

Identification of the extreme poor and most vulnerable

General characteristics¹¹

One of the major objectives of FIVIMS is to identify the location of the most food insecure and vulnerable and their unique characteristics and needs. The term food insecurity and extreme poverty are almost always used synonymously and there is no universal definition of the extreme or ultra poor. Results of different studies, therefore, provide different indications about the socio-economic characteristics of this group.

In 1999, however, the Research & Evaluation Division of BRAC carried out a survey on 1 250 extreme poor households. To identify the extreme poor households, the study adopted a participatory approach and used the judgement of the village people in selecting the sample population. The study results showed that an extreme poor household comprised of 3.8 members, 1.3 male and 2.5 female, of which 10 percent were children below 10 years of age. Females headed 35 percent of these households. Average household size of female-headed households was 2.41, almost half the number of male-headed households, and 38 percent of female-headed households consist of only one family member. On average, households owned 5.6 decimals of land, though 22 percent were absolute landless and 73 percent possessed only a homestead. A large majority laboured (80 percent), including 61 percent of females and 48 percent of the population over sixty years. Workers spent 260 days per year labouring with an average daily earning of just Taka 32. Wage employment was the major source of income for 67 percent and 16 percent depended on begging, public food distribution system, relief, donation or support from others for subsistence. Only 62 percent had any productive assets and just 41 percent owned any non-productive assets and durable goods. The value of all major non-land assets was Taka 3 787; among the 19 percent who managed to save earnings, the average savings per household was Taka 179. Based solely on access to food, 63 percent faced chronic food insecurity and another 23 percent faced occasional food deficits, mainly of cereal.

¹¹ Halder and Mosley, 2002

Social characteristics

Out of the total sample households, 51 percent were educationally dark¹² and 12 percent had completed only one year of education; net primary school enrolment rate was 55 percent, without any discrepancy between boys and girls. Some 15 percent were homeless and 30 percent owned low-cost houses (Taka 500 or less). Adults in 20 percent of the households could only afford one piece of clothing (*saree* or *lungi*), 88 percent did not possess winter clothes for any household member and 70 percent could not afford to provide footwear for everyone. While 96 percent drank tube-well water, only 14 percent used sanitary latrine.

Causes of poverty

Forty-one percent of the respondents mentioned that land scarcity was one of the most important causes of their present poverty and poverty inheritance was mentioned by one-third of the respondents. Twenty-three percent related their poverty with loss of their family income earner. One-fourth mentioned natural calamities and a higher number mentioned ill health. A significant number of respondents also mentioned a number of family crises, which influenced their downward mobility. One interesting finding was the effect of bad habits, such as gambling, addiction to alcohol or drugs and laziness, of male household heads on the overall economic status of a household. These reasons were reported as causes of extreme poverty in as many as 13 percent of the identified cases.

Access to capital market

Only one-fourth of respondents had access to any kind of capital, 20 percent of which received loans from an institutional source; the landless and females had less access to these resources. The major sources of loans for all were relatives, neighbours and friends. The average interest rate paid for loans was 18 percent, though nearly one-fifth of the total loans obtained from different sources were interest free.

¹² not a single person ages seven and above with at least one year of education completed.

Two-thirds of institutional loans were used for investment. Loans taken from informal sources were mainly spent for crisis coping. In the productive utilization of loans, household resource base played a vital role. The cost of an investment loan was found to be lower than the cost of a loan obtained for crisis coping. The landless, female-headed households, wage-employed groups and the destitute in most cases borrowed to meet emergencies. Since the risk of lending to those without any resource base is higher, the lenders charged a higher interest rate that increased the cost of borrowing.

In summary, the distinct characteristics of the extreme or ultra poor as revealed from the findings of the study are listed below.

- smaller households with more females than males
- average value of houses is very low
- majority of the households are “educationally dark”
- usually absolutely landless
- dependent mostly on wage employment or outside help for survival
- often rely on labour of household members above the age of 60

The extreme poor: a varied group

The study revealed that the extreme poor are not a homogeneous group. The households without any homestead or without any house, households depending only on female income, households with disabled heads and the destitute, including beggars and others who are dependent on outside support for survival, are the poorest of all. Households that are endowed with some land and non-land assets and have alternative sources of income are relatively better off among the extreme poor households. The socio-economic status of the extreme poor and their access to capital also varied across regions.

Identifying the extreme poor

Identification of the extreme poor is always difficult since there is no universally accepted definition. Every study uses its own definition. The World Bank defined the ultra poor in a 1996 report as those who have no land or house of their own; sell manual labour with no other means

of income; have no savings; are unable to consume three meals a day; cannot afford to purchase minimum clothing; and have no ability to spend money on education. These people have very few assets and suffer from instability and frustration everyday.

The group defined as destitute includes households without any agricultural land or even a homestead, women-headed households, households with disabled adult male members and households without any source of income or with very irregular income poor (Alamgir, 1998).

Landlessness should not be considered an absolute indicator of household well-being, however, as a household may earn the major portion of its income from sources other than land. Similarly, female-headed households cannot be a criterion of the poorest in all cases, particularly in cases involving the migration of the male income earner (Hossain and Huda, 1995).

The definition of the ultra poor needs to be addressed in a multidimensional manner (Rahman and Razzaque, 2000). Several indicators, such as income, occupation, housing and physical characteristics, geographical location, sex of the household head and household dependency may also be considered. Land, housing and occupation may be three of the prime factors, although characteristics such as region and ethnicity also matter (Sen and Begum, 1998).

By reviewing available literature and its own research findings, BRAC has developed a number of criteria for identification of the extreme or ultra poor. A household becomes ultra poor if it meets at least three of the criteria listed below.

- households having negligible assets beyond the home they live in
- households owning no more than 10 decimals of land, including the homesteads
- female-headed households and households with divorced/abandoned/widowed women
- adult women in the household doing labour-based work outside the homestead
- households where the main male income earner is physically not able to work regularly
- households where schoolage children have to sell labour



Conclusions and recommendations

Food security is a broad horizon encompassing a large number of agro-economic, infrastructure and social issues in addition to health and nutrition issues. Food availability, which is a precondition of food security, is largely dependent on the local production process, which, in turn, is a function of different agro-ecological, economic, financial, technological and social factors. Food accessibility relates mainly to purchasing power of the population, which varies greatly across geographical regions and different socio-economic groups. A large number of organizations are generating a great deal of information on the problems of food insecurity, sometimes duplicating the efforts of others and sometimes creating confusion by providing contradictory results. Because data generation is an expensive task, any duplication of efforts is a waste of precious resources that could be used for other purposes.

Poverty and food insecurity largely varies across geographical regions and the majority of data sources actually provide division, and for some indicators, district information. Due to the lack of information disaggregated to the upazila level, it is sometimes difficult for policy makers to target the most needy. The main objective of FIVIMS is to compile all the available macro, meso and micro level information into a single database, analyze that information and then disseminate the findings to different stakeholders.

Bangladesh FIVIMS is a new initiative slowly and gradually taking its shape. To make FIVIMS functional, all the different agencies linked to this network should actively participate by providing updated information in a timely manner. FIVIMS can ultimately be used as an effective and useful monitoring tool to address the food insecurity and vulnerability issues in Bangladesh and, thus, attain the Millennium Development Goals and IPRSP achievements.



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