that Appadurai raises. I believe that many of his ideas do fit into this framework, and also that potential pitfalls in some lines of reasoning are brought out.

2. ASPIRATIONS

Begin with aspirations, the concept that lies at the heart of this paper. Appadurai is, of course, correctly insistent on the fundamentally social nature of this concept. For instance, he writes that aspirations "are always formed in interaction and in the thick of social life ... a poor Tamil peasant woman's view of the good life may be as distant from that of a cosmopolitan woman from Delhi, as from that of an equally poor woman from Tanzania." I am in complete agreement, in part because (phrased this way) this point is obviously correct. But it might be useful to unpack the idea a little more.

One way to think about these social effects is that an individual possesses a *window* — a zone of "similar" individuals — and draws her aspirations from *their* lives, achievements, or ideals. To be sure, the concept of aspirations itself may be inherently multidimensional. Individuals aspire to a better material standard of living, but there are other aspirations as well, some a bit more sinister than others: dignity, recognition, political power, or the urge to dominate others on religious or ethnic grounds. Depending on one's place in the socio-economic hierarchy, these many-faceted aspirations may complement one another, or they may be mutual substitutes.

Because both aspirations and the notion of "similarity" are multidimensional concepts, so is the aspirations window. If I am a 45 year-old Indian professor of Economics who lives in New York City and mainly has nonacademic friends, you can count at least five dimensions that might enter my aspirations window — and just from that one line of introduction. But there are several ways in which one can narrow down the notion of similarity, and give it substance.⁵

First, it may simply be that individuals use their peers (or near-peers) to form comparisons, invidious or otherwise, because that's just the way people are. I might use the standards and achievements of other economists, or those of other Indian academics, or perhaps academics in my age group, as a basis for forming my

⁵Yes, economists actually believe that narrowing down an idea gives it substance, more often than broadening it!

aspirations. But I'm unlikely to call on the experiences of Bill Gates or Madonna: they're just too far away from who I am.

There may be a biological or evolutionary basis for this restriction, though the particular *form* assumed by the restriction may be highly society-specific, of course.

Second, there may be restrictions that arise simply because of the flow of information; what people can physically observe may be limited, or communication may be circumscribed in some way. William Julius Wilson's (1987) study of role models may be a useful example: successful individuals who outmigrate from the innercity are no longer there to be observed, and cannot influence aspirations or behavior among the young. Kaivan Munshi and Jacques Myaux's research on the Bangladesh fertility slowdown (Munshi and Myaux (2001)) suggests that Hindu fertility averages had a separate and significant effect on Hindu fertility rates (likewise for the Muslim averages). There is actually research in economics in identifying communication linkages in particular empirical settings, and then checking if the decision made by one individual affects a linked partner (see, e.g., Conley and Udry (2001) on pineapple farming in Ghana).

Third, there may be econometric reasons. Once again, Kaivan Munshi's work is relevant: in his (1999) study of adoption of HYV seeds, he shows that a farmer will want to look at the adoption decisions of farmers who are "close" to him; spatially, economically, perhaps even socially. Looking at the experiences of individuals similar to me is like running an experiment with better controls, and therefore has better content in informing my decisions — and by extension — my aspirations.

Fourth, "similarity" is contextual: it depends on how much mobility (or *perceived* mobility) there is in society. The greater the extent of (perceived) mobility, the broader the aspirations window.

Finally, the different dimensions of aspirations are obviously connected with different facets of the aspirations window. As an economic agent who desperately seeks to escape poverty, I will emulate, imitate, and learn from the economic strategies of those in my neighborhood income or wealth group. As a Hindu Indian who is drawn to the idea that my fellow-Muslims should head off to Pakistan, I may emulate an entirely different set of people. More dangerously, an aspirations failure along one dimension may spur my ambitions along another.

3. THE ASPIRATIONS GAP AND INDIVIDUAL BEHAVIOR

Why are these considerations important? To address that question we need to combine a theory of how aspirations are *formed* with a theory of how aspirations affect behavior. I now turn to a simple — perhaps simplistic — account of this.

In this account, the idea of an *aspirations gap* plays a central role. For concreteness, let me illustrate this by using material aspirations alone (the same idea can be applied, perhaps with modification, to other dimensions). The aspirations gap is simply the difference between the standard of living that's aspired to and the

standard of living that one already has. I want to argue that it's this *gap* — not aspirations per se, nor one's standard of living per se — that affects future-oriented behavior.

Denote by s an individual's current standard of living, and let a denote the standard that's aspired to (determined by some combination of the considerations described above). Define the gap to be

$$(1) \quad g(a, s) \equiv \max\left\{\frac{a - s}{a}, 0\right\}.$$

Thus someone with extraordinarily high aspirations relative to his current standard will be “fully gapped”, as it were, having an aspirations gap of 1. Someone who does not look beyond his current lot will have $a \simeq s$, and the aspirations gap will be zero. I do not permit “negative gaps”, and given the way g is to be used below, this simply means that while a positive gap creates the impetus to close it, there is no particular impetus to create negative gaps.

The simplest story that one can tell is one of investment to close the aspirations gap. Investment i raises future standards of living (say, according to some function $\sigma(i, s)$ that depends both on the investment made and the current standard), thus narrowing the aspirations gap, but is costly to the individual. Denote this cost function by $c(i)$. An agent with aspiration a and current standard s may be viewed as choosing to *minimize* the sum (perhaps weighted) of gap and cost:

$$(2) \quad g(a, s') + c(i)$$

subject to the constraint that $s' = \sigma(i, s)$.

This sort of model, which I won't work out in detail, has the following interesting feature:

Individual investment efforts are minimal for both high and low aspiration gaps.

A little reflection renders this proposition intuitively obvious. Individuals whose aspirations are closely aligned to their current standards of living have little incentive to raise those standards. However, individuals whose aspirations are very far away from their current standards of living *also* have little incentive to raise standards, because the gap will remain very large before and after. A lot of investment will only cover a small part of the way: the overall journey is too long, and therefore not worth undertaking in the first place.

Thus our concept of an aspirations window, together with this description of aspirations and individual behavior, has an interesting implication. If economic betterment is an important goal, the aspirations window *must* be opened, for otherwise there is no drive to self-betterment. Yet it should not be open too wide: there is the curse of frustrated aspirations. There must be individuals in our immediate cognitive neighborhood who do better than we do, yet if they do a *lot* better, there will be no investments made even if the cognitive neighborhood to such individuals is unbroken. In short, the experiences of others may have little

effect on us *either* because they lie outside our aspirations window, or even they do, their living standards (which form our aspirations) are far away from ours.

This brings us to the idea of a *connected society*, one in which there is much (economic) diversity in every cognitive neighborhood; diversity in which every individual can justifiably think of herself as being on the attainable fringes. Crudely put, a society in which there is a chain of *observed, local* steps between the poorest and the richest will be more vibrant (in its aspirations and in its behavior) than one in which there are no inhabitants between the poor and the rich.⁶ [This almost seems like we are talking about equal versus unequal societies, but that conclusion would be wrong. An unequal society *may* be connected in the sense described above. What is truly unconnected is the polarized society (Esteban and Ray (1994), Wolfson (1994)).]

Finally, notice that so far I have only discussed a single dimension of aspirations. A full consideration of the multidimensional nature of aspirations will take us further. I return to this issue below.

4. SOCIOECONOMIC CHANGE AND ASPIRATIONS

I now want to illustrate the possible use of this framework by discussing the effect of social and economic change on aspirations, and therefore on behavior. [In the next section I take up the question of deliberate activism to foster aspirations and voice, a question of particular importance in Appadurai's work.]

As a first example, consider the seemingly paradoxical thesis of Alexis de Tocqueville (1856) — that economic development may generate social tensions and rebellions, more so than countries with stagnant mobility and high inequality. As we all know, Tocqueville was addressing the fact that an anti-feudal revolution broke out in the one European country (France) where the feudal oppression was the lightest to start with. While I do not have the time here to go into the details, Tocqueville's argument is clear: iniquities and oppressions that are cloaked with implacable inevitability can be borne.⁷ Once this sense of inevitable oppression is

⁶Notice that connectedness is a statement about observables. It is far from clear that connectedness in individual wealth, assets or income translate directly into connectedness in *observed* standards of living. An example of a situation in which the two notions of connectedness are firmly linked is one in which no good is consumed for the purpose of social signaling. Then a standard set of conditions yields the continuity of consumption (or expenditure) in income, and endowment-connectedness translates right away into consumption-connectedness. This equivalence fails, however, if there are "goods" (such as wedding banquets) which are "consumed" simply to convey status. Following Douglas Bernheim (1994) and others, it can be then shown that such expenditure on such items is necessarily clumped in discrete categories, even if the underlying distribution of endowments is smoothly dispersed. Such clumping helps to destroy connectedness, and are ripe for aspirations failure.

⁷This is in line with Appadurai's argument that the poor display "fairly deep moral attachment to norms and beliefs that directly support their own degradation".

removed by increased mobility and increased economic development (at least in aggregate terms), the aspirations window must widen. This, in turn, will increase the aspirations gap unless all *actual* standards of living can keep pace with changing aspirations. The result may very well be increased conflict, rather than less.

Tocqueville’s thesis may thus be summarized in one his own memorable lines: “the French found their position all the more intolerable as it became better”. The very process that raises aspirations must also fulfil those aspirations in the not-too-distant future, otherwise enhanced voice can all too easily turn to violent exit.⁸

My second example concerns societies (such as the United States) where an increased aspirations gap may not lead to violent exit, but to increased effort. In such societies, culture may be “constructed” to enhance impressions of economic mobility. I do not say that there’s a deliberate conspiracy here (though who knows?). One “non-deliberate” source for this construction stems from the familiar “truncation bias” created by the media, which will report newsworthy “successes” (lottery winners, basketball superstars) but not mundane “failures”. Notice that the truncation bias grows with the underlying inequality in that society — the truncated positive half of the distribution will mistakenly suggest an even greater rate of return to occupations.

If such constructions raise the aspirations gap — but moderately so — it might induce hard work for a large working class with no real reward. One can see how illusions of economic mobility can be beneficial for worker productivity.⁹ Now, while I would not extend these ideas directly to countries such as India, I would be tempted to ask just how much an improvement in the “terms of recognition” may be exploited by municipal or state governments, or U.N. officials, to postpone real economic change in the living conditions of the poor.

Finally, one can use this sort of framework to ask whether the poor can be “hijacked” to serve other “cultures”, such as the rise of religious fundamentalism. The tragedy of Gujarat tells us very clearly that many riots aren’t riots at all: they are carefully orchestrated pogroms. But pogroms need labor, and unfortunately (all other things equal), it is easier to buy the poor. Here is a stage at which a failed capacity to aspire in the material sense may actually ignite other aspirational

⁸A lesser-known idea of Albert Hirschman is that of the “tunnel” effect (see Hirschman and Rothschild (1970)). You are caught in a multilane tunnel and all traffic is jammed as far up as you can see. Suddenly the lane next to you starts to move. You’re still stuck. How would you feel? The Hirschman argument is that you’d initially feel happy, for this is a signal that your lane is about to move as well. With the passage of time, however, a continuing move of the next lane and continued stationarity of your lane may lead to immense frustration.

⁹Several recent studies conclude that the United States displays no higher economic mobility than its European counterparts, and along some dimensions — such as mean exit time from poverty — may display *lower* mobility (see, e.g., the survey by Burkhauser and Smeeding (2001) on the use of micro-level panel data and the references contained therein).

routes. The former failure, in turn, may arise from an economically polarized society.¹⁰

In the Indian case, there is an odd twist to the question of religious fundamentalism. I have emphasized the “push” into a distinct aspirational dimension (religion), emanating from the failure along another aspirational dimension (economic well-being). In addition, there may be “pulls”. The demolition of the Babri Masjid in 1992 may have raised fundamentalist aspirations and the level of violence in its own right, in an eerie echo of Tocqueville’s reading of the French Revolution.

5. COLLECTIVE ACTION AND ASPIRATIONS

Now let me turn to the effects that may be deliberately generated through collective action. I must tread carefully here because (perhaps due to my thick-skinned upbringing as an economist) I am possibly less receptive to the *intrinsic* merits of a heightened “capacity to aspire”. Or perhaps this is skepticism: it is unclear to me what exactly is gained by correcting “adverse terms of recognition” for the poor, *if there are no material benefits that come with it*. There is surely exhortatory merit in declaring that “all internal efforts to cultivate voice among the poor . . . should be encouraged”, but what else? What is it for? [This point is related to my second example in the previous section.] Consider the following quote from Appadurai’s paper:

In June 2001, at a major meeting at the United Nations . . . the Alliance and its partners elsewhere in the world built a model house as well as a model children’s toilet in the lobby of the main United Nations Building, after considerable internal debate within the SDI and official resistance at the UN. These models were visited by Kofi Annan in a festive atmosphere which left an indelible impression on the world of UN bureaucrats and NGO officials present. Annan was surrounded by poor women from India and South Africa, singing and dancing, as he walked through the model house and the model toilet, in the heart of his own bureaucratic empire. It was a magical moment, full of possibilities for the Alliance, and for the Secretary-General, as they engage jointly and together with the global politics of poverty. So housing exhibitions and toilets too, can be moved, built, reconstructed and deployed anywhere, thus sending the message that no space is too grand — or too humble — for the spatial imagination of the poor.

I really do not know what to make of this. Is this the sort of recognition that *we* (activists, academics, et al) want for the poor, or is this recognition to inspire actual, sustained betterment? I put this example up to record my skepticism

¹⁰This line of reasoning forms the basis of ongoing research with Joan Esteban and Rohini Pande on conflict in India.

regarding the *instrumental* value of these activities (what intrinsic value they might have, I find it hard to judge). From a purely instrumental position, I might be tempted to argue that in many cases, *exit* may be preferred to voice. [I use “exit” in the same sense that Appadurai does — to include not just “total apathy” but also “violent protest” (see page 8).]

What, then, are the avenues of deliberate, significant influence on the capacity to aspire, with real impact? I want to mention three pathways, each of which can have significant impact on aspirations and the consequent future-orientation of individuals.¹¹

[1] GROUPS AS INTERNAL CONVEYERS OF INFORMATION. Groups are repositories of pooled information, which they can credibly convey to every member of the group. For instance, the simple fact that group members are saving (or are making a commitment to save) is information that can be conveyed — with good effect — to every group member. The housing exhibitions discussed by Appadurai would also come under this category.

The key word in this context is *pooling*: the sharing of the experience of peers. Suppose that you believe that the rate of return to primary education is high, and want to convey this to a poor individual in order to get him to send his son to school. There are a simple reason why this statement will mean very little to him (see also my remarks on activism in a slightly different context): *there is no experience quite as compelling as the experience of your immediate family, and more broadly, those in your socio-economic and spatial neighborhood*. You might say that econometricians had found a high rate of private return to investment in primary schooling in a study of nation-wide panel data which had controlled appropriately for differences in observed and unobserved characteristics within the underlying population: the terms of such a statement would mean nothing to them (and would have meant nothing to us — probably still doesn’t), unless it is complemented by the immediacy of shared experience. This is why the pooling of information, of experience, among group members is of paramount importance.

[2] GROUP ACTIONS AS EXTERNAL CONVEYERS OF INFORMATION. Next, consider group actions that credibly communicate information to outsiders: the government, perhaps, and certainly the public at large. Such communication can have enormous impact, if for no reason that the fact that the numerical strength of the affected party is publicly revealed, which directly (and indirectly, through public awareness), must affect overall political calculation. Thus activities such

¹¹Of course, there are other pathways. In line with Appadurai, I neglect violent action. Much of this literature is connected with the group as a successful coordination device — see, e.g., Hardin (1997), and I do say something about coordination below. I also ignore groups as negotiating devices: with the law, with bureaucracy, with the police and government officials, an aspect that’s also important and correctly stressed by Appadurai. I’m attempting to focus on the aspirations pathway.

as self-surveys (carried out by the Alliance and described by Appadurai) may be capable of great instrumentalist power. If used carefully and credibly, it can be an enormous lobbying force, with real economic benefits. Just the awareness of the sheer numbers of people living in a slum can possibly scuttle a relocation effort. Statistical visibility is power.

The key word here is *credibility*. A fundamental threat to the efficacy of activism is that a person listening to an activist will feel (perhaps correctly) feel that the activist is trying to convince him of something. One might — in deference to the other Dilemmas present in game theory — call this the Activist’s Dilemma. If I, as an activist, believe in something more than another person does, and am in store of objective, valuable information that might bring the other person closer to, but not *fully* in line with my beliefs, I will want to exaggerate my information (or at least be suspected of doing so whether I do so or not). All would be well if such exaggerations could be appropriately stripped away to reveal the true informational content, but a simple game-theoretic argument¹² shows that this significantly hampers the ability to communicate. More precisely, an activist may be able to credibly transmit statistical changes that are large, but lose the ability (in the strategic game) to credibly communicate more nuanced variations in the data.

[3] GROUPS AS COORDINATION DEVICES. Though Appadurai may not like being so pigeonholed, an important aspect of his discourse can be succinctly and easily summarized in the language of “multiple equilibrium,” so common in economics. A state x persists in society, which leads individuals in that society to take actions a . The actions a aggregate back to x , and the cycle is complete. The idea has been applied to everything under the sun: poverty traps, high-fertility regimes, persistence of social norms, business cycles, and yes, there is place here for the aspirational trap.

If I live in a community in which the majority of my peers do not save for a better future, then my own aspirations are dulled, I do not fear a relative loss of standing among these peers, and I may not save. This equilibrium can take hold with ease (even in rich countries: witness the United States). On the other hand, if my neighbors are known to save on a regular basis, it will spur my desire to save. This is not to underestimate the sheer difficulties of saving under poverty, but as several microfinance organizations and ROSCAS have shown, the difficulties are far from insuperable. A savings group may be viewed as a *coordination device* to break such a trap. By coordinating an open, observable promise to save among a large number of similar individuals, it induces greater incentives to save for each one of them, shoring up an entirely different equilibrium.

¹²Such an argument would be a simple variant of Crawford and Sobel (1982).

Appadurai does not spend as much time discussing the group-savings strategies followed by these NGOs (it's certainly not as visible, shall we say, as a toilet festival), but this may have the greatest impact of all.¹³

6. CONCLUSION

Appadurai tells us that the capacity to aspire is a “good thing”, both intrinsically and as an instrument for socio-economic betterment. Of course, I accept that.¹⁴ Indeed, this sort of thesis is general enough to be quite unfalsifiable. We've got to go a little further than that. Appadurai does so, by making the thought-provoking and highly interesting claim that the capacity to aspire is unevenly distributed, and by discussing some of the consequences of such a claim. My goal has been to take some aspects of Appadurai's main theme — which I consider to be of pervasive importance — and flesh out the arguments a bit more. In particular, I've discussed:

- [a] the notion of an *aspirations window*, and what might determine such a window,
- [b] how an aspirations window generates an aspirations gap, and how an aspirations gap influences individual behavior,
- [c] how economic or social change can affect the aspirations gap, and therefore behavior, and
- [d] the possible avenues through which deliberate group action can affect the aspirations gap.

¹³For a general discussion of microfinance in developing countries, see Morduch (1999)

¹⁴I should add that the interplay between aspirations, subsistence, and development has not exactly gone unnoticed by economists, despite Appadurai's lament that economics displays a “growing preoccupation with models of such abstraction and parsimony that they can hardly take most real-world economics on board, much less the matter of culture, which simply becomes the biggest tenant in the black-box of rationality”. To take only one instance with which I am most familiar: this interplay is discussed at more than one point in my *undergraduate* textbook in development economics (Ray [1998]).

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