



*The Many Hidden Faces of Extreme Poverty: Inclusion and Exclusion of
Extreme Poor People in Development Interventions in Bangladesh, Benin and
Ethiopia*

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Executive Summary

Introduction and problem statement

Since the start of this millennium, the poorest half of the world has received a mere one per cent of the total increase in global wealth, while half of the increase in wealth went to 62 individuals (Oxfam, 2016). Despite decennia of devoting energy and money to development programmes, the documented results have been disappointing (Gough, McGregor & Camfield, 2006). In many countries, especially in sub-Saharan Africa, growth has been, at best, modest and coupled with increasing poverty (Gough *et al.*, 2006).

There is growing attention for this inequality through the debate on inclusive development for the most marginalised (Gupta, Pouw & Ros-Tonen, 2015). A commitment to “leave no one behind” has been made in the 2030 Agenda for Sustainable Development (UNSCEB, 2017, p. ii). With the current technological advances, there is no longer a need for people to suffer as a result of poverty (UNA-UK, 2013). Furthermore, extreme poor people cannot sit around and hope for good governance to emerge or economic growth to trickle down, they may die waiting for it or have their capabilities disabled or destroyed (Lawson, Hulme, Matin & Moore, 2010). Hence, the commitment made in the Sustainable Development Goals should be upheld; not only for moral reasons, but also to counter several (global) issues, e.g. inequality fuelling anger, alienation, nationalism and xenophobia (Basu, 2017), environmental degradation due to the dependency and overuse of environmental resources by (extreme) poor people (Angelsen & Vainio, 1998). The impact of environmental degradation locally can have severe global impacts (Van der Heijden, 2016). In an increasingly globalised world, the effects of environmental exploitation and degradation in one place will affect people elsewhere on the planet, e.g. in terms of export of food and resources and air pollution as a result of deforestation (Van der Heijden, 2016). Thus, it is not only extreme poor people who are affected by growing inequality, we all can be!

While the inclusion of extreme poor people is a noble and necessary objective, it is challenging, and attempts to include extreme poor people in development interventions have often been disappointing (Lawson *et al.*, 2010; Kazimierzczuk, 2010a, 2010b; Pouw *et al.*, 2016; Altaf & Pouw, 2017; Lawson, Ado-Kofie & Hulme, 2017). Deeper understanding of e.g. mechanisms of in- and exclusion of extreme poor people, the structural causes of extreme poverty and the desirability of a univocal definition are required. The aim of this dissertation is to contribute to such an understanding through an analysis of extreme poor people and their multiple dimensions of wellbeing: material, relational and cognitive. The structural causes of their poverty and processes of in- and exclusion of the extreme poor at different

levels, i.e. family, community and at institutional level, are scrutinised. Furthermore, this dissertation studies discourses and practices applied by development agencies in order to draw lessons about how the extreme poor can be sustainably included in development interventions based on original field research carried out in Bangladesh, Benin, and (rural and urban) Ethiopia.

Contributions to Knowledge

This dissertation contributes to several gaps in knowledge, both on a theoretical and a practical level, within the field of International Development Studies: 1) building further knowledge on the disaggregation of poverty through the investigation of differences between poor and extreme poor people and by paying attention to different categories within the category of extreme poor people; 2) economic definitions and measurements of poverty, including income and consumption levels, at regional, national and international levels, prevail. Nevertheless, there is growing recognition of definitions including multiple deprivations or forms of illbeing to build a sound understanding of the dynamics and causes of poverty and ill- and wellbeing. In particular, the cognitive dimension of ill- and wellbeing remains underexposed in poverty research, especially research conducted in the Global South. Therefore, this dissertation addresses the cognitive dimension of ill- and wellbeing alongside the material and relation dimensions; 3) using an ill- and wellbeing lens to approach poverty is relatively new within the social sciences and the field of International Development Studies. Researching (subjective) wellbeing can contribute to enhance understandings of the processes behind in- and exclusion of extreme poor people in development interventions, as both people's own perceptions of their capabilities and resources, as well as structures (e.g. political, socio-cultural and environmental) surrounding them, are considered; 4) there is still much ground to be explored on causes of (extreme) poverty. These (structural and individual) causes can be important to grasp processes of in- and exclusion of extreme poor people. Furthermore, this dissertation answers the call of the Chronic Poverty Research Centre (CPRC) for the collection of more qualitative data and in particular life histories; 5) participatory approaches have the potential to empower poor people, making them visible and giving them voice. Nevertheless, there is little known about whether such potential is present for extreme poor people as well. This research investigates this potential by making use of participatory research methods; 6) the dissertation contributes to practical knowledge about targeting practices and programme designs of development interventions to include extreme poor people through the case studies.

Research questions

To address the problem statement and the knowledge gaps described above, the following research questions have been developed:

The overarching research questions for this dissertation are: (1) How are extreme poor people included or excluded by development interventions? (2) What are the lessons learnt from discourses and practices that development agencies applied in the case studies in Bangladesh, Benin and Ethiopia?

The sub-questions are:

- (i) How are extreme poor people conceptualized in the literature and how does this differ from the definitions of poor people?
- (ii) According to the literature, what are the causes of extreme poverty?
- (iii) How are extreme poor people defined and categorised by the local communities in the selected research locations and how does this differ from the definitions of poor people in these locations presented by the local communities?
- (iv) What are the causes of being extreme poor in multiple dimensions of wellbeing and are these reproduced through context specific social and political institutions and power relations in the selected research locations?
- (v) What targeting strategies (concepts, methods and implementation) to include the extreme poor are applied by development interventions in the selected research locations?
- (vi) What explains the relative failures and successes of inclusive development interventions for extreme poor people?

Methodology

To answer the research questions, the research is based on interpretivism as the epistemology, assuming that reality is socially constructed and multiple realities can coexist. This implies that extreme poverty is time-, culture- and value-bound and is relational. The ontology upon which this research is based, is constructivism, whereby humans construct knowledge through interaction with the world.

A qualitative inductive approach, inspired by the methodology and framework of the ESRC Research Group on Wellbeing in Developing Countries, was used with comparative case studies as an overarching methodology supported by PADev (Participatory Assessment of Development). In total, four case studies were conducted, a rural case in Bangladesh, another rural case study in Benin and two case studies in Ethiopia, one rural, one urban, in order to compare extreme illbeing in both contexts.

A mix of qualitative methods are used in this research: 1) PADev methods: essentially the PADev approach focuses on local people's own perceptions of the impact of development interventions on their and their community member's lives in the context of wider changes that have occurred in their society from a long-term perspective (Dietz *et al.*, 2013; Pouw *et al.*, 2016, p. 3). But the PADev exercises also release inter-subjective knowledge from the interactive discussions between focus group members themselves. In total, 152 locals with various socio-economic backgrounds participated in these focus group discussions; 2) life histories with locally defined extreme poor people, 71 extreme poor people participated; 3) institutional interviews (development agencies, government institutions, religious institutions, etc.), 16 interviews were conducted; 4) several informal interviews in the studied villages and slum areas. Additionally, two focus group discussions in Bangladesh were conducted with prostitutes and hermaphrodites, and one day was spent observing at a soup kitchen in Addis Ababa, conducting informal interviews with people visiting the soup kitchen. The fieldwork for this research was carried out in three blocks in 2012 and 2013, amounting to approximately 28 weeks. During these three blocks, both primary and secondary data for this research was collected.

The data collected during the fieldwork was analysed using meta-analysis and narrative synthesis (PADev workshops), thematic coding (life histories and institutional interviews) and document analysis (institutional interviews). The prime units of analysis and observation in this research were extreme poor people and development agencies carrying out interventions (aimed for extreme poor people).

Theoretical framework

The theoretical framework upon which this research is based consists of two parts: 1) which poverty approach(es) is/are most desirable as guiding theoretical framework to study extreme poor people; 2) how are extreme poor people defined in the theoretical literature, how are they differentiated from poor people and what underlying factors are identified that explain extreme illbeing/poverty. Additionally, literature concerning existing and past development interventions that have included extreme poor people in their interventions is reviewed in order to draw lessons.

The literature review of poverty approaches provides an overview of the most important approaches, including the monetary approach, the capability approach, the participatory approach, the livelihoods approach, the relational approach, the multidimensional approach and the wellbeing approach. The strength and limitations of each approach are discussed in this review and the (potential) contribution to this research. The review concludes by stating that this research draws predominantly on the wellbeing approach, conceptualising humans

as social beings who strive to improve their wellbeing in relation to others. Extreme poor people are placed at the centre of the analysis, but in relation to their family, community and wider society. By doing so, insights into possible processes of in- and exclusion can be uncovered. Furthermore, focusing on extreme poor people's wellbeing (or sources of illbeing) changes the perspective from studying their 'deficits' to what they are able to be and do and thus views them as active agents. The following definition of wellbeing is adopted in this research: "A state of being with others, where human needs are met, where one can act meaningfully to pursue one's goals, and where one enjoys a satisfactory quality of life." (ESRC Research Group on Wellbeing in Developing Countries, 2007, p. 1) This research makes use of McGregor's (2004) three dimensions of the wellbeing framework, i.e. "material (material determinants of quality of life), relational (people's quality of life in respect of the relationships that are important for them in their social and physical environment) and cognitive (people's satisfaction with what they are able to have and do in any given natural or societal context)" (Pouw & McGregor, 2014, p. 16).

Besides the wellbeing approach, this research draws on the relational approach by paying attention to power relations and political and social-cultural inequalities (Ferguson, 1994; O'Connor, 2001; Harriss-White, 2005a; Harriss, 2007; Hickey & Du Toit, 2007; Mosse, 2010; Mosley, 2012). This approach is used to help uncover underlying (structural) causes of extreme poor people.

Furthermore, the participatory approach is included through (extreme) poor people's own perceptions on their lives and their (extreme) poverty/illbeing (Chambers, 1988, 1992, 1997). This approach plays a particularly important role in the methodology of this research as described above.

In sum, extreme illbeing in this research is approached from a wellbeing perspective, as a multidimensional concept that is subject to relational aspects of poverty and takes a bottom-up participatory approach that is predominantly qualitative.

From the literature review concerning extreme poverty, it can be concluded that the conceptualisation of extreme poor people is ambiguous. Nevertheless, there is a growing consensus that extreme poverty is multidimensional, longitudinal and requires definitions beyond merely economic aspects (e.g. Drèze, 2002; Harris-White, 2002; Devereux, 2003; Lawson *et al.* 2010). However, literature concerning definitions and measurements /assessments of extreme poverty appear to lack attention to the cognitive dimension of wellbeing. Furthermore, differentiations between poor people and extreme poor people are rare and, if present, made on a material level. While the literature identifies several different (structural) causes/causes of extreme poverty (poor work opportunities, denial of or limited

citizenship, insecurities, (social) discrimination, and spatial disadvantage (Addison *et al.*, 2008, p. vii; Lawson *et al.*, 2010, pp. 263-264), it suggests building further knowledge of the causes/causes of extreme poverty and their interrelation. What causes and sustains extreme poverty is not always straightforward and there is still much to learn with regards to developing an in-depth understanding of the individual and structural causes.

The literature on 'successful' interventions for extreme poor people suggests holistic interventions, combining different elements such as social protection, economic promotion and attention to cognitive aspects of poverty, are most desirable (Lawson *et al.* 2010; Lawson *et al.*, 2017). Extreme poor people do not benefit from single instruments like poor people do. Multiple instruments including non-material elements are required. Furthermore, extreme poor people require targeted support and do not benefit from opportunity alone. While it is important and possible to draw lessons from 'successful' interventions, they need to be adapted to the context they are being implemented in (Lawson *et al.*, 2017). 'Successful' interventions for extreme poor people are relatively new and their long-term impact and whether results achieved are sustainable is yet unclear and requires further investigation. The literature on extreme poverty is used as an analytical hook to study development agencies in the case study areas attempting to include extreme poor people. This means that conceptualisations of extreme poor and poor people, the strategies to targeting extreme poor people and the implementation of these strategies are explored.

Findings

It is difficult, if not impossible, to point out a single cause that pushes people into extreme poverty. There can be a main cause that drives people into poverty, such as a disaster, an illness, old age, being cast out by family or even depression; however, it is frequently a combination of multiple factors and events that keeps people trapped in extreme poverty. People mostly experience extreme poverty as a result of individual causes, but remain extreme poor due to structural causes, such as poor work opportunities, lack of citizenship, spatial traps and cultural values and norms.

Extreme poor people do not belong to a homogenous group, amongst them are e.g. migrants, victims of natural disasters, vagrants, disabled, chronically ill, orphans, elderly, addicts, prostitutes and hermaphrodites. Broadly, however, they can be divided into (i) those that require permanent or long-term assistance or support (e.g. mentally disabled people), and (ii) those that require temporary assistance or support and can eventually sustain themselves again. Apart from the studied NGO in Addis Ababa, the vast majority of development interventions in the case study areas were unsuccessful in including anyone from these two categories in their development interventions. This can be explained by the

lack of clear conceptualisation of extreme poor people, the lack of (proper) targeting (e.g. methods susceptible to nepotism and elite capture), the lack of transparency in the targeting process, as well as the lack of (consistent) monitoring and evaluation from the side of NGOs and government institutions.

Furthermore, alongside institutional exclusion, the inability to include extreme poor people can be attributed to what this research refers to as a two-way process of exclusion. On the one hand, social exclusion of extreme poor people by their family and community members; on the other hand, self-exclusion of extreme poor people.

The extreme poor people in this study often experienced mistreatment and were verbally and sometimes physically abused, made fun of or not even noticed at all, as if they did not exist. These forms of ill-treatment often left extreme poor participants feeling dehumanised. Exclusion by family (parents, partner, children) was considered especially painful and difficult. The lack of family affected the extreme poor participants materially (e.g. food or shelter), relationally (exclusion from family often meant lack of access to other social relations as well) and cognitively (negative self-image, sadness, hopelessness and depression).

Simultaneously, extreme poor people appeared to self-exclude. Negative encounters that implied their inferiority were internalised, which led to them actually feeling inferior. In all the rural case studies, the extreme poor participants described themselves predominantly in a negative manner. Their negative self-image and low levels of confidence may explain their often passive and fatalistic behaviour. They reported having little hope for improvement of their wellbeing. They felt unwanted and unwelcome in their community and wider society and, as a result, they tended to self-exclude. The case studies showed that extreme poor people did not attend community meetings, as they were convinced that they would not be included in any decision-making process by the average and rich wealth categories in their communities. Moreover, they felt ashamed of their wealth status and therefore avoided any social events. In the few cases where an extreme poor person was included in a poverty reduction intervention and was part of a group (e.g. savings group), they soon dropped out, because they felt out of place and uncomfortable.

In the case study conducted in the urban area, several poverty reduction interventions included extreme poor people, often in cooperation with the municipality. The reason behind this success is twofold; firstly, extreme poor people are more visible as they are predominantly clustered in one area, making it easier to identify extreme poor households. Furthermore, since it is predominantly poor and extreme poor people living in the area, and they are considered equal to each other socio-economically, they generally showed greater

confidence and had higher levels of self-esteem and a more positive self-image than extreme poor people in the rural areas. Furthermore, they shared networks and valuable information with each other, such as job opportunities or chances of receiving assistance. Secondly, the poverty reduction agencies (in particular the studied NGO) active in the area appeared to have thorough and transparent targeting systems (sometimes a combination of different targeting methods), and thorough M&E systems in place that were open to revision and critique if necessary.

Conclusions

This research concludes that extreme poverty is theoretically contested and conceptually blurred, which makes the discourse on extreme poverty unclear. This research proposes the following definition of a long-term state of extreme illbeing:

The extreme poor are those facing severe and chronic deprivations in the multiple dimensions of wellbeing: material, i.e. they cannot meet subsistence needs; relational, they are socially, politically and legally excluded and invisible (at family, community and institutional level); and cognitive, they experience severe mental stress, self-exclude, have a negative self-image, low confidence levels, and are often fatalistic and passive. They have little hope and opportunity to climb out of their chronic state of illbeing and frequently depend on charity, predominantly in the form of food.

This definition is in line with and combines the work of Narayan, Patel, Schafft, Rademacher, & Koch-Schulte (1999), the Chronic Poverty Research Centre (Hulme, Moore & Shepherd, 2001), Drèze (2002), Harriss-White (2002), Devereux (2003), Lawson *et al.* (2010) and Lawson *et al.* (2017). The definition proposed in this research differs from other definitions of extreme poverty in that it combines different aspects of definitions of the aforementioned authors and, most importantly, pays specific attention to the cognitive dimension and, in particular, the psychosocial aspects of self-exclusionary behaviour of extreme poor people. Furthermore, this definition is a plea to define extreme poverty beyond the material dimension, often measured through monetary metric measures. The case studies have shown that monetary income is difficult to estimate for extreme poor people, due to seasonal fluctuation or due to its absence.

While it is generally safe to say that extreme poor people face deprivations in the three dimensions of wellbeing, this research concludes that definitions and measurements of extreme poor people are best defined and understood locally to capture important context-specific accents and details.

This research differentiated between poor people and extreme poor people and concludes that while there are apparent differences in the material dimension of wellbeing, this is not

the decisive factor. The biggest difference (in the rural case studies) is seen in the social-relational and cognitive dimension. Poor people were generally not excluded from their societies and took part in community groups and meetings and had access to important networks (family, community, institutions). Moreover, they were perceived much less negatively than extreme poor people. Furthermore, deprivations in the relational and cognitive dimensions often led (directly or indirectly) to deprivations in the material dimension. This is an important insight, since the (few) differentiations that were made in the literature (Chapter 3, section 3.2) between poor and extreme poor people (e.g. Lipton, 1983 and the CPRC (Hulme *et al.*, 2001) were focused on the material dimension of wellbeing.

While the causes pushing people into extreme poverty are mostly at an individual or household level, the sustainers of extreme poverty are structural. Contrary to the individual causes, these structural sustainers are context specific and can be broken down into the five main causes of extreme poverty identified by CPRC (Addison *et al.*, 2008) and Lawson *et al.* (2010). These are: poor work opportunities (Ethiopia rural), denial of or limited citizenship (Bangladesh, Benin, Ethiopia urban), insecurities (Bangladesh), (social) discrimination (Benin and Bangladesh), and spatial disadvantage (Jeldu). These structural causes and sustainers kept extreme poor people in the case study areas in survival mode and prevented them from establishing a safety net and being able to invest in long-term wellbeing measures (e.g. education, healthcare, social networks, mental wellbeing).

In conclusion, both the relational and the wellbeing approach were necessary in order to capture micro/individual/household processes of (extreme) illbeing and the more macro/structural processes of inclusion and exclusion of extreme poor people. By bridging these two approaches, this research transcends both the individualistic agency approach, which equates poverty with a lack of income, and the more structuralist approach, which sees poverty as the product of structural inequalities (only). This research therefore proposes a more comprehensive approach towards (extreme) illbeing that derives its principles from a range of sources: (i) multi-dimensional human wellbeing (ii) lifetime dynamics, and (iii) agency and structure, to carry out research on extreme poor people and their ill-/wellbeing.

On a methodological level, this research concludes that participatory research methods, in this case PAdDev, in order to gather context specific information, prove to be a useful tool when studying extreme poor people. The methods have been specifically helpful in identifying the different wealth categories in the research areas, making it easier to locally identify the extreme poor. At the same time, these methods provide a broader context of historical, political and socio-cultural information from the perspective of locals. As Robb (2002) stated, this deepens the understanding of poverty. However, participatory methods

alone are not sufficient for studying extreme poor people. The intention of participatory research to give agency and voice to the poor by engaging them in poverty research, however, does not necessarily work for extreme poor people. They did not attend the meetings and even when organising separate meetings with the extreme poor, they were sometimes reluctant to voice their concerns, but most importantly they lacked information on certain topics and could therefore not give their opinion. For example, during one of the exercises conducted as part of a participatory workshop, the extreme poor were asked to list and evaluate poverty reduction interventions in their area. Since they were unaware of many of the interventions, they could not participate in this exercise. What did yield a wealth of information, however, was the life histories; not only because the extreme poor are more comfortable sharing things one on one, but also because it provides information over a long period of time, allowing the researcher to analyse different aspects of poverty, such as the dynamics, causes and different dimensions of extreme poverty. Thus, the combination of participatory research and life histories is highly recommended for studying the extreme poor. However, reciprocating the methods used in this research requires a lot of effort, is very time consuming and both physically and (especially) mentally straining.

On a practical level, this research concludes that the bulk of development interventions attempting to include extreme poor people in the rural case study areas, in fact were unable to reach these people or excluded them. The studied development agencies lacked clear targeting strategies (i.e. local conceptualisations of extreme poor people, differentiation between poor and extreme poor people, targeting methods and implementation). Development agencies showed neither attention to (interrelations between) relational and cognitive aspects of ill-/wellbeing, nor to individual causes that trigger extreme poverty and context-specific structural causes that keep people extreme poor. While development agencies in the urban case study appeared to include extreme poor people (due to sound targeting strategies), most development agencies paid attention to multiple dimensions of poverty, however, there was little to no attention to the psychosocial aspect of poverty. This research shows that there is a likelihood that this may influence the sustainability of an intervention in the long run. Furthermore, here too attention to individual and context-specific structural causes of extreme poverty was missing.

Recommendations

This research present several recommendations towards including extreme poor people and addressing their state of extreme illbeing:

Context specific conceptualisations

Since poor people and extreme poor people clearly belong to different categories and extreme poor people are not a sub-category within the category of poor people, any attempt to include extreme poor people should start with a solid context-specific conceptualization and understanding of extreme poor people – a conceptualization and understanding that includes (i) multi-dimensional human wellbeing and their interrelations (ii) lifetime dynamics, and (iii) agency and structure.

Multiple forms of exclusion

This research has shown an important interrelation between social exclusion/adverse incorporation and self-exclusion. Both processes are to be considered in the design of interventions aiming to include extreme poor people. It is important to state that instruments to counter social exclusion/adverse incorporation mechanisms should be designed after context-specific exclusionary mechanisms and controlling forces are identified.

Holistic interventions

This research shows that in order to lift extreme poor people, who require temporary aid, out of their extreme state of illbeing, a holistic intervention is necessary. Hence, an intervention that pays attention to not only asset transfers, but also skill training, coaching, takes a community approach of local communities and elites and makes them responsible in ensuring inclusion of extreme poor people. However, carrying out such interventions require high capacity organisation and administration (financing, complex targeting systems, analysing complicated data, expertise, thorough M&E). These type of interventions are hard to reproduce and implement by low capacity development agencies. Moreover, further research will have to reflect on its long-term effects and whether the initial successes are sustained over time.

Social protection policies

Social protection policies are also essential in addressing those extreme poor people who require permanent or long term assistance (e.g. elderly, severely disabled). Development interventions that have been able to address extreme poor people focus on 'economically active' extreme poor people. This means that 'economically inactive' extreme poor people are and will be excluded from these interventions. Taking responsibility for the human wellbeing of these people is a responsibility of society collectively.

Global responsibility

This is an invitation to fellow researchers and organizations/institutions to look at the macro level to research the relations between extreme poverty, in- and exclusion and inequality and macro processes and policies, because the majority of development agencies in the studied cases hardly address the multiple causes of (extreme) poverty. They provide relief and assistance to individuals or communities, but often do not address the underlying (macro) causes, e.g. corruption, lack of citizenship, elitism, climate change and cultural traditions sustaining systems of values reproducing extreme poverty. Some agencies even contributed to and reproduced existing causes. The effect of this is that people continue to fall into (extreme) poverty. Development agencies and government authorities are advised to address and pay more attention to the multiple causes of (extreme) poverty in their interventions to prevent rather than cure (extreme) poverty; in other words, to work systematically instead of predominantly symptomatically. Moreover, the international community also has a responsibility to engage in diminishing the macro level causes that are affecting the Global South, such as the climate change and trade liberalisation policies causing cuts in the revenue base of some countries in the Global South. There is a need to diverge from a neo-liberal agenda and move towards paying substantial attention to power inequities and focus on the human dimension. Hence, eradicating poverty and especially extreme poverty is not only the responsibility and concern of the Global South, but requires global commitment and effort. Only then can we realise the goal of 'leaving no one behind'!