



New pathways for the poorest: the graduation model from BRAC

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Please see the two-page Research Report Summary for a quick overview, available on the CSP website www.ids.ac.uk/go/centreforsocialprotection

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Abstract

The poorest, chronically food insecure households, with irregular incomes and little or no assets are often excluded from development interventions including microcredit. When they do receive assistance they are rarely able to improve their conditions enough to maintain long-term sustainable livelihoods. Through years of work on poverty alleviation BRAC (the Bangladesh Rural Advancement Committee) has developed an extremely successful 'graduation model'. BRAC's Challenging the Frontiers of Poverty Reduction – Targeting the Ultra Poor (CFPR-TUP) programme targets the poorest. It combines support for immediate consumption with an asset grant to kick start an economic activity and provides skills training, basic health care assistance and access to financial services. The model gives recipients a 24-month period to develop sustainable livelihoods and 'graduate' out of extreme poverty. This paper presents the BRAC programme as a major innovation in our understanding of extreme poverty. The authors also show how the process of 'graduation' is fraught with challenges, and how many would always require state level support.

Keywords

poverty alleviation, safety nets, graduation model

1 Introduction

Most academics and development practitioners recognise that within the ranks of the poor are those at the very bottom who are significantly more resource constrained and who are faced with far more severe problems in meeting basic consumption levels. Various labels as the 'poorest'¹, 'the extreme poor'², and the 'ultra poor'³, they have much more limited resource endowments and more restricted livelihood options. They are often chronically food insecure and more vulnerable to health shocks and natural calamities. They have generally failed to benefit from economic policies that have created growth and prosperity for the middle class. They remain socially marginalised and geographically situated in hard to reach areas. Many live in female headed households or are physically unable to work for a living. The great majority are excluded from most development interventions. And even when specific programmes target them, they fail to ensure sustainable livelihoods that can provide for food security beyond the duration of the programme.

In this paper we explore one specific model, BRAC's 'Challenging the Frontiers of Poverty Reduction – Targeting the Ultra Poor' (CFPR-TUP), that recognised the limits of BRAC's own poverty focused programmes and developed a new strategy designed specifically for the poorest.⁴ We present the model as a major innovation in our understanding of extreme poverty and demonstrate its success in combating many of the conventional 'poverty traps' and 'graduating' many of the poorest out of extreme poverty. But we also show how the process of 'graduation' is fraught with challenges, how it is ultimately limited by meso level constraints and how many will always require state level support.

1.1 Microfinance and safety nets

Microfinance, or financial services for the poor, has proven to be a powerful tool to counter the exclusion of poor people from formal financial services. Microfinance allows poor people to benefit from reduced vulnerability, greater economic opportunities and increased income. Evidence shows that financial services also indirectly lead to improved schooling, better health conditions and greater empowerment of women (Littlefield *et al.* 2003) This has led many, especially in Bangladesh, to see microfinance as underpinning the ability of even those at the bottom of the economic ladder to improve their economic conditions and graduate out of extreme poverty.

But with some notable exceptions, microfinance has had limited success in reaching the poorest. Even in

Bangladesh, where almost all microfinance institutions (MFIs) are poverty focused, under one-third of entering clients live on less than a dollar a day (Zeller and Johannsen 2006). For the most part, microfinance providers select clients that are already micro entrepreneurs – those who are economically active and able to take advantage of market opportunities. The main product offered in microfinance has been micro-credit, designed for high-turnover microenterprises. The poorest, those without sustainable livelihoods, who are chronically food insecure, and who are so vulnerable that they require food aid or employment, have been largely excluded from most microfinance programmes. In fact BRAC and other MFIs have learned that many of the poorest may not even be able to effectively use credit. Lending to poor people who cannot rapidly set up activities to generate immediate earnings for repayment will only result in over-indebtedness and lead to increased vulnerability and further impoverishment.

The poorest clients, those that microfinance has difficulty reaching are better served by social protection whose purpose is to protect and promote the economic and social security of the poor.⁵ Social protection encompasses a range of interventions, from safety net programmes to social insurance programmes. Safety net programmes such as food aid, cash transfers, guaranteed employment, etc, serve those with immediate, desperate needs while social insurance programmes such as pensions, health insurance, unemployment benefits, buttress those at risk of slipping down to the ranks of the destitute.

1.2 Safety net programmes

Safety net programmes grew out of the World Bank's involvement with labour markets and later expanded to structural adjustment programmes during the 1980s.⁶ This set the stage for the 1990 *World Development Report* which called for state support for poor people, positing 'safety nets' as one of three components of a global poverty reduction strategy.

The 1997 financial crisis in Asia and the ensuing crises in Latin America and the former Soviet Union sparked a renewed interest in social protection. During these crises, national governments and the donor community witnessed the extreme vulnerability of large segments of the population to macroeconomic shocks and recognised the need for social protection to counter the adverse affects of globalisation. Conventional safety nets used to be designed to provide support to those who fell below

¹ The bottom half of those living below the poverty line.

² Living on less than a dollar a day PPP adjusted.

³ Consuming less than 1800 calories where the minimum is 2100.

⁴ We use the terms 'poorest', 'extreme poor' and 'ultra poor' interchangeably to refer to those at the bottom of the economic ladder

⁵ The World Bank defines social protection as 'public interventions to (i) assist individuals, households and communities better manage risk and (ii) provide support to the critically poor.' (Holzman and Jørgensen 2000).

⁶ The other two components were human development and labour-intensive growth.

an acceptable standard of living instead of an integrated element of a broad based development strategy. Beneficiaries of safety nets were seen as passive recipients of aid rather than actors in a dynamic development programme. The new discourse that emerged after these crises recognised the need for *ex ante* risk reduction and mitigation, which forms part of the World Bank's analytical framework of 'social risk management'. What also emerged was an attempt 'to move the discussion from the analogy of the safety net (which catches people at a certain level) or safety rope (which catches them after they have fallen a certain distance) to that of the trampoline,' (Conway and Norton 2002). Safety net programmes now go well beyond welfare and protection to creating opportunities to enable the poorest to 'bounce back', by improving their economic conditions and participating in mainstream economic life (Conway and Norton 2002). They are constructed to focus on both livelihood *protection* and livelihood *promotion*. While protection strategies seek to maintain and protect the assets already present in a household or community, promotion strategies seek to increase those assets. Livelihood promotion programmes have the goal of increasing income, building assets and otherwise strengthening the earning potential of participants.

Critical constraints to the success of safety net policies nonetheless persist. Foremost amongst these is the assumption that all households can be readied for the market and that, with adequate support, all households can independently pursue market driven economic activities. The absence of well-designed exit strategies poses a problem when we are dealing with temporary safety net programmes. Most safety net programmes do not adequately prepare beneficiaries to enter the market. The economic activities of beneficiaries fail to provide them with an adequate stream of income to be sustainable once the programme ends. While they may be able to increase income in the short-term, few programmes take into account the market-viability of these income streams. Hence, in most situations, once the safety net support ends, beneficiary incomes decrease and they fall back into the ranks of the very poor and food insecure.

2 Graduation: concept and operations

In contrast to conventional safety net programmes that only provide short-term relief, BRAC's CFPR-TUP programme (Challenging the Frontiers of Poverty Reduction/ Targeting the Ultra Poor) offers a 'graduation' model, one that provides achievable objectives of graduation out of extreme poverty. Figure 1 below graphically illustrates the carefully sequenced interventions of the graduation model.

In 1996, CGAP-Ford Foundation Graduation Programme and decided to adapt the methodology of BRAC's TUP programme and expand it to other countries and contexts. Currently ten pilots are under way in Haiti, India, Pakistan, Honduras, Peru, Ethiopia, Yemen and Ghana.

The idea of graduation or a sustainable change in the lives of the extreme poor by dint of multiple entry points, began with the implementation of the IGVGD programme (Income Generation for Vulnerable Group Development) in 1985. At the time, IGVGD was an experimental programme implemented by WFP and the government in conjunction with BRAC, which sought to combine livelihoods training with the handouts they were already receiving as part of the VGF (Vulnerable Group Feeding) programme. The assumption was that VGF, the

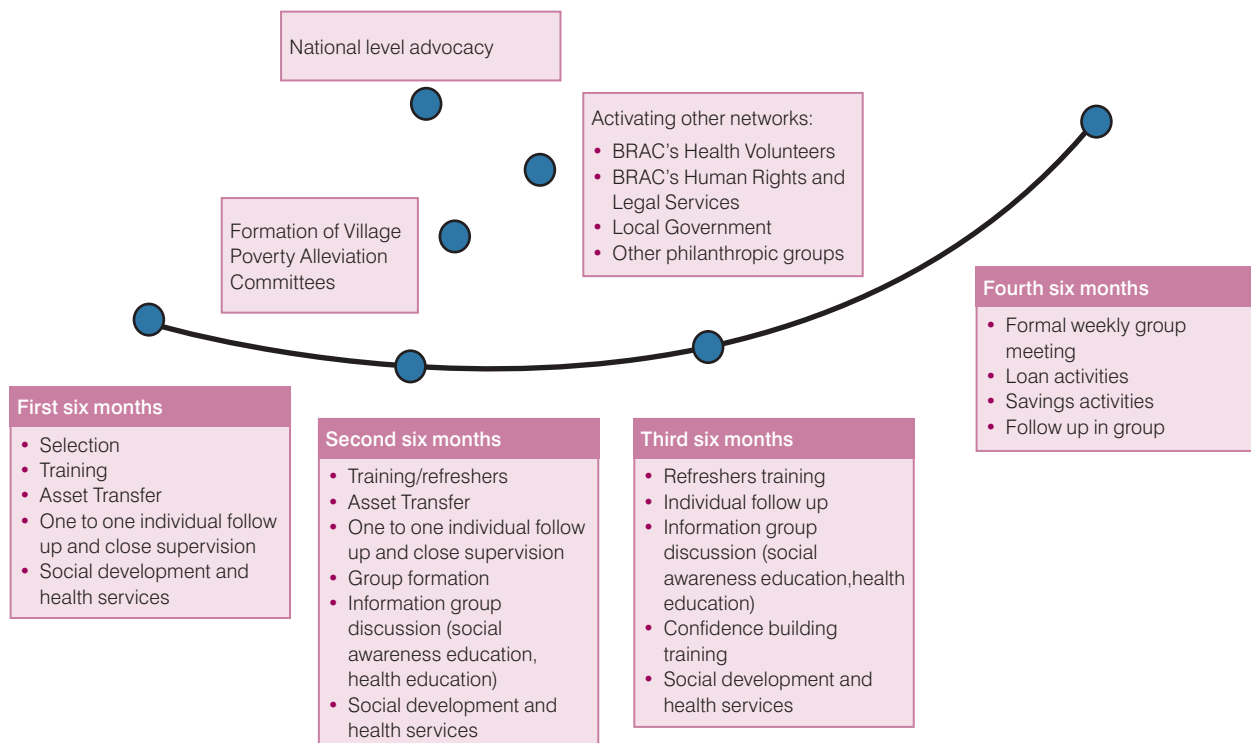
nationwide programme that handed out wheat every month to its beneficiaries, while sufficient for protection did nothing for livelihood promotion.

After 24 months, women were encouraged to join BRAC's regular Village Organisations and become eligible for access to microcredit, health care, legal awareness and other BRAC services (Matin *et al.* 2008). In this way, joining a mainstream programme served as a proxy indicator for graduation as beneficiaries now had the skills and the capacity to take loans and further their livelihoods.

A longitudinal study (Hashemi 2006) found that two-fifths of the participants dropped out of mainstream programmes indicating a failure to start the process of graduation on their parts. But the programme fails to pay the kind of attention to beneficiaries that would make graduation more likely. It also does not address the key challenge of tackling social and attitudinal constraints which inhibit graduation.

BRAC's internal evaluations showed that the extreme poor were not benefiting or being bypassed altogether by traditional interventions. Coupled with these lessons and a desire to attain MDG goals, BRAC designed and implemented TUP in 2001.

Figure 1 The different phases of TUP



The programme defined graduation on the basis of several indicators and identified someone as a graduate if he/she met a majority of the indicators listed below:

- Never faces chronic food deficit
- Per capita income more than 50 cents a day
- Has three sources of income
- Has a sanitary latrine
- Roof of house is made of tin
- Household owns their own livestock/poultry
- Drinks tube-well water
- Has cash savings
- School going aged children go to school
- All household members wear sandals

Of course both the criteria for assessing graduation and the specific pathway is context specific. Each of the indicators in the table are specific to the situation and living conditions of the extreme poor in Bangladesh, which is outlined in detail in a section that follows. Generally speaking however, in rural South Asia graduation refers primarily to food security. In Yemen on the other hand there is a far greater emphasis on schooling, access to health care and diversified livelihoods. In Bangladesh specifically the route to sustainable livelihoods is often through raising livestock. In non-agrarian communities it could be petty trade or other activities.

The remaining part of this section describes each component of the graduation model, why they are important for graduation and outlines what the TUP programme does specifically to put its beneficiaries on a path to graduation. While these components are represented graphically in Figure 1, how and when they are introduced is variable and not set in stone. For example, beneficiaries may be introduced to the savings scheme much earlier on in the programme, even before asset transfer or consumption support.

Targeting: effective targeting is key to a programme's impact. TUP beneficiaries are selected using a two-pronged method. Spatial poverty maps developed by the WFP are used to select areas with high incidence of poverty. Then community wealth rankings and other PRA tools are used to identify the extremely poor households after which staff selected households based on inclusion and exclusion criteria. A closer look at the initial conditions of the ultra poor as outlined in the section on the initial conditions of the beneficiary shows why these criteria have a good probability of targeting the extreme poor.

The general graduation model would also highlight the importance of using multiple targeting methods to ensure that those who need the benefits the most are receiving them. Based on the targeting, specific achievable targets for graduation must be set.

Consumption stipend: the graduation model envisions that a beneficiary will receive a cash or an in kind stipend for several months or for the entire duration of the programme. The idea behind the stipend is to smoothen consumption since assets transferred may not have immediate returns. This is all the more important if the beneficiary has stopped working in her place of previous employment in order to look after the asset. The stipend encourages the investment of more time and effort towards the assets, regular participation in meetings when the stipend is distributed, a higher tendency for saving, and ensures basic consumption levels are met till the new stream of income kicks in. TUP beneficiaries receive 10 taka per day until the asset becomes a source of income. In some cases, the stipend was continued and beneficiaries were encouraged to use a certain amount to buy food for the livestock or poultry.

Enterprise selection and training: as a first step, staff assess the market, a beneficiary's comparative skills and the community to determine specific pathways on how graduation can be achieved. This is done independently and in consultation with the beneficiary. The TUP programme supports a range of enterprises which differ in terms of cash flow, risk factors and the intensity of time, effort and skills required to meet the varying needs of clients. It does not make sense to select xxx for a single aged female seeing as she lacks the physical capacity to take care of it. After selecting the enterprise, programme staff provide participants with 3-5 days orientation training. This is followed by frequent visits and cluster meetings to monitor progress and provide technical and general advice.

Compulsory savings: compulsory saving is introduced to build a culture of financial discipline. The idea is that they may also be able to use the amount saved for future investment.

Asset transfer: an asset transfer helps to build the economic base of the beneficiary. Once the training is provided, programme staff purchase the assets on their behalf. The assets range from a small cow, or a few goats, chickens or ducks in to start petty trade. Once again, this would have to be in line with the needs of the beneficiary and what would be a feasible.

Local elite support: BRAC has recognised the important role that village elites often play in the lives of the rural poor. They have formalised this relationship through 'Village Poverty Alleviation Committees' which include carefully selected members of the elite, a representative of CFPR participants and a BRAC staff. The Committee monitors progress of program participants, provides advice and support and mediates conflicts with others in the village. Regular group meetings and links to village elders build confidence and social networks.

Access to health care ensures minimum protection against health emergencies. Finally a 24 month period of 'management coaching' through weekly household visits by staff, assist households to create a business plan and develop the confidence to stick to it.

By the end of the programme period as grants and subsidies are phased out, participants gain confidence, develop sustainable livelihoods and graduate out of the ranks of the ultra poor. The concept of graduation however does not mean either that it is automatic or that it is easy. It also does not refer to a necessary linear progression into economic improvements and food security. Many households have a difficult time improving their conditions. Many face periodic emergency situations that push them down. And many do not graduate. From those who do graduate a significant amount risk losing it all yet again. But significant numbers do graduate and do get beyond a certain threshold or an 'inflection point' where the probability of falling back into extreme poverty is significantly lowered. This singular focus on reducing vulnerability and readying people for food security and sustainable livelihoods through a well articulated, closely sequenced, multi dimensional strategy that lays out clear entry points, is what constitutes the unique contribution of the graduation model.

3 Quantitative evidence of success

BRAC conducts rigorous quantitative assessments of its CFPR-TUP programme. A baseline survey of selected programme participants was conducted at the start of the programme in 2002. A baseline survey was also conducted on a comparison group of ultra poor households with similar economic and social characteristics. Re-surveys of the same cohorts of programme participants and comparison group were conducted in 2005 and in 2008. The results indicate significant improvements in the conditions of those in the programme (Das and Misha 2010). More specifically:

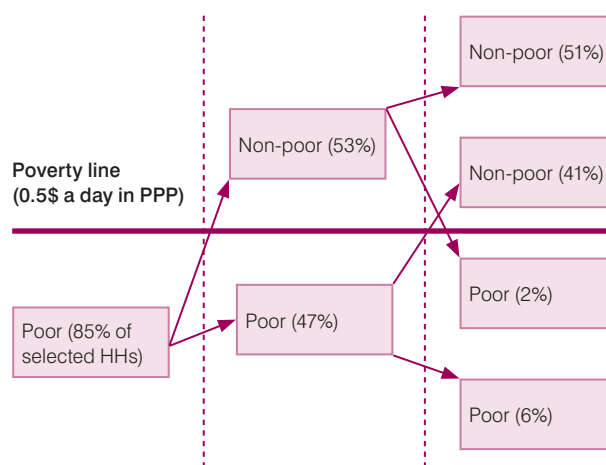
- In 2002, about 60 per cent of programme households reported chronic food deficit. By 2008, this figure fell to 20 per cent.
- In 2002, incomes of programme households were Taka 293 less than those of the comparison households. By 2005 however programme households were earning Taka 678 more. In 2008 programme households earned Taka 7480 compared to Taka 5970 for the comparison group.
- In 2002, 35 per cent of programme households had no land but in 2005, 54 per cent had become landowners. In 2002 about 6 per cent of programme households owned goat/sheep. This increased to 25 per cent in 2005 and 34 per cent in 2008. By the end of 2005, programme households held Taka 8000 more in assets compared to the comparison group.
- Eight per cent of programme households had cash savings in 2002. This increased to 94 per cent in 2005 and 98 per cent in 2008.

The TUP programme was also successful in increasing social awareness of its beneficiaries. While only 8 per cent knew the legal age of marriage for women in 2002, by 2005, 70 per cent did. Programme households were also more confident. Ninety per cent approached local elected representatives for VGD cards compared to a previous percentage of 59 per cent.

In terms of graduation, CFPR-TUP was successful in graduating significant numbers above the PPP adjusted extreme poverty line of 50 cents a day per person. At the beginning of the programme 85 per cent of households selected to participate in the TUP programme earned less than 50 cents a day. This implied a 15 per cent error in targeting. In 2005, three years after the programme had started, 53 per cent of programme households who were previously living below the extreme poverty line were able to earn 50 cents a day. In other words 47 per cent remained ultra-poor. However by 2008, 3 years after the completion of the programme, an additional 41 per cent of selected households had crossed the extreme poverty

line of 50 cents. CFPR-TUP had therefore successfully graduated 92 per cent (51 per cent+41 per cent) of its members above the extreme poverty line over a six-year period (Sulaiman 2009).

Figure 2 Poverty dynamics of the TUP beneficiaries



Source: Sulaiman (2009)

Das and Misha illustrate graduation by showing the proportion of households who meet the graduation criteria, which is shown below in Table 1.

Table 1 Graduation by indicators (%)

| | 2002 | 2005 | 2008 |
|--------------------|------|------|------|
| 9 indicators (all) | 0 | 10 | 26 |
| 8 and above | 0 | 33 | 56 |
| 7 and above | 1 | 62 | 79 |
| 6 and above | 4 | 82 | 91 |
| 5 and above | 14 | 93 | 97 |
| 4 and above | 30 | 98 | 99 |
| 3 and above | 54 | 99 | 100 |
| 2 and above | 76 | 100 | 100 |
| 1 and above | 100 | 100 | 100 |

CGAP and the Ford Foundation have been testing the graduation model in the pilot sites in seven countries and have been finding extremely positive results (Montesquiou and El-Zoghbi 2009).

4 Findings from qualitative studies

While the empirical surveys provide quantitative data on the improvements in economic conditions of TUP members, BDI conducted a year-long ethnographic research to better understand their lives, the process through which these changes took place and the factors that held them back.⁷ The study analysed how ultra-poor households build resilience, improve their conditions and graduate out of extreme poverty, as well as understand the dynamics that prevent many of them from moving up.

4.1 Methodology

The BDI research involved intensive field studies on 60 households from 9 villages in Dhamoirhat and Agradiagon in Naogoan district and included programme beneficiaries and non-beneficiaries in similar economic conditions. Four research assistants spent 18 days each month in the field for 12 months, collecting data using qualitative tools. These included:

- Observations
- Community wealth ranking
- In-depth interviews
- Conversations with beneficiaries and key informants (BRAC TUP staff, GDBC member, non GDBC elites)
- Life-histories of beneficiaries

4.2 Conditions of the ultra poor

The study team conducted participatory wealth rankings and held discussions with the community to identify the ultra poor. Villagers characterised them as people who have nothing, who own no land, live in straw houses with thatched roofs on other people's property, engage in day labour but fail to find adequate work, work in other people's houses, in debt, can't keep their children in school, and usually old, widowed or abandoned.

In fact the ethnographic study found that these descriptions of the community mirrored the ground reality. Thirty of the 59 households in the sample were female headed; 22 had no male members. Poverty and gender insecurity explain much of this demographic emergence of female headed households. The case below demonstrates this clearly.

Rehana married a divorced man after seeing his divorce documents. However, once Rehana moved into her husband's house, his former wife returned with her children to live with Rehana and her husband. After seven years of torture and abuse Rehana and her two children moved back with her parents. As her father was too old to work, and her mother reduced to

begging to keep her family afloat, Rehana realised that it was impossible for her parents to support her family. Rehana left and started her smaller household with her two children, sustaining them with the little money she earned sewing quilts.

The study also documented the conditions that ultra poor households live in. Seventeen households in the sample did not own any land. They were squatters on government land and other people's property. For those who did own land, they did not own more than 5 decimals. All the houses had mud walls; most had thatched roofs. Twenty nine households lived in one room houses. Those that owned livestock kept them inside their houses at night for security reasons. They therefore ended up sleeping 4 to 5 feet away from their animals. Only 3 households had proper beds to sleep on.

Most of the ultra poor engage in wage labour, with agricultural labour being the most common. Others work in off farm labour with some of the women working in homes of wealthier households. However, demand for daily labour in agricultural activities fluctuates during the different seasons of the year. February and March are slow months as are September and October. There's very little work during these times. Ultra poor households have to cut back severely on their food consumption, give up on lentils and vegetables, sometimes skip meals and sometimes ask for food from wealthier households or extended kin. Many borrow and get into debt.

Only 7 out of the 59 households that were studied, owned cultivatable land. None owned cows before the TUP programme. Most women owned two saris and men just two lungis.

4.3 The TUP programme and the graduation process

While a majority of households do 'graduate' out of extreme poverty with assistance from the TUP programme, this process is not always linear. In fact many do not graduate and many go through different cycles of improvements and worsening problems. But the fundamentals remain: ultra poor households need food security, they need savings to protect against unexpected crisis, they require assets to start new economic activities or expand on old ones to ensure steady streams of income, and they need to be trained on new skills to maintain these livelihoods. The dynamic interaction between these components significantly increases the probability that someone will graduate into sustainable income earning activities.

⁷ The ethnographic research was conducted by a BDI team that included Farzana Islam, Mohammad Wahid Sarker, Shamema Nasrin and Yashpia Salema.

This assumption is supported by the results found on the field, which showed that beneficiaries mostly stand to gain from innovative, nuanced strategies that they themselves employ or from the surrounding environment and circumstances. These otherwise go unnoticed because of their perceived insignificance and/ or the type of data collected. This research project sought to fill those gaps and address the factors that promote or prevent graduation from taking place.

Possessing certain character traits is critical for graduation. Women who are more confident, take initiative and who are well organised are more likely to graduate than those don't have these character traits. But these traits are not always inherent. Some beneficiaries acquire them social support, training, and motivational meetings with staff and other women.

4.4 Consumption stipend

The TUP programme provides a weekly consumption stipend of 175 takas to households for a duration of 6 to 12 months. This allows for a breathing space for households to meet their consumption needs and plan for their future economic activities. The ethnographic study found that the consumption stipend has been utilized by beneficiaries in a variety of ways. A significant majority use it to smoothen consumption levels. There are those who utilize the stipend for daily meals which they previously found difficult to do, especially during the lean season. There are others who use the stipend to add variety to their meals. Some use a portion of the stipend on other household expenses such as the purchase of school supplies for their children. Most households also save a portion of their allowance.

A few have even saved the stipend money to start income earning activities. They have lent it to others in their neighborhoods at an interest. Some have bought goats and chickens. Some have set up small businesses for their sons. One of the TUP beneficiaries used her allowance to buy papaya, banana and litchi trees. This small but regular cash flow helped TUP households to manage their finances, accumulate savings, and plan for future investments.

4.5 Asset transfer

Every TUP household is trained in an economic activity and then provided with an 'asset' to start that activity. The asset, usually livestock or seed capital to start a small business, helps create new livelihoods, diversify sources of earnings and expand economic opportunities. These

economic transfers give the ultra poor women real ownership of productive resources. Out of the 59 households that were studied, 56 had taken on raising livestock as their primary livelihood activity.

The asset transfer has helped some women earn incomes for the first time. Initially sixty five year old Khadija could not work for a living and was seen as a liability by her family members. After she received a cow, and understood it as her own asset, her approach to work changed. Her daughter was reported saying, 'You will never find my mother at home, except in the evenings. She is always busy with her cow in the field.'

The asset transfer has also helped many others stop or reduce work in more demanding and lower paid activities, such as domestic help, road construction and working in rice mills, and switch to their new activity. Programme members say that income from their previous activities could only pay for basic food consumption. They could hardly save or spend on any other necessities. But the new activities promise higher returns and reinvestments for expanded earnings.

Najma and her husband saved most of their consumption stipend. They subsequently sold the cow they received from the TUP programme, added in their savings and bought a piece of farm land where they grew potatoes and paddy. They saved much of their earnings from selling potatoes and purchased some more land.

Moneshori regularly saved her weekly stipend. She sold the sheep she received from BRAC, added in her savings, and used the 3,000 takas to lend to her neighbors. She's getting interest income which she partially spends and partially saves. She's hoping to increase the capital and earn more through lending.

The consumption stipend and incomes from the new asset allowed Salma to cut down on the number of jobs she used to previously be in. She was able to concentrate on her job as a cook in a rice mill. She was recently given a raise by her employer, for her improved performance.

4.6 Savings

BRAC motivates TUP members to develop a savings culture. They institute a mandatory savings of 10 takas per week so that members can accumulate savings that can be used in emergencies. In fact some members accessed these savings to meet emergency medical needs. At the end of the programme, when significant savings had been collected, some members withdrew their savings and invested it in income generating

activities. Most are still continuing with their savings, often in other NGOs or in post offices. They also keep a limited amount of cash at home for emergencies. All households informed the study team that they had never saved so much and so regularly in the past.

4.7 Training and motivation

TUP programme staff provide skills training to members so that they can manage to take on new livelihood activities. Such training also includes basic health and social awareness messages. But the unique feature of TUP is the weekly one on one meeting with members at their houses. TUP staff check up on members to make sure they are effectively engaged in their new economic activities. But most importantly they also provide extensive 'coaching' during these meetings. They work with members to help them set short term and long term goals and develop business plans to meet these goals. They encourage members to stay on target or analyse why they have failed. This interaction over many months helps women become confident and take control over their lives.

4.8 Health support

TUP households received health support for the two years of the programme. They received access to physicians and free medication. If any major surgeries were required, beneficiaries were taken to the government hospital in Naogaon; and BRAC would pay all medical expenses. They were given vitamins on a regular basis.

4.9 Increased confidence and control

The TUP programme has made women more confident. It has transformed women from being a dependent member of the household into an income earner. She is treated with respect within the family and considered an important decision maker. Interestingly now that she has a stable income, male family members who had deserted her are now coming back. Fatema, whose son had left her but now returned, says, 'My son thought, my mother owns an asset now, I won't have to feed her anymore. So I might as well go back.'

Rebecca was abandoned by her husband. After she had been a TUP member for a while, she gathered enough courage to publicly seek an apology from her husband. He asked for forgiveness and wanted to take her back. But now Rebecca owned 3 cows and 4 goats. She was confident in living by herself and did not go back to her husband.

TUP women created strong bonds between each other through the regular group meetings that BRAC organised and through the common experience they shared, slowly building up livelihoods. Even now, after the programme had long ended, they continue with these networks. They try to meet regularly, share each other's experience, and learn from each other. They provide each other with financial and social support in times of crisis.

Fatema, a TUP member says:

'As a group, we have learnt a lot from BRAC staff. When one of the group members was in trouble because her cow died, the BRAC Bhai (brother) explained to us that we should help her out so that she can have the same opportunity to improve her life as we had. So all of us chipped in 300 takas each and bought her a cow. I know if I am ever in trouble, I won't have to go to anyone else. I can rely on the people in my group to help me out. They are always there for me.'

TUP women are also focusing on their children and their futures. Some women have invested money in their children's schooling and hope to use their connections with BRAC staff to ensure their children's employment at BRAC on completion of their education. Others want their children to get educated enough to qualify for work with the government.

Others save for their daughter's weddings. The new income earning activities and improvements in economic conditions, coupled with the savings, help ensure that daughters are married off 'well'. It is no surprise that marriage in rural Bangladesh is often a means to ensure financial and or social security.

Asiya's daughter is married. Her husband works, but they still struggle financially. Rebecca has decided to give her daughter and her son in law 20,000 takas for them to be able to buy farm land. Rebecca assumes that selling the two cows that she currently owns will earn her 18 to 20,000 takas. While some want to use their assets and find their daughters good husbands, others want their children to get educated and explore new and better livelihood options.

TUP women have become role models for some of the other ultra poor women in the community. Some have decided to raise livestock but since they have little money they have started to lease in goats as a first step in the process. Others have openly said they wished they were included in the TUP programme. Johura, who is not a TUP member, informed us, 'I wish I had some cash to open a small shop. If I had a cow (from the TUP

programme), I could have sold that to manage the funds needed to set up my shop. If you own a cow you don't have to worry about putting food in your stomach.'

Rashida used to be harassed by her neighbors who claimed that BRAC had converted her into a Christian. At one stage she even had to strip her clothes to prove that she did not have a 'cross' sign on her body. But after she received a cow and improved her conditions, her same neighbors started to look up to her. They too then made an effort to rear cows and goats, on a shared basis or on loan from others. When the neighbors were asked why they were rearing goats, they said that although BRAC hadn't given them anything, they were eager to make an individual effort and become successful like Rashida.

TUP women have also become 'credit-worthy'. In the past these ultra poor households were considered high credit risks but now many of the wealthier households trust them with loans. In fact some of the wealthier women in the villages have even approached a few TUP women to lend money to others and keep a portion of the interest as commission.

4.10 Village assistance committee

The TUP programme recognised the importance of social networks for any sustainable improvements in the conditions of ultra poor women. They therefore set out to create a new network that would cater to the ultra poor. A village assistance committee (named the Gram Daridro Bimochon Committee; literally the village poverty alleviation committee) was set up by BRAC in each village with membership of community elders. The committee was motivated to extend their assistance to the ultra poor as part of their traditional social responsibility. It meets regularly with the ultra poor participating in the meetings. The committees have worked well in helping the ultra poor with advice, with access to health care, with protection against others trying to take away their productive assets, against domestic violence and linking up to state support networks. In terms of material support, a survey showed that a GDBC that had been in existence for two years and collected Tk 5000 in cash and kind, repaired or built five houses in each village, installed four sanitary latrines and two tube wells for the use of TUP members, and had spent more than Tk. 200 on each TUP member for medical treatment (Hossain and Matin 2004).

The concept of the village assistance committee is a novel shift in the BRAC paradigm. BRAC had earlier, in the seventies, posited a view of rural society as being in conflict. The sub-text suggested that poverty was

reproduced and maintained in rural Bangladesh to a large extent because of the inequalities in power. The interests of the poor stood in direct opposition to the wealthy and powerful. In the CFPR strategy however there is a more sophisticated understanding of the sociology of power. There is a recognition that that not all relationships between the powerful and the poor need to be conflictual. A demand for higher wages would be. But a demand for the powerful to play their patriarchal role of protecting the poor isn't. Hence motivating the powerful to provide advise and referrals, to provide protection to livestock, is well received.

Initially, Bandhan in India, which is piloting a 'graduation' programme, decided against village level committees. However, when a poor woman's goat was stolen, elites in the village collectively helped to recover some money from the family of the boy who had committed the crime. In another case, when a man married a beneficiary with the intention of trafficking her, village elites found out and stopped her from falling prey to trafficking. Bandhan then decided to formalise such interventions of the village elites through a village assistance committee.

5 Graduation failures and constraints

The graduation model of course is no guarantee of success. While significant numbers do graduate, many do not. The primary reasons for failure are rooted in such factors as ill health, old age and dysfunctional marriages. In addition to these, there are meso and macro level constraints that can seriously inhibit the effectiveness of household level self employed economic activities and the overall likelihood of success.

Old Age: fifty-year old Amena was abandoned by her husband and earns a living as a beggar. She was included in the TUP programme and given a cow. But Amena is old and in ill health. Securing food for herself, food for her cow, taking care of the cow, and staying in touch with BRAC, was all too difficult for her. She did fine for a while with the consumption stipend but then became destitute again. Her brother, who is a member of the village police for the Union Parishad helped her get on the state old age pension. This is what provides her with some assistance. She still begs and relies on her brother and nephew when she's in any serious problems.

Twenty two year old Lilly was also included in the TUP programme and given a cow. She has been married and abandoned twice. She had a complicated abortion during her last marriage and continues to be sick. She lives with her two children and has no one to help take care of her cow. The TUP programme did not work for her. She was provided a VGF card (state food grain assistance) which now helps to meet some of her consumption needs. Her grandfather, her uncle and her sister provide some support with food, clothing and money.

Problem marriages: family structure is also an important variable in determining success and failure. An ultra poor woman with a supportive husband has a far better chance of improving her conditions. But an abandoned or divorced woman is better off than a woman in a dysfunctional marriage who has to constantly deal with an abusive husband or in-laws.

Anjum's parents were reasonably well off and even given her a small piece of land when she got married. When her husband became ill, she worked on her land and managed to support her family. But her in-laws were envious of her and her abilities to manage on her own. They frequently harassed her and verbally abused her. When her husband died their behavior worsened. Anjum became a TUP member and received a cow. But her in-laws kept on harassing her. She was finally forced to give up her cow, leave the village and go back to her parents.

Anjuara could not have any children. Her husband is abusive and does not give her any money for food or living expenses. She works hard as a day labourer and as domestic help. She became a TUP member and received a cow. But Anjuara remains depressed because of her husband's hostility towards her. She does not take care of her cow or manage her finances. She does not seem to be improving her economic conditions or ready for graduation.

Family and Social Network: A key condition for success is the presence of supportive social networks. Many of the successful TUP members report on how they benefited from their families. Nazma sold the cow she received from the TUP programme and bought a small piece of land. Her father, brother and husband's relatives help her farm it. She's been getting steady income from the land. When Shunibala was pregnant her husband, a day labourer, left her. She moved back with her father and her sister. She was selected to be in the TUP programme. Shunibala works as a labourer in a road construction safety net project and her father helps her take care of her cow. The two income earning activities together have helped her become food secure and graduate out of poverty.

Rebecca has strong ties to her parents and siblings. She said to us, 'Last year, when I fell ill and had to spend 4,500 takas at the doctor's, my sisters helped my husband pay for it. Whenever my father and brothers visit, they always bring me something. They send me 10 to 12 kilos of rice twice a year from my father's house in Jamalpur.'

Even when one's own extended family is absent, ultra poor women are able to create fictive kin groups. They will call someone a 'brother' or an 'uncle' or a 'sister' and develop close ties with them. Sometimes these new kin groups are stronger than blood groups. In turn the new 'family' takes on the role of a guardian and actually helps out the ultra poor women in times of need. There are several instances of how these new brothers and uncles have helped ultra poor women receive state assistance.

The converse of this, the absence of any social network – be it extended family or fictive kin, leads to great difficulty in managing a sustainable livelihood. For instance, Arjana and her immediate family are the only ones left in the village since all other members of her kin group have migrated out. They are now treated as social outcasts, especially since they do not maintain close relations with the village elders. Some villagers have tried

to evict them from the village to take over their homestead land. Arjana's husband was even beaten up a couple of times.

Personality: one's personality also plays a key role in determining success and failure. Women who are friendly and outgoing, respectful and helpful, conventionally considered to have a good personality, are usually the ones that manage to sustain a network of people that stand by them and support them in times of need. Some however are considered 'quarrelsome and difficult'. These women have great difficulty in maintaining a social network. It is difficult for them to succeed.

Fifty-year-old Latifun was said to constantly quarrel with her son and daughter-in-law. She was forced to leave their house. The villagers pity her because of her old age and provide her with a roof over her head because she is homeless. But her ill temper and unfriendly attitude soon leads to fights and she moves again to someone else's courtyard. She has been homeless for the last seven years.

Khooki is not considered a good woman. She's been divorced three times. All her husbands left her because she is always ill from uterine infection. She bleeds regularly. Rather than getting her treated her husbands abandoned her. But yet the neighbors say she is not a good woman because she cannot hold on to any of her husbands. And she receives no help from them.

Health services: continued access to health care beyond the duration of the programme, poses one of the greatest challenges to the Graduation model. When TUP women completed their two years in the programme, the health services were discontinued. This had serious negative repercussions. Households could not afford to pay for health care and medication. Some women who were being treated for chronic illnesses have discontinued since they can't afford it. Others visit doctors only when they are severely ill. Yet others only go to the doctors when their children are ill. Older people are excluded at times from being treated. Many are seeking out natural health care since it is far less expensive than modern medical care. All of this poses a real threat. In cases of severe health problems households may go into debt or sell their assets to pay for medical assistance. This will seriously undermine the gains from the graduation programme.

Meso-level constraints – market limits: microenterprise profitability is directly tied to marketing opportunities. Low market absorptive capacity quickly leads to oversupply and loss. In Bangladesh a vibrant local economy and links

to urban markets have allowed for profitable business in raising livestock. But in other situations of low infrastructure, poor communication and far off markets, microenterprise owners have great difficulty in selling their products. And often the private sector is reticent to invest. In fact in Bangladesh BRAC had to intervene and build markets for milk and dairy products to ensure complete value chains and higher earnings for poor households – setting up village level collection centers, chilling plants, processing plants and urban retail markets. They did the same for poultry – linking households that sell eggs, to egg collectors and hatcheries and households that raise chickens to poultry processing plants and sales center in urban areas. Grameen too built markets for hand woven clothing through providing rural weavers with good thread and dye and design, then purchasing the cloth, completing the finishing process and selling in national and global retail outlets.

This of course is not possible in most other countries and hence, without proactive private or public sector market intervention, graduation programmes will have to think carefully on what enterprises to support and how many to be readied for the market. For example in coastal Sindh in Pakistan, there is very low economic activity, primarily because the nearest market is far away and thus it is hard to sell products. In Ethiopia, honey is a popular produce. But at the local level market gets saturated quite quickly and there is low demand for it. The programme recognised this limit and has started negotiating with a honey exporting firm to buy from it in bulk.

Meso-level constraints – agro-ecological limits: the agro-climatic zone also severely limits the choice of enterprise and hence the pathways out of extreme poverty. In coastal Sindh in Pakistan, water logging and high salinity has reduced vast tracts of land into waste land. Nothing can grow there. And the problems are compounded by the total absence of fresh drinking water. In such a situation of restricted grazing ground and expensive fodder, raising livestock is not an option. The market for other off farm enterprises is also constrained. Graduation through profitable economic activities therefore becomes extremely difficult. At Trickle Up, one of the pilot sites in India, excessive rainwater logging creates periodic problems, especially with raising livestock. One year many households lost their goats because of water borne disease.

Supply limits in schooling and healthcare: The graduation model strongly emphasises the need for access to healthcare to reduce vulnerability and provide

protection from shocks that can easily lead to spiraling poverty. The model also emphasises access to schooling to promote human capital development that leads to intergenerational improvements in economic conditions. And further the model is good at creating demand for both. But supply side constraints – absence of schools at the village and community level in Pakistan, poor quality of secondary schools in Bangladesh, inadequate health infrastructure in rural Deccan in India – all limit the possibility of such service provisions.

Macro level sonstraints: macro factors can also seriously undermine the successes of household level interventions. The rice price increases in late 2008 pushed over 4 million households in Bangladesh below the poverty line in a matter of weeks. The global recession too has the potential to affect millions more through lost jobs of migrants, and reduced demand for manufactured products (such as ready made garments) in the South. Increased prices of fuel, or drastically dropping prices of primary commodities, can also reduce households into destitution. As can political instability, civil war and violence, all factors beyond the control of households.



6 Conclusion: towards addressing extreme poverty

We have attempted in this paper to explain the graduation model and demonstrate how it can succeed in improving the conditions of the poorest and graduate significant numbers out of extreme poverty. But critical insights have also emerged from testing out the graduation model.

First, that not everyone can be 'graduated' out of extreme poverty through market-led, economic livelihoods strategies. The state does need to address the safety net needs of the many who will require on-going state support.

Second, that there are multiple pathways and multiple entry points for graduation but each needs to be tested out to ensure success through better delineation of its client group and better development of cost-effective interventions.

Third, all interventions need to consider the micro, meso and macro level contexts to understand potential constraints and identify future possibilities.

Fourth, there needs to be a consistent engagement, at all levels – with government programme managers to better design, implement and coordinate safety net programmes, with the private sector to encourage investments that open up employment opportunities and new economic spaces for the poor, with NGOs to implement graduation programmes, with microfinance institutions to provide access to deposit and other services to the poorest, and with policy makers to determine strategic interventions for pro-poor economic growth.

Finally, it is ultimately the 'beneficiaries' themselves who'll need to take control over their lives and engage in the everyday struggles that make change happen.

Graduation programmes can only be successful if they've clearly articulated the space for this agency of the poor.



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