

Combining Methodologies for Better Targeting of the Extreme Poor: Lessons from BRAC's CFPR/TUP Programme

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CFPR-TUP Working Paper Series No. 2

August 2004

Published by:



BRAC

Research and Evaluation Division



Aga Khan Foundation Canada

Funded by:



Canadian International Development Agency

CFPR-TUP Working Paper Series No. 2

This working paper is published under the BRAC-AKFC Learning Partnership Project for CFPR/TUP with funding support from the Canadian International Development Agency (CIDA). The goal of the project is to contribute to improved poverty reduction and poverty targeting policies and practices. This partnership project supports the generation and dissemination of lessons, models, methodologies and best practices from CFPR/TUP to other organizations and practitioners around the world with an interest in reaching and serving the needs of the ultra poor.

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August 2004

Cover design
Shajedur Rahman

Publisher

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FOREWORD

Over a quarter of Bangladesh's people live in extreme poverty, not being able to meet even the barest of the basic needs. They spend most of their meagre, unreliable earnings on food and yet fail to fulfil the minimum calorie intake needed to stave off malnutrition. They are consequently in frequent poor health causing further drain on their meagre resources due to loss of income and health expenses. More often than not, the extreme poor are invisible even in their own communities, living on other peoples' land, having no one to speak up for them or assist them in ensuring their rights. Extreme poverty also has a clear gendered face – they are mostly women who are dispossessed widows, and abandoned.

The extreme poor are thus caught in a vicious trap and the story of denial and injustices tend to continue over generations for a large majority of them. Thus, a vast majority of the extreme poor in Bangladesh are chronically so. The constraints they face in escaping extreme poverty are interlocked in ways that are different from those who are moderately poor. This challenges us to rethink our existing development strategies and interventions for the extreme poor, and come up with better ones that work for them. This is the challenge that drove BRAC to initiate an experimental programme since 2002 called, 'Challenging the Frontiers of Poverty Reduction: Targeting the Ultra Poor' programme. The idea to address the constraints that they face in asset building, in improving their health, in educating their children, in getting their voices heard, in a comprehensive manner so that they too can aspire, plan, and inch their way out of poverty.

The extreme poor have not only been by-passed by most development programmes, but also by mainstream development research. We need to know much more about their lives, struggles, and lived experiences. We need to understand better why such extreme poverty persists for so many of them for so long, often over generations. Without such knowledge, we cannot stand by their side and help in their struggles to overcome their state.

I am pleased that BRAC's Research and Evaluation Division has taken up the challenge of beginning to address some of these development knowledge gaps through serious research and reflection. In order to share the findings from research on extreme poverty, the 'CFPR/TUP Research Working Paper Series' has been initiated. This is being funded by CIDA through the 'BRAC-Aga Khan Foundation Canada Learning Partnership for CFPR/TUP' project. I thank CIDA and AKFC for supporting the dissemination of our research on extreme poverty.

I hope this working paper series will benefit development academics, researchers, and practitioners in not only gaining more knowledge but also in inspiring actions against extreme poverty in Bangladesh and elsewhere.

Fazle Hasan Abed
Chairperson, BRAC

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Combining Methodologies for Better Targeting of the Extreme Poor: Lessons from BRAC's CFPR/TUP Programme

ABSTRACT

This paper aims to assess the effectiveness and draw lessons from the targeting strategy used in a new BRAC programme called Challenging the Frontiers of Poverty Reduction-Targeting the Ultra Poor (CFPR/TUP) that aims to experiment with a different type of approach to address extreme rural poverty. The underlying theme of both the CFPR/TUP programme and the targeting methodology used is an acknowledgement of the strength of combining different methods and approaches for greater effectiveness. The programme, for instance, combines promotion and protection oriented mechanisms. Similarly, the targeting approach used in the programme combines various targeting methodologies and knowledge streams about the extreme poor.

This paper uses programme data emerging out of its targeting exercise to assess questions of effectiveness of the approach used. Combining the various targeting approaches and drawing from different streams of knowledge has been the main innovativeness of the targeting methodology used in this programme.

The large differences we found between the two closely ranked groups of the poor – the extreme poor and those just above, also suggest that there is a structural break, rather than a continuum in terms of deprivation of opportunities, security and empowerment that is differentiating the extreme poor from others. It is through a better understanding of the various dimensions, dynamics and interlinkages of these structural breaks that we can design the most effective strategies and programmatic approaches for this group of the poor.

INTRODUCTION

This paper has two objectives. The first is an introduction of the new BRAC programme called ‘Challenging the Frontiers of Poverty Reduction – Targeting the Ultra Poor, Targeting Social Constraints’ (CFPR/TUP hereafter) that aims to experiment with a different type of approach to address extreme poverty. More specifically, the focus in this paper is to introduce the targeting methodology used in this programme. The underlying theme of both the CFPR/TUP programme and the targeting methodology it uses is an acknowledgement of the strength of combining methods and approaches for better results. The programme, for instance, combines promotion and protection oriented mechanisms. Similarly, the targeting approach used in the programme combines various targeting methodologies and knowledge streams

about extreme poverty. The second objective of this paper is to use programme data emerging out of the targeting exercise to assess the effectiveness of the approach used.

The next section gives an overview of the CFPR/TUP programme within the context of poverty in Bangladesh and the evolution of programmatic approaches to address extreme poverty within BRAC. The third section introduces the targeting methodology used in the CFPR/TUP programme. The fourth section briefly explains the data used in this study. In section five, we discuss how these indicators fare in terms of distinguishing between the extreme poor and other poverty groups. We also assess the targeting effectiveness in this section.

CFPR/TUP PROGRAMME: TOWARDS A NEW POVERTY ANALYSIS¹

Dominant discourses of poverty analysis have far reaching impacts. Programmes and policies that aim to deliver on overcoming poverty and deprivation are underpinned, either implicitly or explicitly, by ideas about ‘who’ is poor and ‘why’ they are poor. Such ideas have deep historical roots but they are also shaped by the dominant discourses of their time and by the emerging knowledge base about the causes of poverty and how these can be tackled.

In recent years there have been three significant advances in the ideas that inform poverty-reduction policies and programmes. Firstly, is the recognition that the poor are not a homogeneous group, such as small farmers or landless people, but have many different characteristics and thus will need different forms of assistance. This recognition was initially inspired by literature that focussed attention on the gendered forms of poverty but has also led to attempts to identify and assist the poorest (Lipton 1988, Sen and Begum 1998) and the chronically poor (Hulme et al. 2001). Secondly, the ‘promotional approaches are best’ versus the ‘protectional approaches are best’ argument is increasingly recognised as sterile. It is now clear that effective poverty-reduction requires both a promotional component (that increases the incomes, productivity or employment prospects of poor people) and a protectional component (that reduces the vulnerability of the poor to destitution or hunger). Thirdly, is the understanding that the agency of poor people themselves has to be seen as central to the goal of poverty-reduction: policies and programmes that seek to decree exactly what poor people are to do are likely to fail because they are infeasible to implement and such a paternalistic approach shows a fundamental misconception of what poverty-reduction is about.

Despite much conceptual advances, most past practice of poverty-reduction has been, and much contemporary practice is, based on the narrow materialist conceptualisation. The task of poverty-reduction is seen as ensuring that a house-

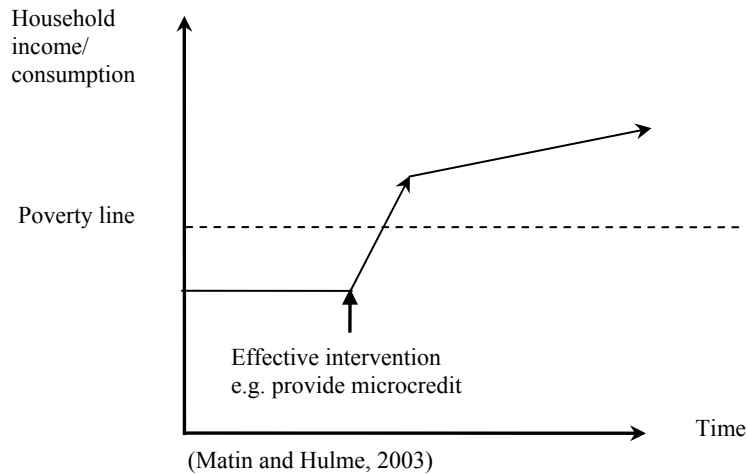
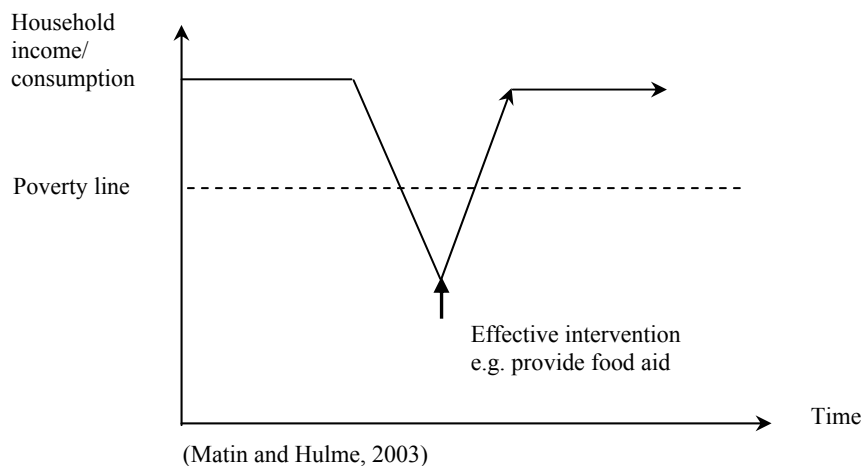
hold meets its minimum material or physiological needs. From this materialist perspective a household’s inability to meet such needs is viewed as being due to either: (1) having a stable income that is below the appropriate income, consumption or expenditure poverty line, or (2) a sudden shock that causes a household’s income, consumption or expenditure to drop below the poverty line.

In the former case, the policy prescription has often been for a single intervention that raises the productivity or earnings of the household so that the household ‘escapes’ from poverty. This is the story that has been commonly associated with microcredit with the claim that once a poor woman has access to a loan for micro-enterprise her income will increase, because of the high returns on her investment, and her household will become non-poor². Poverty-reduction, according to this idea, may be visualized as a ‘one step’ process that is irreversible (Figure 1).

In the latter case of poverty being caused by an unexpected shock, then the practice has been to view the household as suffering a temporary decline in income or access to food. At the simplest level of analysis, this is overcome by a grant to the household (usually of food but sometimes in cash) so that the temporary shortfall is overcome and the household returns to its previous level of income and material well-being (Figure 2). Such ideas make programme design relatively simple and lie behind many poverty-reduction initiatives. Unfortunately, they often fail to meet the needs of poor people.

¹ This section draws heavily from Matin and Hulme (2003); Matin (2002) and the CFPR/TUP proposal (BRAC, 2001)

² For elaborations on this perspective visit the Microcredit Summit website at www.microcreditsummit.org.

Figure 1. Poverty-reduction as a ‘one step’ increase in household income**Figure 2. Poverty-reduction as a ‘one off’ grant returning household income to previous levels**

The holistic approaches encourage more complex programme designs, (multi-sectoral and inter-organisational partnerships) that seek to help poor people not only meet minimum material needs but also access health, educational and other services. Subjective approaches take this even further and posit that programme design, management and assessment should be placed as much as possible in the hands of poor people so that they not only get the goods and services that they need but also are empowered in social and political terms.

Dreze and Sen (1989) distinguish two different, but related, goals and means for poverty-reduction – protection which seeks to prevent a decline in living standards (and especially hunger

and starvation), and promotion which aims to eliminate deprivation (commonly by raising low incomes). Devereux (2001) has extended these into the concepts of livelihood protection and livelihood promotion. Protection and promotion are closely inter-linked. Effective livelihood protection makes livelihood promotion more likely as a household will have the confidence to take on more risky, higher return economic activities so that income can be raised. Successful promotion raises the earnings and assets of a household so that there are more resources available for protection.

Throughout the 1980s and 1990s there was a global shift away from protectional approaches to poverty-reduction and towards promotional approaches and ‘workfare’ (Peck 2001). This is associated

with the ascendancy of neo-liberal ideas which emphasise the need for higher levels of aggregate economic production, the capping of public expenditure and which warn of the moral hazard of welfare dependency. This shift has particular relevance to understanding public action in Bangladesh where the large NGO sector has moved from its early focus on welfare and social protection to an emphasis on micro-enterprise development, self-employment and income generation.

Poverty in Bangladesh and the extreme poor: a fragmented achievement

Bangladesh is a country with high levels of deprivation, but things have been improving. Income poverty has declined from an estimated 58% of the population in 1983/4 to just below 50% in 2000. However, this remains a high figure as it means that 65 million people fall under the official upper poverty line. Around 25% of the population are hardcore poor in terms of the lower poverty line. Commonly in Bangladesh those falling between the upper and lower poverty lines are termed the 'moderate poor', while those below the lower poverty line are termed the 'hardcore poor'. The conceptualisation behind the hardcore poor is that they experience extreme poverty and that, because of their lack of opportunities for upward mobility, their poverty lasts long or throughout their entire life. It is the hardcore poor that are the focus of the CFPR/TUP programme.

Research on poverty dynamics is relatively rare in Bangladesh compared to the wealth of cross-sectional studies and comparisons of poverty trends. However, there is evidence that despite the modest decline in income poverty there have been some positive shifts in the dynamics of poverty. There has been a significant decline in certain manifestations of extreme poverty – the intensity of seasonal deprivations have reduced considerably; the percentage of the population going without three meals a day has lowered substantially; access to basic clothing has become almost universal; and, the proportion of the population living in houses vulnerable to adverse weather conditions has gone down (Hossain et al. 2000).

Improvements, however, have not spread uniformly across the poor and, in particular, those living in the flood-prone areas beside major rivers

have benefited little from poverty-reduction. Persistent extreme poverty in these areas has been found to be the result of geographical factors rather than household characteristics. Rahman (1998) has argued that the net result of the emerging poverty dynamics on the poor has been the shift from being *vulnerable* to income erosions to being more *resilient* to income shocks.

The first half of the 1990s pointed to fluctuating incomes faced by the poor resulting in their movements in and out and within the poverty line. The experience in the latter half of the decade indicated improvements in the coping capacities of the poor, highlighted by the rapid recovery from the debilitating effects of the 1998 floods.

There are numerous poverty-reduction programmes in Bangladesh. There is a broad consensus that even well-respected programmes generally fail to reach the extremely and the persistently poor. This was explained in detail by Rahman and Hossain (1995) and has been a common finding about government and NGO (Non-governmental organization) activities in the 1990s. While government failure to reach the poorest should come as no surprise, given the problems that the state encounters in service-delivery in Bangladesh (Landell 2002), the problems that NGOs have encountered, despite their commitment to assisting the poorest, have been greater than expected. The Dutch aid agency NOVIB reported in the mid-1990s that 'the NGOs have not yet taken a pro-extreme poor approach to poverty alleviation' (NOVIB 1996). A nationally representative survey found that 41% of eligible, poor households did not have any contact with the NGOs operating in their localities (Husain 1998).

While it is well documented that NGO micro-finance programmes do not reach the extreme poor and may actively exclude them (Hashemi 1997, Hulme and Mosley 1996, Rahman 1998), Rahman and Razzaque (2000) have found that almost three quarters of the hardcore poor have never received social development services from NGOs. Indeed, they found that the percentage of households who did not receive the non-financial services provided by NGOs was almost the same between the hardcore poor and the non-poor. They argue that the main reason for this lies in the fact that most NGOs offering social development

services, such as essential health or basic education, do so through the structures which deliver microfinance. By design, these tend to exclude the hard-core poor.

Microfinance, the mainstay of most NGO programmes in Bangladesh, though an effective poverty-alleviating instrument, is not suitable for all categories of the poor. For those trapped in chronic food insecurity with no asset base to protect themselves from the myriad web of shocks, microfinance can be ineffective and sometimes counter productive. However, the idea of micro-credit has dominated thinking on poverty-reduction in the country. Much good has come of such a common rallying point. It has raised awareness of the role that poor peoples' own agency plays in development, has professionalized the development sector in terms of serious planning and strategic thinking towards sustainability, reduced dependence on donor funding and provided models for mass outreach to millions of poor people. However, the flip side of the coin is that such a powerful idea has encouraged programmes that treat the poor as a homogeneous group of self-employed micro-entrepreneurs who need to raise the profitability of their businesses.

BRAC and the extreme poor: the story and experiences of BRAC's IGVD programme

The dominant approach to poverty reduction targeted at the extreme poor has been food transfer which although vital only provides short-term food security. These programmes are usually time bound and once over, the overall livelihood situation and prospects of those receiving them change little. BRAC has been a pioneer in experimenting with approaches that could package and sequence other interventions so that those receiving food transfers can get to a more solid footing and gradually take on the challenge of using more market-based instruments, such as microfinance. This has been the approach behind BRAC's Income Generation for Vulnerable Group Development (IGVD) programme – it transformed what used to be a short-term food security programme (known as Vulnerable Group Feeding Programme) into a cushion and a stepping stone for an opportunity for inclusion into more mainstream development process (Hashemi 2001, Matin 2002; Matin and Hulme 2003).

The IGVD programme conceptualizes progression towards graduation in a certain way which may be at odds with the realities of the lives of the extreme poor. This came across very clearly in a recent WFP study that unpacked the various elements of the IGVD package and explored various types of participation (Webb et al., 2001). The study argued that a programme expectation driven 'aggregation fallacy' existed – while many aspects of the programme are very valuable to ultra poor women, the full package on offer may not be. The approach though extremely attractive in concept, made an assumption of treating the extreme poor as a homogenous group creating disconnect between ultra poor women's personal motivations, circumstances, on the one hand, and constraints to participation and the expectation of the programme planners, on the other.

The study highlighted that a more nuanced understanding of the realities of the lives of the ultra poor is called for, as not all of them view effective participation in microfinance 'graduation'. Linking 'graduation' as a linear progression towards increasing 'microfinancability' of those who pass through the cycle is thus problematic, it creates programme systems, incentives and structures that are so focussed on delivering programme defined graduation, that the mismatch between these structures and ultra poor peoples' expectations, motives and realities of their lives can become difficult to reconcile. It is this realization that forms the point of departure for the new BRAC programme for the ultra poor.

The CFPR/TUP approach

Within BRAC, the idea of a new programme to address the problems of the extreme poor started in 1999 with the development of a concept paper and a series of consultations leading to a first proposal to the donor consortium in June 2000. The Research and Evaluation Division (RED) of BRAC contributed significantly to this process through a nationwide study on the state of the extreme poor with particular focus on their development needs (Halder and Husain 2001), and a subsequent study that examined the various types of development programmes being implemented by NGOs for the ultra poor in 14 regions of the country. Based on a detailed review by an appraisal mission significant

revisions were done involving detailed consultation with a large number of BRAC staff at various levels. Finally, the programme was approved in August 2001.

The programme seeks to challenge the frontiers of poverty reduction by addressing two key limitations of many poverty reduction interventions to date. Firstly, the programme seeks to ‘push down’ the reach of development programmes through targeting the ultra poor who have suffered relative neglect in most development interventions. This neglect comes in two forms – those who are left behind, and those who are cases of ‘adverse inclusions’. The first case is self-evident and the ‘pushing down’ programme components will target this group specifically. The other group consists of those who are passive participants in many mainstream development programmes – they fall behind and the conventional strategies, at least on their own, are not appropriate for them. The IGVDG clients are a case in point and they will also be a target for the ‘pushing down’ strategy of the programme. So will be the ultra poor among the traditional BRAC village organisations (VO) in the BRAC Development Programme (BDP). For convenience, we refer to the left out ultra poor as ‘specially targeted ultra poor’ (STUP hereafter), the IGVDG clients as ‘IGVDG ultra poor’ and the last group as BDP ultra poor.

Secondly, it seeks to ‘push out’ the domain within which existing approaches operate, by addressing dimensions of poverty that many conventional approaches fail to address. Specifically, this involves a shift away from the conventional service delivery mode of development programming to a focus on human capital, and the structures and processes that disempower the poor, especially women, and constrain their livelihood. It is an approach that puts social development, specifically a rights-based approach to health and socio-political empowerment, at the heart of the agenda.

Though the ‘pushing out’ strategy is not specifically targeted at the ultra poor, but rather at the policies, structures and institutions reproducing and sustaining poverty, the strategy acknowledges the

importance of the impact of the wider level environment on all forms of poverty, including extreme poverty. In doing so, the strategy highlights the need to be working towards influencing and changing that environment, as well as ‘pushing down’ programmes with new approaches through specific targeting towards those left behind.

Programme components in the ‘pushing down’ front include special grant in the form of assets/capital in kind and stipend, skills development training, essential health care programme and a social development programme for the STUP. For the other two groups – the IGVDG ultra poor and the BDP ultra poor – the main focus will be the skills development training along with social development and essential health care services. These two groups of ultra poor will not be a part of the special investment programme.

The Table in Annex A maps the various programme components to the different target groups. The programme aims to cover 70,000 STUP beneficiaries, 800,000 IGVDG members and 4,75,000 BDP ultra poor during 2002-2006. While the STUP beneficiaries will be selected from specially targeted geographic regions having a high degree of poverty, the remaining target group can come from any BRAC programme area.

The whole idea behind the CFPR/TUP approach is to help the ultra poor develop new and better options for sustainable livelihoods. This requires:

- a combination of approaches (promotional such as skills training, and protective such as asset grants, stipends, and health care services)
- Attacking constraints at various levels (household and the wider environments of institutions, structures and policies)
- Working within a multi-agent framework (strengthening institutions of the poor, building tactical alliances with elite, advocacy and social communication).

TARGETING METHODOLOGY

In 2002, the CFPR/TUP programme started its operations in all the *upazilas* of the three northern districts of Bangladesh – Kurigram, Rangpur and Nilphamari³. BRAC has an extensive network of regional offices at the district level, area offices (AO), and branch offices (BO) at the *upazila* level and below from which it operates a range of development programmes. Local level knowledge of the programme staff at AO level is used to draw a list of clusters within their working area where the NGO operations are relatively low and the poorer households are clustered. A team of three TUP POs then visits these clusters and surrounding areas to verify, build rapport, and arrive at a final list of clusters called ‘spots’ (PWR spots hereafter).

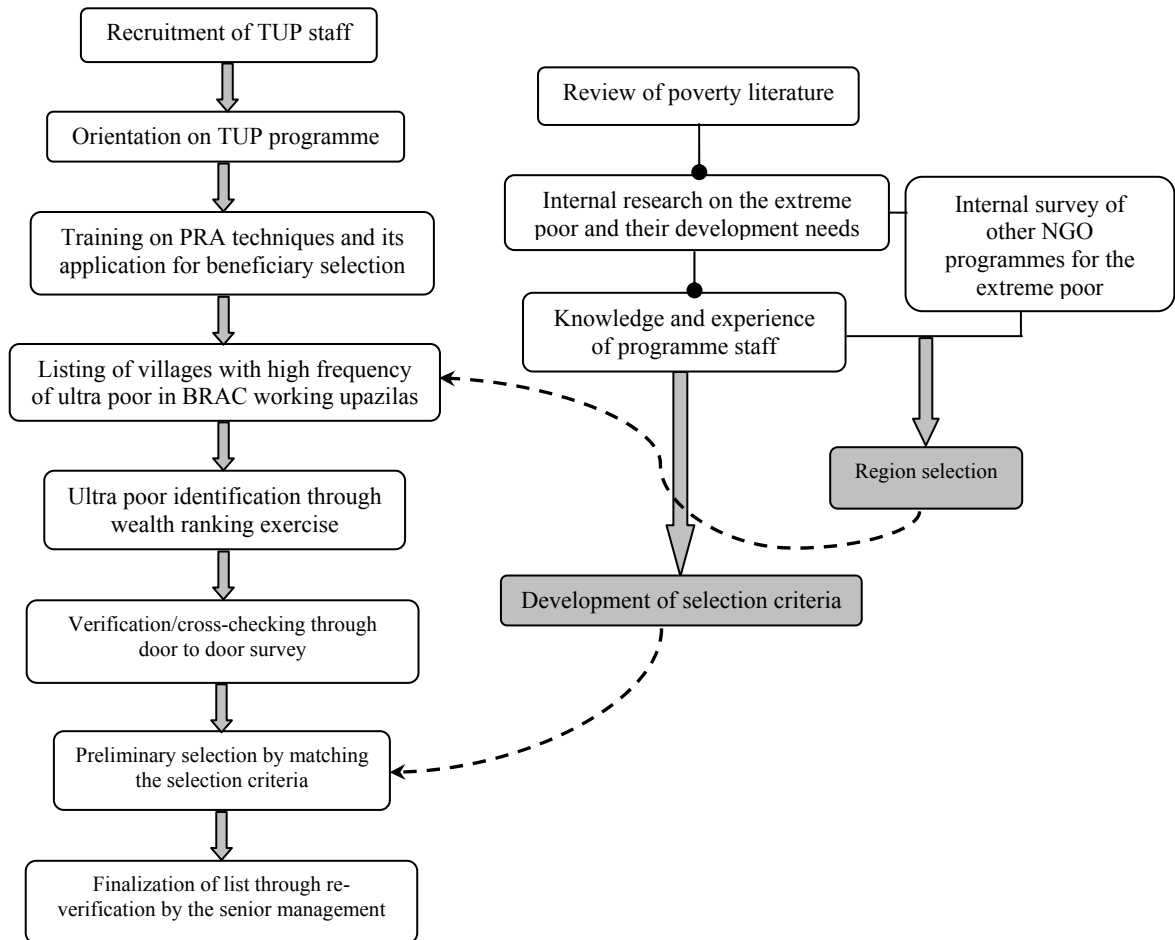
The next step is to conduct a participatory wealth ranking (PWR) exercise in these selected spots. Because the maximum size of such a PWR exercise was deemed not to exceed 150 households, this set a natural limit to the size of each spot. In

most cases these spots corresponded with a *para* within a village – these are socio-physical partitioning of typical villages in Bangladesh. There was every attempt to cover the whole village through such spots. The clusters which were predominantly inhabited by better-off people were possibly excluded.

Once the PWR exercise is done, a survey is administered on the ‘poorest’ households identified through the PWR exercise. These are the households in the bottom-most two wealth categories. The information from the survey is then tallied with programme set eligibility criterion (Table 1) to draw a list of preliminary potential beneficiaries (Figure 3). This preliminary list is fully cross-checked by a team of managers at the area office, regional office and senior programme managers from the head office by visiting the preliminarily selected beneficiary households to arrive at a final list of programme members.

³ Spatially disaggregated poverty profile information has not been a focus of existing poverty literature in Bangladesh. An attempt on this has been made in the Bangladesh Human Development Report, 2000 (BIDS, 2000) where district level income poverty index and human poverty index have been calculated. All the three districts covered by the programme in its first phase falls in the highest group in terms of income poverty index (50.1% and above), while in terms of human poverty index, the three districts fall in the second highest group (45.1% to 50%).

Figure 3. Selection process of TUP



THE DATA

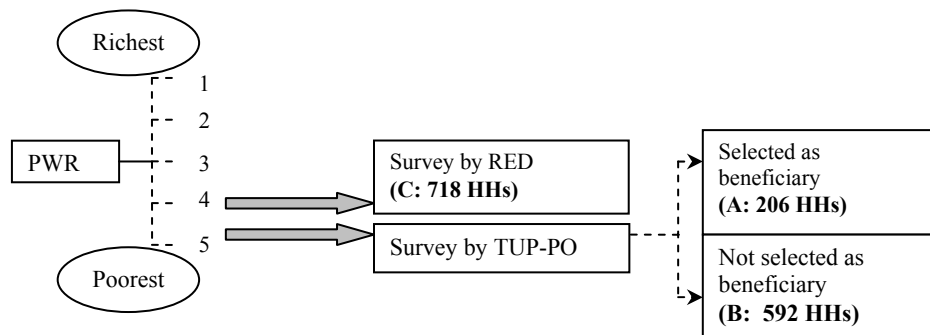
The data for this paper collected through a survey and from the weekly monitoring reports that were sent from each of the area offices (AO) to the head office. These reports include spot-wise information.

We selected two AOs from each of the three TUP programme districts – one located in or near the district town and the other located at distance from the district town. From each of these AOs, we randomly selected six PWR spots. As mentioned before the survey was administered on all households identified as the poorest in the PWR exercise. However, as we were interested in assessing how will the programme set targeting conditions per-

form in identifying the poorest, we used the same survey form used by the programme and administered it on all households from the sampled PWR spots that were ranked just above the extreme poor household group in the PWR. Thus survey was administered on 1,516 such households.

The sample households can be divided into three categories – A, B, and C (Figure 4). A total of 798 PWR ultra poor households were surveyed by the PO-TUP (Group A and B). We carried out a survey on 718 households from the sampled ‘PWR spots’ that were ranked just above the ultra poor group in the PWR exercise (Group C).

Figure 4. Household groups



TARGETING EFFECTIVENESS

The programme set targeting conditions: how good are they?

After the PWR, the programme set criteria drove the selection process. These are listed in Table 1 below. A question can be raised – how well do these criteria proxy extreme poverty? As PWR defined extreme poor households that did not fulfil these criteria were excluded, this question becomes an important one.

One way we can address this question is by comparing the PWR identified ultra poor households (group A + group B) to households who were ranked just above the poorest (group C) in the PWR exercises and testing if the programme set conditions differ between them. The results of such an exercise is shown in Table 2. If the programme set conditions is a good proxy for identifying the extreme poor households, we would expect that the average difference in these variables between the two groups would be significant.

Table 1. Programme set criteria

Exclusion conditions (All selected households will have to satisfy these conditions)	The household should not be borrowing from a microcredit providing NGO
	The household should not be receiving benefits from government programmes
	There should be at least one adult woman in the household who is physically able to put in labour towards the asset transferred
Inclusion conditions (At least two of these conditions will have to be satisfied)	Total land owned less than 10 decimals
	Adult women in the household selling labour
	Households where main male income earner is disabled or not able to work
	Households where school – going aged children have to sell labour
	Households having no productive assets

Table 2. Group differences – how well does the programme criteria fare?

Variables	PWR defined ultra poor (A+B)	PWR defined group just above the ultra poor (C)
Marital status		
% widow	20%	6% [***]
% divorced/abandoned	8%	1% [***]
Demographic resources		
% of HHs where husband present but FHH	7%	<1% [***]
% of HHs with physically able husband	64%	88% [***]
% of HHs with no adult male	21%	3% [***]
% of HHs having school aged children labouring	12%	7% [***]
Assets – Land		
% of HHs who do not own cultivable land	90%	76% [***]
Av. land size for those who own	25.7	42.9 [***]
% of HHs who do not own the land of their house	44%	24% [***]
Assets – Non land		
% of HHs having no other asset beside the house	46%	29% [***]
NGO participation		
% of HHs borrowing from MFIs	19%	34% [***]

Note: FHH = Female-headed households; HH = Household; MFI = Microfinance Institution

*** indicates difference between groups significant at 1% level.

There are two important points that need to be noted here. Firstly, the important differences in the key variables observed between the extreme poor and the group just above suggest that the quality of the PWR was very satisfactory. This is even more impressive given the scale of the operations and that none of the programme staff who carried this out had any prior experience in using this tool they learnt through intensive training and in the course of their work. Secondly, results from Table 2 also suggest that there was a close correspondence between community perception of the variables distinguishing the extreme poor from the other wealth groups and what the programme has developed based on the literature available on the poverty profile of Bangladesh. In Annex B, we provide a thematic organisation of the various characteristics that emerged for the different poverty groups from the PWR discussions, which were recorded by the programme staff. The correspondence between the two indicates the maturity and

evolution of formal, more academic knowledge on the poverty profile and its ability to capture the categories and descriptions used by poor people themselves.

Programme set targeting conditions: how well was it implemented?

Table 2 shows that the programme set criteria fares very well in terms of distinguishing between the extreme poor and other poverty groups. The targeting methodology used by the programme used information from a household level survey to ensure that among the PWR identified extreme poor it targets the poorest. Table 3 shows a comparison of the two groups of the extreme poor – one was selected (group A) and the other was not selected by the programme (group B) suggesting that the programme was extremely successful in its objective of, not only coming up with good targeting indicators, but in ensuring their application.

Table 3. Group differences: how well did the programme target?

Variables	Selected as beneficiary (A)	Not selected as beneficiary (B)
Marital status		
% widow	30%	16% [***]
% divorced/abandoned	15%	5% [***]
Demographic resources		
% of HHs where husband present but FHH	17%	4% [***]
% of HHs with physically able husband	43%	71% [***]
% of HHs with no adult male	36%	15% [***]
% of HHs having school aged children labouring	18%	10% [**]
Assets – land		
% of HHs who don't own cultivable land	98%	88% [***]
% of HHs who do not own the land of their house	62%	38% [***]
Assets – Non land		
% of HHs having no other asset beside the house	56%	43% [***]

Note: FHH = Female-headed households; HH = Household; MFI = Microfinance Institution

*** indicates difference between groups significant at 1% level.

CONCLUSION

Combining various targeting approaches and drawing from different streams of knowledge has been the main innovativeness of the targeting methodology used in the CFPR/TUP programme. Table 4 shows these combinations more clearly.

We did not have money metric poverty measures of the households, which would have allowed us to form a clearer assessment of targeting effectiveness. However, using various poverty sensitive attributes of households and comparing them with those who were ranked the poorest in the PWR exercises and with those who were ranked just above suggest that the PWR exercises were extremely effective and well conducted. Again, amongst the extreme poor, comparing between those who were selected by the programme and those who were not also shows that the targeting methodology applied by the CFPR/TUP programme was not only successful in distinguishing between the extreme poor and other poverty groups, but also managed to select the worse-off group of households among the extreme poor.

The targeting conditions used in CFPR/TUP is based on a review of poverty profile literature of Bangladesh. The finding that these targeting conditions do well in distinguishing between the poorest and from other groups of the poor points to the maturity and evolution of formal, more academic knowledge on poverty profile. It is being able to capture the categories and descriptions used by poor people themselves. This is encouraging. What is needed now is to move beyond a more grounded poverty profile to a greater understanding of the various mechanisms through which extreme poverty persists for some and not for others and what can be done about it.

The big differences we find between the two closely ranked groups of poor – the extreme poor and those just above, also suggest that there is a structural break, rather than a continuum in terms of deprivation of opportunities, security and empowerment that is differentiating the extreme poor from others. It is through a better understanding of the various dimensions, dynamics and inter-linkages of these structural breaks that we can design the most effective strategies and programmatic approaches for this group⁴.

Table 4. Combining approach and knowledge

Poverty profile knowledge/Experiences		
Targeting approach	Formal	Informal/programme
Geographical	Selecting districts	Selecting villages/clusters within <i>upazilas</i>
Community	Learning to use PWR techniques	Local area knowledge Rapport building for good PWR
Indicator	Developing indicators	Interpretation, revision of indicators developed

⁴The focus in this paper is on the livelihood resources pertaining mostly to the economic domain. However, expanding the analysis of the structural break in deprivation and injustices faced by the extreme poor into other domains of the social and the political would allow one to draw a more complete picture. It should be noted here that the CFPR/TUP programme aims to confront the challenges of extreme poverty by focussing beyond the level of the household and the economic domain. For more details, see the CFPR/TUP proposal (BRAC, 2001).

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ANNEX A

**Challenging the frontiers of poverty reduction (Targeting the ultra poor – Targeting social constraints)
Overview of different services for different target groups**

Specially targeted ultra poor	IGVGD ultra poor	BDP ultra poor	Village organisation members	Community
Asset transfer <ul style="list-style-type: none"> - Asset transfer - Subsistence allowance - 2% contingency fund for unforeseen circumstances - Second round support for 10% non-graduates 				
Enterprise development training <ul style="list-style-type: none"> - 70,000 participant receives enterprise development training in the IGA for which they obtained assets - Food for trainees during training 	Enterprise development training <ul style="list-style-type: none"> - 800,000 participants - Each participant receives enterprise development training in IGA 	Enterprise development training <ul style="list-style-type: none"> - 475,000 participants - Each participant receives enterprise development training in IGA 		
Social development <ul style="list-style-type: none"> - Confidence building training - Building problem-solving capacities of the groups - Awareness-raising through informal weekly discussion groups 	Social development <ul style="list-style-type: none"> - Short courses covering basic laws and rights - Provision of general social support through <i>Polli shomaj</i> groups 	Social development <ul style="list-style-type: none"> - Participation in <i>Polli shomaj</i> - Participation in union association (in some areas) - Monthly issue-based meetings 	Social development <ul style="list-style-type: none"> - Participation in <i>Polli shomaj</i> - Participation in union association (in some areas) - Monthly issue-based meetings 	Social development <ul style="list-style-type: none"> - Mobilizing community support for the enforcement of poor women's legal rights through LCL workshops

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ANNEX A (Continued)

Specially targeted ultra poor	IGVGD ultra poor	BDP ultra poor	Village organisation members	Community
Social development (cont.) <ul style="list-style-type: none"> - One-on-one back up support through regular home visits, personal advice and other support - Sensitizing local community to the needs of the ultra poor through LCL workshops - Participatory poverty monitoring - Access to legal assistance - Linking acid and rape victims to medical care providers - Awareness-raising through popular theatre performances - Advocacy on behalf of the poor and the ultra poor at the local, regional and national level 	Social development (cont.) <ul style="list-style-type: none"> - Mobilizing community support for the enforcement of poor women's legal rights through LCL workshops - Access to legal assistance - Linking acid and rape victims to medical care providers - Awareness-raising through popular theatre performances - Advocacy on behalf of the poor and the ultra poor at the local, regional and national level 	Social development (cont.) <ul style="list-style-type: none"> - Human rights and legal education classes - Mobilizing community support for the enforcement of poor women's legal rights through LCL workshops - Access to legal assistance - Linking acid and rape victims to medical care providers - Awareness-raising through popular theatre performances - Advocacy on behalf of the poor and the ultra poor at the local, regional and national level 	Social development (cont.) <ul style="list-style-type: none"> - Human rights and legal education classes - Mobilizing community support for the enforcement of poor women's legal rights through LCL workshops - Access to legal assistance - Linking acid and rape victims to medical care providers - Awareness-raising through popular theatre performances - Advocacy on behalf of the poor and the ultra poor at the local, regional and national level 	Social development (cont.) <ul style="list-style-type: none"> - Linking acid and rape victims to medical care providers - Awareness-raising through popular theatre performances - Advocacy on behalf of the poor and the ultra poor at the local, regional and national level - Social action by <i>Polli shomaj</i> or union association members to fight for social justice in the community - Advocacy on behalf of the ultra poor at the local, regional and national level
Health care <ul style="list-style-type: none"> - Earmarked fund at Area office level to meet emergency medical costs for ultra poor - Social and emotional support and counselling for patients and family - Free pregnancy-related care. - Distribution of free contraceptives - Distribution of tube wells and sanitary latrines at subsidized rate - HIV-AIDS awareness education - Arsenic testing free of cost 	Health care <ul style="list-style-type: none"> - Health and nutrition education - Pregnancy-related care - Family planning education and support - Immunization support - Water and sanitation education and support - Tuberculosis control - Supply of health commodities - Basic curative services for 10 common diseases - Referral linkages with GoB 	Health care <ul style="list-style-type: none"> - Health and nutrition education - Pregnancy-related care - Family planning education and support - Immunization education and support - Water and sanitation education and support - Tuberculosis control - Supply of health commodities - Basic curative services for 10 common diseases 	Health care <ul style="list-style-type: none"> - Health and nutrition education - Pregnancy-related care - Family planning education and support - Immunization education and support - Water and sanitation education and support - Tuberculosis control - Supply of health commodities - Basic curative services for 10 common diseases 	Health care <ul style="list-style-type: none"> - Health and nutrition education - Pregnancy-related care - Family planning education and support - Immunization education and support - Water and sanitation education and support - Tuberculosis control - Supply of health commodities - Basic curative services for 10 common diseases

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ANNEX A (Continued)

Specially targeted ultra poor	IGVGD ultra poor	BDP ultra poor	Village organisation members	Community
Health care (cont.) <ul style="list-style-type: none"> - Arsenic identification, awareness-raising, referral of patients suffering from arsenic contamination and help finding alternative sources of water - Tuberculosis tests and medicines free of cost - Creating linkages with Government health services - Basic curative services for 10 common diseases at cost price - Supplying BRAC health commodities at cost price and BRAC paying for the shebika's service charges - Interest free loans to meet emergency medical costs - Mobilizing local resources (fund) for emergency medical costs - Health insurance - Immunization support 	Health care (cont.) <ul style="list-style-type: none"> - HIV-AIDS awareness education - Arsenic identification, awareness-raising, referral of patients suffering from arsenic contamination and help finding alternative sources of water - Mobilizing local resources (fund) for emergency - Social and emotional support and counselling for patients and family 	Health care (cont.) <ul style="list-style-type: none"> - Referral linkages with GoB and other facilities - HIV-AIDS awareness education - Arsenic identification, awareness-raising, referral of patients suffering from arsenic contamination and help finding alternative sources of water - Mobilizing local resources (fund) for emergency - Social and emotional support and counselling for patients and family 	Health care (cont.) <ul style="list-style-type: none"> - Referral linkages with GoB and other facilities - HIV-AIDS awareness education - Arsenic identification, awareness-raising, referral of patients suffering from arsenic contamination and help finding alternative sources of water 	Health care (cont.) <ul style="list-style-type: none"> - Referral linkages with GoB and other facilities - HIV-AIDS awareness education - Arsenic identification, awareness-raising, referral of patients suffering from arsenic contamination and help finding alternative sources of water

Source: CFPR/TUP Proposal Overview (BRAC, 2001)

ANNEX B

Characteristics of different wealth categories of households: Notes from the PWR exercises

Themes	Wealth groups				
	Rich	Middle class	Moderate poor	Extreme poor	Destitute
Ownership of cultivable land	≥10 <i>bigha</i>	2-5 <i>bigha</i>	<2 <i>bigha</i>	No cultivable land	- Functionally landless - May own homestead land
Occupation	- Business - Salaried job - Employ wage labours	- Land owner/land tenant farmer - Small Business - Salaried job	- Sharecropping - Small trading - Wage labouring	- Anything available in the locality - Small trading - Wage labouring - Begging	- Anything available in the locality - Wage labouring - Hawking - Begging
Shelter	- Tin/brick-roofed good quality houses	- Tin roofed good quality houses	- Own house with medium quality	- Live in poorly constructed houses	- Live in poorly constructed houses - Often live on other peoples' land
Non-land assets	- Deep/Shallow tube-well - Cattle/Goat - Drought power - Sanitary latrine - Other durable and luxurious items	- Shallow machine - Drought power - Cattle/Goat - Poultry/Duck	- Cattle - Goat - Poultry/Duck	- Poultry/Duck - Few of them own Cattle/Goat	- None
Food security	- Produce surplus	- Produce own consumption needs (never suffer from food deficits)	- Occasional shortage of food	- Frequent shortage of food	- Frequent shortage of food
Cash flow	- Earn surplus - Could save an handsome amount - Receive remittance - Lend to others	- Multiple source of cash income - Earn surplus - Participation in NGOs	- Inadequate working capital - Little savings - Borrow from others	- No surplus - No savings - Borrow from others in with high interest	- No surplus - No savings - have difficulties borrowing from others

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ANNEX B (Continued)

Themes	Wealth groups				
	Rich	Middle class	Moderate poor	Extreme poor	Destitute
Participation in local power structure	- Dominate in the local power structure	- Have some kind of influence	- Marginal	- Often victims of local power structure	- Invisible
Schooling	- Children going to schools (can bear the cost of educating their children)	- Send children to school	- Cannot bear the full cost of education	- Cannot at all afford to send their children to school	- Children do not go to school
Other characteristics	- Females can afford to maintain pardah and other religious norms	- Small family size - Hardworking	- Females have to earn for family	- Female headed households - Female wage earner - Lack of male income earner in the family - Ill health - Cannot afford decent clothes - Recently formed family - Highly vulnerable to seasonality - Seasonally migrate to cities for employment	- Elderly and the disabled - Widowed and the separated female headed HHs - Children do not go to school - Female headed households - Lack of male income earner in the family - Female wage earner - Ill health - Clothes torn and old - Recently formed family - Highly vulnerable to seasonality - Seasonally migrates to closer town centres for employment