

### shiree Extreme Poverty Series Vol. 4

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The following is an Executive Summary of shiree's recently completed Changemaker Study on extreme poverty. The full study is available online at the shiree website ([www.shiree.org](http://www.shiree.org)) or on [extreme-poverty.org](http://extreme-poverty.org). Hardcopy versions are also available on request via [info@shiree.org](mailto:info@shiree.org)

#### Purpose of the Study

The shiree Changemaker Study aims to survey the understanding, perception and activism of major Bangladeshi policymakers (mainly politicians and bureaucrats) in the area of extreme poverty. Essentially, shiree wants to gauge if there is a sensitivity or an accurate appreciation of extreme poverty issues by those people most able to influence (the change makers) the agenda. The survey of attitudes and perceptions is based on an open-ended questionnaire that addresses the following issues:

- i) **Knowledge:** understanding of extreme poverty alleviation activities;
- ii) **Perception:** personal judgment and/or attitude towards the extreme poor and how this differs from the moderate or non-poor;
- iii) **Activism:** willingness, capacity as well as action taken to respond to extreme poverty-related issues;
- iv) **Innovation:** willingness, capacity and present and past experience in devising improved approaches/adopting best practice to deal with extreme poverty and related issues to positively respond to the most marginalised.

#### Key Findings

##### 1) Knowledge

In general, key changemakers showed that there was a clear understanding of the difference between extreme poverty and moderate poverty. Politicians largely emphasised income poverty, landlessness and food insecurity as key characteristics of extreme poverty. According to them, the extreme poor include wage labourers, marginal farmers, homeless people, people lacking job security and so forth. Many senior bureaucrats surveyed held a similar opinion regarding the extreme poor. However, they emphasised more technical distinctions on the characteristics of extreme poverty based on indicators like daily calorie intake (below 1805 kilocalories). For the most part, bureaucrats were found to be more aware of specific problems faced by the extreme poor compared to politicians.

According to these changemakers, the main causes of extreme poverty are:

- **Economic resource weaknesses** (lack of land and capital)
- **Social weakness** (fatalism, dowry, absence of social capital)



## Disasters and environmental vulnerability

(cyclones, floods)

## Policy weakness and the absence of sound mechanisms to address extreme poverty

(absence of a holistic approach towards creating ladders out of extreme poverty by formal institutions, including government)

Both the politicians and bureaucrats identified the Social Safety Net (SSN) government programmes meant to respond to the needs of the most marginalised and extreme poor. However, both groups were critical of different aspects of the SSNs and sceptical about them as long term solutions meant to help families escape extreme poverty. Most all viewed the SSNs as a short-term, stopgap solution and acknowledged the need for a more comprehensive solution to addressing extreme poverty.



### ii) Perception

**Changemakers are generally unhappy with the traditional approach of SSN programmes.** Many influential politicians and bureaucrats questioned the ideology underpinning the SSN approach as most extreme poor households are unable to access them anyway. There was an appreciation that elites and local politicians prevent utilisation of SSNs and that control to access of SSNs is hindered by vested interests rather than genuine need. Many changemakers also expressed the belief that many **existing (GoB) programmes are not designed in line with pro-poor interests** but instead often serve political interests and fail to target the poorest and most vulnerable areas of Bangladesh. Instead, many such initiatives are established in politically strategic constituencies. Many politicians surveyed



appreciate the need to ensure the sustainability of (government as well as non-governmental) development projects, but admittedly lack the necessary technical knowledge to implement such approaches. Some asked for assistance to ensure increased sustainability.

Bureaucrats and senior management specialists within government commonly pointed to several key implementation strategies and challenges, including:

- The need to better **involve the private sector** to generate employment for the extreme poor;
- Resolving problems associated with intermediaries and establishing a **direct channel of government support to the extreme poor** rather than relying on contracted assistance;
- Allocating administrative costs in the project budgets separate to programme costs;
- **Coordination between NGOs and government** to avoid overlapping of both beneficiaries and geographic areas;
- Prioritising the use of **local consultants with local contacts and local knowledge** so as to better target those who are most in need of assistance;
- Emphasising **skills development and training** as a longer term response to extreme poverty;
- Increasing **livelihood opportunities through more agro-based projects and programmes**;
- Undertaking **evaluations of completed and running projects so as to learn what works and what doesn't** and to better understand the costs of successes and learn from the mistakes of failures, all with a view to achieve better outcomes.

### iii) Activism

Political activism depends on a politician's involvement in policymaking and their role in parliament and within their respective political party. No 'champions' of extreme poverty have yet been identified within the Government system (but this may change if an All Party Parliamentary Group on Extreme Poverty will be formed). An important finding of the study is that **the agenda-setting/policy forming process is highly centralised and Ministers/MPs play a pivotal role** in forming key agenda items as well as the monitoring of projects/programmes.

Bureaucrats only have involvement in the implementation stage rather than in actual development of the agenda or defining policy priorities.

Importantly, both politicians and bureaucrats explained that policies related to SSN programmes often have their roots in the political manifesto of the governing party. Firstly, policies regarding extreme poverty have not been a priority agenda for bureaucrats. Secondly, pro-poor issues are important to politicians primarily to retain popular support in their constituencies and in some cases to show a commitment to the overall development efforts required of the country as a whole. Perhaps it is these two issues, coupled with competing priorities, which serve to explain the slow progress in responding to extreme poverty in a comprehensive and integrated way.

### iv) Innovation

Both groups maintain that the success or failure of initiatives depends on buy-in/mass participation and the absence of vested interests. According to respondents, interventions are needed in the following areas:

- **Simplifying Inheritance** (ensuring rights to property and assets especially for Hindu women);
- **Microcredit Regulation** (expansion, regularisation and reforms are needed. Interest rates should be very low and dividends of poor savers should be distributed amongst the poor by microfinance institutions);
- **Creating Formal Employment** (crop intensification and industrialisation through SMEs and the promotion of formal sector opportunities by government and the private sector alike);
- **Facilitating Remittances** (lowering transaction costs to prevent evasion and facilitating compliance with formal banking systems and regulations);
- **Improvement and Diversification of Skills** (this includes both formal as well as non-formal training; the course curricula up to class 12 has to be substantively revised to accommodate vocational training);
- **Government-Assisted Planned Housing** (to prevent illegal occupation of land and ensure the most vulnerable have a safer place to live, this means provision of shelter for both the urban and rural poor, maximising available land for settlement, prevention of evictions from informal urban areas)

### Competition between Politicians and Bureaucrats

Politicians surveyed were of the opinion that they should take the lead in implementing GoB initiatives meant to respond to the extreme poor. This is because they are politically accountable and are representative of the citizenry, whereas bureaucrats are public servants. On the other hand, many bureaucrats maintain that the extreme poor will not benefit





If projects are left entirely to the discretion of political representatives. They also doubt the efficiency of government in targeting the extreme poor when faced with the realities of partisan politics and political factionalism; even politicians themselves acknowledge the potential for such issues to arise. Thus, **a clear tension exists between bureaucrats and politicians** on the issue of control in project implementation, although this is not significantly different in other countries throughout the world.

### **Analysis of the Key Findings and Conclusion**

Politicians and bureaucrats alike have reasonable knowledge of the current state of extreme poverty in Bangladesh. At the same time, both influential groups agree **that traditional SSNs will not be able to bring about lasting positive change in the lives of the extreme poor: they are merely a temporary fix, not a long-term solution.** Politicians generally believe that bureaucrats stand to make little contribution in project implementation. In their eyes, bureaucrats are unresponsive, unaccountable and coloured by personal interests. On the other hand, bureaucrats maintain that politicians look for short-term goals and their only interest lies in bolstering their political careers by serving their party and partisan perspectives. Politics are heavily centralised and MPs always support their party's policies or criticise projects taken up by their political opponents. To them, successful projects mean projects implemented by their party in their constituencies.

Often, an informal negotiation prevails between MPs and Ministers to channel projects in the direction of their constituencies even though they may not be the best locations for project implementation. Furthermore, politicians with more active knowledge about extreme poverty often fail to take part in agenda setting or policy design. Therefore, their knowledge of extreme poverty-related programmes and their potentially valuable ideas are either ignored or never heard by party chiefs and senior decision makers. The result of these factors: **a failure to maximise the potential that exists to develop a longer-term strategy and accompanying national plan for extreme poverty alleviation.**

**A lack of coordination and information-sharing hinders the relationship between politicians and bureaucrats.** As a consequence, each group's expertise and experience remain underutilised. In both cases, experience, knowledge, techniques and innovative ideas are all too often ignored or in other cases, political intervention ultimately quashes initial activism.

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