

The role of social protection allowance programmes in extreme poor households' resilience: Social means to economic resilience?

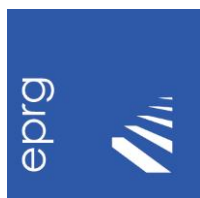
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Abstract

In recent decades, although Bangladesh made significant progress in reducing poverty, the number of extreme poor has increased by 0.314 percent annually on average. If this trend persists, the number of people living below the poverty line will increase from 57.3million (in 2013) to 59.8 million (in 2021). In 2010, a quarter of the country's citizen (36 million people) could not afford an adequate diet (BBS, 2010). The increase of economic inequalities is influenced by inflation, natural disaster, informal and formal employment variation and market fluctuation which not only undermine the potential for economic growth but can jeopardize social cohesion. In the last few decades social protection programmes have gained recognition as an integral part of the anti-poverty strategy. Their potential to protect the poor from falling into deeper poverty and to uphold past achievements is generally acknowledged. In Bangladesh, the budget allocated to social protection increases every year– BDT 114 billion in 2008-09, BDT 154billion in 2010-11 and BDT 198 billion for 2013-14.

This study qualitatively investigated how the allowance allocated to extreme poor widows, elders and disabled people can facilitate or hamper their livelihoods and resilience. It compares the situation of allowance receivers to the situation of non-beneficiaries in the Satkhira district. There are three important findings emerging from this study. Firstly, the data shows that the expenditures of the receivers and non-receivers are generally higher than their income which often causes high vulnerabilities and pushes them into extreme coping strategies preventing them from building resilience.

Secondly, it finds that although the allowance amount is relatively small and insufficient to significantly contribute to households' graduation, it often enables recipients to stabilize their earnings and help them cope better with certain types of hazards (lean period for example). Thirdly, we argue that the allowance has important social implications for recipients which influence the financial and economic output of the allowance for them. In this way the social protection system being studied, acts as social means to economic resilience which the author calls *social resilience*.

1. Introduction

Rice or *Bhat* (in Bangali) is an important word frequently used as a synonym for food¹. For the extreme poor in Bangladesh, the main daily challenge they face is to secure rice for the day and, if possible, store rice for tomorrow. Securing rice is considered an important element of the poor's resilience. Politically, rice is used by GoB in its Social Protection Allowance, *Bhata*(in Bengali). Social Protection Allowance to the most vulnerable is a highly political issue for a country like Bangladesh, intending to reach MIS (Middle Income Status).

Like education, social protection might have benefited from *positive competition* among the political parties in Bangladesh. Political party competition over the definition of national identity as the binary political regimes sought to stamp their conception of the Bangladesh nation. Increasing social protection allowances can be used as a means to gain popularity and support from the poor (Appendix 2, Hossain et al.2002). Expenditures on social protection programs are increasing over time across AL, BNP and CTG henceforth (Appendix 1) starting from 1%of GDP in the late 90s to 2% in 2013.This trend could be seen as a response to the increase of income inequalities which would not only undermine the impact of growth, but may also threaten social cohesion and breed instability and popular discontent (Raihan, 2013). From 2000 to 2010, gini co-efficient of income has increased from 0.451 to 0.458 at a national level with a growth rate of 0.16 percent (Titumir and Rahman, 2011) which was influenced by inflation, natural disasters and climatic events, informal and formal employment variations. Social Protection is increasingly recognised as integral part of the anti-poverty strategy as an effective tool that can contribute to mitigating the vulnerabilities of low income households from falling into deeper poverty and prevent poverty reduction achievements from eroding.

This qualitative study investigates whether Social Protection allowances contribute to building resilience of vulnerable extreme poor beneficiaries. There are three types of social protection schemes under study: the allowance to the disabled, old age allowance and widow allowance for the widowed, deserted and destitute women². To answer this question the paper first reviews the literature on the challenges to resilience building faced by the extreme poor and provides some useful background information on the debates around social protection before introducing the conceptual framework of the research. Section three presents the research site and methodology adopted for this study. Section four presents, in an analytical manner, the main findings and arguments emerging from the collected data. Firstly, it argues that although the allowance is very significant in the life of recipients, it is not sufficient to help them graduate out of poverty (or extreme poverty). This section analyses the set of underlying economic and social factors which keep the poor in extremely vulnerable conditions and presents interesting details of a number of mitigation strategies, including social protection allowances the extreme poor use to cope with crises. Secondly, based on the data collected, the author argues that even though the allowance alone is ineffective to reduce poverty per se, it contributes to reinforcing or building extreme poor households' social network and confidence which builds households' social resilience. Finally section five summarizes the main findings of the research and concludes on their implications for the graduation and resilience debates.

¹*Bhatar* means husband, or literally the rice provider for his household, *Bhaterobhab* (scarcity of food), *Bhatmara*(stopping the way of earning), beggars ask for food *Maa, dutoBhatdiba?* (Will you give some rice?), "*DutoBhaterjonnomanush kina kore!*"(People may do anything for food). In a public meeting the present prime minister said, "*Nowhamarkashadhinotadeyech, manushkeBhaterodhikerdiyeche*" (1 September 2013, *The Daily ProthomAlo*)."

²The justification for this choice is given in section 2.2

2. Literature review and conceptual framework

2.1. Literature review

2.1.1. The livelihoods of the extreme poor elderly, widow and disabled

The extreme poor elderly, widowed and disabled recipients of social protection allowance experience extreme forms of vulnerabilities on a daily basis. These extreme poor households are often considered a challenging target group for mainstream development interventions as they are less “transformable” than other households. These households are often characterized by low education levels, low levels of land ownership, social exclusion and disempowerment (Sen and Hulme, 2004). Their subsistence generally relies on their daily labour and fluctuating earnings more than on revenues from assets (Ahmed, 2009).

In rural areas, when they have some laboring capacities these households are commonly engaged in casual labour work in agriculture or services (Hulme, 2011), for which the demand is seasonal. February and March and September and October are lean months during which job opportunities are limited (Hashemi and Umaid, 2010). When they do have access to work opportunities, it is likely that this group of people will be discriminated against in the labour market, and often earn less than other workers because many of them are unable to do labour intensive work. They also face discrimination in the informal local credit market and have limited access to informal loans. Some studies also reported that they were often excluded from most microfinance programmes (Hashemi and Umaid, 2010). This vulnerability often stops them from accumulating enough savings to cope with shocks and hazards.

The group under study experiences multiple hazards (inflation, natural disaster, informal and formal employment variation and market fluctuation) which increase their vulnerability and threatens their well-being. Inflation, for example, significantly pushes extreme poor people under lower poverty line. A recent study showed that 0.04 million people might fall under the poverty line as a result of the 1 percent increase in food prices (Titumir and Rahman, 2011). The poverty gap has also increased due to rising disparities in the distribution of resources within the country (Titumir and Rahman, 2011). The slow employment growth in the formal sector is accelerating to widen this gap (Planning Commission, GoB, 2011). The scope of labouring in the informal sector has reduced due to natural hazards especially in the southern coastal belt of Bangladesh. So, hazards like natural disasters, inflation, unequal distribution of resources and slow employment growth in the formal sector affect households, communities and even entire regions and the extreme poor are most severely impacted and least able to recover.

The vulnerabilities that are faced by these households have multiple short-term and long-term impacts on their economic and social status which makes them more likely to be poorer and/or can increase the risk of them falling into extreme forms of destitution. Specific intra-household characteristics heavily determine the capacities of extreme poor households to cope with the above mentioned factors and to recover from them. Relying on selling labour for their survival and recurrent experience of health shocks significantly affect the livelihood of this group of extreme poor and make them heavily dependent on one main source of income and few solidarity/charity channels. In rural Bangladesh, when work opportunities are low (or laboring capacities are fragile) many people decide to migrate for begging in the nearby towns (Kabir, 2008) as a strategy to cope with employment seasonality (Khandker, 2009).

2.1.2. Social protection schemes

Historically, investment in pension systems has been a starting point in the development of wider social protection systems that cover a variety of life cycle risks (Help Age International, 2013). In the Bangladesh poverty discourse, there is a confusion to translate Social Protection and Social Safety Net. Social Protection refers to chronic benefits and longer term supports whereas Social Safety Net is about support for ill health, flood or unemployment. But Government of Bangladesh has categorized Social Protection under what is called the “umbrella of Social Safety Net (SSN)” which is broadly allowance and food support. In comparison to food support, allowance is covering longer term support which translates to Social Protection. In fact in 2013-14, to eradicate poverty, the allocation of 99 Social Safety Net programmes were worth BDT 254 billion whereas, allowance programmes were worth BDT 90 billion which includes pensions of retired government employees and their families and freedom fighters’ allowances. But in consideration of the social protection to the extreme poor there are three allowance programmes– old age, widowed and disabled which are worth BDT 15 billion according to the Bangladesh economic review (2012)³. These three programmes exhibit fraud and mistargeting in beneficiary selection and the distribution of benefits and indicate that inability to bribe government officials led to exclusion from the allowance scheme. These factors would contribute to exclude the poorest from the programmes as a survey’s findings suggest (Hossain 2008). Despite such findings, the UNDP-PPRC study found positive significant difference between allowance receivers’ and non-receivers’ households in terms of income, savings, livestock, sanitation and land lease. It is reported in an assessment study of the World Bank that beneficiary households are coping with risks through formal and informal strategies – asset accumulation, income diversification and informal money transfers.

2.2. Conceptual framework

The recent literature on Social Protection in Bangladesh mostly focuses on these governance issues highlighting mistargeting, ghost beneficiaries, overlap and corruption. Although these issues significantly impact extreme poor households’ access and benefit from the social protection covered by this study, it will not constitute its focus. This study focuses on the impact process of three specific social protection schemes on their targeted groups.

The conceptual framework of this study conceptualizes the effects of selected social protection allowance schemes within two broad categories which are: ‘intra household’ and ‘community’ dynamics. In intra-household dynamics, the effects of this allowance scheme may contribute to increasing their capacities to take strategic decisions to build their livelihood resilience, apart from their material gain (Ghertner 2006). In this study, resilience is understood as the ability to withstand moderate hazards without damaging losses (Sabates-Wheeler et.al. 2011), as a strong indicator of the probability for the recipient households to not fall back into extreme poverty in the future (Sabates-Wheeler and Devereux, 2011). Walker et al. (2002) define resilience as “the potential of a system to remain in a particular configuration and to maintain its feedback and functions, and involves the ability of the system to reorganize following disturbance-driven change”. Thus, this study states resilience as the state of the household that is elastic to move back to the previous level after facing any kind of crisis or hazard.

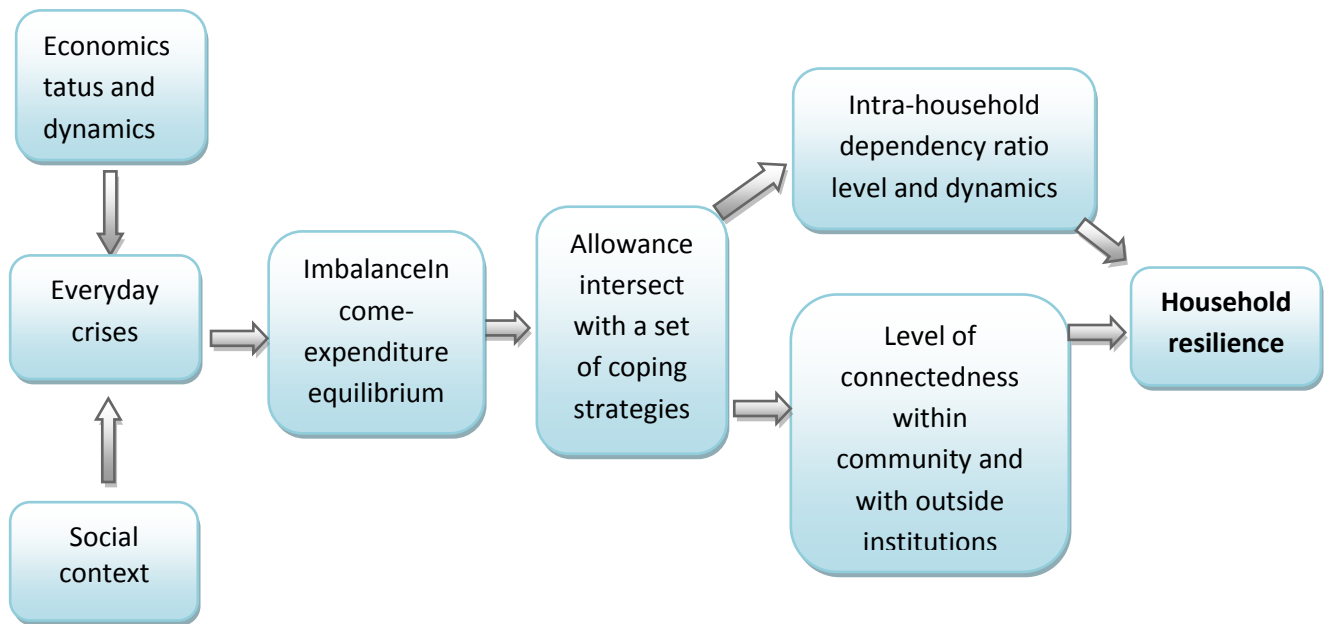
Based on the literature on extreme poverty it is considered that extreme poor households often rely on social networks which combine two basic forms of relationships: horizontal- between individuals with shared class or other characteristics, and vertical- crossing class and other boundaries (Putnam2000). The objective then is to understand this complex “agency to steer as much as

³Bangladesh Economic Review 2012, Bangladesh Ministry of finance

possible of that benefit stream to the poor” (Blair 2003:1). While vertical relationships between the poor and local elite groups make vital contributions to the social capital of the poor, their insecurity may translate into deeper dependency upon others (Huda et al. 2005). This study therefore considers the influence of social protection on recipients’ access to such networks (intra-household networks, vertical and horizontal networks).

The conceptual framework, illustrated in Diagram 1 and developed by the author, combine these social dimensions with underlying socioeconomic factors and conceptualizes social protection allowance scheme as a potential factor that affects households’ vulnerability and resilience through intra-household and community dynamics.

Figure 1: Relationship of crisis and household resilience



Source: the author

3. Methodology

The methodology section covers objectives and the selection process of the study on social protection schemes. After selecting the thematic area, this section describes why and how the research site, participants and data collection tools were selected and prepared.

3.1. Research objectives

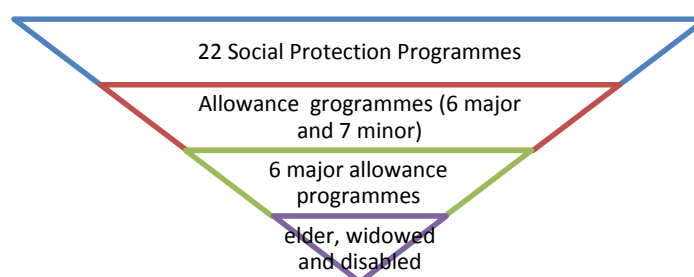
This study explores extreme poor households’ vulnerabilities and compares the consequences they have on social protection recipients and non-recipients. To draw their vulnerability profile the study identifies the different socioeconomic trends or patterns and events experienced (by types and severity). Based on the state of vulnerability of the recipients, it aims to understand the non-recipients’ ability to cope with vulnerabilities and compare it with the recipients’. Based on the literature presented in section 1, this study particularly investigates (based on the experience of both groups) how economic ability and social relationships (households’ dependency ratio-base, vertical and horizontal) can facilitate or hamper livelihood and resilience of the extreme poor.

The purpose of this study is to identify what role social protection allowances play in supporting extreme poor households' resilience. The research methodology is designed to address the four following objectives:

1. To understand the effect of safety net allowance schemes on recipients' confidence
2. To understand the effect of safety net allowance schemes on intra-household relationships
3. To understand the effect of safety net allowance schemes on recipients' connectedness within the community.
4. To understand the extent to which safety net allowance schemes help build recipients' resilience.

Within 22 social protection programmes, allowance contains 6 major and 7 minor schemes. Within 6 major schemes, this study focuses on those 3 programmes which provide lifelong cash transfer support. The schemes are: 1. Allowance for the financially insolvent disabled; 2. Old age allowance and; 3. Allowance for widowed, deserted and destitute women. These three programmes are selected based on two criteria: '*beneficiaries are extreme poor*' and '*receiving lifelong regular cash support*'.

Figure 1: Selecting 3 allowance schemes



Source: The author

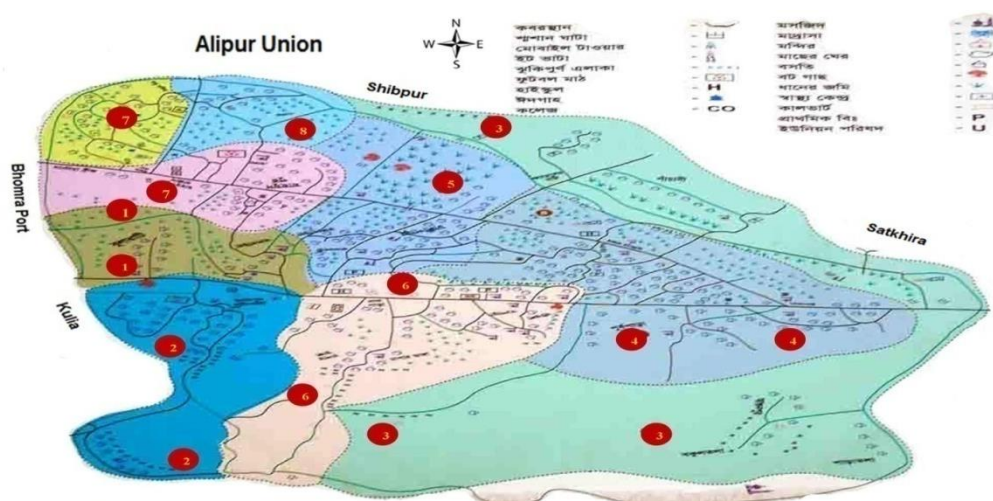
3.2. Selection of the research site

The study explores the area wise distribution of 2nd phase extreme poor beneficiaries of Uttaran-shiree project who are social protection allowance recipients. It is noted that, selection from 2nd phase ensures that all beneficiaries are extreme poor – as many of them have no transferred asset or those who received assets are not in a state of moderate poverty yet because they received the assets only a few months back. The area wise distribution of extreme poor allowance recipients project beneficiaries is illustrated in Appendix 10.

Given that the total number of social protection allowance recipients is larger in *Satkhira sadar* area (139) compared to other centres (in Appendix 10.), this was selected as the study site for this research. At a national level, 11% households are getting access to the selected three Social protection allowance schemes (calculated by author from Ministry of Welfare and Finance and BBS) which is the same for the selected *Alipur Union* of *Satkhira* District. Total recipients are 781 under selected categories where 498 are elderly, 228 are widowed and 55 are disabled recipients.

Based on the centre data, the study explored the union-wise distribution of the area to concentrate at a more micro level and finalized Alipur Union among 5 working Unions through the same process and after discussion with the local office as well. Finally, adjacent two villages among the 10 villages were selected following the concentration of number of recipients.

Map1 : The research site



Despite vulnerabilities of income opportunities, livelihood by day-labouring is more diversified in this area. Extreme poor people earn from daily labour in agricultural fields and shrimp farms. The most cultivatable land is double crops which are 3975 hectares, only 125 hectares is single crop and other 1529 hectares land are triple crops. Ward 7 and partially ward 8 and 9 are renowned for vegetable cultivation all year round. Now yearly lease money of 1 *bigha* (33 decimal) of the vegetable land is around 1 lac 20 thousand and 10 thousand in other wards. This indicates the higher vegetable productivity in this area. Shrimp farming is common in ward 1, 2, 3 and 8. In the case of non-farm laboring, three brick fields employ 300 labourers per day which continue for 7 months in a year. As the Indian border is very close to this Union and communication with other Districts is easier, 15% labourers migrate to India and other districts. The adjacent land port also employs around 3000 workers in a year, where 1/3 of the labours are from this union. Alongside day laboring, poor people are also able to sell their produce to four local markets nearby.

3.3. Selection of the research participants

In the two villages selected, primarily 17 extreme poor recipients of three categories were found – 2 disabled, 8 elderly and 7 widowed. 18 extreme poor non-recipients of similar categories were found – 4 disabled, 7 elderly and 7 widowed. As there was a shortage of disability cases (compared to other cases), the researcher adjusted the sampling procedure during the pilot phase. Respondents were therefore, divided into two main categories: *dependent and independent*⁴ participants. Participant selection was conducted on the basis of these concepts.

⁴*independent* recipients are the main bread-winner of their households. In some cases, there may be more than one income earner but usually they are the spouse, daughter or younger children (old sons may live separately). *Independent* recipients are responsible to run their household contrarily to *dependent* recipients who are not responsible to run the family; rather, the caregiver is responsible for his or her caring. In all these cases, care givers are earning the same way. There is difference depending on whether the key caregiver is male or female. But in most cases we found that the *dependents* live under male caregivers who are the son, grandson or son-in-law. Mostly, if the caregiver is the daughter or granddaughter, she is either abandoned or widowed.

Most *dependents* live under able-bodied male caregivers who have higher incomes than females. But as there is one dependent in the household, automatically household size becomes bigger. But in the case of independent widows, their sons or daughters live separately. In many cases, their abandoned or younger daughter or younger son live with them. Their income opportunities and wages are lower in comparison to households run by able-bodied males.

Finally, other respondents from other village households were selected as there were less dependent people in the two village households. The table of participants is given below.

Table 1: Study participants

Category	Recipients	Non recipients
Independent elderly	8	7
Independent widow	7	7
Independent disable	9	7
Dependent elderly, widow and disable	7	8
Total	31	29

Based on the learning from the pilot project, we collected data using FGDs and individual interview tools from 8 categories of participants – independent of elderly, widowed and disabled and dependent of both recipients and non-recipients. To collect data from the dependent, we did not interview them at their own setting. The researcher conducted 8 group discussions, 8 individual interviews and 10 informal interviews. The individual interview participants were selected from the group discussions that were found to be essential to explore the answer of the research question. The details of the pilot project is in Appendix 11.

4. Analysis

This section analyses the income of the recipients and non-recipients and consider that such income may not be enough to cross the threshold level of extreme poverty but the allowance plays a significant role to balance the income-expenditure equilibrium. Thus, the recipients would be in an advantageous position to be resilient to income vulnerabilities. As recipients, they have to negotiate with the process of selection, be marked with a new identity and take part in intra-household and community dynamics- all leading to social inclusion.

4.1. Social protection allowance to the elderly, widowed and disabled: small but valuable material gains

This section argues that the allowance is multiplying the income of extreme poor household recipients by four annually, compared to non-recipients. However, the extreme poor recipients are still unable to cross the threshold level in terms of *average monthly income* and *per person per day*. But the expenditure always remains higher leading them to various economic crises in their everyday lives. To cope with these crises the households adopt a number of mitigation strategies including social protection allowance. This small but significant allowance can be considered to build their capacity to balance the higher expenditure with the low income as well as address the seasonal income variation. Thus, it may build their capacity to accumulate other assets and become reliable market actors.

4.1.1. Income of the extreme poor

Allowance is the primary factor which explains income differences between receivers and non-receivers. In all three categories, each recipient receives BDT 900 (BDT 300 per month and BDT 10 daily) four times a year till they die. Among all recipients and non-recipients, three allowance categories were found to have a significant difference between *dependent* and *independent* of any type. Except allowance, appendix 5, 6 and 7 show income variation across all independent categories. Disabled people generally reported that they felt that getting support is their right. When the

disabled beg, they are unable to move far compared to the elderly who can move to find work. Widows or “other” category people who are female are most vulnerable primarily because of gender realities. One independent non-recipient widow said:

“Our wage is low and I have to maintain a family of three. As I am a widow with no male in my house, the local shop-keeper doesn’t want to sell me any products”⁵.

Among the elderly, widowed and disabled there are a few common occupations: begging, day labour and few informal businesses. Beyond that, there are some occupations which were found only among specific categories of people – operating vans or helicopters⁶ for elderly, rearing livestock or poultry birds for widows.

In the case of dependent recipients and non-recipient households, except allowance, other household members were working as agricultural day labourers, shrimp farm labourers, rickshaw van pullers, operating petty businesses, labourers at land ports, pig boys, labourers at brick fields, fish businesses and members of the village police. Based on the sources of income from Appendix 5, 6, 7 and 8- the monthly and per capita per day income was calculated with the assistance of the respondent which is given in Table 2.

Table 2: Income per month and per capita per day of four categories of recipients and non-recipients

Sl.no.	Category	Non-recipient’s income (BDT)		Recipient’s income (BDT)		Income(BDT) threshold of extreme poor hh	
		Monthly	PPPD	Monthly	PPPD	Monthly	PPPD
1.	Independent elderly	2521	23	2821	27	3000	27
2.	Independent widow	1888	17	2188	20		
3.	Independent disable	2550	23	2850	26		
4.	Dependent	3461	25	3761	27		
Average income		2605	22	2905	25		

The table above shows, as per monthly income, all independent households of both recipients and non-recipients are not exceeding the income threshold level of the extreme poor (*threshold level of income is BDT3000 per month/household, 2nd phase of Uttaran*). However, the dependent households of both recipients and non-recipients are exceeding the extreme poor income threshold level but in terms of pppd they exist at the level of extreme poor (*threshold level income is BDT 27 per person per day, 2nd phase of Uttaran*) because of the household size which was found 1 point higher than the independent⁷.

Though the recipients are unable to exit the threshold income level of extreme poverty, BDT 900 per three months is a big lump sum which affects their livelihood and financial behavior to balance their expenditure and even help them to invest in asset creation. Under Uttaran-shiree partnership

⁵ Source: FGD with independent non-recipient widow

⁶Bicycle used to carry people or light goods

⁷ As the *dependents* live under able-bodied caregivers, automatically household size become one point higher than independent receiver households.

project we found that most of the extreme poor households usually deposit BDT 10 weekly in their primary group. Triangulation of savings data from project database and fieldwork revealed that they are not able to save more than that. Calculation indicates that if one household deposits BDT 10 per week, to deposit BDT 900 it would take two years. One caregiver of a dependent elderly person said:

“My household size is 9. My mother gets BDT 900 every 3 months. If I want to deposit BDT 900 from my daily earnings I would never be able to reach the figure. So this BDT 900 at one time is a huge amount for me”⁸.

4.1.2. Expenditures of the extreme poor

Various economic factors influence the extreme poor household to spend beyond their income, including no regular work and poor housing conditions whereas the social factors are related to illnesses, gender and land. Despite a diversified scope of livelihoods in the study area, the households commonly face insufficient working opportunities. Besides seasonal characteristics, older people also find it difficult to get work regularly. Employers always prefer younger workers because they can work harder in a shorter period of time. But a long list of expenditures is always on their mind. As soon as the housing condition becomes poor, they try to repair it at any cost. The respondents also mentioned a number of health related issues that also become a costly burden on the household. Land related matters like buying land from land grabbers, conflict over taking possession, eviction or displacement, acquisition and getting a legal entitlement results in a huge cost. Finally, cost of having a daughter has always been a part of their life. One of the widow recipients said, *“If an extreme poor family has a daughter, the household has a heavy expense in order to marry her.”* When the head of a household is a widow, crisis goes beyond control. The details of the underlying factors of expenditures are in Appendix 12. The respondents estimated their average expenditure as BDT 50 PPPD including ½ kg of rice for each. So if the extreme poor male headed household size is 3.8⁹ the average estimated monthly expenditure is around BDT 5700 and BDT 3700 for female headed households if the household size is 2.6. This leads to around 1/3 income deficit for all recipients and non-recipients households.

Based on the above, the study finds an important gap in the target group’s income and expenditures. Extreme poor people are living with various crises which are also influenced by social values. To mitigate these crises, the extreme poor people adopt a set of coping strategies like sharing livestock rearing, buying on credit, depositing cash or rice, taking loans and even using allowance money. Details of coping strategies are described in Appendix 13. The role of the allowance money to intersect with the income-expenditure equilibrium as well as other coping strategies is discussed below.

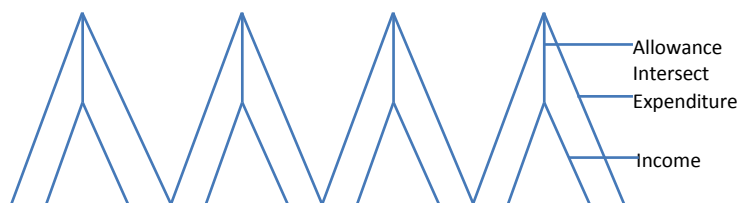
4.1.3. Allowance intersecting with the equilibrium of income-expenditure

Allowance intersects with the equilibrium of income and expenditure in two ways: 1. Allowance builds the capacity or maintains the other coping strategies and 2. Allowance itself addresses the lean period to cope with consumption needs and harvest periods to invest money in other purposes other than consumption.

⁸ Source: interview with dependent household

⁹source: Uttaran MIS data of 2nd phase beneficiaries where the average male headed HH size is 3.8 whereas the female headed HH size is 2.6.

Figure 2: Intersection of allowance on income-expenditure equilibrium



4.1.3.1 How allowance builds the capacity of other coping strategies

Buy or treatment on credit: Extreme poor households experience a lean period including earning from all sources. They are bound to spend beyond their limited income to meet their daily needs and other social responsibilities which influence them to buy on credit. The credit transaction between seller and buyer was found across all classes of people in the study area, referred to as *haalkhata*. *Haalkhata*¹⁰ takes place in the fourth and first quarter which is winter and summer seasons respectively. As these are the times of production and harvesting, the poor people have more opportunities to earn. So, the allowance money of these quarters helps them to repay the credit money and use it for other purposes as well. This ability of repaying credit money builds the extreme poor to go for their next credit purchase since they are treated as reliable, active market actors. So, it protects the extreme poor from becoming the defaulter in the credit market system.

Deposit or saving cash/rice: Few able-bodied extreme poor widowed beneficiaries who work in and out of the village were found to deposit this allowance money to invest in larger schemes like loans against interest or buying productive assets. Most of them buy rice first to store for the lean period. One of the respondents of this category who is involved in border trade said, “*I deposited BDT 4000 from allowance which took two years and invested in a reliable trader last year under the condition of getting doubling my money. Accordingly, I got BDT 8000 this year. Again, I have done the same and am expecting double in the next harvesting season.*”

Taking loans: Allowance creates a big difference in getting access to both informal and formal loans, just as getting access to buy on credit allowance allows receivers to get better access to loans. The loan providers can rely on them as they have an authentic source of regular income. A disabled non receiver respondent said, “*The allowance receivers can get loans based on their allowance. But we don’t get loans in hardship.*” Another respondent said, “*If we could get allowance money we could save in samity and take loans when in hardship.*”

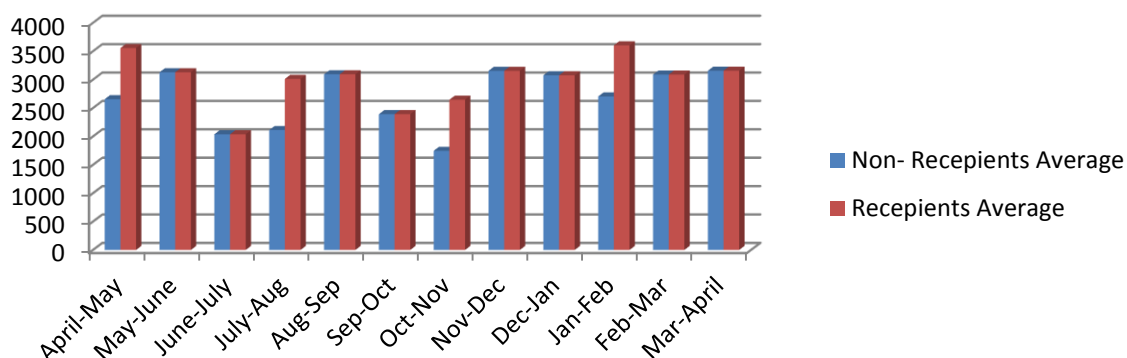
Rearing livestock and poultry birds: This is very common among allowance receivers’ households. In many cases the receivers buy poultry birds or deposit money to buy livestock. One of the elderly allowance receivers said, “*I bought a goat on BDT 1000 where BDT 600 was on credit. After getting the allowance, I repaid the credit at once.*” One of the female non-recipient disabled respondent’s sister-in-law said, “*We would not be able to marry off my disabled sister-in-law, but if she could get the allowance then we would be able to buy livestock to fix an asset for her.*”

¹⁰Once or twice a year, the shopkeepers invite the customers with invitation cards to repay the credit amount and have some snacks. Usually the date is fixed upon the harvesting period which is mid-May to mid-June and mid-December to mid-January. On that day, the shopkeepers close their accounts and start a new account book for the next year which is called *haalkhata* (new book for accounts) in Bengali. It was found that the extreme poor households usually do *haalkhata* twice a year as it is easier to repay when they can earn more. We estimated from the data that every year in each *haalkhata*, they repay BDT 2000 to BDT 3000. But in many cases they are not able to repay the full amount.

4.1.3.2. How allowance mitigates seasonal income variation

In terms of income and PPPD, though all categories of the recipients and non-recipients are below the extreme poverty threshold level; there is significant monthly income variation between the two categories due to allowance. Figure 3 shows that four times (April-May, July-August, Oct-Nov and Jan-Feb) due to allowance, the recipients' income increases compared to non-recipients.

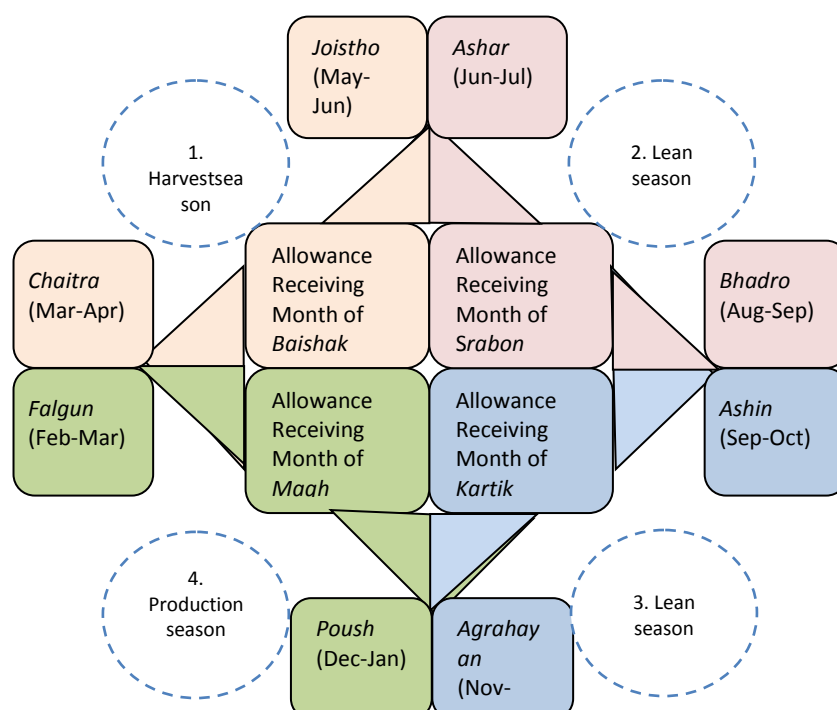
Figure 3: Seasonal income comparison of recipient and non-recipient



Source: Author

However, recipients' average monthly income exists under extreme poor threshold level, specifically over two months – April-May and Jan-Feb, their income crosses the threshold level due to allowance and income from other sources. On the other hand, in the other two months – July-Aug and Oct-Nov, income is low close to threshold level compared to non-recipients. Interestingly, after each allowance month there is a two months gap which corresponds to the two comparatively low income months. So, there is a link among the five months which smoothens income crisis. The chart of allowance distribution months and seasonal variation analyzes that the month of *Ashar* (Jun-July) is the starting month of the monsoon period which is regarded as the lean season. In this month they buy consumption items on credit with the hope of repaying after receiving an allowance.

Figure 4: Correlation between allowance months and seasonal income variation



Source : Author

So, recipients were found to use the allowance money to repay the credit amount and buy mostly rice for the current and following month of *Bhadro*. An independent recipient of old age allowance living with his wife and granddaughter said,

*"In rainy season there is always scarcity of work. With this allowance, I will repay the last month's credit of BDT400 for buying rice and will buy rice with BDT400 for the next month."*¹¹

As a result, the allowance money is supporting to cope with the income crisis of the monsoon season. It was found that the third quarter of the year was also regarded as lean period which is called *monga* as there are limited income opportunities in the agricultural and shrimp fields. During the later month of this quarter, production starts which will be harvested in the first quarter of the year. So the process of coping follows the previous quarter of the year. Besides managing consumption needs, other few uses of allowance were found in these two quarters – buying medicine, utensils, children's books etc.

The fourth quarter was found to earn from other income sources as stated earlier in the livelihood section. Many of the households do *Haalkhata* in this quarter. Besides repaying credit or maintaining regular expenditure, they are able to invest the money to repair their house or support their daughter's family or buy more assets. One of the independent old age allowance recipients who used to beg in the surrounding village to maintain his family expenses said:

*"I started receiving allowance about a year ago. Before receiving allowance, my house was totally damaged and was unable to stay there. After receiving the allowance in the month of Magh (fourth quarter), I planned to repair the shed. With the first two installments of allowances, I rebuilt the roof after last Boishak."*¹²

This example indicates that the first quarter is also a period of more income opportunities as this is the time of harvesting in both agriculture and shrimp farms. Like the previous quarter, many spend the allowance to do *haalkhata* and invest in other purposes.

4.1.4. Allowance hinders to other seasonal social protection supports to younger widows

There are many seasonal social protection supports which are short term but with high returns, for example VGD, VGF, 100 days work, TR, GR, CFW, FFW and so on. The younger widows argue that as the key income earner they participate in hard labour like earth working. But they are not employed by the local government for the same job as they are allowance receivers and are prevented from the opportunity. It was calculated that the recipients get BDT 10 per day whereas, in cash for work, the worker gets BDT 175 which may continue for up to two to five years. This factor indicates that the younger non-receivers of widow allowance who are enrolled in the above social protection support are in an advanced position of resiliency. The widow respondent said:

*"I'm receiving widow allowance since last year. But because of this, I am not eligible to get other support which are short term but more profitable. If I would be able to get those, I could invest on purchasing bigger assets"*¹³.

¹¹Source: *Life history Interview*

¹² Source: Interview with Old age Allowance Recipients

¹³Source: allowance giving event

The above discussion indicates that the expenditure exists in the households at a higher level than income which leads them to various income vulnerabilities in their everyday life. The insufficient income opportunities, poor housing conditions, illness, gender norms and land related expenditures was found to contribute to their income vulnerabilities. To mitigate their economic crises, they were found to take a set of strategies like, share rearing of livestock, buying on credit, depositing cash or rice, taking loans and using allowance money. Compared to non-recipients, the recipients are in an advantageous position to use the allowance money in the lean period to meet basic needs and for other purposes in the harvest period. This proves the significance of the allowance money. But income-expenditure variance shows that it does not contribute to the households' graduation from extreme poverty in terms of average monthly and per person per daily income. Rather, it makes other coping strategies smoother, creates other assets and supports them to become reliable market actors. However, the younger widow allowance recipients are left behind compared to non-recipients who are enrolled in other short term, seasonal high-return social protection support.

4.2. Allowance and Social Resilience

As the literature suggests, the bribe issue is well recognized in beneficiary selection and allowance distribution (Rahman, 2012). An earlier section shows that the allowance is not enough to contribute to crossing the extreme poverty threshold level in terms of *average monthly income* and *per person per day*. However, this section argues that it has an important impact on stabilizing social structures. Through this process, allowance may contribute to increasing inclusivity among the extreme poor recipients at the level of household, community and with the mainstream anti-poverty strategy. Thus, allowance recipients can be socially resilient.

4.2.1. Allowance beneficiary selection and social capital

The *Union Parishad* (UP) is responsible for selecting beneficiaries based on a criteria¹⁴ and ensuring support till their death. It was found that for over 8 years no new allowance cards were issued. Every year the UP authority is sending a waiting list (4 persons against 1 recipient) to the *Upazila* authority. With the death of a recipient, a new beneficiary is entering the final list. So, there is always a deficit of cards which incentivizes the extreme poor to use social relationships and lobby with the local government. We found most beneficiaries did not need to spend money, but rather their social relationships played a key role in being selected. One independent elderly recipient said:

*"When I worked as a labourer at the UP member's house, he was a child. All the family members always supported me in times of crisis. After becoming a member, I directly lobbied to the UP member. Finally he issued a card because of my persistence."*¹⁵

There are many examples like this which also play a role in building a relationship with the social elites. This is discussed in section 4.2.4.

Usually beneficiaries receive their allowance on April, July, October and January. To receive the amount, they have to be present at the venue which is usually the Upazila campus or the selected Bank. To minimise transportation costs, they go in a group under the supervision of the village police. If someone is unable to move, the caregivers are allowed to receive the allowance on behalf of the recipient with an authorization letter of the respective ward member. The village police coordinate the whole process. He takes BDT 10 from each receiver. This builds a horizontal relationship among the peers which is discussed in section 4.2.3.

¹⁴See Appendix 4 for selection criteria, allowance package and coverage of selected three allowance scheme

¹⁵Interview with elderly recipient

4.2.2. Intra-household relationships

In most of the cases independent recipients are those who are not being looked after by their sons or daughters, living alone, widowed or abandoned at an early age. So they have to maintain their family as 'the key bread earner'. As the household head, they usually make the important decisions. So, receiving allowance does not have a significant contribution in changing the intra-household relationships of the Independent recipients of all three groups. But in the life of dependent recipients allowance was found to play a positive role building intra-household relationships – fulfilling wishes, caretaking, not perceived as a burden, more self-reliant, confident, increased negotiation capacity. One of the dependent recipients said:

*"I have been receiving this allowance for 18 months (sixth time). Before receiving this allowance I had to ask for money from my sons for my personal expenses, like going to my daughter's house, buying sweets, giving chanda (donation) to the local mosque and even for buying medicine. But now I can spend it myself to buy medicines for my wife, to visit my daughter, to buy food for my grandchildren and for other personal expenses. This has lessened the burden of my sons which makes their wives happier"*¹⁶

The elderly groups explained that when they were able to earn enough, they did not have to depend too much on their children. They stated that children do not care about their parents when they are old and not able to earn. Many believe that their sons' incomes are too low to take care of their wives and children. Hence, it was not possible for them to bear their parents' expenses. But many argue that sons always want to look after their parents but cannot because of their wives. In this context, all elderly people who are allowance receivers experienced that this allowance money plays a role in improving the relationships amongst the household members.

Hospitality for their daughters' families in any occasion is very important to them. But they cannot do it when they become older and are unable to earn. As a result, the daughters may be humiliated at their in-laws' houses. So when they get the money, they can fulfill their wish and favour their daughter. An old-age allowance receiver said,

*"After last Eid, my daughter came with her son at my place. I eat at the houses of my three sons in a cyclic order. I observed that none of them cooked meat for them. When my daughter goes back, if her in-laws find out that they had not been served meat, they would humiliate her. So, to protect my daughter's dignity, I bought a poultry bird on credit. I told the shopkeeper that I will pay the amount after getting the allowance".*¹⁷

The example shows how an old father protected his daughter's dignity by getting meat with the allowance money. On the other hand, many independent and dependent non-receivers were found sinking into credit to maintain the responsibilities.

Like the example above, many dependent recipients eat at their sons' places where a politics of food sharing on the same table exists. So mostly they distribute the money equally to avoid any conflict or the caregivers spend the allowance money as their own.

However, data analysis confirms that as a continuous source it ensures that recipients are treated better by their caregivers. Though 'not taking care properly' is also reported, it is arguable as to whether the caregivers are to blame given that they themselves are at a difficult economic position.

¹⁶ allowance giving event

¹⁷Source: Interview with oldage allowance receiver

Taking everything into account, data still suggests that recipients are less vulnerable and more resilient than non-recipients.

4.2.3. Horizontal relationships among the recipients

Though the villagers or the inhabitants have a solidarity based on their geographical location and social class, as recipients of allowance a social identity is created among them. As recipients, they all participate in the allowance giving event every three months which strengthens relationships amongst them. This mainstream poverty alleviation strategy makes them visible and creates social inclusion. Based on social identity, relationships and ensured monetary support they get access to loans and information of any kind of other development initiative from other peers. Halima, respondent of widow receiver category said:

*“We work in the field and maintain a very good relationship. This developed due to working together; informing each other of working opportunities and giving loans to others during difficult times”.*¹⁸

So, this relationship could be considered a coping strategy to contribute to the resiliency of the recipients' households.

4.2.4. Vertical relationships among recipients

The extreme poor households living on khas land migrated from other areas. Usually khas land is a large unit of land that covers a number of households. So, the khas land people become a sub group in the community. As a result, though local elites and extreme poor people are living in the same community, there exists a relationship gap.

From the section on getting access, we found that the strategy of repeated direct lobbying led to an allowance card. Wider kin networks also build vertical relationships that ensure access to allowance. The recipients are connected to the local government through different ways which is the strongest vertical relationship. One of the disability allowance recipients said:

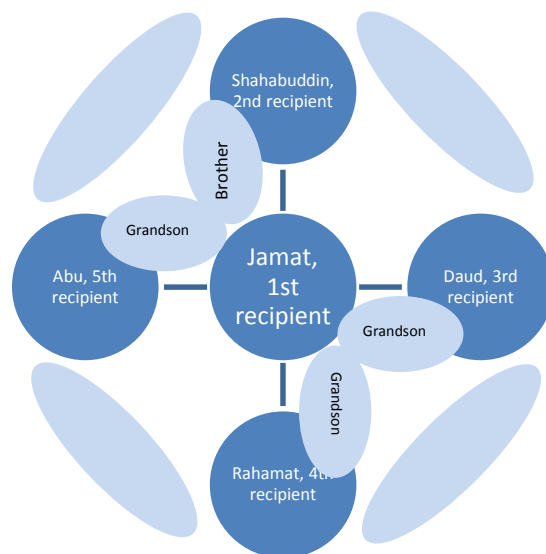
*“Once I am enlisted in the register book of the Government, I will get different support till death. Look, why did the people come to me? Just because I am enlisted in the Government register book.”*¹⁹

As the recipients are closer to the Union local government authority, they can advocate for others who are eligible for allowance. In the *para* of the study, we found five elderly recipients who are relatives of each other. The figure below shows how five recipients are connected to each other.

¹⁸Source: Interview with widow recipient

¹⁹Source: Individual interview with a disable recipient

Figure 5: Net of elderly recipients



Source: author

The person who enlisted entered the next recipient and in this process all five received access. We found them in a tea stall having tea together. They analysed how the vertical relationship led to a horizontal relationship amongst them. After receiving a disability allowance the recipients were found to be members of the disabled association at the District level. This District level platform makes them more aware and informs on their rights and access to other GO-NGO initiatives. So this relationship with upper class people or institutions are contributing to building the resilience of the extreme poor recipients. They are better able to cope with crisis through social inclusion and more support during hardship, thus, influencing horizontal relationships as well.

The above discussion reveals that allowance builds the ability of the extreme poor recipients to create the space for better intra-household, horizontal and vertical relationships which contribute to integrating the poor into social structures and thus, build their resilience.

5. Conclusion

The paper concludes that, the data collected shows that generally extreme poor people like the disabled, elderly and widowed experience daily economic challenges because of insufficient working opportunities, health shocks and various social hazards. This results in a continuous deficit level of income and a trapped credit cycle. The income-expenditure calculation reveals that the allowance they receive from the government is not sufficient to pull them out of extreme poverty but can constitute an effective platform to balance their income-expenditure ratio and sustain the social networks of the extreme poor households which can bring significant economic benefits. This phenomenon is driven by several factors:

1. Allowances are secured life-long financial transfers. Though the recipients are unable to exit the threshold income level of extreme poverty, BDT 900 per three months is a big lump sum which affects their livelihood and financial behavior to balance their expenditure and even aid in investing

in asset creation. It is the primary factor which explains income differences between receivers and non-receivers. But there exists significant differences between *dependent* and *independent* categories of the extreme poor. *Independent* recipients are the main bread-winner of their households. In some cases there may be more than one income earner but usually they are the spouse, the daughter or younger children (old sons may live separately). *Independent* recipients are responsible to run their households contrarily to *dependent* recipients who are not responsible to run the family, rather, is cared for by a caregiver. In all the cases, caregivers are earning the same way. So the only difference depends on whether the key caregiver is male or female. But in most cases we found that the *dependents* live under male caregivers who are the son, the grandson or the son-in-law. Mostly if the caregiver is the daughter or the granddaughter, she is abandoned or widowed. Most *dependents* live under able-bodied male caregivers who have incomes higher than females, but because there is one dependent in the household, automatically household size becomes higher. But in the case of independent widows, elderly sons or daughters are living separately. In many cases their abandoned or younger daughters or younger sons are living with them. Their income opportunities and wages are lower in comparison to male able-bodied households.

2. The recipients are considered more reliable in markets to get credit support to buy products. Extreme poor households experience a lean period including earning from all sources. They are bound to spend beyond their limited income to meet their daily needs and other social responsibilities which force them to buy on credit. The credit transaction between seller and buyer was found across all classes of people in the study area, referred to as *haalkhata*. *Haalkhata*²⁰ takes place in the fourth and first quarter which is winter and summer seasons respectively. As this is the time of producing and harvesting, the poor people have more opportunities to earn. So, the allowance money of these quarters helps them to repay the credit money and they can use it for other purposes as well. This ability of repaying credit money builds the extreme poor to go for their next buy on credit as they are treated as reliable active market actors. So it protects the extreme poor from becoming defaulters in the credit market system.

3. It can allow receivers to get access to loan and diversify their income and mitigate seasonal income variation. The loan providers can rely on them as they have an authentic source of regular income. Rearing livestock and poultry birds is very common among allowance receiving households. In many cases the receivers buy poultry birds or deposit money to buy livestock. Seasonal variation analyzes that the month of *Ashar* (Jun-July) is the starting month of the monsoon period which is regarded as the lean season. In this month they buy consumption items on credit with the hope of repaying after receiving an allowance. As a result, the allowance money is supporting to cope with the income crisis of the monsoon season. It was found that the third quarter of the year was also regarded as lean period which is called *monga* as there are very limited income opportunities in the agricultural and shrimp fields. During the later month of this quarter, production starts which will be harvested in the first quarter of the year. So the process of coping follows the previous quarter of the year. Besides managing consumption needs, other few uses of allowance were found in these two quarters – buying medicine, utensils, children's books etc. The fourth quarter was found to earn from other income sources as stated earlier in the livelihood section. Many of the households do *Haalkhata* in this quarter. Besides repaying credit or maintaining regular expenditure, they are able to invest the money to repair their homes or support their daughters' families or buy more assets.

²⁰Once or twice in year, the shopkeepers invite the customers with invitation card to repay the credit amount and have some snacks. Usually the date fixed upon the harvesting period which is mid-May to mid-June and mid-December to mid-January. On that day the shop keepers close their accounts and start a new account book for the next year which is called in Bengali *haalkhata* (new book of account). It was found that the extreme poor households usually do *haalkhata* twice in a year as it is easier to repay as they can earn more at that time. We estimated from the data that every year in each *haalkhata* they repay BDT 2000 to BDT 3000. But in many cases they are not able to repay the full amount.

4. Receiving allowance does not have a significant contribution in changing the intra household relationship of the Independent recipients of all three groups as they are the ones who are not being looked after by their sons or daughters, living alone, widowed or abandoned at an early age. So they have to run their family as 'the key bread earner'. But in the life of dependent recipients, allowance was found to play a positive role in building intra-household relationships – fulfilling wishes, caretaking, not being perceived as a burden, more self-reliant, confident, increased negotiating capacity.

5. Create horizontal relationships within the community. As recipients of allowance, a social identity is created amongst them. They participate in the allowance giving event every three months which strengthens their relationship. This mainstream poverty alleviation strategy makes them visible and creates social inclusion. Based on social identity, relationships and ensured monetary support they get access to loans and information of any kind of other development initiative from other peers.

6. Create vertical relationships within the community and institutions using social capital, bargaining and connecting with the government poverty alleviation initiatives. Based on social identity, relationships and ensured monetary support, they get access to loans from formal and informal sources and get access to information of any kind of other development initiative from other peers and local government representatives, especially the village police.

Allowance hinders other seasonal social protection supports to younger widowed receivers. As the key income earner, the younger widows participate in hard labour like earth working. But they are not employed by the local government for the same job as they are allowance receivers and are thus, excluded from the opportunity.

Compared to non-recipients, the recipients are *socially resilient* even if they are dependent recipients and economically dependent on other household members. However, further research is required to explore the resilience of the recipients of this study.

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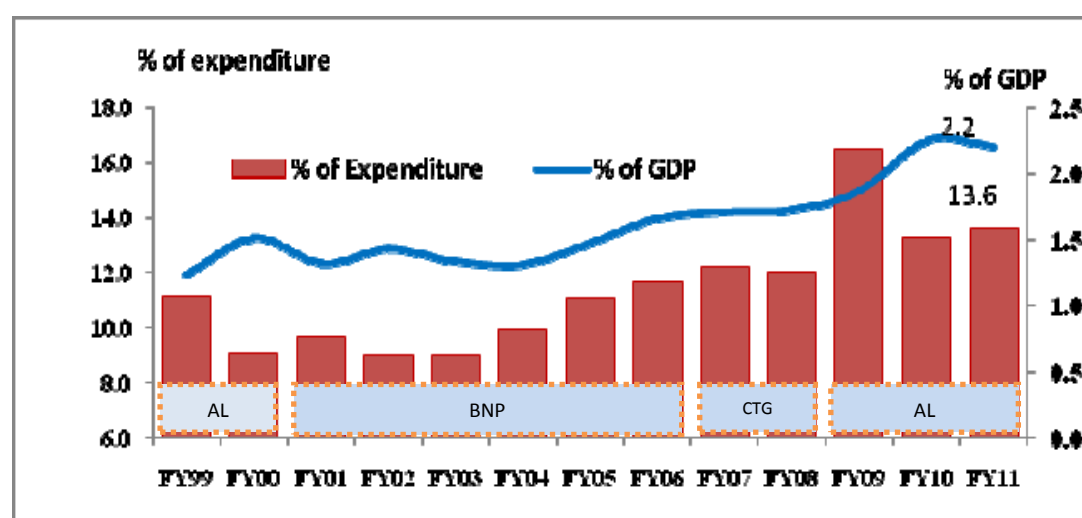
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Appendix 1: The trend of expenditure on Social Safety Net (SSN) programme in Bangladesh



Source: Ministry of Finance

Appendix2: The trend of allocation and Allowance of SSNP (Oldage)

Fiscal Year	Fund (million BDT)	Monthly Allocation per person (BDT)	No. of Beneficiaries (in millions)
1997-1998	125	100	0.4
1998-1999	485	100	0.4
1999-2000	500	100	0.4
2000-2001	500	100	0.4
2001-2002	500	100	0.4
2002-2003	750	125	0.5
2003-2004	1800	150	1.0
2004-2005	2604	165	1.3
2005-2006	3240	180	1.5
2006-2007	3840	200	1.6
2007-2008	4485	220	1.7
2008-2009	6000	250	2.0
2009-2010	8100	300	2.2

Source: Ministry of Social Welfare

Appendix 3: An overview of Social Safety Net Programme in Bangladesh

<i>An Overview of Safety Net Programme: 2008-11</i>							
<i>Type of Programme</i>		<i>2008-09</i>		<i>2009-10</i>		<i>2010-11</i>	
		<i>No.</i>	<i>Allocation (Crore Taka)</i>	<i>No.</i>	<i>Allocation (Crore Taka)</i>	<i>No.</i>	<i>Allocation (Crore tk.)</i>
A. Allowances	Major Programmes	6	1,138.72	6	1,582.98	6	1,815.99
	Minor Programmes	7	76.40	8	112.60	8	153.08
	Total	13	1,215.12	14	1,695.58	14	1,969.07
B. Food Security & Disaster Assistance	Major Programmes	10	4,593.48	11	4,496.84	11	5,020.88
	Minor Programmes	4	144.42	4	134.42	4	93.30
	Total	14	4,737.90	15	4,631.26	15	5,114.18
C. Public Works/ Employment Generation	Major Programmes	5	2,417.62	6	2,438.24	6	2,282.42
	Minor Programmes	1	9.86	2	12.00	4	30.51
	Total	6	2,427.48	8	2,450.24	10	2,312.93
D. Human Development & Social Empowerment	Major Programmes	6	1,255.68	6	1,566.81	6	1,880.00
	Minor Programmes	1	4.00	4	26.03	4	48.25
	Total	7	1,259.68	10	1,592.84	10	,928.25
E. Urban Poverty	Major Programmes	1	46.50	1	52.00	1	45.50
	Minor Programmes	1	25.00	2	26.75	2	99.43
	Total	2	71.50	3	78.75	3	144.93
All (A+B+C+D+E)	Major Programmes	28	9,452.00	30	10,136.87	30	11,044.79
	Minor Programmes	14	259.68	20	308.80	22	424.57
	Total	42	9,711.68	50	10,445.67	52	11,469.56
F. Block Allocation			6.00		1,009.00		1,508.64
F. Pensions for Government Employees			3,616.65		3,760.70		3,989.64
All + Block Allocation + Pensions			13,334.33		15,125.37		16,967.84

Note: Programmes with allocation in excess of Taka 50 crore in 2009-10 are defined as major programme and those below 50 crores as minor programme.

Source: Budget Documents, PPRC Compilations

Appendix 4: Selection criteria, allowance package, coverage of three selected safety net allowance programme

SSN	Selection criteria	Benefit package	Coverage(lac)	Budget (in crore)
Allowance for financially insolvent disabled	<ol style="list-style-type: none"> 1. People who are mentally or physically challenged or handicapped 2. Person with disability & yearly income less than Tk.24,000. 3. Age above 6 years 4. Poor children (age limit can be relaxed) with mental disability and fully visually impaired individual should be prioritized for treatment purpose. 5. Permanent resident of the area 6. Women, landless, houseless, persons with disabilities and multiple disabilities get priority 	Tk.300 per month per household with disabled person. Until death or migration, he or she is entitled to receive this allowance.	2.86	102.96
Old Age Allowance	<ol style="list-style-type: none"> 1. At least 65 years of age 2. Household income less than Tk.3000 per annum 3. Priority for those physically and mentally incapable, freedom fighter, abandoned, landless 	Tk.300 per month per household with elderly person. Entitled to receive this benefit until death.	24.75	891.00
Allowance for widowed, deserted and destitute women	<ol style="list-style-type: none"> 1. Women either widowed, deserted or destitute 2. Priority for elderly and/or disabled, destitute. 3. Poor, landless with 2 children (age below 16 years) get priority 4. Sick women and women with disabilities also get preference 	Tk.300 per month per household as long she fulfills eligibility criteria.	9.20	331.20
Total			44.31	2132

Source: Ministry of Social Welfare and Ministry of Finance

Appendix 5: Year calendar of income and employment opportunity of the independent elderly household

Elderly Independent															
Livelihood potions			Apr-May	May-Jun	Jun-Jul	Jul-Aug	Aug-Sep	Sep-Oct	Oct-Nov	Nov-Dec	Dec-Jan	Jan-Feb	Feb-Mar	Mar-Apr	Total
			Boishak	Joistho	Ashar	Srabon	Bhadro	Ashin	Kartik	Agrahayan	Poush	Magh	Falgun	Chaitra	
Bagging	Male	days	15	15	10	10	15	15	15	15	15	15	15	15	
		Income	2250	2250	1500	1500	2250	2250	1500	2250	2250	1700	2250	2000	
	Female	days	15	15	10	10	15	15	12	15	20	15	15	15	
		Income	1500	1500	1000	1000	1500	1500	1000	1500	2000	1200	1500	1500	
Agricultural Day labourer	Male	days	10	15		10	12			12	15	17			
		Income	1500	1500		1500	1700			1800	2200	2500			
	Female	days	10	10		5	7			8	7	10			
		Income	1000	1000		500	700			800	700	1000			
Petty business	Male	days													
(selling Rice)		Income	1500	2000	2000	2000	3000	3000	3000	3000	2000	1500	2000	2200	
	Female	days													
		Income													
Pulling Cycle	Male	days	15	20	15	10	20	20	10	15	20	15	15	20	
		Income	900	1500	900	700	1500	1500	700	1000	1500	1000	1200	1500	
	Female	days													
		Income													
Pulling Van	Male	days	15	20	15	15	20	15	15	20	20	15	20	20	
		Income	1500	2000	1500	1500	1700	1200	1200	2000	1500	1200	1500	2000	

	Female	days													
		Income													
Housemaid	Male	days													
		Income													
	Female	days	20	30	25	20	25	25	20	25	25	25	30	30	
		Income	1000	1500	1200	1000	1200	1200	1000	1200	1200	1200	1500	1500	
Shrimp farm labourer	Male	days	7	10							7	12	20	20	
		Income	1000	1500							1000	1800	3000	3000	
	Female	days	7				10	7		12	10		7	10	
		Income	700				1000	700		1200	1000		700	1000	
Total			12850	14750	8100	9700	14550	11350	8400	14750	15350	13100	13650	14700	
Average			1285	1475	810	970	1455	1135	840	1475	1535	1310	1365	1470	
HH			2570	2950	1620	1940	2910	2270	1680	2950	3070	2620	2730	2940	

Calculated average monthly income of non-recipient independent elderly household is BDT 2521 whereas recipient's is BDT 2821.

Appendix 6: Year calendar of income and employment opportunity of the independent widow household

Widow Independent															
Livelihood potions			Apr-May	May-Jun	Jun-Jul	Jul-Aug	Aug-Sep	Sep-Oct	Oct-Nov	Nov-Dec	Dec-Jan	Jan-Feb	Feb-Mar	Mar-Apr	Total
			Boishak	Joistho	Ashar	Srabon	Bhadro	Ashin	Kartik	Agrahayan	Poush	Magh	Falgun	Chaitra	
Bagging	Female	Days	15	20	10	10	15	15	12	15	20	15	15	15	
		Income	1500	2000	1000	1000	1500	1500	1200	1500	2000	1200	1500	1200	
Day labourer	Female	Days	15	15		10	10		5	10	15	10			
		Income	1500	1500		1000	1000		500	1000	1500	1000			
Housemaid	Female	Days	30	30	25	20	25	25	20	25	25	25	30	30	
		Income	1500	1500	1200	1000	1200	1200	1000	1200	1200	1200	1500	1500	
Catching <i>kuchi</i> /fish	Female	Days			15	15	10			15	15	20	20	20	
		Income			1000	1000	700			2000	2000	3000	3000	2000	
Rearing livestock/poultry birds	Female	Days													
		Income	700	700	700	700	700	700	700	700	700	700	700	700	
Shrimp farm labourer	Female	Days	7	10			15	10		10	10		12	10	
		Income	700	1000			1500	1000		1200	1000		1000	1000	
Earth Work	Female	Days	7	15									10	15	
		Income	1000	2000									1500	2000	
Total			6900	8700	3900	4700	6600	4400	3400	7600	8400	7100	9200	8400	
Average			986	1243	557	671	943	629	486	1086	1200	1014	1314	1200	
HH			1971	2486	1114	1343	1886	1257	971	2171	2400	2029	2629	2400	

Calculated average monthly income of non-recipient independent widow household is BDT 1888 whereas recipient's is BDT 2188.

Appendix 7: Year calendar of income and employment opportunity of the independent disable household

Disable Independent															
Livelihood potions			Apr-May	May-Jun	Jun-Jul	Jul-Aug	Aug-Sep	Sep-Oct	Oct-Nov	Nov-Dec	Dec-Jan	Jan-Feb	Feb-Mar	Mar-Apr	Total
			Boishak	Joistho	Ashar	Srabon	Bhadro	Ashin	Kartik	Agrahayan	Poush	Magh	Falgun	Chaitra	
Bagging	Male	Days	15	15	15	10	15	15	12	15	15	10	12	15	
		Income	1500	1500	1500	1000	1500	1500	1200	1500	1500	1000	1200	1500	
	Female	Days													
		Income													
Petty Business	Male	Days													
(Selling Rice)		Income	1500	1500	2000	1500	2500	3000	1500	2000	1500	1500	1700	1800	
	Female	Days													
		Income	1500	1500	1500	1000	1500	1500	1000	1500	2000	1200	1500	1200	
Tea stall	Male	Days													
		Income	1200	1500	1500	1500	1700	1250	1500	1700	1500	1200	1500	1750	
	Female	Days													
		Income													
Day labourer	Male	Days	7	10		5	10			10	8	10	10	10	
		Income	900	1500		700	1200			1500	1000	1500	1500	1500	
	Female	Days	7	10		5	7			8	7	10	10	10	
		Income	700	1000		500	700			800	700	1000	1000	1000	
Total			7300	8500	6500	6200	9100	7250	5200	9000	8200	7400	8400	8750	
Average			1217	1417	1083	1033	1517	1208	867	1500	1367	1233	1400	1458	

HH			2433	2833	2167	2067	3033	2417	1733	3000	2733	2467	2800	2917	
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Calculated average monthly income of non-recipient independent disable household is BDT 2550 whereas recipient's is BDT 2850.

Appendix 8: Year calendar of income and employment opportunity of the dependent recipient and non-recipient's household

Elderly/Widow/Disable Dependent															
Livelihood potions			Apr-May	May-Jun	Jun-Jul	Jul-Aug	Aug-Sep	Sep-Oct	Oct-Nov	Nov-Dec	Dec-Jan	Jan-Feb	Feb-Mar	Mar-Apr	Total
			Boishak	Joistho	Ashar	Srabon	Bhadro	Ashin	Kartik	Agrahayan	Poush	Magh	Falgun	Chaitra	
Agriculture Day labourer	Male	days	20	23	15		15			12	22	23			
		Income	3000	3150	2250		2250			1800	3300	3300			
	Female	days	15	15	10	5	10			8	15	15			
		Income	1500	1500	1000	500	1000			800	1500	1500			
Shrimp farm labourer	Male	days	15								12	7	20	20	
		Income	2000								1800	1200	3000	3000	
	Female	days	7				10	7		12	10		10	15	
		Income	700				1000	700		1200	1000		1000	1500	
Pulling Van	Male	days													
		Income	3000	4000	3000	2000	3000	3000	2000	4000	6000	2500	3000	6000	
	Female	days													
		Income													
Petty Business	Male	days													
		Income	1500	4000	4000	1500	2500	3000	1500	4000	4000	1500	2000	4000	
	Female	days													
		Income													
Labour in Port	Male	days	15	15	15	15	15	15	15	15	15	15	15	15	
		Income	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	4500	

	Female	days													
		Income													
Pig Boy	Male	days													
		Income	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	
	Female	days													
		Income													
Brick field labourer	Male	days													
		Income	3000	3000						3000	3000	3000	3000	3000	
	Female	days													
		Income													
Fish Business	Male	days													
		Income	2000	4000	4000	3000	4500	4000	3000	4000	4000	2000	2000	2000	
	Female	days													
		Income													
Village Police	Male	days													
		Income	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	1800	
	Female	days													
		Income													
Total			27000	29950	24550	17300	24550	21000	16800	29100	34900	25300	24300	29800	
Average			2455	2723	2232	1573	2232	1909	1527	2645	3173	2300	2209	2709	
HH			3681.818	4084	3348	2359	3348	2864	2291	3968	4759	3450	3314	4064	

Calculated average monthly income of non-recipient dependent household is BDT 3461 whereas recipient's is BDT 3761.

Appendix 9: Research instruments

From 17 to 20 July 2013 we developed the draft of checklist of both FGD and life history interview. After piloting it was finalized from the experience of data collection which is given below.

1.1. Checklist of life history interview

1. *Identify all sources of income and expenditure of the household as per calendar year – hh size, occupation, wage, income earner, specific area of income and expenditure ;*
2. *Identify the specific crisis and hazard after receiving the allowance;*
3. *How they are coping with the specific crisis and hazard?*
4. *As a coping tool, how are they using the allowance money to mitigate the specific crisis and hazard?*
5. *Whether this allowance is building resilience or not?*
6. *If so, how?*
- 6.1. *What is the effect on intra-household dynamics - self-reliant, self-confidence, agency, diet, household responsibilities, decision making, kin relationship, mobility, asset ownership, social status, political voice?*
- 6.2. *What is the effect on horizontal network? (personal, institutional)*
- 6.3. *What is the effect on vertical relationship? (personal, institutional)*
- 6.3.1. *Is there any relationship between the process of receiving allowance and vertical network?*
What is the resilience status of your opposite category?(intra-household, horizontal and vertical dynamics)

1.2. Checklist of Focus Group Discussion

1. *What about livelihood status of Respondents? (Sources of income, Average Monthly income, Area of expenditure, Average Monthly expenditure)*
2. *What crisis or hazard have you experienced in the last 1 year?*
3. *What is the effect of each crisis or hazard?*
4. *What are the Coping strategies for each effect and the role of SSN? (Positive, Negative)*
5. *Are the Coping strategies able to make households resilient? (If yes, how or if No, why and the role of SSN)*
6. *Perception on other two groups*
- 6.1. *Common crisis and hazards they face*
- 6.2. *Effect of crisis and hazards*
- 6.3. *Coping strategies*
- 6.4. *Role of SSN*
- 6.5. *Relationship with resilience and SSN*
7. *What about your intra-household dynamics? (self-reliant, self-confidence, agency, diet, household responsibilities, decision making, kin relationship, mobility, asset ownership, social status, political voice)*
8. *What is the role of SSN to change intra- household dynamics? (only for Recipients)*
9. *What are your horizontal networks? (personal, institutional)*
10. *Is there any role of SSN to make new or change horizontal relations? (Only for Recipients)*
11. *What are your vertical networks? (personal, institutional)*
12. *Is there any role of SSN to make new or change Vertical relations? (Only for Recipients)*

Appendix 10: Centre wise distribution of safety net allowance recipients

Sl. no .	Name of unit/centre office/upazila office	Phase-II	No. of widow/deserted women (phase-II)	No. of widow receiving allowance (phase-II)	No. of disabled persons (phase-II)	No. of disabled receiving allowance (phase-II)	No. of old aged (above 65-phase-II)	No. of old aged receiving allowance (phase-II)
1	Batiaghata	1324	37	23	5	5	67	38
2	Dumuria	1630	197	56	62	19	187	48
3	Paikgacha	1095	29	22	7	5	36	32
4	Budhata	1500	14	14	3	1	25	22
5	Debhata	1100	29	22			65	58
6	Munshigonj	1500	146	4	46	3	109	24
7	Tala							
8	Satkhirasadar	1307	251	56	33	15	133	68
9	Jhikargacha	1238	172	23	28	6	223	58
10	Monirampur	890	36	34	9	9	51	51
Uttaran Center Total		11584	911	254	193	63	896	399
11	IDEAL	900	14	2	4	1	14	13
12	Mukti Foundation	900	16	10	3	2	16	10
13	Palli Chetana	900						
14	Rupali	900	67	32	14	6	38	32
PNGO Total		3600	97	44	21	9	68	55
Grand Total		15184	1008	298	214	72	964	454

Appendix11: Piloting of the study

To understand the objective and explore the research question we informally discussed with one household of each category from the Union sample on 7 July 2013. As part of the informal discussion of the study objective, we visited UP and came to know that allowance giving events were going to be held at Upazila level on 14 and 16 July 2013. We participated at the event and spoke to many recipients of the union of all three categories. Based on this informal discussion, we tried to understand the dynamics and diversified experience of the recipients which helped to prepare the research instruments.

From 21 July to 25 July 2013, to pilot the research instruments we selected Alipur village which is outside the main research sample selection area but exists in the same socioeconomic context of the union. For the pilot, we planned to do one *FGD* with one group of both recipients and non-recipients to understand whether the questions and the answers are focused or not. To understand the specific differences of each of the different categories, the *Individual interview* was piloted and finalized the checklist of II. The table below shows the categories of the participants with whom the research instruments were piloted.

Table 5: categories of piloting participants

Method	Recipient	Non recipient
FGD (2)	Widow	Widow
II (12)	Old age (dependent and independent)	Old age (dependent and independent)
	Widow (Dependent and independent)	Widow (dependent and independent)
	Disable (Dependent and independent)	Disable (Dependent and independent)
Informal discussion (5)	Chairman, UP secretary, members, village police and opinion leaders	

For the *FGD*, we selected a group of widows of both recipients and non-recipients from the Union database of the project. We shared the selected list with the local Uttaran staff members to assist us to organize the event at the village level on a fixed date and time. Accordingly, we completed the *FGD* where the Research Officer facilitated as well as took notes of key points and the Research Assistant was involved in taking detailed notes. In the mean time, we arranged an informal discussion with the chairman, few members and few opinion leaders at the UP to understand the local context of livelihood especially for the selected category.

Learning from Piloting:

1. Category of participants and their selection was changed based on pilot. The key finding was - **all people of three categories can be divided into two which are dependent and independent**. There is no significant variation among the dependent disable, widow and elderly but it exists among the independent. So if we want to explore the research question based on 'with and without' comparison, we need to collect data among 8 categories which are recipients and non-recipients of 3 independent and 1 dependent categories.
2. From FGD we basically understood the experience of independent study people. We also came to understand that most of the participants selected from the project beneficiaries are independent. So in order to interview few of the dependent participants, we explored other villages of the Union.
3. From the group discussions and individual interviews, we learned that the dependent participants do not feel comfortable to talk about the dynamic of the intra household relationships in their own settings. When we met them at the Upazila campus, during the allowance giving event, they were more comfortable sharing their experiences. So we decided to interview them at other places out of their houses or even the community.

Appendix 12: The underlying factors of expenditure in the life of extreme poor

Insufficient working opportunity

Insufficient working opportunity is common. Besides seasonal characteristics, people in their later age also find it difficult to get work regularly. Employers always look for younger workers because they are more efficient. **Kaksed (69), an independent old age allowance recipient of Alipur Union, said, “Employers don’t want to employ us because other young labourers who can work harder than us are available.”**

Poor housing condition

It is very common to extreme poor households. Besides mitigating the daily need for food, the extreme poor are always worried about their housing condition. When housing conditions become poor, they try to make repairs at any cost, and end up in a longer term crisis. One of the widow non-recipients, Puti, said, **“Last November, I spent BDT 3600 to repair my house. It cost me BDT 900 for labour and BDT 260 for nails. I was able to arrange BDT 1110 by selling some assets and saving money (BDT 360 from two hens, BDT 450 from a duck and BDT 300 from savings). To repay the credit labour cost of BDT 900, it took me 15 months.”**

Illness

Discussion with all categories of the respondents revealed that health shocks or illness is the most common chronic crisis in their life because people at their age became very weak and are often ill. Hard labour with low food intake is making them more vulnerable to diseases.

“Bisbu Das (67) is an independent old age allowance recipient who used to beg. He has been ill three times in the past year alone. Onmay (12) had typhoid and suffered for two months. During that time his wife resorted to begging to pay for his treatment and to run the family. Other two times he suffered from fever for 8-10 days and was too weak to go out and beg.”

Illness related costs are a regular phenomenon for the extreme poor. The ailments they mentioned were appendicitis, gastric, heart disease, liver infections, low blood pressure, gallbladder surgeries etc. In cases of expensive treatments, many get support from their neighbours. Widow allowance receiver Monjuara said **“Two years back I had a gallbladder surgery which cost me BDT 25000. I spent BDT 10000 and the rest I collected from the neighbours.”**

Gender

Daughters can prove to be expensive to extreme poor households. When the head of the household is a widow, the crisis can go beyond control. Dowry required to marry off their daughters is a very common practice. If the girl is dark, it would take up to 40 to 50 thousand taka. In the area where the study took place, motor bikes and local made motorised three wheelers (*Nasimon*, *Korimon* etc) are popular dowry items because of their high demand. Latifa, an old age allowance receiver said, **“My granddaughter is 27 years old but I’m unable to pay the dowry as the groom is demanding a motorcycle or nasimon.”** There are other costs of having daughters such as paying for expenses related to pregnancy and childbirth, caring for divorced or abandoned girls etc. It was found that at the final stages of pregnancy, women were usually sent to their parent’s house to be taken care of. The parents were also expected to bear the relevant expenses. This led to loss of assets, the burden of loans and other materials bought on credit and having to give up day-laboring to take care of the girl who had just given birth. One of the widow non-recipient participants said, **“When she was 5 months pregnant, my daughter’s in-laws sent her back to my house. I had to spend BDT 10000 for her delivery. To admit my daughter at the hospital, I had to loan BDT 2000 from a neighbor. Then I sold my shared cow for BDT 20000 to pay for the rest of the amount. When the child was four months old, her in-laws decided to take her back. At that time, I had to buy clothes and towels for them, a bucket, softer clothes for the baby- which cost me BDT 2500. I also had to leave my job to**

take care of my daughter. As a result, I was buried in debt."

The study area is situated near the Indian border. Many people there are involved in border trade for a long time. Many people migrate to India illegally to better conduct border trade. People lost jobs as shrimp farming, which is not labour intensive, became popular. This led to more migrating to India to find work. According to the locals, migration is one of the most significant reasons behind abandonment and divorce. This is viewed as a crisis by the extreme poor. Mojibur and shahidul, old age allowance receivers, said that their son-in-law migrated to India and came back after three years. During this period, they had to take care of their daughters and their children.

Parents invite their daughters' in-laws and relatives during religious festivals. They usually come over and stay for a few days. To bear this added expenditure, the extreme poor have to take out loans, buy commodities on credit and sacrifice day-labouring to attend to their guests. The extreme poor whose income comes from begging suffer the most. A widow allowance-receiver said, ***"Last month my brother-in-law came and stayed for 12 days. When he was there, I could not go out to beg. Because he does not know that I earn from begging. It is a matter of shame. So I had to loan money and buy items on credit to offer hospitality."***

Land

Land related matters like buying position, conflict over taking possession, eviction or displacement, acquisition and getting legal entitlement results in a huge cost that pull people into extreme poverty. In a village, we found that once there was a flood, the inhabitants of the low land area quickly moved and settled on the high land area where a number of people were already residing. After staying for a few months, many went back to their earlier residence. But some occupied and laid claims to others' lands using fake documentation. This illegal process affected one of the respondents and she sued the perpetrator. Duli, the allowance receiver, said ***"Each month I have to go to the court at the District level which costs me BDT 400."***

Many beneficiaries are living on roadside khasland. This type of settlement is at the risk of eviction for government infrastructural projects. One respondent shared that he was evicted twice in his lifetime – 10 years and 5 years ago respectively which caused financial losses. After the first eviction, his family stayed at a relative's place for a few days and built a house again for BDT 4000. Second time, the authorities damaged his house partially which cost him BDT 2000 for repairs. One of the beneficiaries, Kadbanu, said ***"When this government came into power they started constructing a bridge right beside our homestead at Gangni village. Accordingly, the authority acquired the land for BDT 5000. We stayed in a well-off person's place for three months. He managed a plot of khasland for us against BDT 30000. We took a loan with interest to buy the khasland. We repaid BDT 19000 with tremendous hard labour and have to balance the rest."***

Appendix 13: Coping strategies

Share rearing of livestock

Share rearing of livestock is very common to the extreme poor to cope with financial crisis. The contract of share rearing is: within three years, any calf born will be sold and the money will be shared equally. But if it takes more time, the cattle rearer will take the first one while the second one will go to the owner. At the end of this process, they will share the money equally. One of the widow, non-receiver respondents, Halima, said, ***“I am share rearing a cow to marry off my daughter.”***

Buy on credit / Haalkhata

Credit transactions between sellers and buyers were found across all income groups in the area studied. From the sellers' point of view, it is the culture of business. Business sustainability is quite impossible without credit facility. The underlying factor of this credit transaction system depends on both supply and demand factors of the product and the business points. The village people, especially the extreme poor, mostly depend on day labour. Including agricultural field work, they have few other options to earn. So, during lean season, when they don't have regular work, they are bound to spend more to meet social responsibilities and hence, buy on credit. On the other hand, the local market is gradually expanding – more shops selling the same items are increasing, which is resulting in sharp competition. ***One of the respondents said, “Nowadays no seller refuses to sell on credit as there are many shops. If one does, I can go to the other shop. If I move to the other shop, they will lose a customer.”***

We found that all respondents are involved in this credit transaction system. Once or twice a year, the shopkeepers invite the customers with invitation cards to repay the credit amount and have some snacks. Usually the date is fixed upon the harvesting period which is mid-May to mid-June and mid-December to mid-January. On that day, the shop keepers close their accounts and start a new account book for the next year which is called *haalkhata* (new book for keeping accounts) in Bengali. It was found that the extreme poor households usually do *haalkhata* twice in a year as it is easier to repay in that way. We estimated from the data that every year, in each *haalkhata*, they repay BDT 2000 to BDT 3000. But in many cases they are not able to repay the full amount.

Deposit cash or rice

Storing a handful of rice when preparing each meal a day is a very common practice across all of the allowance groups. It was estimated by the respondents that by storing a handful of rice thrice a day, each household stores 4.5 kgs of rice monthly, which is worth BDT 150. Karimon, a widow allowance receiver, said, ***“We use this rice in two ways – when income is scarce, especially in lean period, and social purposes like giving rice to mosques or for any other social events.”***

Depositing cash in *laxmighot*²¹ was also a very common practice among the extreme poor households. They always try to deposit a very small portion of daily income from their daily wage in order to cope with days of unemployment or other shocks. There was no formal practice of savings. It was based on the ability – ***“no rule of savings rather whenever what I can.”*** Himila, the single headed household allowance-receiver, said, ***“I am depositing for the last six months by saving money from daily expenses and will continue for three more months. I will spend this amount to facilitate my daughter's childbirth.”*** Also, since the respondents are enlisted as the project beneficiaries, they are depositing BDT 10 weekly.

²¹Usually a mud-made pot to deposit money. There are different sizes and shapes of this pot. Metal and plastic pots are also available in the market.

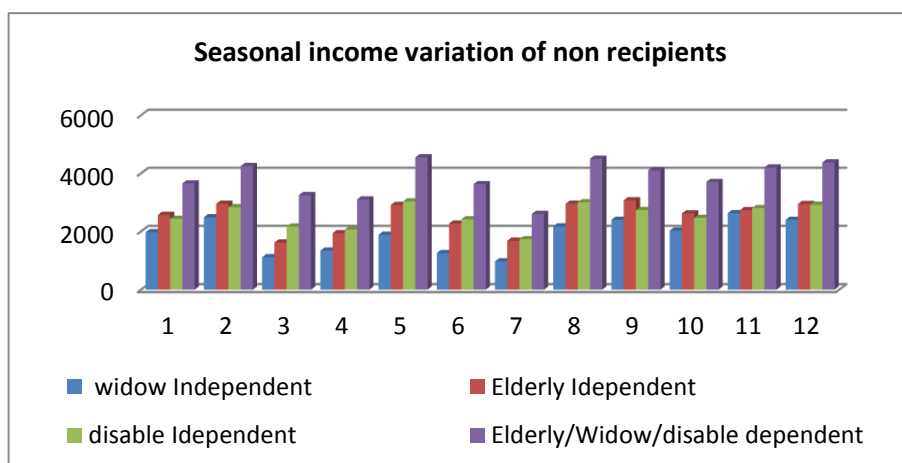
Taking loan

Earlier, we found that the extreme poor are buying on credit to maintain their family expenses. In case of medical treatment, they may buy medicine on credit from local pharmacies but when surgeries are required for which the patient needs to be moved to a different area, they take out a formal or informal loan. **Amzad took an informal loan worth BDT 2000 for his son's appendicitis surgery. Father of disabled Fatema, took a loan of BDT 5000 from an Islamic microfinance institute for appendicitis surgery of his younger daughter. He took out a loan again worth BDT 2000 for his wife's ovary surgery.** So, loan for the cost of treatment was found to be very common in the study area which is an immediate way of coping with the crisis.

Appendix14: Seasonal income variation of recipients and non-recipients

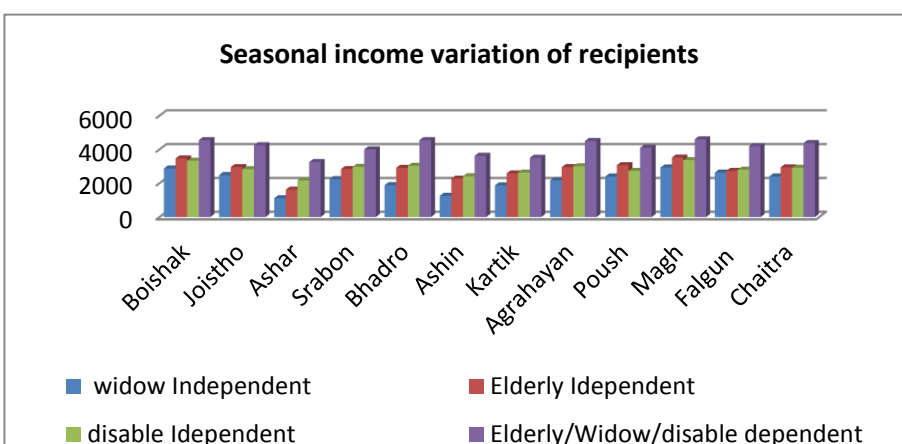
Seasonal income variation of non-recipients

Regarding the seasonal income variation of the non-recipients, the graph shows that all over the year, the dependent households are earning more than independent households. Presence of able males is the underlying factor that influences the difference. On the other hand, the widow households are in low income levels consistently. The absence of able males and wage discrimination are reasons for this. There is little difference of income between elderly and disabled households where disabled households are in a higher position. It was observed that the disabled get more attention from the community and get more informal and consistent support which lead them to a position of permanent income sources. This seldom happens in the life of the elderly.



Seasonal income variation of recipients

Regarding the seasonal variation of the recipients, the graph shows the same comparison among the four groups that were described earlier in the case of non-recipients. As per the graph, the dependent recipients' households are crossing their threshold level in 9 months but left behind for three months which are *ashar*, *ashin* and *kartik*. The widow households are not able to cross the level for any month whereas the disabled can for 4 months and elderly for



3 months. If we compare the ability of the household to cross the extreme poor income threshold level we find that all groups of recipients, except widows, are 2 months higher than non-recipients. It was found from group discussions and life history interviews that in the dry season during poush (Dec-Jan) income started to increase because of preparation of *boro* rice plantation and shrimp farming, earth work, brick field work, vegetable cultivation and so on. Another key month is *Boishak* (April-May) which is the season of harvesting. Income increases starts in this month. So, these two periods result in household income increases. In the graph of recipients, we find that in *Boishak* and *Mahg*, household income was the highest. Even in lean periods, the recipients' income was found to be higher than non-recipients.