

4

Multidimensional social programmes at scale for lasting pathways out of extreme poverty

Shameran Abed, BRAC International

In tackling entrenched poverty, policy makers and global actors can look to rigorous research for guidance on effective solutions. Multidimensional programmes, including the established Graduation approach pioneered by BRAC in Bangladesh, provide a time-bound, carefully sequenced set of interventions that can offer a lasting pathway out of extreme poverty. Such programmes have had success across Africa, Latin America and Asia, including in fragile contexts like Afghanistan and government scale-ups have reached more than 5 million people. Further scaling their impact requires integrating this approach into national policy, planning and existing social programmes as well as development co-operation financing and support for better co-ordination.

The author is grateful for the contributions of the following BRAC staff and consultants to this piece: Laura Burke, Max Gollin, Chris Lyne, Heidi McAnnally-Linz and Isabel Whisson.

Key messages

- Extensive research in Asia, Africa and Latin America shows that multidimensional approaches enable people to escape from complex poverty traps and prevent them from falling back into extreme poverty.
- Multidimensional programmes such as BRAC's Graduation approach address challenges beyond lack of income, offering a sequence of time-bound basic needs support, transfers of assets (e.g. livestock or lump-sum cash transfers) and coaching over two years.
- Rather than starting from scratch, governments and development partners can scale the Graduation approach by adapting and converging existing programmes, for example by leveraging existing cash transfer and livelihood programmes along with cadres of health workers to deliver the programme.
- By further supporting the scale-up of the Graduation approach through this convergence model, policy makers can cost-effectively eradicate extreme poverty and build resilience to climate change through livelihood diversification and increased savings.

Escaping the poverty trap: Addressing persistent poverty requires a comprehensive approach

The very first of the ambitious Sustainable Development Goals is to eradicate extreme poverty by 2030. Extreme poverty is at the top of the list for a reason. Lacking basic needs – enough food, clean water, housing or sanitation – causes immense human suffering. There was initial progress towards the goal, with the share of the world's population living in extreme poverty declining from 10.8% in 2015 to 8.5% in 2019. However, the COVID-19 shock as well as new conflicts, escalating climate impacts and other crises stopped the advance and increased global poverty for the first time in decades. Today, an estimated 712 million people live in extreme poverty (Castaneda Aguilar et al., 2024^[1]), and climate change is projected to push as many as 132 million more people into extreme poverty by 2030 (Jafino et al., 2020^[2]).

Why does extreme poverty persist during the wealthiest period in human history? One reason is that economic growth is uneven: most people in poverty live in countries in sub-Saharan Africa that have experienced little to no economic growth (Roser, 2023^[3]). As of 2023, 46% of the people living in extreme poverty resided in low-income countries and 48% were in lower middle-income countries, while just 4.7% and 1.1% of people living in extreme poverty were in upper middle-income and high-income countries, respectively (Mahler, Yonzan and Lakner, 2023^[4]). Another reason is that the poorest and most vulnerable people in low- and middle-income countries are further left behind by existing social protection policies. In low-income countries, only 21% of the poorest people receive social transfers as opposed to 73% in high-income countries (Parekh and Bandiera, 2020^[5]). Low- and middle-income economies are also generally less successful at ensuring that taxes and subsidies benefit people in poverty (World Bank, 2022^[6]).

To reach people living in extreme poverty, programmes require a specific design and must be effective in reducing their poverty. Evidence indicates that challenges of extreme poverty are more complex than simply a lack of income and that several barriers work together to hold people in a poverty trap (Balboni et al., forthcoming^[7]). For example, households in poverty are more likely to suffer health problems and social exclusion and to lack of access to education and financial services. They are also more likely to live in remote areas without infrastructure and employment opportunities and to experience environmental shocks.

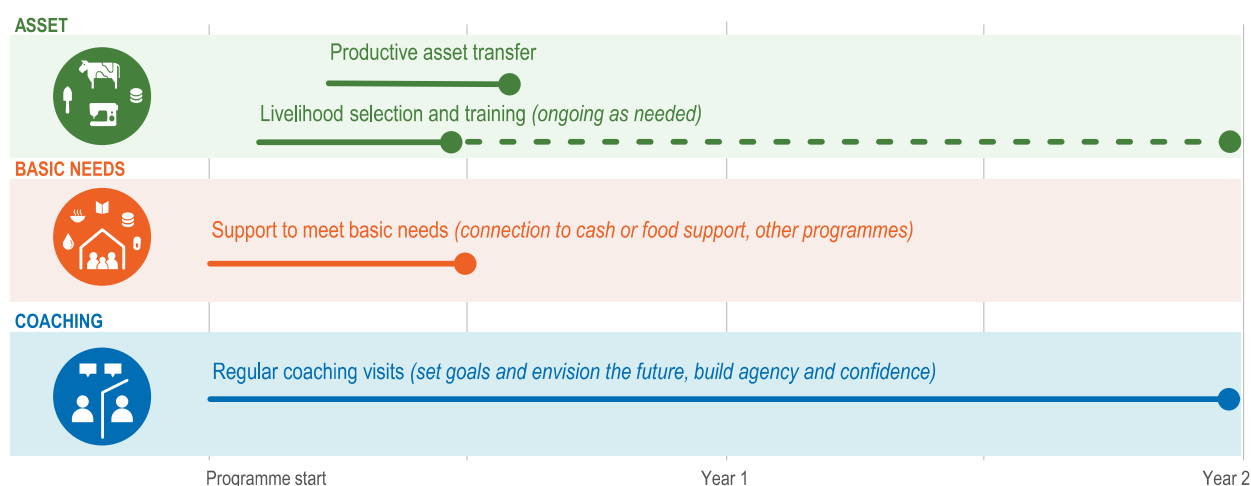
Programmes that graduate households from extreme poverty increase well-being, income and climate resilience

Effectively eradicating extreme poverty requires addressing multiple related challenges at once. Too often, programmes and policies aim to address one (or sometimes two) of these problems (e.g. through technical training programmes or monthly cash assistance programmes) but fail to address other barriers, making it challenging for people to escape the poverty trap. Comprehensive livelihood programmes can significantly reduce extreme poverty and also build this population's resilience to climate change, helping to ensure that the climate crisis does not leave the most vulnerable behind. The Graduation approach, pioneered by BRAC in Bangladesh in 2002, is one such multifaceted programme offering time-bound basic needs support; transfers of assets such as livestock or lump-sum cash transfers; and coaching that unlocks agency, know-how and hope.

Figure 4.1. Graduation essentials

Graduation essentials

Households living in extreme poverty receive a programme that is sequenced, time-bound and adaptive involving:



Comprehensive programmes can provide a lasting boost to household income and well-being

Organisations and governments around the world have adopted BRAC's Graduation approach. More than two dozen randomised evaluations have been conducted on its use across vastly different contexts, including influential research in Bangladesh (Bandiera et al., 2017^[8]) and a six-country study that tracked its impacts on approximately 11 000 households in Ethiopia, Ghana, Honduras, India, Pakistan and Peru for three years (Banerjee et al., 2015^[9]). A recent review of outcomes after 18 months to 3 years found that participants in Graduation programme trials increased their incomes by anywhere from 7% to 65%, depending on the study context and intervention, and that consumption (a common measure of well-being) increased from 11% to 30% (J-PAL, 2023^[10]). Participating households experienced similar improvements in food security, assets and savings, according to the same study. Durable benefits have also been observed over longer periods. For example, in the Indian state of West Bengal, an evaluation that tracked households after 3, 7 and 10 years found that the programme had increased consumption by 22% and income by 38% at year 10 (Banerjee, Duflo and Sharma, 2021^[11]). The approach has also been unpacked and tested in fragile contexts with positive results, including in Afghanistan (Bedoya et al., 2019^[12]); the

Democratic Republic of the Congo (Angelucci, Heath and Noble, 2023^[13]); Yemen (Brune et al., 2020^[14]); and northern Uganda (Innovations for Poverty Action, 2021^[15]).

A recent review of outcomes after 18 months to 3 years found that participants in Graduation programme trials increased their incomes by anywhere from 7% to 65%, depending on the study context and intervention, and that consumption (a common measure of well-being) increased from 11% to 30% (J-PAL, 2023^[10]).

Graduation programmes help households in extreme poverty withstand climate impacts

The comprehensive approaches used to graduate households out of extreme poverty can also foster greater resilience to climate impacts by diversifying their livelihoods, increasing their savings, improving their access to information and building awareness to help cope with rapid onset shocks such as floods and slow onset challenges such as worsening droughts.

For example, in Ethiopia, Graduation interventions reduced or eliminated the negative impacts of droughts on food security, nutrition, livestock holdings and intimate partner violence (Hirvonen et al., 2023^[16]). In Afghanistan, Graduation programme households were found to withstand multiple crises – conflict, insecurity, drought and the COVID-19 pandemic – significantly better than control households¹ (Bedoya Arguelles et al., 2023^[17]). A mixed-methods study found that in coastal Bangladesh, participation in the Graduation programme that had climate-specific interventions was associated with the development of absorptive and adaptive capacities that reduce chronic poverty (Diwakar et al., 2022^[18]). The study further noted that participants who took disaster risk reduction training and received information on early warning systems were 19% less likely to lose income in the context of health or disaster shocks.

Other research from Bangladesh that examined the impact of floods and droughts on people in extreme poverty found supporting evidence that the Graduation programme offers some protection from climate-related shocks. In their study, Balboni et al. (forthcoming^[7]) also noted that more disaster-prone households adapt to risks by reducing long-term investments, which “implies that integrating conditional loans or weather-specific insurance into poverty alleviation [programmes] can help make them more effective in the face of climate change”. Climate-adaptive poverty alleviation programmes will not be a silver bullet for climate resilience but rather one tool in policy makers’ toolkits.

Multifaceted approaches to graduating households out of extreme poverty are good value for money

The Graduation approach is widely considered to be a best buy in global development, offering enduring economic benefits that surpass upfront costs (ICAI, 2019^[19]; J-PAL, 2023^[10]; IPA, 2023^[20]; Cartier Women’s Initiative, 2023^[21]). A recent committee report to the UK House of Commons noted approvingly that “by weaving a tapestry of the most critical interventions. Graduation programmes have a transformative and long-term impact on the poorest households, which reap sustained economic and social benefits that far outweigh the cost of initial investment”. (UK Parliament, 2022^[22]) (UK Parliament, 2022^[22])

Overall, the required incremental investment in Graduation ranges between USD 300 and USD 2 000 per household for two years. In Bangladesh, the programme costs USD 500 per household over two years to

achieve a transformational impact for a family. Cost-benefit analysis undertaken as part of the six-country study (Banerjee et al., 2015^[9]) indicates that the benefits exceed the costs of all but one of the programmes reviewed, with ratios ranging from 133% in Ghana to 433% in India.²

Thus, concern about costs should not be a barrier to implementing Graduation and other comprehensive livelihood programmes. Governments in the Global South already spend trillions of dollars annually on anti-poverty programmes (UNICEF Office of Research – Innocenti, 2022^[23]). As a rough estimation, taking an average cost of delivering Graduation programmes at USD 1 000 per household, and assuming that approximately 100 million households live in extreme poverty, it would cost USD 100 billion in total to reach this entire population. In other words, governments and their development partners are already investing more than the budget required to fund Graduation approaches for all people living in extreme poverty.

Governments and their development partners are already investing more than the budget required to fund Graduation approaches for all people living in extreme poverty

What is now most critically needed is to unlock much greater impacts from such approaches by more effectively co-ordinating existing interventions into a cohesive bundle and ensuring that they reach those living in the worst conditions of poverty. This means testing, adapting and integrating these programmes into national planning and development policy (Box 4.1).

Box 4.1. How governments are integrating Graduation approaches into existing poverty programmes and policies

Among the more than 15 governments that have adapted the Graduation approach (Andrews et al., 2021^[24]), governments in Brazil, Ethiopia, India, Kenya and the Philippines have integrated Graduation elements into existing systems to better meet the long-term needs of those furthest behind.

The state of Bihar in India, with a population of 130 million, has developed Satat Jeevikoparjan Yojana (SJY). It is the largest government-led Graduation programme in the world, reaching nearly 200 000 households since its inception in 2018. Bandhan Konnagar, a non-governmental organisation, has helped augment a government-led model and provides training for frontline staff and programme participants.

Building on lessons learnt from SJY, the government of India's Samaveshi Aajeevika programme will support the national expansion of Graduation interventions beginning with five new state-level programmes positioned to scale the approach further. Translating to "Inclusive Livelihoods", Samaveshi Aajeevika, housed within the Ministry of Rural Development, will co-finance the development of these five new Graduation programmes with state governments beginning in 2024.

Elsewhere, governments are implementing Graduation programmes that take advantage of existing social protection schemes. In Niger, for instance, the Sahel Adaptive Social Protection Program, a multi-donor trust fund managed by the World Bank, delivered a multifaceted Graduation programme targeting women in extreme poverty enrolled in the national cash transfer programme. The Graduation programme improved the women's consumption and food security, increased their off-farm business activities, and improved their psychosocial well-being (Bossuroy et al., 2022^[25]).

The government of Ethiopia was one of the first to integrate elements of the Graduation approach into its national social protection system. Now in its fifth stage, the Productive Safety Net Programme is the second-largest social protection programme in Africa and includes a big-push programme component

modelled after BRAC's Graduation approach in both its rural and urban Productive Safety Net Programmes, which aim to reach a total of 1.25 million households by 2025 (Ethiopia Ministry of Agriculture, 2020^[26]; World Bank, 2020^[27]; 2023^[28]).

At the policy level, governments also integrate the Graduation approach into national development plans and strategies. For example, the government of Rwanda adopted a dedicated [National Strategy for Sustainable Graduation](#) that addresses the need for sustainable impact and resilience building, which also considers the impact of climate shocks on households in extreme poverty. The government is co-ordinating the implementation of the approach across ministries and different levels of government through a national secretariat.

Sources: Andrews et al. (2021^[24]), *The State of Economic Inclusion Report 2021: The Potential to Scale*, <http://hdl.handle.net/10986/34917>; Bossuroy et al. (2022^[25]), "Tackling psychosocial and capital constraints to alleviate poverty", <https://doi.org/10.1038/s41586-022-04647-8>; Ethiopia Ministry of Agriculture (2020^[26]), *General Programme Implementation Manual*, <https://govtribe.com/file/government-file/attachment-j-dot-3-psnp-5-general-pim-final-1-dot-pdf>; World Bank (2023^[28]), "Ethiopia-Urban Productive Safety Net and Jobs Project", <http://documents.worldbank.org/curated/en/438581601776877012/Ethiopia-Urban-Productive-Safety-Net-and-Jobs-Project>; World Bank (2023^[28]), *Implementation Status & Results Report: Urban Productive Safety Net and Jobs Project*, <https://documents1.worldbank.org/curated/en/099122023102033576/pdf/P1699431b343f00261b3301b9f31ebf4b81.pdf>.

Integrating Graduation into existing programmes and policies offers a cost-effective pathway to eradicating extreme poverty

Governments are best positioned to achieve long-term progress in eradicating extreme poverty and building climate resilience. They have the mandate, the infrastructure and the established systems to transform the lives of their most vulnerable people as well as the ability to co-ordinate investments across ministries, stakeholders, policies and programmes to most effectively tackle extreme poverty and climate vulnerability.

Governments and development partners can get a jump start on scaling Graduation approaches by adapting existing programmes rather than starting from scratch. The convergence of existing schemes such as cash transfers with ongoing livelihood programmes is key, with cadres of frontline workers all working together to deliver the full sequenced package at the household level over a timeline of approximately 24 months. Layering the Graduation approach onto existing programmes and structures at both government and community levels means lower marginal implementation costs and potential economies of scale as programmes expand their reach. Successful scale-up also requires strong partnerships: non-governmental organisations play a key role, offering capacity building for design and implementation.

With the right coalitions and support, extreme poverty may be vanquished for good.

Yet national governments cannot integrate and scale these programmes alone. Successful government scale-up requires knowledge-sharing and capacity strengthening. Multilateral and bilateral donors are critical to closing financing gaps for governments to invest in high-quality, multifaceted approaches. Initiatives such as the Partnership for Economic Inclusion (World Bank, n.d.^[29]) and the Sahel Adaptive Social Protection Program, both hosted at the World Bank, and the Immersion and Learning Exchange programme hosted by the government of the state of Bihar, India, are examples of collaborative initiatives that donors can engage with. Such initiatives catalyse country-level adoption of evidence-based

anti-poverty interventions while accelerating global innovation and knowledge exchange between governments and international organisations. Adopting a more holistic approach, or a big-push investment, does not necessarily mean investing substantially more resources. Rather, leveraging existing resources more effectively through convergence can achieve a greater return on government investments.

References

- Andrews, C. et al. (2021), *The State of Economic Inclusion Report 2021: The Potential to Scale*, World Bank, Washington, DC, <http://hdl.handle.net/10986/34917>. [24]
- Angelucci, M., R. Heath and E. Noble (2023), “Multifaceted programs targeting women in fragile settings: Evidence from the Democratic Republic of Congo”, *Journal of Development Economics*, Vol. 164/103146, <https://doi.org/10.1016/j.jdeveco.2023.103146>. [13]
- Balboni, C. et al. (forthcoming), *Poverty Reduction in the Face of Climate Change: Preliminary Draft*. [7]
- Bandiera, O. et al. (2017), “Labor markets and poverty in village economies”, *The Quarterly Journal of Economics*, Vol. 132/2, pp. 811–870, <https://doi.org/10.1093/qje/qjx003>. [8]
- Banerjee, A. et al. (2015), “A multifaceted program causes lasting progress for the very poor: Evidence from six countries”, *Science*, Vol. 348/6236, p. 1260799, <https://doi.org/10.1126/science.1260799>. [9]
- Banerjee, A., E. Duflo and G. Sharma (2021), “Long-term effects of the Targeting the Ultra Poor Program”, *American Economic Review: Insights*, Vol. 3/4, pp. 471-486, <https://doi.org/10.1257/AERI.20200667>. [11]
- Bedoya Arguelles, G. et al. (2023), *Building Resilient Livelihoods: The Enduring Impacts of Afghanistan’s Targeting the Ultra-Poor Program*, World Bank, Washington, DC, <http://documents.worldbank.org/curated/en/099258011072320210/IDU0c81602f90427e040870b5660d21325c34d43>. [17]
- Bedoya, G. et al. (2019), “No household left behind: Afghanistan Targeting the Ultra Poor impact evaluation”, No. 25981, National Bureau of Economic Research, <https://doi.org/10.3386/w25981>. [12]
- Bossuroy, T. et al. (2022), “Tackling psychosocial and capital constraints to alleviate poverty”, *Nature*, Vol. 605/7909, pp. 291-297, <https://doi.org/10.1038/s41586-022-04647-8>. [25]
- Brune, L. et al. (2020), “Social protection amidst social upheaval: Examining the impact of a multi-faceted program for ultra-poor households in Yemen”, *NBER Working Paper Series*, No. 27583, National Bureau of Economic Research, Washington, DC, <https://doi.org/10.3386/w27583>. [14]
- Cartier Women’s Initiative (2023), *A Big Push for Entrepreneurship: Lessons from a Field Experiment*, <https://www.youtube.com/watch?v=gOylZYF5G-k> (accessed on 22 April 2024). [21]
- Castaneda Aguilar, R. et al. (2024), “March 2024 global poverty update from the World Bank: First estimates of global poverty until 2022 from survey data”, *Data Blog*, 26 March, <https://blogs.worldbank.org/en/opendata/march-2024-global-poverty-update-from-the-world-bank--first-esti> (accessed on 22 April 2024). [1]

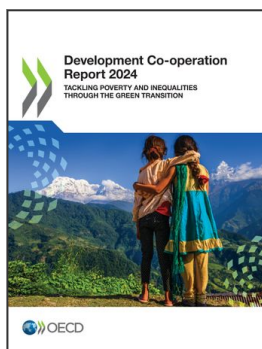
- Diwakar, V. et al. (2022), “Pathways out of ultra-poverty: A mixed methods assessment of layered interventions in coastal Bangladesh”, Chronic Poverty Advisory Network, https://bigd.bracu.ac.bd/wp-content/uploads/2022/07/Pathways-Out-of-Ultra-poverty_-A-Mixed-Methods-Assessment-of-Layered-Interventions-in-Coastal-Bangladesh.pdf. [18]
- Ethiopia Ministry of Agriculture (2020), *General Programme Implementation Manual*, Addis Ababa, <https://govtribe.com/file/government-file/attachment-j-dot-3-psnp-5-general-pim-final-1-dot-pdf>. [26]
- Hirvonen, K. et al. (2023), “Do ultra-poor graduation programs build resilience against droughts? Evidence from rural Ethiopia”, *IFPRI Discussion Paper*, No. 2206, International Food Policy Research Institute, Washington, DC, <https://doi.org/10.2499/p15738coll2.137000>. [16]
- ICAI (2019), *DFID’s Partnerships With Civil Society Organisations*, Independent Commission for Aid Impact, <https://icai.independent.gov.uk/html-version/csos/#section-2>. [19]
- Innovations for Poverty Action (2021), *The Impact of a Graduation Program on Livelihoods in Refugee and Host Communities in Uganda*, Innovations for Poverty Action, <https://poverty-action.org/study/impact-graduation-program-livelihoods-refugee-and-host-communities-uganda> (accessed on 13 May 2024). [15]
- IPA (2023), *Emerging Opportunities for Impact at Scale*, Innovations for Poverty Action, New York, NY, <https://poverty-action.org/sites/default/files/2023-11/IPA-Best-Bets-Report-Updated.pdf>. [20]
- Jafino, B. et al. (2020), “Revised estimates of the impact of climate change on extreme poverty by 2030”, *Policy Research Working Paper*, No. 9417, World Bank, Washington, DC, <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/706751601388457990/revised-estimates-of-the-impact-of-climate-change-on-extreme-poverty-by-2030>. [2]
- J-PAL (2023), “Building stable livelihoods for low-income households”, *J-PAL Policy Insights*, Abdul Latif Jameel Poverty Action Lab, <https://www.povertyactionlab.org/policy-insight/building-stable-livelihoods-low-income-households>. [10]
- Mahler, D., N. Yonzan and C. Lakner (2023), “Most of the world’s extreme poor live in middle income countries – but not for long”, *Data Blog*, 21 March, <https://blogs.worldbank.org/en/opendata/most-worlds-extreme-poor-live-middle-income-countries-not-long> (accessed on 9 April 2024). [4]
- Parekh, N. and O. Bandiera (2020), “Do social assistance programmes reach the poor? Micro-evidence from 123 countries”, *IGC Growth Brief*, No. 123, International Growth Centre, London, <https://www.theigc.org/publications/do-social-assistance-programmes-reach-poor-micro-evidence-123-countries> (accessed on 22 April 2024). [5]
- Roser, M. (2023), “Extreme poverty: How far have we come, and how far do we still have to go?”, *OurWorldInData*, <https://ourworldindata.org/extreme-poverty-in-brief>. [3]
- UK Parliament (2022), *Extreme poverty and the Sustainable Development Goals*, <https://publications.parliament.uk/pa/cm5803/cmselect/cmintdev/147/report.html>. [22]

- UNICEF Office of Research – Innocenti (2022), *COVID-19 and Shrinking Finance for Social Spending*, United Nations Children’s Fund, [23]
<https://www.unicef.org/innocenti/media/3601/file/UNICEF-COVID19-Shrinking-Finance-Social-Spending-2022.pdf>.
- World Bank (2023), *Implementation Status & Results Report: Urban Productive Safety Net and Jobs Project*, World Bank, [28]
<https://documents1.worldbank.org/curated/en/099122023102033576/pdf/P1699431b343f00261b3301b9f31ebf4b81.pdf>.
- World Bank (2022), *Poverty and Shared Prosperity 2022: Correcting Course*, World Bank, [6]
<https://thedocs.worldbank.org/en/doc/c54500c3f84840d9c0ac55f974baef28-0350012022/original/Brochure-PSPR22-DIGITAL-2.pdf>.
- World Bank (2020), *Ethiopia – Urban Productive Safety Net and Jobs Project*, World Bank, [27]
 Washington, DC, <http://documents.worldbank.org/curated/en/438581601776877012/Ethiopia-Urban-Productive-Safety-Net-and-Jobs-Project>.
- World Bank (n.d.), *Partnership for Economic Inclusion website*, <https://www.peiglobal.org>. [29]

Notes

¹ See also a review of the World Bank’s Targeting the Ultra-Poor Program in Afghanistan at: https://drive.google.com/file/d/1kyPtU9u9LShWwDv3nHKuYC_4a0pH_8ph/view.

² In Honduras, the majority of households participating in the programme chose chickens as their asset, and the chickens were afflicted with disease.



From:

Development Co-operation Report 2024

Tackling Poverty and Inequalities through the Green Transition

Access the complete publication at:

<https://doi.org/10.1787/357b63f7-en>

Please cite this chapter as:

Abed, Shameran (2024), "Multidimensional social programmes at scale for lasting pathways out of extreme poverty", in OECD, *Development Co-operation Report 2024: Tackling Poverty and Inequalities through the Green Transition*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/3679cf6e-en>

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.