What is Chronic Poverty?

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

What Works for the Poorest?
Knowledge, Policies and Practices

Key Points

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

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

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

Finance against extreme poverty: from international to local

There is an ongoing need to convince governments and donors that investing in the eradication of extreme poverty is both possible and affordable. Cash and asset transfers to the poorest may be both effective and low-cost interventions (Abed, 2006, Hastings, 2006). ‘Organic’ means of scaling up and replicating programmes i.e. those developed by community activists or practitioners rather than pre-planned by external agents, while more effective and grounded in local realities, can be difficult to sell to donors (Rodericks).
Programmes may be successfully funded by local communities or membership-based organisations (Bari, Kanbur), although some question the extent to which local funding and management approaches reach the very poorest, are sustainable or can be taken to scale. At the national level, it is important to have a better understanding of:

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

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

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

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

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

Social protection systems, particularly cash and asset transfers (both conditional and unconditional), are increasingly seen as important tools to help the poor and poorest to enhance their financial and human capital and overall security, often integrated within a broader development programme; examples may be found in Latin America (Ayala, Barrientos), East Asia (Chaudhury) and Bangladesh (Q Khan, Mishra, Yasmin). However, there are practical and ethical debates around using conditionalities to deliver assistance, in terms of understanding their full effects on the poorest people; research here is still in its infancy.

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

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

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

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

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

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

Meanwhile, at the national level, research into the ‘politics of what works’ finds mixed evidence regarding the relationship between civil society, democracy and decentralisation, and the introduction of effective policies against poverty. These factors do not guarantee the introduction of such policies, nor does their absence preclude it. But it also highlights the importance of seizing political ‘moments’ or crises – which can include elections – to reset policy agendas (Hickey, Hossain).

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

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

**The poorest, ‘ultra-poor’, extreme poverty … Meaning, labels and knowledge**

Few would argue against the general statement that it is important to create and share knowledge across projects and countries and between practitioners, policy-makers and researchers, about how to challenge the extreme poverty in which so
many people live. And there is an important, progressive and increasingly widespread shift from assuming that mainstream programmes and policies reach the poorest to recognising that this is not generally the case and that new approaches and specific focus are required.

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

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

- Quantitative analysis of aggregate trends in poverty, extreme poverty, socio-economic status and inequality at the national and sub-national level in Bangladesh. While poverty and extreme poverty have declined over the past five years, and that there have been material gains even among the poorest, inequality has seen modest rises and gains in poverty are unevenly distributed across regions (Zaman).
- On the other hand, a simple proxy indicator – in this case, responses to the question “have you had enough to eat over the last year?” – can identify the poorest in terms of the non-linearities in a range of assets better than more complex income/consumption approaches, at least on a local level (Kabeer). Ongoing investments in the development of these types of simple and cheap proxies should be supported (Ahmed).
- Participatory and action-oriented approaches to identifying and working with the poorest at the local level have many strengths, and also challenges (Arun, Godinot, Guhathakurta, Maksud, Rahman).
- Combining qualitative and quantitative methods data and approaches – ‘Q2 approaches’ – is often agreed to be the best way to identify the poorest. Conducting qualitative and quantitative studies with the same households, rather than attempting to integrate knowledge derived from relatively unrelated life histories and quantitative surveys, can enhance the power of both approaches (Lawson).

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

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

Reflections and Omissions

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

- The lack of participation in the conference by people living in extreme poverty. Many examples of work to which they had contributed had been presented, but they were not themselves present. In addition, there was no mechanism for participants to communicate with those whose experiences had been discussed at the conference, nor for them to receive feedback. Facilitating genuine, non-tokenistic collaboration of development professionals and people living in poverty is difficult and time-consuming, requiring more
prepare by all participants: but it is possible. • Urban issues, and the rural-urban continuum. While rural areas are clearly important for poverty reduction strategies, so are urban areas and rural-urban linkages. The role of smaller urban centres in particular is often overlooked. • Combining debates about measurement and social relations, a challenge for the future could be to identify the ‘poorest’ as much in terms of social relations or structural factors as through income, consumption or asset-based measures.

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Endnotes

1 This research summary presents key themes and debates from the international conference of this name held at the BRAC Centre, Dhaka, Bangladesh, 2-5 December 2006. The conference was not only wide-ranging in terms of the thematic and geographical coverage of the presentations, but also in terms of settings, incorporating a field visit, video presentations, an architectural exhibit, popular theatre and musical performances, an NGO information fair, and of course many informal discussions. We have tried to give an overview of the principal topics covered and points debated, but of course acknowledge that it’s likely that each practitioner, policy-maker and academic, from Bangladesh and other countries, has taken away something a bit different from the proceedings.

2 Funding for partnerships with organisations engaged in innovative programmes attacking extreme poverty in Bangladesh is offered by DFID and CIDA (Carriere, Richardson).

3 All references are to presentations at the “What Works For the Poorest” conference, Dhaka, Bangladesh, December 2006.

4 CPRC is exploring Participatory Video as an innovative way of doing this.