



## What Works for the Poorest?

### Knowledge, Policies and Practices<sup>1</sup>

#### Key Points

Despite progress on poverty reduction at a global level, hundreds of millions of people remain trapped in extreme and chronic poverty. The CPRC and other researchers, policymakers, practitioners and activists met in Bangladesh recently to attempt to raise awareness of the need to prioritise the poorest; identify policies, practices and tools to support them; and examine how they can get their voices heard in the public arena. Key questions highlighted are :

- How to finance the fight against extreme poverty? What is the potential for reaching the poorest through international aid, national and local public expenditure, economic growth, and community or social-movement self-financing?
- What is the potential for social protection, and social policy – including asset transfers, health, education – to help the poorest people exit poverty?
- Can microfinance play a part for the poorest, and as part of social policy more broadly?
- How can the poorest deal with the social relations and political systems that maintain them in poverty, and find pathways out of poverty – including dealing with the danger of violence in response to their efforts to bring about change? How can the different domains (economic, social, political) that interlock to create poverty traps be unlocked?
- What does studying people as ‘the ultra-poor’, ‘the poorest’ etc mean for combating poverty: what are the ethical and practical implications of classifying and labelling people in this way, and creating ‘expert’ knowledge?

While there is no consensus on all the answers to these questions, the debates summarised below contain a wealth of ideas, experience and practical suggestions to take the fight against chronic and extreme poverty forward.

#### What is Chronic Poverty?

The distinguishing feature of chronic poverty is extended duration in absolute poverty. Therefore, chronically poor people always, or usually, live below a poverty line, which is normally defined in terms of a money indicator (e.g. consumption, income, etc.), but could also be defined in terms of wider or subjective aspects of deprivation. This is different from the transitorily poor, who move in and out of poverty, or only occasionally fall below the poverty line.

#### Finance against extreme poverty: from international to local

There is an ongoing need to convince governments and donors that investing in the eradication of extreme poverty is both possible and affordable.<sup>2</sup> Cash and asset transfers to the poorest may be both effective and low-cost

interventions (Abed, 2006, Hastings, 2006<sup>3</sup>). ‘Organic’ means of scaling up and replicating programmes i.e. those developed by community activists or practitioners rather than pre-planned by external agents, while more effective and grounded in local realities, can be difficult to sell to donors (Rodericks).



Programmes may be successfully funded by local communities or membership-based organisations (Bari, Kanbur), although some question the extent to which local funding and management approaches reach the very poorest, are sustainable or can be taken to scale. At the national level, it is important to have a better understanding of:

- what makes growth pro-poor and pro-poorest (at the micro, meso and macro levels, and in the socio-political as well as economic spheres);
- how best to foster such growth; how to transform such growth into effective social protection and accessible basic services through fiscal policy; and
- the extent to which inequality can hinder these processes (Addison, Bhattacharya, Mahmud).

There is also a role for innovative systems of resource mobilisation at the international level. Methods for disbursing international resources at the national level remain an ongoing debate: there may be contexts where NGOs have greater absorptive capacity than governments. The world is not short of money – some estimate global liquidity is at a 30-year high – the challenge is putting it to work for the poorest (Addison).

### **Social protection, and social policy – asset transfers, health, education ... and microfinance?**

A consensus is emerging around the need for social protection, broadly conceived, to be integrated with development programmes and policy as a whole (DeGiovanni, Barrientos, Rodericks). Social protection for the poor and poorest (Barrientos, Jahan, Q Khan) can be considered to be:

- ‘beyond the economic’ (multidimensional and potentially transformative);
- ‘beyond charity’ and ‘beyond residual safety nets’ (an investment in poor people, and a social right);
- ‘beyond poverty alleviation to vulnerability alleviation’; and
- ‘beyond the state’ (involving multiple stakeholders).

Social protection systems, particularly cash and asset transfers (both conditional and unconditional), are increasingly seen as important tools to help the poor and poorest to

enhance their financial and human capital and overall security, often integrated within a broader development programme; examples may be found in Latin America (Ayala, Barrientos), East Asia (Chaudhury) and Bangladesh (Q Khan, Mishra, Yasmin). However, there are practical and ethical debates around using conditionalities to deliver assistance, in terms of understanding their full effects on the poorest people; research here is still in its infancy.

There are a range of innovative programmes that enhance the access of people living in extreme poverty to affordable and high quality health and education services, many of which fall under the broadly-conceived social protection sphere. Experience from across the world suggests that in all health and education programmes the very poorest are particularly difficult to reach. Barriers are multiple and involve both supply and demand-side constraints. Looking at health, tax-funded universal coverage has emerged as a clear goal. However, achieving this is a difficult task. Possible ways of including the poorest in social insurance mechanisms, and targeting provision at those excluded by insurance markets, might be found in the experiences of low and middle-income Asian countries in particular (Ahmed, Bloom, Men, Prakongsai, Rannan-Eliya, Standing).

Looking more closely at education, exclusion (in terms of access/enrolment, participation/attendance, and quality) remains a serious issue for extremely poor and marginalised children at the pre-primary, primary and secondary levels (Nath, Hodson). Innovative attempts to find solutions, particularly from Bangladesh, include mobile, flexible primary schooling for the children of Bede river nomads (Maksud); community-run, holistic early childhood learning (Bari); Plan’s over-arching, child-centred community-learning programme (Mohsin); and a range of incentive systems employed to get poor children to stay in school (Ahmed). Recognition of the value of such approaches should be somewhat tempered by the observation that education can only act as a pathway out of extreme poverty if the capabilities it creates match the available economic and socio-political opportunities. In many contexts, while it can be extraordinarily empowering, education is clearly not a magic bullet to break the poverty cycle for individuals or societies. More work needs to be done on unpacking the relationships between different

forms of education and training, and long-term socio-economic mobility (Rose).

Although there is now a general acknowledgement that mainstream microfinance also tends to exclude the poorest, its potential role alongside other interventions in fostering exit from extreme poverty remains debated. Some note a tension between the 'social mission' held by many microfinance institutions – which may push them into spending more on reaching the poorest, most marginalised people in the most remote areas – and the requirement for microfinance to scale up in order to have a significant impact on poverty reduction (Hashemi). Others propound the virtues of flexible, general-purpose microfinance as tools useful to the poor and poorest (Rutherford). The PKSF has attempted to provide access to appropriate forms of microfinance to a wider group of extremely poor and excluded Bangladeshis (M H Khan); another issue is how social protection, microcredit and microfinance can be sequenced to foster 'graduation' from extreme poverty (Hashemi, Yasmin). While clearly insufficient as an anti-extreme poverty intervention on its own, it seems that microfinance can form part of a 'social floor' of broader social protection measures for the poorest.

### **Social relations, politics and pathways out of poverty**

The interlocking nature of economic, social and political domains is key to understanding poverty traps and dynamics (Gazdar). This has important implications for policy: to produce change in one domain, the appropriate intervention might be in another. Thus, connecting the poorest to economic growth, for example, may require socio-political change (Matin).

In this light, the variety of pathways to achieve such change that are proposed is not surprising. Social organisations of the poor have been highlighted for their capacity to deliver both improvements in service delivery, and also changes in public policy and social relations. Research into the contexts in which they engage in political and social mobilisation, the role of outside agents, and intra-community tensions and group dynamics continues to provoke debate (Kanbur).

Meanwhile, at the national level, research into the 'politics of what works' finds mixed evidence regarding the relationship between civil society, democracy and decentralisation, and the

introduction of effective policies against poverty. These factors do not guarantee the introduction of such policies, nor does their absence preclude it. But it also highlights the importance of seizing political 'moments' or crises – which can include elections – to reset policy agendas (Hickey, Hossain).

This suggests that agents for change should be open to unexpected opportunities. Social relations are dynamic, and change may open up spaces for manoeuvre at various levels. Thus, relationships between the poorest, elites, and others are continuously contested areas. The heterogeneity of elites might, in some contexts, allow them to play a progressive role of support for extremely poor people (Bode, Chowdhry, Hossain). Exploration of such middle ground between extremes of patron-client exploitation on the one hand, and idealised free citizenship on the other, could offer some creative and practical pathways out of poverty to people with the fewest resources.

However, arguments are advanced suggesting that while such elite-poorest collaboration might offer some improved terms of inclusion in society to the poorest, it was likely that elites would at some point want to check such social change to preserve their own status; and that such strategies might increase the possibility of resentment of 'the poorest' from other non-elite groups (although focussing on the poorest without the involvement of local elites has sometimes led to this too). Social tensions and potential conflict must not be downplayed, as evidenced in the experiences of social movement organisations of the disadvantaged, and landless, in working for large-scale social change. This often necessitated more confrontational strategies, which in turn required them to learn to cope with intimidation and violence by elites or other non-poor groups (Kabir, Ali). This means not only overtly political violence, but also threats and 'silent' violence, criminal/mafia type violence, and domestic/sexualised violence – important forms of (often gendered) vulnerability that public forms of protection must address.

### **The poorest, 'ultra-poor', extreme poverty ... Meaning, labels and knowledge**

Few would argue against the general statement that it is important to create and share knowledge across projects and countries and between practitioners, policy-makers and researchers, about how to challenge the extreme poverty in which so



many people live. And there is an important, progressive and increasingly widespread shift from assuming that mainstream programmes and policies reach the poorest to recognising that this is not generally the case and that new approaches and specific focus are required.

Yet, perhaps unsurprisingly, there is heated debate around the issue of defining ‘the poorest’. On the one hand, such attempts are simply seen as a means to improve measurement, enhance programme targeting and monitoring, and foster an understanding of the circumstances endured by those living in extreme poverty. On the other, they represent a problematic process of labelling that stigmatises, erodes dignity, delegitimises voice, ignores creativity and agency, undermines solidarity, and obscures heterogeneity. The persistence of such debates suggests that many find that a category such as ‘extreme poverty’ remains at least analytically useful, in that it contains the significant discontinuities that exist between the experiences, assets and opportunities – and, perhaps, the aspirations and ‘the capacity to dream’ – of those living just below the poverty line and those in extreme poverty.

There are many approaches to identifying, measuring and monitoring extreme poverty. For example:

- Quantitative analysis of aggregate trends in poverty, extreme poverty, socio-economic status and inequality at the national and sub-national level in Bangladesh. While poverty and extreme poverty have declined over the past five years, and that there have been material gains even among the poorest, inequality has seen modest rises and gains in poverty are unevenly distributed across regions (Zaman).
- On the other hand, a simple proxy indicator – in this case, responses to the question “have you had enough to eat over the last year?” – can identify the poorest in terms of the non-linearities in a range of assets better than more complex income/consumption approaches, at least on a local level (Kabeer). Ongoing investments in the development of these types of simple and cheap proxies should be supported (Ahmed).
- Participatory and action-oriented approaches to identifying and working with the poorest at the local level have many strengths, and also challenges (Arun, Godinot, Guhathakurta, Maksud, Rahman).
- Combining qualitative and quantitative

methods data and approaches – ‘Q2 approaches’ – is often agreed to be the best way to identify the poorest. Conducting qualitative and quantitative studies with the same households, rather than attempting to integrate knowledge derived from relatively unrelated life histories and quantitative surveys, can enhance the power of both approaches (Lawson).

This agenda raises two key challenges to the ‘development industry’. The first is to include ‘the poorest’ in knowledge production. Research with, not on, the poorest at the grassroots level may be vital to understand ‘what works for the poorest’, and bring new ideas into development.

A second challenge is to “take stories seriously” (Woolcock). Not an attempt to replace academic analysis with fiction, rather this is a call to consider the different ways of understanding ‘poverty’ and ‘development’ that can emerge from novels, poetry, theatre, music and other cultural forms – and to recognise that often these forms have a greater power to reach, touch and convince others than journal articles and reports. Of course, art can also obscure or be reactionary, but it may be valuable to look more widely for useful insights, and to recognise that literature and other cultural forms can usefully help expose the philosophical foundations of different schools of development thought (see also Rahman).

## Reflections and Omissions

The debates summarised above, while wide-ranging, challenging and important, are clearly not comprehensive. Under the heading “Reflections, Omissions and Directions”, conference participants identified some challenges, including:

- The lack of participation in the conference by people living in extreme poverty. Many examples of work to which they had contributed had been presented, but they were not themselves present. In addition, there was no mechanism for participants to communicate with those whose experiences had been discussed at the conference, nor for them to receive feedback. Facilitating genuine, non-tokenistic collaboration of development professionals and people living in poverty is difficult and time-consuming, requiring more



preparation by all participants: but it is possible.<sup>4</sup>

- Urban issues, and the rural-urban continuum. While rural areas are clearly important for poverty reduction strategies, so are urban areas and rural-urban linkages. The role of smaller urban centres in particular is often overlooked.
- Combining debates about measurement and social relations, a challenge for the future could be to identify the 'poorest' as much in terms of social relations or structural factors as through income, consumption or asset-based measures.

## References

Abstracts of presentations can be downloaded from the "What Works for the Poorest" conference page on BRAC's Research and Evaluation Division website: [http://www.bracresearch.org/news\\_details.php?nid=53](http://www.bracresearch.org/news_details.php?nid=53)

Presentations referred to in this summary are listed below, and may be referenced as 'presentation to the international conference "What works for the poorest? Knowledge, policies and practices" held at the BRAC Centre, Dhaka, Bangladesh, 2-5 December 2006'.

Abed, F. (BRAC) Opening Remarks to conference

Addison, T. (University of Manchester) Revenue Mobilization for Poverty Reduction: What we know, What we need to know.

Ahmed, S. M. (Research and Evaluation Division, BRAC) Reaching the poorest of the poor with health services: the case of BRAC's CFPR/TUP programme in Bangladesh.

Ali, S. I. (Samata) Empowerment through voice, participation and accountability.

Arun, T. (University of Manchester) Heterogeneity of outliers among the poor: The need for responsive state intervention.

Bari, S. (Research Initiatives Bangladesh) The Kajoli Experience: When Learning is Fun and Games.

Barrientos, A. (IDS, University of Sussex) Reaching the Poorest? Lessons from Latin America.

Bhattarchaya, D. (Centre for Policy Dialogue) Financing programmes against extreme poverty.

Bloom, G. (IDS, University of Sussex) Meeting health-related needs of the very poor: The developmental context.

Bode, B. (CARE Bangladesh) From Dependency to Emancipation: variety of approaches for empowering the poorest.

Carriere, E. (DFID) Working for the poor.

Chaudhry, P. (Oxfam-GB, Vietnam) Why Oxfam is 'just giving the cash': Unconditional direct cash transfers to the very poor in central Vietnam.

Chowdhury, A. (BRAC) Harnessing social energy: Experiences of using social communications approach to fight extreme poverty.

Gazdar, H. (Collective for Social Science Research, Karachi) Extreme poverty: An interlocking of the social, economic and political.

Godinot, X. (International Movement ATD Fourth World) The challenge of building knowledge with the poorest, not about them.

Guhathakurta, M. (Research Initiatives Bangladesh) Creating new spaces : knowledge, research and innovation systems in Bangladesh.

Hashemi, S. (CGAP) New Pathways for the Poorest: global replications of BRAC experience in linking safety nets and microfinance.

Hastings, A. H. (Fonkoze, Haiti) Targeting the Poorest in Fragile States: Reflections on Fonkoze's Experience in Haiti.

Hickey, S. (University of Manchester) The Politics of What Works in Reducing Chronic Poverty: Learning from 'success'.

Hodson, R. (Chars Livelihood Programme, Bangladesh) The Chars Livelihood Programme: the story and strategy so far.

Hossain, N. (Research and Evaluation Division, BRAC) Engaging elite support for the poorest: BRAC's experiences with CFPR programme.

Hossain, N. (Research and Evaluation Division, BRAC) The Politics of What Works: the Vulnerable Group Development (VGD) programme in Bangladesh.

Jahan, R. (Women for Women) Giving and fund raising in Bangladesh: Issues and Challenges.

Kabeer, N. (IDS, University of Sussex) Gender and extreme poverty in Bangladesh: the everyday dimensions of structural disadvantage.

Kabir, K. (Nijera Kori) Organisations of the poor or Organisations for the poor? Some case studies from Nijera Kori's experience.

Ravi Kanbur (Cornell University) Membership based organizations of the poor and its role in poverty alleviation.

Khan, H M, (Palli Karma Sahayak Foundation) Financing MFIs to include the hard core poor: experiences from PKSF programmes.

Khan, Q. (World Bank) Expanding social protection in Bangladesh.

Lawson, D. (University of Manchester) Poverty Dynamics – Increasing our knowledge: does Q2 help?

Mahmud, W. (Dhaka University) Pathways out of poverty in rural Bangladesh.



**The Chronic Poverty Research Centre**

(CPRC) is an international partnership of universities, research institutes and NGOs, with the central aim of creating knowledge that contributes to both the speed and quality of poverty reduction, and a focus on assisting those who are trapped in poverty, particularly in sub-Saharan Africa and South Asia.

**Partners:**

Bangladesh Institute of Development Studies (BIDS), Bangladesh

Development Initiatives, UK

Development Research and Training, Uganda

Economic Policy Research Center, Uganda

FIDESPRA, Benin

HelpAge International, UK

Indian Institute of Public Administration, India

IED Afrique, Senegal

Institute of Development Studies, UK

Institute for Development Policy and Management, UK

Overseas Development Institute, UK

Programme for Land and Agrarian Studies, South Africa

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- Maksud, A. K. M. (Grambangla Unnayan Committee) The nomadic Bede community and their mobile school programme.
- Matin, I. (BRAC Research and Evaluation Division) Concluding Remarks to conference.
- Men, C. R. (Centre for Advanced Study, Cambodia) Experience of Cambodia's Health Equity Funds and current debates about the relative roles of equity funds and social health insurance.
- Nath, S. R. (Research and Evaluation Division, BRAC) Education Provisions and Exclusions: Evidence from Bangladesh.
- Prakongsai, P. (London School of Hygiene & Tropical Medicine) Thailand's experience of universal and targeted approaches to meeting the health needs of the poor.
- Rahman, M. A. Roots of action research and self-reliance thinking in Rabindranath Tagore.
- Rahman, M. A. Insights from people's self-initiatives in Bangladesh: Implications for the poverty and development discourse.
- Rannan Eliya, R. (Institute for Health Policy, Sri Lanka) Commentary on Thailand's experience.
- Richardson, B. (High Commissioner of Canada) Speech to conference.
- Rodericks, A. (CARE-Bangladesh) Diversity of approaches for empowering the poorest: Experiences from CARE-Bangladesh.
- Rose, P. (Centre for International Education, University of Sussex) Educating out of poverty? Educational approaches to breaking the cycle of poverty in sub-Saharan Africa.
- Rutherford, S. (Safesave Cooperatives, Dhaka) In praise of general-purpose microfinance.
- Standing, H. (IDS, University of Sussex) Institutional issues in targeted interventions.
- Woolcock, M. (World Bank) The Fiction of Development: literary representation as a source of authoritative knowledge.
- Yasmin, R. (BRAC) Crafting a graduation pathway for the poorest: Experiences of BRAC's CFPR Programme

**This research summary was written by Karen Moore and Tim Braunholtz**

**Endnotes**

- 1 This research summary presents key themes and debates from the international conference of this name held at the BRAC Centre, Dhaka, Bangladesh, 2-5 December 2006. The conference was not only wide-ranging in terms of the thematic and geographical coverage of the presentations, but also in terms of settings, incorporating a field visit, video presentations, an architectural exhibit, popular theatre and musical performances, an NGO information fair, and of course many informal discussions. We have tried to give an overview of the principal topics covered and points debated, but of course acknowledge that it's likely that each practitioner, policy-maker and academic, from Bangladesh and other countries, has taken away something a bit different from the proceedings.
- 2 Funding for partnerships with organisations engaged in innovative programmes attacking extreme poverty in Bangladesh is offered by DFID and CIDA (Carriere, Richardson).
- 3 All references are to presentations at the "What Works For the Poorest" conference, Dhaka, Bangladesh, December 2006.
- 4 CPRC is exploring Participatory Video as an innovative way of doing this.