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Piloting a methodology to investigate poverty dynamics

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Introduction

This article describes the process of refining a participatory method to investigate the poverty dynamics of the extreme poor in Bangladesh. Based on a baseline wealth ranking exercise conducted in three districts of Bangladesh in 2002, we wanted to do a repeat wealth ranking to identify the households that have moved up or down the ranks, and why.

Our initial methodology showed that, although some changes are apparent in the lives of the extreme poor, they had not moved up or down in the wealth ranks defined by the community. The refined method that we came up with is a modified change ranking exercise that captures reasons, indicators and degree of change in the lives of the extreme poor. We also report on the findings of a larger study which used our refined methodology.

Background

Brac, the largest NGO in Bangladesh, has been implementing a specially designed programme for the extreme poor called Challenging the Frontiers of Poverty Reduction/Targeting the Ultra Poor (CFPR/TUP). The programme works in rural Bangladesh, with support from donor funds. Its objective is to provide integrated support for the extreme poor to make

“The changes that we wished to capture were too small and too incremental to constitute a jump up or down the wealth rankings”

sustainable improvements in their livelihoods. The programme was designed as a response to the failure of micro-finance and other conventional development interventions to reach the poorest of the poor effectively.

The initial round of selection was completed in early 2002 in three of the poorest districts of Bangladesh. Programme participants were selected through a participatory wealth ranking (PWR) exercise. Community members defined the ranks and placed each household in a rank according to its socio-economic status. Participants identified as the ultra poor were then given a range of assistance, including productive assets, stipends, and health and education awareness over an 18-month period. A mid-term evaluation report showed significant improvements in objective indicators, and also improvements in self-perceptions of poverty.

To understand the changes better, we wanted to explore

Table 1: Repeat wealth ranking and poverty dynamics

		Previous Rank			
		1	2	3	4
New Rank	1	2	-	-	-
	2	-	8	2	-
	3	-	20	-	-
	4	-	3	22	25

community perceptions of:

- household movements into and out of poverty; and
- causes/factors behind household movements.

Initial methodology

Repeat wealth ranking

In our pilot study, we decided to carry out a repeat wealth ranking which could be compared with the 2002 baseline wealth ranking to identify which households have moved up, down or stayed the same.

Contrary to the findings of the mid-term evaluation, the repeat wealth ranking showed that more than half the 82 households had moved deeper into poverty, whilst only 2 rose, from rank 3 to rank 2 (Table 1). There are two main explanations for these findings.

- Firstly, there were considerable biases and a tendency to deliberately rank households lower in the expectations of assistance. This was because after the first wealth ranking, bottom ranked households received assets and other forms of assistance from Brac.
- Secondly, some changes were too small to register as a jump between ranks, because the differences between the wealth ranks were so great. For example, six CFPR/TUP programme participants who had all received cows through the programme were no better off in the ranking, although said they were doing better. This suggested that, even without the bias issues, repeat wealth rankings would be a flawed exercise.

Change ranking exercise

We then decided to do a change ranking exercise (Box 1), which we hoped would capture the small, incremental changes that were not reflected in the repeat wealth ranking.

The main problem with the exercise was that villagers

Box 1: Change ranking method

We drew three boxes on the ground, one on top of the other. We then drew an up-arrow from the middle box to the top box, and a down-arrow to the bottom box. We placed a card indicating the household in the middle box and asked if that household was now better off or worse off or the same as when we conducted the last wealth ranking. Better-off households would be moved to the top box, and worse-off households would be moved to the bottom box. The change ranking exercise was restricted to households in the bottom two wealth categories, since we were interested in dynamics amongst the poorer households.

Box 2: Focus group discussion

We asked what factors result in households moving into and out of poverty, or staying the same. We wrote the factors on cards and asked participants to:

- divide the cards into household-level and community-level factors
- score the factors by importance; and
- identify factors which individually or jointly led to change in a household's situation.

seemed to compare between households, instead of across time. We would keep household cards that had already been ranked in the appropriate boxes, and the cards accumulated as we went along. As a result, community members compared households with the households that had already been placed in the boxes. 'He has done well, but not as well as that guy we have already ranked. Keep him in the middle box' was a comment often made by participants.

Focus group discussions

Finally, we carried out a focus group exercise to explore poverty dynamics, focusing on poorer households (Box 2).

Community perceptions of reasons behind ascent and descent are shown in Table 2. All the factors identified were household-level ones, perhaps because community-level factors were perceived to be the same for everyone.

The results of the scoring exercise are shown in Table 3. The scores for upward mobility emphasise the importance of initial conditions. Income from existing land and improvements to existing business is perceived to be the most important causes of upward mobility. Also important are household demographics (i.e., sons, no daughters and small families). The scores for downward mobility emphasise household demographics, marriage and dowry – the two '5+' scores are for marriageable daughters and large families.

The scoring exercise took place smoothly, but participants found it difficult to identify which combinations of

¹ See Participatory Learning and Action: A trainer's guide (Petty *et al.*, 1995) for description of wealth ranking.

Table 2: Community perceptions of factors behind poverty dynamics

Reasons for upward mobility	Reasons for downward mobility
<ul style="list-style-type: none"> • Son works • Business profits • No daughter • Small household, high savings • Invested money from dowry • Did not get married – no mouths to feed • Earnings from land already owned • Works hard • Sons over 10 years old – high future income • NGO membership • Assets from BRAC CFPR/TUP programme 	<ul style="list-style-type: none"> • More mouths to feed • Daughters of marriageable age • Land sold to pay dowry • Old age • Cannot lease in land anymore • Had children at early age • Husband died • Sons moved out of household • Old husband, young children • Many daughters

Table 3: Scoring reasons for upward and downward mobility (out of five)

Reasons for upward mobility	Score	Reasons for downward mobility	Score
Has milk cow	3	Husband old, son still young	5
Wage rates have risen	1	Cannot lease land	3
Started a business with dowry money	1	Sold land to pay dowry	5
Has not married, income from land accumulating	5	Marriageable daughter	5+
Hard working	2	Too many mouths to feed	5++
Small family, fewer mouths to feed	4	Cannot work because too old, too sick	5
No daughters	3	Married at a young age	3
Business is doing well	5	Husband died	3
Son works	3	Sons live and eat separately	4
NGO association	3		
Harvest sizes have increased	4		
Is not wasteful	5		

factors would lead to upward or downward mobility. Without this, and an understanding of the interrelations between community-level and household-level causes of poverty dynamics, we felt that the scoring exercise did not reveal anything truly insightful.

Refining the methodology

From testing our initial methodology, we learnt the following important lessons:

- a repeat wealth ranking is problematic, even without biases, because the rungs between the ranks do not capture small incremental changes;
- change rankings need to be conducted in such a way to make it clear that we are comparing across time, and not between households;
- discussions of poverty dynamics do not capture community-level changes because they are perceived as a given for all households; and
- we need to understand the interlinkages between factors driving mobility.

After much discussion, we decided to scrap both the

Box 3: Change ranking methodology

Each card carrying the person's name and original wealth rank was placed in the centre square. We then asked the participants if, compared to three to four years ago, this household is better off, worse off, a lot better off, a lot worse off, or just the same. We asked them to explain why this person was better off. In our note taking, we included the household's original wealth rank, direction and degree of change, and the reasons offered by the community for this change. We, therefore, had simplified three exercises into one exercise, which would capture different degrees of change as well as community perceptions of the driving forces behind change.

wealth ranking and the focus group discussions and expand the change ranking exercise. Instead of just asking about improvement, deterioration or continuation, we would ask about degrees of improvement and deterioration (Figure 1 and Box 3). This would not give any insight into community level changes. However, we had concluded that a study of this would not be effectively conducted through PRA techniques focusing on poverty dynamics.

We piloted our new methodology in two communities. The pilots went smoothly. We did however find that the

Table 4: 'Why has this household changed?'

Big improvement	Little improvement	Little deterioration	Big deterioration
<ul style="list-style-type: none"> • CFPR/TUP asset • Sons have grown up and earning a salary 	<ul style="list-style-type: none"> • Vendor, and used to be day labourer • Micro-finance • Bought land • CFPR/TUP assets • Leasing-in land • Silver business, used to be vendor • Took dowry • There is a VGD card in his 'son's name' 	<ul style="list-style-type: none"> • Losses from business • Separated from father's household • 'Lazy' husband • Husband died • Daughters of marriageable age • Son has disappeared • Has to work in other people's homes currently • Children do not feed their parents 	<ul style="list-style-type: none"> • Daughters getting married • Poor health • Married daughter returning to father's home • Aging • 'Lazy and stupid' son • Son has left homestead • Prices rising faster than wage rate • Paying interests on loan from informal credit market

Figure 1: Change ranking PRA exercise

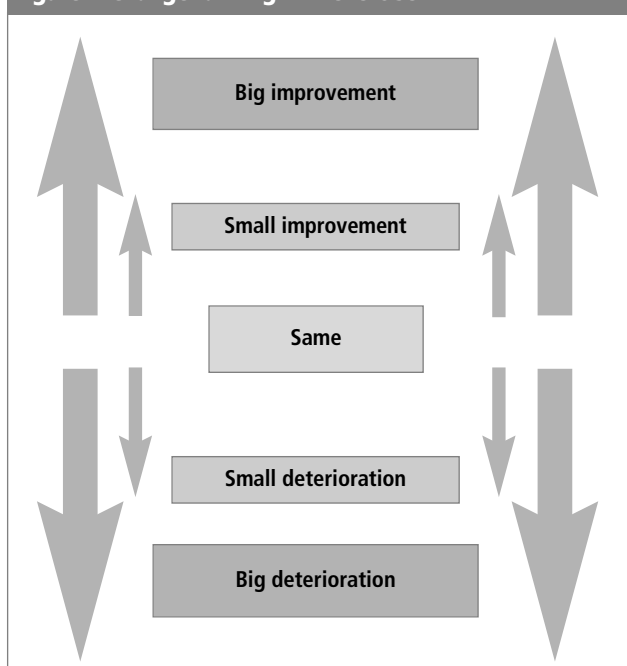
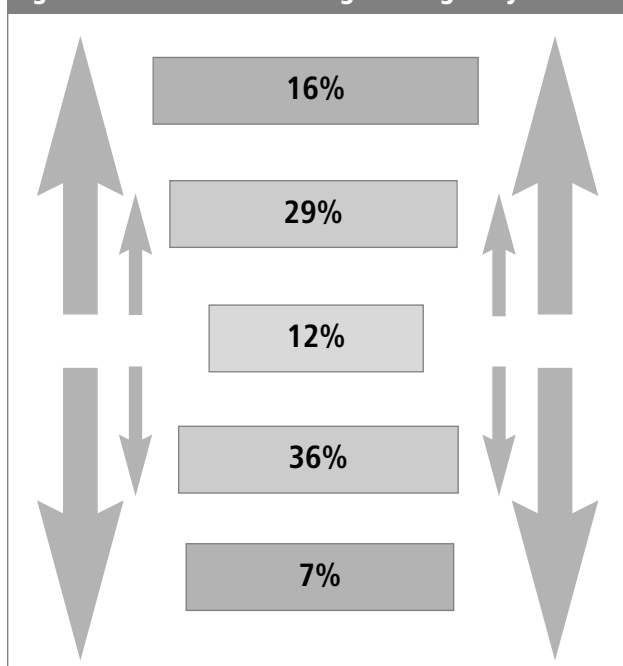


Figure 2: Results from the change ranking study



reasons for and indicators of change were mixed up in the responses. In Table 4, for example, 'lazy husband' is a reason for deterioration, but 'having to work in other people's homes' is a sign of that deterioration. In some cases, participants said that a household had improved a bit, but it will soon lose its gains because they have 'daughters of marriageable age', i.e. the change is not sustainable. Based on this, they would say that the household had moved down or stayed the same, whereas in the actual time span under consideration it had improved.

These confusions were the result of the way we phrased our questions. To prevent further ambiguities we decided to ask separate and clear questions:

- why do you say that this household has improved/deteriorated a lot/a little? (indicators of change);
- what are the reasons that this household has moved in this direction at this degree? (reasons of change); and
- are these changes permanent or reversible? (sustainability of change).

Table 5 shows the results of our change ranking exercise. The positive changes in the bottom wealth ranking are almost entirely due to Brac's CFPR/TUP programme. Without the programme, participants tend to either stay the same, or decline. Some had deteriorated significantly. It seems that, without assistance, communities perceive the poor staying poor, or getting poorer.

Table 5: Community perceptions of change amongst the poor

		Wealth Rank		
		4	5	
Change Rank			Non-selected	Selected
	Big improvement	-	-	1
	Little improvement	1	2	3
	No change	6	6	1
	Little deterioration	2	1	-
	Big deterioration	3	4	-
	Total	12	13	5

The results from this pilot study are an illustration of how we used the new methodology. The following section shows the results from a scaled-up study that followed.

Scaling up the methodology

The Research Unit at Brac used this new methodology in the three districts of Bangladesh (Rangpur, Nilphamari, Kurigram) where the CFPR/TUP programme was first implemented in 2002. The study was conducted between September and October 2005. The objective of the study was to understand better the poverty dynamics of the ultra poor.

Nearly 6000 households were selected from the 2002 baseline PWR data in 108 communities. The results from this data provide valuable insights into the changes in the lives of the ultra poor, and the nature and magnitude of the programme impact on participants. The findings will enable better interpretation of changes in objective measures revealed in quantitative impact assessments and also help in designing programmes in the future.

The main findings from the change ranking exercise are summarised in Figure 2.

Most of the households had changed slightly. The households ranked highest in the 2002 baseline PWR improved most, whilst the households ranked the worst in 2002, and not selected for the CFPR/TUP programme, have deteriorated. The CFPR/TUP participants, who were selected from the lowest ranks, show a reverse trend, which is good news for the programme.

The main indicators of improvement (i.e. the ones that are more visible to the community) are improved housing, increased access to land and increased productive assets. For the higher-ranked households, increase in assets is the most

common indicator, while for the lower-ranked households it was increase in food security. As expected, increase in productive assets was a major indicator of improvement for CFPR/TUP participants. It was also evident from the qualitative data that possession of assets (independent of income from assets) indicates improvement in social status in the community for these households.

The reasons for improvement also varied with the initial rank of households. For those who were better off in 2002 and had improved since then, engagement in new income-generating activities was the main driver of mobility. Households that started off poorer, however, have little opportunity to undertake new income-generating activities. The improvement of the initially poorer households was mostly attributed to hard work. For CFPR/TUP participants, the main drivers of improvement were the assets received from Brac.

The main indicators of deterioration for households were fall in food intake, sale of land and depletion of assets. Land depletion is a common indicator of descent for the higher-ranked households, while fall in food intake is more common for the lower-ranked households. The main reasons for descent were lifecycle factors such as old age, illness and marriage of daughters. (Marrying off daughters in rural Bangladesh involves paying a dowry, which translates into financial shocks for poorer households).

Once we related the change ranking data to our 2002 baseline PWR data, it was evident that initial conditions played a deciding role in determining the change in these households over the three years. Using the 2002 CFPR/TUP baseline survey, simple logistic regression analysis was used to investigate the initial conditions that led to different trajectories for households. The results show that households that started off with average characteristics, but no daughters of marriageable age, are most likely to improve.

The general trend is that of the rich getting richer and the poor getting poorer. However, among the poorest, the CFPR/TUP participants show significant improvements. The difference in the direction of change between the ultra poor selected by the programme and those not selected show that the programme was not only successful in preventing deterioration in the selected households, but also promoted improvement.

Conclusions

We had set out to devise a method that would effectively identify changes in the socio-economic status of the extreme poor and the reasons for change, particularly programme

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intervention. Repeat wealth ranking exercises were unsuccessful in revealing the drivers of poverty dynamics of the poorest. Experimenting with participatory methods led us to developing the methodology described. The process of revising and refining the techniques used proved effective in producing a structure that captured the small changes we were looking for and understanding the reasons behind these changes.

Extensive structured note taking was especially useful in analysing our final data. Using this new methodology, we were able to show programme impact on beneficiaries, which supplements our quantitative impact assessment results.

Apart from the findings of the scaled-up study, developing the exercise in itself provided us with valuable information. The movements for the ultra poor are small, and are not revealed as jumps in wealth ranks. Although not captured by conventional quantitative and qualitative methods, the moves are important as the accumulation of small changes can potentially lead to bigger changes. Following up on these households in the future will reveal the sustainability of such improvements – and also identify if and how long it takes for interventions such as the CFPR/TUP to support participants to move out of extreme poverty.

Studies on poverty dynamics are beginning to use participatory tools in addition to surveys and objective indicators. Quantitative studies reveal the correlates of poverty dynamics, but do not say much about the mechanisms through which various household and community factors drive mobility into and out of poverty. We believe our attempts to develop and refine participatory methods for understanding poverty dynamics which can be scaled up form an important contribution towards current research on poverty dynamics.

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