



Social Safety Nets and the Extreme Poor: Learning from a participatory pro-poor governance approach

shiree working paper 2



Extreme Poverty Research Group (EPRG)

shiree

House 5, Road 10, Baridhara, Dhaka-1212, Bangladesh
October 2011



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The data used in this publication comes from the Economic Empowerment of the Poorest Programme (www.shiree.org), an initiative established by the Department for International Development (DFID) and the Government of Bangladesh (GoB) to help 1 million people lift themselves out of extreme poverty. The views expressed here are entirely those of the author(s).

The paper has been peer reviewed by colleagues in either the Chars Livelihood Programme (CLP), the UNDP Urban Partnerships for Poverty Reduction (UPPR) and BRAC's Challenging the Frontiers of Poverty Reduction – Targeting the Ultra Poor (CFPR-TUP) programmes – all part of the DFID/UKaid extreme poverty portfolio in Bangladesh.

Social Safety Nets and the Extreme Poor: Learning from a participatory pro-poor governance approach

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EXECUTIVE SUMMARY

CARE Bangladesh started the implementation of the Social and Economic Transformation of the Ultra Poor (SETU) project in March 2009 with the support of SHIREE, funded by DFID, in the northwest region of Bangladesh. The project aims to sustainably lift 80,000 people from extreme poverty in the selected Unions of Nilphamari, Lalmonirhat, Gaibandha and Rangpur. Through solidarity building and empowering the poor and marginalised communities, the project is working to collectively address the underlying causes of extreme poverty (seen by the project as economic, social and political exclusion). SETU is facilitating collective local actions to engage extremely poor men and women, so that they can participate in and benefit from improved access to markets and dignified economic opportunities.

This working paper aims to share SETU's approach to addressing extreme poverty with a wide audience of practitioners, policy makers and academics. It is part of series of research projects concerned with 'Protecting Gains' made by the extremely poor through a variety of SHIREE-funded projects. SETU's participatory inclusive governance approach has broadened and deepened citizens' influence in the decisions that affect their lives, seeing this as a right (and hence an end in itself), and also as a key strategy for "graduating" people out of conditions of extreme poverty and chronic vulnerability. Through this research, we have examined the effects of an inclusive governance approach on extremely poor people's access to Government social safety nets and the impacts that these have on their livelihoods.

The study was conducted in two SETU facilitated unions and looked at the project's work to promote pro-poor inclusive governance at the local level. The study documented changes in how decisions are made in the UP councils and if and how extremely poor citizens can influence the decision making process when they are federated. The study also discovered that active citizenship of the poorest, often women, has led to a more equitable distribution of public resources. The paper ends with recommendations for preventing leakages in the governance of safety nets by building the capacity of local government, as well as allocating more decentralised resources. Overall, the creation of this working paper is intended to work towards fulfilling our lasting commitment to finding durable ways of tackling the underlying causes of poverty, vulnerability and injustice.

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1. INTRODUCTION

Hunger and poverty are the products of inequitable power relations that deprive people of the capabilities and freedoms to achieve sustainable and productive livelihoods. In Bangladesh, ten percent of households own fifty percent of the country's agricultural land, while at the same time, eighty percent of all farmers are smallholders, highlighting the dependency on agriculture for many (if not most) of the rural poor. Extremely poor people's lack of access to and control over assets limits their livelihood options, making them more vulnerable to shocks. In Bangladesh, there are various social safety net (SSN) programmes aimed at preventing the chronically poor from falling further into poverty, or building household capabilities and resilience to manage and prevent shocks.

The Social and Economic Transformation of the Ultra-poor (SETU) project of CARE Bangladesh works to build pro-poor inclusive governance. Early experience showed that this approach contributed to more equitable access to services and resources as well as building the asset base of extremely poor households. The research presented in this paper builds on these findings, testing the implicit assumption that pro-poor governance, which leads to more equitable access to resources and services, also contributes to tangible improvements in the livelihood security of chronically poor people. People use many different forms of assets to maintain a livelihood. In Bangladesh, extremely poor people's lack of access to and control over assets limits their livelihood options making them more vulnerable to shocks. Effective social protection is an important strategy for addressing chronic poverty and insecurity, argued by some to help the poor to build assets and enhance incomes.

Conceptualizations of social protection emerged in the 1980s and 1990s with the focus primarily on safety nets. However, recent thinking on social protection, particularly emerging from the World Bank, has stressed that it can address economic needs, strengthening people's ability to deal with the consequences of livelihood shocks. This approach to social protection has a limited understanding of vulnerability, concentrating on the risks associated with events (e.g. illness or drought) to the detriment of structural risks and vulnerabilities such as social exclusion and political marginalization. Conceptualizations that adopt a more expansive understanding of social protection are concerned with participation, empowerment and rights-based approaches to development, representing the transformative potential of such policies.

The purpose of this paper is to: a) examine the effects of an inclusive governance approach on extremely poor people's access to Government-provided social safety nets; and b) examine the impacts of social safety nets on the livelihoods of the extremely poor. The study has been conducted in two SETU facilitated Unions looking at the project's work to promote pro-poor inclusive governance at the local level. The research documented changes in how decisions are made in the UP councils, and if and how extremely poor citizens can influence the decision making process when they are federated. The research has found that active citizenship of the poorest, often women, has led to a more equitable distribution of public resources. For example, the process through which key community members compile lists of extremely poor citizens in their areas and successfully advocate to the Union Parishad (UP)¹

¹ Union Parishads are the lowest tier of Government in Bangladesh.

council to ensure public resources and safety nets are allocated towards them. The UP council has also become more open to the participation of citizens in decision-making, including initiating participatory planning and budgeting, and the inclusion of extremely poor citizens in the targeting of UP resources.

This working paper aims to share SETU's approach to addressing extreme poverty with a wide audience of practitioners, policy makers and academics. It is part of series of research projects concerned with 'Protecting Gain' made by the extremely poor through a variety of SHIRRE-funded projects. SETU's participatory inclusive governance approach has broadened and deepened citizens' influence in the decisions that affect their lives, seeing this as a right (and hence an end in itself), and also as a key strategy for "graduating" people out of conditions of extreme poverty and chronic vulnerability. Through this research, we have examined the effects of an inclusive governance approach on extremely poor people's access to Government social safety nets and the impacts that these have on their livelihoods.

2. BACKGROUND OF THE PROJECT

The SETU project has been grounded on CARE Bangladesh's significant knowledge and understanding of extreme poverty in rural Bangladesh with a particular purpose of sustainably graduating 20,000 extremely poor households from their current positions of acute social, economic and political powerlessness. SETU, as a multi dimensional project by CARE Bangladesh, working intensively with extremely poor citizens through building community ownership, facilitates the emergence of Natural Leaders, advocates for appropriate allocations of resources, seeks to activate pro-poor approach with local Government, and fosters continuous learning and reflection from practice.

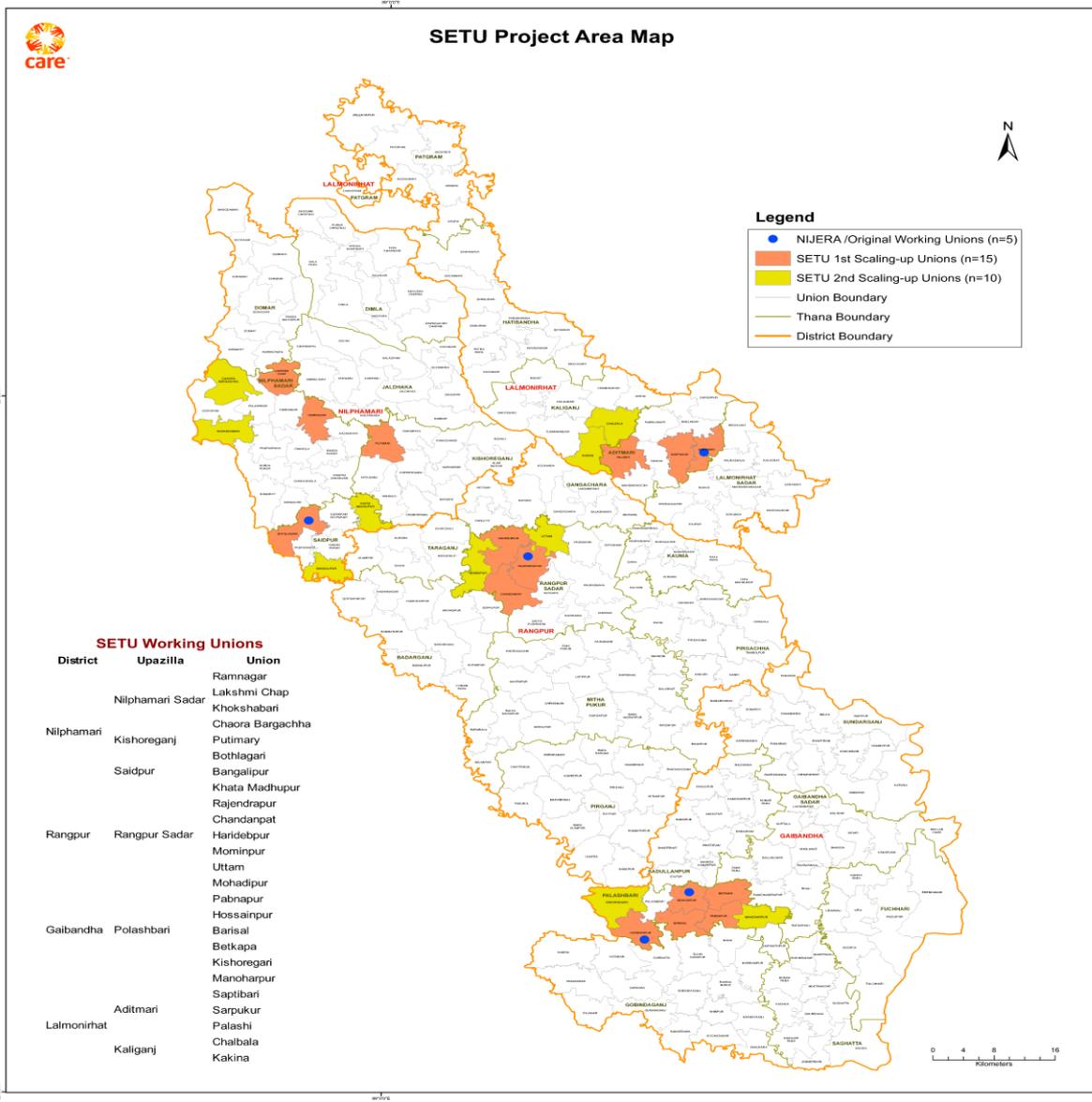
In the SETU project areas of northwest Bangladesh, poverty is underpinned by the lack of regional economic development, a backward agrarian economy (with 60 percent of households earning their livelihoods through agriculture-related activities), and a high incidence of landlessness (over 40 percent). Here, seasonal hunger (*monga*), is an annual phenomena that occurs in the lean season during the last stages of the gestation period of rice, and is almost symptomatic of poverty. Such hunger occurs when all food supplies and cash has been exhausted, forcing the sale of assets and increased indebtedness, leading households into a spiral of poverty. This phenomenon however, is not simply an outcome of 'market failures', but an expression of the loss of social entitlements (reciprocal exchange relations between relatives, the larger kin group, neighbours, or friends), a loss of access to common or public resources, as well as public goods and services (such as relief, VGD/VGF, old age pension funds, etc).² The psychological effects of this 'social exclusion' are profound and give rise to hopelessness and resignation. In this context, achieving impact that transforms the lives of the poor and marginalized, requires a process through which their marginalization (or social poverty) - an integral part of the 'human condition' of the poor in Bangladesh - can be addressed, so that gains in the economic realm can be sustained.³

² Hunger in the Northwest occurs every year, even in favorable years when production is high.

³ See Hossain, N. and I. Matin. "Engaging Elite Support for the Poorest: BRAC's targeted Ultra Poor Programme for Rural Women in Bangladesh" in *Development in Practice*, 17(3), June 2007.

CARE Bangladesh, through the SETU project in North-West Bangladesh, has developed a multidimensional model of pathways out of extreme poverty, which tries to address the inequitable power relations which cause poverty. This model identifies limited and fragile livelihood opportunities, social inequalities and weak governance as the underlying causes of extreme poverty. Graduation out of extreme poverty depends on the extent to which households are able to sustainably overcome the barriers that prevent the fulfilment of their rights, facilitated by economic, social and political empowerment of extremely poor people, and building their capabilities (and assets). The 'political empowerment' strand articulates a model of participatory pro-poor governance, which empowers UP councils and extremely poor citizens to build new relationships and interactions with each other to address the structural causes of poverty. SETU's model aims to broaden and deepen citizen's influence in the decisions that affect their lives, seeing this as a right (and hence an end in itself) and also as a key strategy for pulling people out of conditions of extreme poverty and chronic vulnerability.

FIGURE 1: MAP OF SETU WORKING AREA IN NORTHWEST OF BANGLADESH



2.1 CARE'S GOVERNANCE MODEL

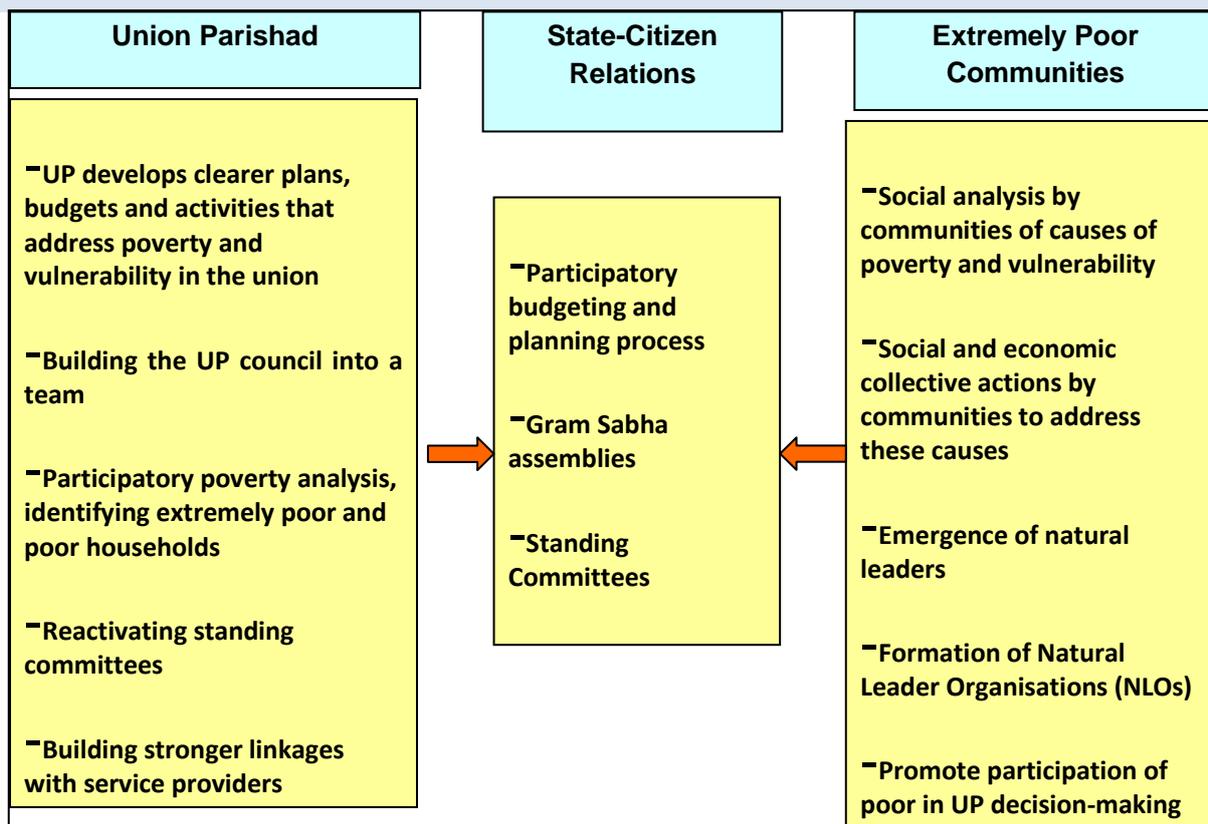
CARE Bangladesh's model of governance (see Annex 1) aims to broaden and deepen the influence of citizens in the decisions that affect their lives, seeing this as a right (and hence an end in itself) and also as a key strategy for "graduating" people out of conditions of extreme poverty and chronic vulnerability. The model has been analysed in previous research (such as Hinton, 2010). The findings tell us that there are two main entry points for pro-poor governance: UP council and extremely poor communities themselves. In the latter, "community" is not treated as a monolithic entity, but instead CARE Bangladesh's work deconstructs "communities", recognising the exploitative and discriminatory structures and relations that exist in societies. Instead, the model focuses on extremely poor communities, facilitating processes of social, economic and political empowerment⁴ among extremely poor communities and building their solidarity with each other. Emerging from this process are leaders from among the poor ('Natural Leaders' (NLs))⁵ who are able to motivate and support others in their communities to undertake collective action. The roles of Natural Leaders include mobilising their communities around social and economic issues, negotiating with landlords and employers for fairer wages, and representing the needs of their communities with formal elites such as UP councils⁶. The project is supporting NLs to form organisations at the Union level known as Natural Leader Organisations (NLOs), which can represent the voice of poorer households and marginalised groups in negotiations with local Government, essentially acting as a pressure group for UP accountability and performance.

⁴ Empowerment is a contested concept. For CARE Bangladesh "empowerment" is a journey, building the capabilities of extremely poor and vulnerable people to exercise choice in decisions that affect their lives. It therefore reflects both "internal" factors such as skills, knowledge and awareness; and "external factors" such as opportunities to exercise choice, social norms and structures.

⁵ The term Natural Leader comes from the Bengali Swavab Neta. These are people within the working communities who demonstrate the potential and willingness to lead and support their neighbours in understanding collective actions.

⁶ Promoting Inclusive Governance in Bangladesh: Empowering the Extreme Poor – Roopa Hinton, CARE UK, 2010.

FIGURE 2: SCOPE OF INCLUSIVE GOVERNANCE



The SETU approach holds that creating changes in the lives of people living in poverty is not a standalone activity, but instead requires a combination of social inclusion, economic empowerment, pro-poor governance, and learning and influencing. Moreover, social safety nets (SSNs) offer an important strategy for addressing chronic poverty and insecurity, argued by some to help the poor to build assets and enhance incomes. This research is important because periods of hunger in Northwest Bangladesh pose severe threats to livelihoods and have the potential to destroy any gains made during the rest of the year. This is a lessons learned document on the process through which SETU facilitated participatory pro-poor inclusive governance and encouraged better targeting and effectiveness of SSN programmes for the extremely poor.

3. LITERATURE REVIEW

In recent years, the evolving debate around social protection has produced a range of new approaches and perspectives which gradually go beyond its initial conceptualisation as mere replacement for 'social safety nets' for the poorest and most vulnerable people in society in developing countries (Devereux, 2006). Social protection measures are now seen to refer to much more than short-term safety nets. They may include a range of livelihood promotion activities, asset transfers and initiatives for social mobilisation which aim to

empower the poor to take up opportunities. ⁷ Drawing the distinction between social protection and safety nets, Shephard et al (2004) write:

*Safety nets are put in place to prevent individuals from falling below a given standard of living, and are usually short-term emergency measures. Social protection supports households in reducing, preventing and overcoming hazards which adversely affect wellbeing, consumption and investments. Safety nets were advocated as responses to financial crises and adjustment. Social protection thinking developed as a result of the failure of safety nets – they worked imperfectly, did not fully reach intended target groups, and could not be set in place fast enough. Social protection is, by contrast, in place before the crisis arrives. Well designed safety nets can, however, be an important part of a social protection approach, if their existence is well known before the crisis hits.*⁸

The Principles of State Policy in Part II of the Constitution of Bangladesh states:

It shall be a fundamental responsibility of the State to attain, through planned economic growth, a constant increase of productive forces and a steady improvement in the material and cultural standard of living of the people, with a view to secure for its citizens:

(a) The provision of the basic necessities of life, including food, clothing, shelter, education and medical care;

(b) The right to work, that is the right to guaranteed employment at a reasonable wage having regard to the quantity and quality of work;

(c) The right to reasonable rest, recreation and leisure, and the right to social security, including public assistance towards those in need of employment, or those suffering from illnesses, disabilities, old-age or widowhood.

Over the past several decades, successive governments have strived to fulfil the commitments made under the Constitution and have through various policies designed and developed a large portfolio of SSN programmes. However, and importantly, there is no clear social protection policy. The National Strategy for Accelerated Poverty Reduction II (FY 2009 - 11)⁹ defines social safety nets to operationally include:

⁷ International Poverty Centre, Poverty in Focus, June 2006. Social Protection for the Poorest: Taking a broader view by Armando Barrientos, David Hulme and Karen Moore, Chronic Poverty Research Centre (CPRC).

⁸ DFID paper on Social Protection, Andrew Shephard, with Rachel Marcus, Armando Barrientos (Sept 2004).

⁹ Moving Ahead: National Strategy for Accelerated Poverty Reduction II (FY 2009 - 11) General Economics Division, Planning Commission, and Government of the People's Republic of Bangladesh in October 2008 is the second Poverty Reduction Strategy Paper (PRSP) of Bangladesh. It has been prepared as a sequel to the first one 'Unlocking the Potential: National Strategy for Accelerated Poverty Reduction' and embodies policies and strategies for achieving accelerated poverty reduction during FY 09-11. NSAPR II strives to accelerate poverty reduction through concerted government efforts, private sector development, and effective participation of NGOs and the civil society. The commitment of Bangladesh to the Millennium Development Goals (MDGs), the South Asian Development Goals (SDGs) and other international agreements relevant to economic and social development was duly considered in formulating the strategies. The NSAPR II has been prepared by the Government after extensive

...all kinds of cash and kind transfers to the poor, all welfare activities, unemployment-benefits for retrenched workers, subsidised health care, shelters for the homeless, subsidised services like diesel, pension benefits, which prevent individuals from falling into poverty beyond a certain level. The safety net is widely regarded as a means to achieve some goals like poverty alleviation, reduction of vulnerability, decrease of disparity, crime reduction, recovery from illness, home for the shelter-less, human development, opportunities to earn a livelihood etc. Supporting income generating activities in the informal private sector for the poor can also be included.

The document further states that:

These have grown and transformed over time and today there is a shift in approach. Earlier the basis for the social safety net was mainly a charity approach, but today SSN programs have adopted a right-based development approach.

Presently, approximately 13 Ministries are actively involved in the implementation of SSN programmes. Several studies have shown that the existing coverage of SSNs is limited. Furthermore, a significant number of urban poor and extremely poor are largely excluded from the current system of SSNs.

While the targeting of some SSN programmes, including Food-For-Work (FFW) and Vulnerable Group Development (VGD) is reasonably good, a large share of the budgeted resources do not reach the intended beneficiaries. For example, it has been observed that as much as 35 percent of the food grains allocated to the Vulnerable Group Feeding (VGF) programme, 41 percent of the VGD, and an overwhelming 75 percent of allocations to the Food-For-Education (FFE) programme do not reach any household – eligible or otherwise. Reasons for the discrepancy in targeting include: the number of actual beneficiaries is considerably lower than that proposed by administrative records (especially for FFE and VGF); and the average amount received by each beneficiary is less than the amount they should be provided, according to the programme guideline (especially for VGD cards). Notwithstanding these various reasons, leakage on such a large scale suggests a serious failure on behalf of the Government of Bangladesh (GoB) to fulfil its commitments, and a significant problem of accountability (World Bank, 2002; Chowdhury and Ali, 2006)¹⁰.

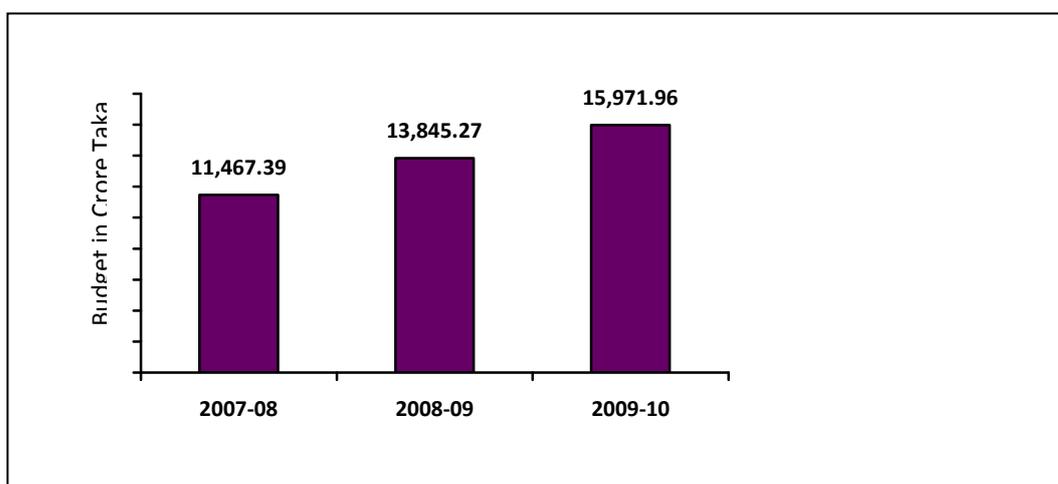
Regarding the impacts of these programmes on their target beneficiaries, the available evidence presents a mixed picture. While some conclude that SSN programmes have had a positive role in alleviating poverty in Bangladesh, others observe that they only contribute to

consultations with the stakeholders, academia, researchers, NGOs and civil societies both at the national and regional levels. It is prepared by the General Economics Division (GED) of the Planning Commission as the National Poverty Focal Point (NPPF) with active cooperation from all the Ministries/Divisions and Government Agencies. Short term local consultants were hired to assist the eighteen thematic committees at the Ministry/Division level to prepare background papers and at the GED to assist the preparation of NSAPR II. The preparation process was guided by the 'National Steering Committee on PRS' headed by the Principal Secretary of the Government. The NSAPR II (FY2009-11) is a policy and strategy document.

¹⁰ Affordability to Finance Poverty Reduction Programmes. A report prepared for the Programme for Research on Chronic Poverty in Bangladesh (PRCPB), Dhaka: Bangladesh Institute of Development Studies (BIDS) (2006). Chowdhury, O. H. and Ali, Z.

consumption and income smoothing, rather than contributing to wider structural changes (World Bank, 2006¹¹).

FIGURE 3: BUDGET ALLOCATION OF SAFETY NETS IN BANGLADESH



Source: Finance Division, Ministry of Finance, Government of Bangladesh

4. METHODOLOGY

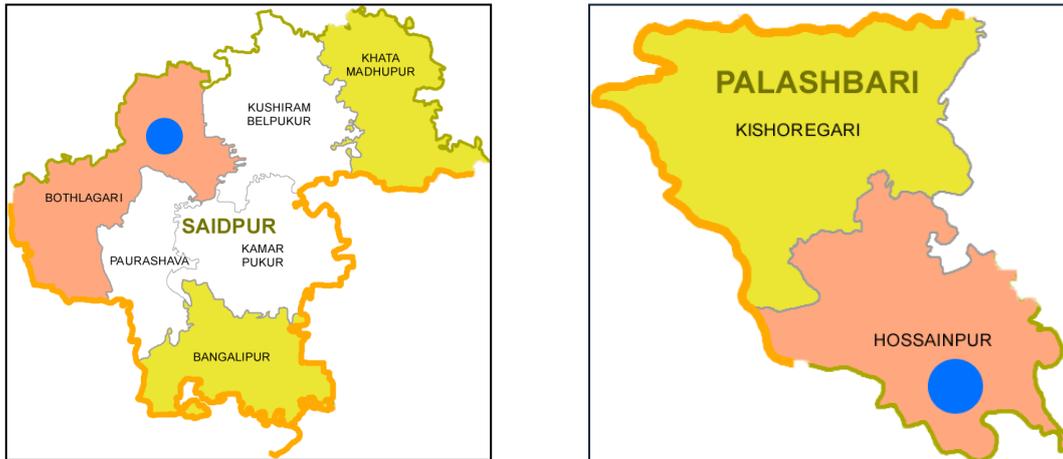
A qualitative methodology was adopted to examine the effects of an inclusive governance approach on extremely poor people's access to Government SSNs and the impacts of these on their livelihoods. The study took five steps: 1) a literature review, 2) a review of the baseline information regarding participatory governance to further understand the working context, 3) a review of the UP's SSN programmes in the previous two years, 4) a reconstruction of the process facilitated by the project and 5) case studies to further understand the changes experienced by beneficiaries. These methods were developed by the Social Development Unit of CARE Bangladesh to:

1. Understand the context to explore the various dynamics of extreme poverty;
2. Understand the effectiveness of the development intervention through process reconstruction;
3. Explore what changes have happened in the context influenced by the intervention.

The study was conducted in two different SETU working Unions 1) Botlagari under Saidpur Upazilla of Nilphamari district and 2) Hossainpur Union under Polashbari Upazilla of Gaibandha district. These were chosen to enable a comparison between two different contexts receiving different types of support. Focus Group Discussions (FGDs) (6 from each Union) and semi-structured interviews with key informants (11) were carried out with different groups of people and individuals (a mix of beneficiaries and other stakeholders). Collective and individual cases (10) were also recorded to capture qualitative and quantitative changes.

¹¹ Social Safety Nets in Bangladesh: An Assessment. Bangladesh Development Series, Paper No. 9. Dhaka. World Bank (2006).

FIGURE 4: STUDY AREAS IN SAIDPUR AND POLASHBARI UPAZILLA



In-depth semi-structured interviews were also conducted with UP chairmen and members, as well as other influential community people, in order to record different views on the process followed in the project areas. FGDs were carried out with community groups, particularly those representing the extremely poor. Finally, a case study methodology was used to capture stories of change and to explore the barriers and enablers of negotiations for services and resources between extremely poor citizens and the UP.

The study was designed to collect cross-sectional data which includes information of change during a two-year period and the information on SSN distribution among project participants. A questionnaire was developed, tested and finalised with the following checklist:

- Latest safety net distribution process;
- Social relations;
- Existing livelihood situation;
- Food Security, especially during current price hike;
- Stories of improvement that make respondents proud;
- Knowledge about the project;
- Perception of change among the participants;
- Opinion on making changes with governance relations.

4. UNDERSTANDING PRO-POOR INCLUSIVE GOVERNANCE AND ITS IMPLICATIONS FOR SOCIAL SAFETY NETS

VOICE OF THE POOREST – EXAMPLE OF A NATURAL LEADER AND LOCAL CHANGE

Rahima Begum (50 years of age) led the process of gaining a deep tube well from her Upazilla to cope with an acute shortage of drinking water in Vogipara under Botlagari of Saidpur Upazilla. The scarcity of drinking water has been a regular and persistent problem each year for her community during the dry season.

Rahima started working with the SETU project from its beginning and has a good reputation in her community as a Natural Leader. She and other community members have approached the UP several times to confront their access to water problem. The UP provided shallow tube wells but the problem continued. Unable to find a local solution, Rahima took the opportunity to reach the Upazilla Chairman when he attended a pre-budget *Gram Shava* (village gathering) in her ward. In that meeting she stood up and explained the situation, which convinced the Upazilla Chairman to act on this issue. In response, the Chairman arranged an inquiry visit to understand the practical situation. Following this, he provided a Tara Pump (a deep tube well) from the Upazilla. In addition, the local UP Chairman provided the installation cost and supports. This is an example of how a single community initiative, involving a Natural Leader - a single voice of the poorest - led to solving the persistent drinking water problem for several communities neighboring Vogipara.

Through a pro-poor inclusive governance approach, the project has built strong relationships between UPs and extremely poor citizens. This has been done by strengthening or creating spaces through which the state and citizen can have a dialogue, contest and negotiate for rights and entitlements. Participation and negotiation have increased the potential opportunities for citizen action. This has led to new issues being raised, new channels being used to access decision-makers and a further strengthening of solidarities needed for action. The intended outcome of this approach is that actors at the local level, from both the state and society, are empowered: the UP council to fulfil its roles and responsibilities, and to engage citizens and respond to their demands; and the extremely poor to become active citizens by raising their voice and capacity to demand accountability from duty-bearers.

4.1 STRENGTHENING THE CITIZENSHIP OF THE EXTREME POOR

Evidence suggests that the project has led to a **shift in political culture** on behalf of UPs. For example, the opinions of the extremely poor have been actively sought and valued by the case study UPs. The project works with both UPs and extremely poor citizens simultaneously. As a key partner in this governance process, the project has tried to build the capacity of UP's so that they can develop and implement their own visions and strategies for poverty eradication, based on a stronger understanding of poverty and vulnerability. At the same time, the project facilitates processes of empowerment via community-led social analysis

and collective action, which can be of a social and economic nature, in the poorest para¹² or communities. Through this, extremely poor women, men and communities have built capabilities and assets (combining those which are social, financial, human, natural and physical), improving their resistance and resilience to shocks. Social collective actions undertaken in their communities which have come about as a result of this approach include activities such as sanitation promotion, community-led road side vegetable cultivation, fish and vegetable cultivation in khas land, fist full of rice savings groups, joint marketing for products, social enterprises, and fairer wages. These have built solidarity (social capabilities) amongst beneficiaries. These types of initiatives have also built their confidence and social status within their own communities and with elites.

There is evidence that **UP's are now using lists of extremely poor** households, prepared by the NLS and Para Unnayan Committees (PUCs)¹³ in joint targeting (See Annex 2), and distributing Government services and resources according to these. These lists have reached beyond the UP level. In both study unions, there were instances of using these lists by Upazilla Nirbahi Officers¹⁴ in distributing Government resources. In the past, NLS stated that UP Members would allocate these cards according to their own interests, such as to his relatives or vote banks. There was no open discussion about who would receive these cards and no verification of who actually received them. Also, UP Members were often found to take bribes in return for SSNs. However, by integrating PUC and NLS into the allocation decisions, and drawing on their knowledge of who the extremely poor are in the area, has significantly reduced the patronages of UP members. Moreover, joint targeting was felt to have improved allocation, reduced leakage and corruption, and hence ensured better service outreach of local government. For example, in Botlagari Union under Nilphamari District, NLS and PUCs, along with respective UP members and female members jointly made a list of the extremely poor who are allegeable to receive Government SSNs and other resources. This list was provided to the UP and the Upazilla Parishad so that they could verify and follow the list when distributing resources. Now, this list is used to allocate every resource to the extremely poor of the UP. Before the distribution of resources, respective UP members with PUC and NLS, review and revise the lists to maintain accuracy for distribution.

Since the project, increased **political empowerment** has also been observed. Pro-poor inclusive governance has built the capabilities of local actors, supporting extremely poor people to mobilise collectively to challenge inequalities and create new relationships with the UP based on principles of accountability. Furthermore, this participation in the targeting of Government SSNs has served as a way of mobilising citizens around other claims for rights and entitlements. Therefore, even in a context of very limited devolution of power and authority to local levels, an inclusive governance approach has yielded powerful changes in people's lives. These changes are highly visible in the voice of NLS illustrated by the fact that some of them are intending to compete in the next UP election, for example.

The nature of the relationships built between NLS and the UP are highly constructive. Findings showed that the Unions' revenue from tax has increased as NLOs play a more active role in this process. The increased resources raised by the UPs from taxation are an indicator of a

¹² Para means 'hamlet', the smallest cluster of households within a village.

¹³ Para Unnayan Committee (PUC) are formed with NLS and other community members to work for the development process of the community.

¹⁴ A Upazilla Nirbahi Officer (UNO) is the chief government administrative officer at the sub-district level.

changing political culture. Citizens increasingly trust the UP to spend money accountably and are thus more willing to pay tax. Furthermore, the UP is collecting taxes - a task that they were previously reluctant to do when political relations were based on informal practices (such as vote purchasing). Therefore, this can be seen as a move towards democratisation in these Unions - a shift from the previous culture and norms - and as an indication of the improved relationships between UPs and their citizens.

4.2 PRIORITISATION OF SOCIAL SAFETY NETS

A significant finding of the research is evidence of a reduced **dependency on SSNs and a shift in terms of project participants' prioritisation of them**. In many communities, the extremely poor who had received supports from the SETU project were now deciding to transfer their SSN to a neighbour. In the case below, Nurjahan is one such example. This suggests that the community-led approach of SETU has increased beneficiaries' abilities to not only access SSNs, but also make decisions independently.

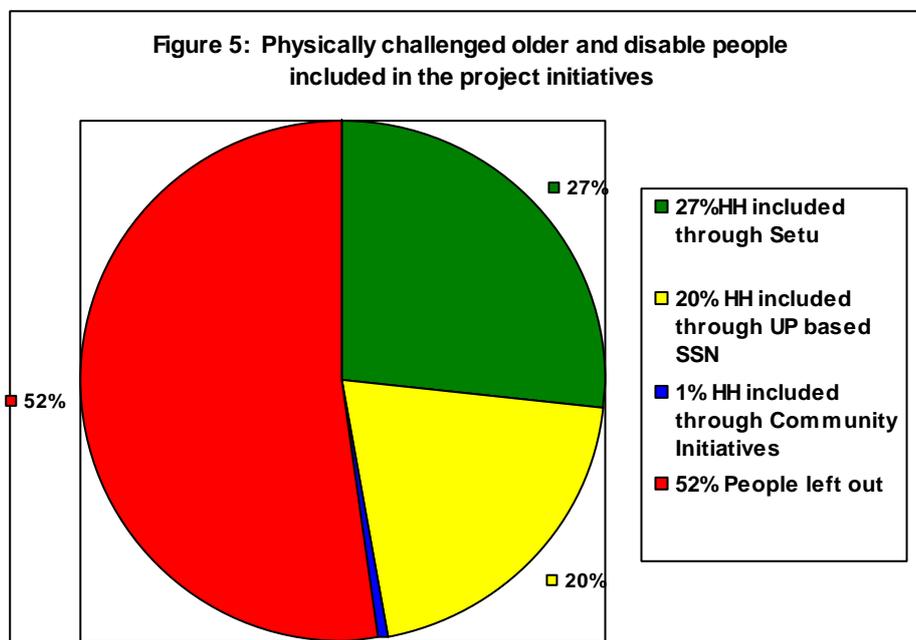
SULTANA GIVING HER VGF CARD TO HER NEIGHBOUR

Sultana, a widow (48 years) and her mother live in Dangapara village of Hossainpur Union. She is a rural health assistant with an organisation and her mother works as a maid servant. She had been able to access the VGF program in the past years. She became a SETU project beneficiary in 2009 through which she received training in stitching and earth cutting, and has been involved in the project's Cash for Work and quilting initiatives. Through these involvements, she has earned around 8300 Taka which has increased her asset base. With the improved income, she purchased a goat for 3000 Taka and spent 2200 Taka repairing her house. Now, she is maintaining an improved livelihood, being able to revolve her money among different small initiatives alongside her involvement in quilting works. When the issue of new allocation of VGF cards was discussed in their community last year, she stood and willingly gave up her entitlement, as she believes some of her neighbours were more in need of this support.

Limited employment opportunities and insecure livelihoods, exacerbated by low levels of education among the extremely poor, are major causes of continued poverty. UP's have short-term and long-term plans for this purpose. The short-term plans have tended to focus on disbursing Government safety net programmes to the people most in need, while the long-term plans aim to create opportunities for extremely poor women and men to raise their livelihoods. Among the project participants, a significant number are physically challenged because of old age or disability and are unable to be involved with any physically labour intensive initiatives. For these people, SSNs are appropriate. As such, the project has particular measures for these people either by including them in the project initiative or by facilitating the UP to include them in their safety net distribution plans. The following graph (figure 5) shows that 27 percent of these physically challenged elderly and disabled people are under coverage of current initiatives in SETU, and 20 percent have been under a UP safety net programme. A few people have also been involved with community initiatives. However, there are physically challenged elderly and disabled people who are still out of reach with project initiatives, as approximately 52 percent could not get involved with any

initiative either by the project or through the UP. The project considers this to be a significant concern for the future planning.

FIGURE 5: PHYSICALLY CHALLENGED OLDER AND DISABLED PEOPLE INCLUDED IN THE PROJECT INITIATIVES



4.3 SHORTAGES IN SOCIAL SAFETY NETS

The common focus of current UP budgets is mostly on enhancing economic benefits, while other basic requirements of the extremely poor are largely ignored. If we consider safety nets and social protection initiatives of local government, most of these initiatives are economic in focus, like VGFs, cash for work, food for work, VGDs, widow and elderly pensions. In contrast, other significant and basic requirements, such as budgeting for health facilities and education for children, are not getting their deserved priority. Creating health facilities at the UP level and increasing the scope and quality of education is important for the extremely poor who have few opportunities to go beyond the UP level for these services. Health hazards and chronic illness are a primary underlying cause of poverty that serve to keep extremely poor households trapped in a cycle of indebtedness. Though there are some semi-scholarships for children's education from the Government, it can be argued that non-economic issues are creating holes in the safety nets including issues of indebtedness, migration, a lack of education, serving to hinder the extremely poor's graduation out of poverty.

4.4 STRENGTHS TO FIGHT AGAINST HUNGER

Increased opportunities and changes in cropping patterns reduce the lean period for the extremely poor. The project has helped in this regard. In the northwest, the gap between the harvesting of two crops is usually considered as a lean period, where people's need for safety net supports increases. However, more livelihood options introduced by the project with business inputs are providing opportunities for the extremely poor to cope with hunger. Community solidarity provides the extremely poor with a platform to save either in cash or

kinds (i.e. money or a fist full of rice) which allows them to utilise these savings when there is a crisis. Out of 20000 households in the project, more than 11000 households are involved in savings groups, and around 1000 have used their savings towards creating a livelihood option.

4.5 IMPROVED BUDGETS

In addition to this, SETU has facilitated ward level pre-budget sharing sessions, followed by 'open budget sharing' sessions in all working Unions. Open budget sharing is seen to be an effective venture for creating a participatory space for the extremely poor to look at budget allocation and question publicly where the UP must account for its decisions. A total of 28,06,000 Taka was allocated towards the extremely poor by the UPs in all working Unions, which is 2.6% of total UP budget in the respective Unions. Irrespective to the amount or the percentage of total budget, the most significant point is that this allocation is an example of a 'structural change' that occurred due to the process of taking a governance approach, which led the UP to focus more resources specifically towards the extremely poor, for the first time (a sample UP budget is in Annex 3).

5. CONCLUSIONS

'Lack of good governance' has already been identified as one of the underlying causes of poverty, and SETU's 'participatory inclusive governance' approach to governance is based on a belief that work on governance is critical in making an impact to reducing poverty. The SETU approach opens up more livelihood options for the extremely poor, as well as supporting the substantive participation of the extremely poor in decision making which affects them. It also demonstrates the important role that empowered local actors - particularly local Government and marginalised citizens - have in ensuring secure and productive livelihoods for the poorest. From the outset, the SETU approach requires strong and quality facilitation. It is essential to invest in building capabilities, including skills and knowledge, and to develop locally responsive and adaptive social protection and livelihood strategies. The SETU approach takes advantage of local economic drivers, while also addressing social disparities and ensuring accountability in service delivery.

6. POLICY RECOMMENDATIONS

- 1. Preventing leakages of safety nets:** Empowering the marginalised to be more effective in preventing leakages around SSN distribution to protect the expected goal.
- 2. More resource allocation for local government:** The planning and strategies of local governments should be reinforced with sufficient budgetary allocations for a better response to local issues. Moreover, local governments should have control over the allocated resources to manage these more efficiently.
- 3. Building local capacity:** Better targeting for SSNs and social protection requires building the capacity of local actors (administrative, service providers and community agencies) to develop locally responsive and adaptive social protection including SSNs.
- 4. Building development programmes in indigenous practices:** Development programmes should be built on indigenous practices, local knowledge, skills and

opportunities to have an increased impact to reducing extreme poverty and social discrimination.

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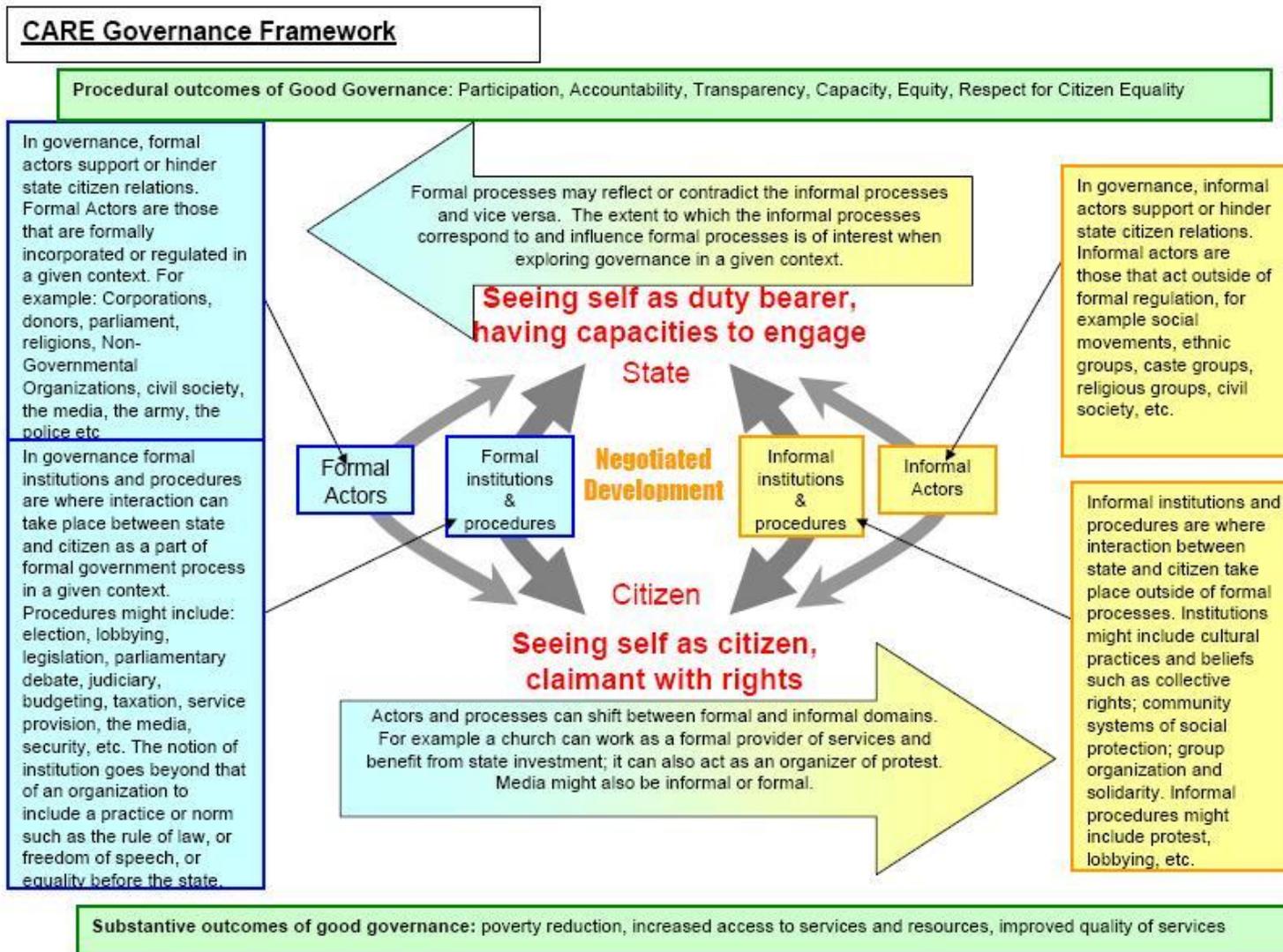
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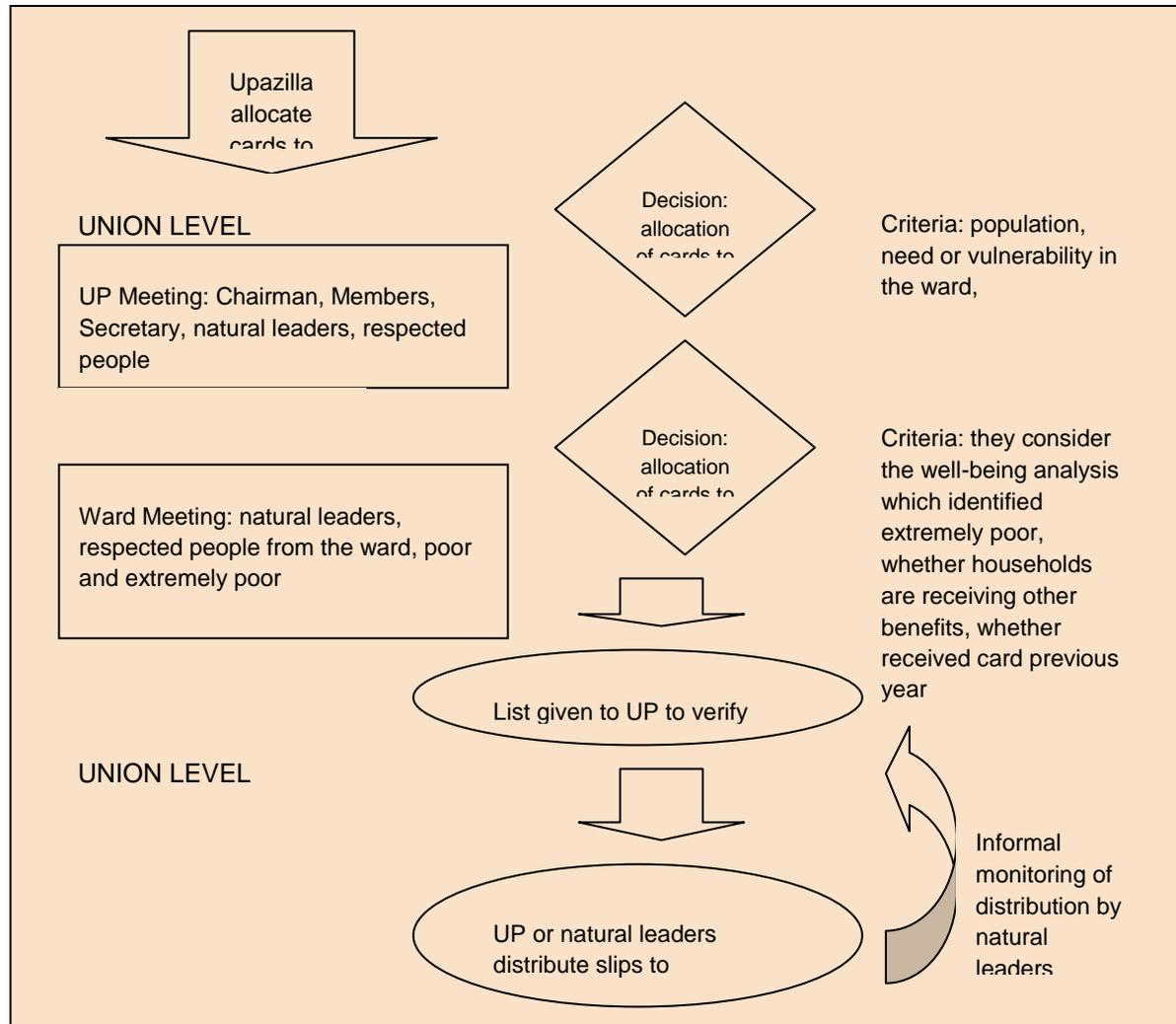
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ANNEX 1: CARE'S GOVERNANCE MODEL



ANNEX 2: JOINT TARGETING PROCESS OF GOVERNMENT SERVICES AND RESOURCES



ANNEX 3: SAMPLE UP BUDGET



সৈয়দপুর, নীলফামারী।
২০১০-২০১১ আর্থিক সালের চূড়ান্ত বাজেট

| আয় খাতের বিবরণ (ফরম-ক) পরিশিষ্ট-১ | | | | ব্যয় খাতের বিবরণ (ফরম-ক) পরিশিষ্ট-১ | | | |
|---|---|--|---|--|---|--|---|
| আয় খাতঃ- | পূর্ববর্তী বছরের প্রস্তাবিত বাজেট ২০১০-২০১১ | চলতি বছরের (সংশোধিত) বাজেট ২০০৯-২০১০ | চলতি বছরের (প্রকৃত) বাজেট ২০০৮-২০০৯ | ব্যয় খাতঃ- | পূর্ববর্তী বছরের প্রস্তাবিত বাজেট ২০১০-২০১১ | চলতি বছরের (সংশোধিত) বাজেট ২০০৯-২০১০ | চলতি বছরের (প্রকৃত) বাজেট ২০০৮-২০০৯ |
| (ক) নিম্নোক্ত উৎসঃ- | | | | (ক) সংস্থাপন ব্যয়ঃ- | | | |
| ইউনিয়ন কর, রেট ও ফি | | | | ১. চেয়ারম্যানের সম্মানী ভাতা | ৩৬,০০০/- | ২৩,৮৫০/- | ২১,৮০০/- |
| ১. বশত কাড়ীর মূল্যের উপর কর | ১,৫০,০০০/- | ৯৫,৮০৫/- | ১,২০,৮৬২/- | ২. চেয়ারম্যানের বকেয়া ভাতা | ৭৮,০০০/- | ----- | ----- |
| ২. ব্যবসা, পেশা ও জীবিকার কর | ২,০০০/- | ----- | ----- | ৩. সদস্যগণের ভাতা | ১,৩৭,০০০/- | ১,১৬,২০০/- | ১,৩৫,৫০০/- |
| ৩. বকেয়া ভাতা | ২,৫৫,০০০/- | ----- | ----- | ৪. সদস্যগণের বকেয়া ভাতা | ১,২১,৫০০/- | ----- | ----- |
| (খ) অন্যান্য করঃ- | | | | ৫. সচিবের বেতন ও বোনাস | ২,০৫,৯০০/- | ১,৫২,৯১৬/- | ১,৫২,৯১৬/- |
| ১. হুট ভাটার উপর কর | ৫,০০০/- | ৪,০০০/- | ৪,০০০/- | ৬. গ্রাম পুলিশের বেতন বোনাস | ১,২১,১০০/- | ১,৯৮,৮০০/- | ১,৯৮,৮০০/- |
| ২. পাইলের কল্যান কেন্দ্রের কর | ১০,০০০/- | ৫,০০০/- | ৫,০০০/- | ৭. ফাতুনার বেতন | ৩,৬০০/- | ৩,৬০০/- | ৩,৬০০/- |
| ৩. অফিস ভাড়া | ২৫,০০০/- | ১৪,৫৫০/- | ২২,৪৫০/- | (খ) আনুষঙ্গিক ব্যয়ঃ- | | | |
| ৪. ভানু ভাড়া | ----- | ----- | ----- | ১. ট্রেনদারী | ২,০০০/- | ১,২০৯/- | ১,৫৮৪/- |
| ৫. কর্ম সূজন প্রশাসনিক আয় | ----- | ----- | ১২,০০০/- | ২. কর্ম সূজন প্রশাসনিক ব্যয় | ----- | ----- | ১২,০০০/- |
| (গ) লাইসেন্স ও শুল্কঃ- | | | | ৩. রশিদ বাই ঘাশালো | ৫,০০০/- | ৪,০০০/- | ----- |
| ১. গ্রাম আদালতের ফিস | ২,০০০/- | ----- | ----- | ৪. বিদ্যুৎ বিল | ১০,০০০/- | ৯,৮৪৭/- | ৮,৫৯১/- |
| ২. ২য় বিবাহের অনুমতি ফি | ১,০০০/- | ----- | ----- | ৫. কম্পিউটার খরচ | ৯,০০০/- | ৫,৪০০/- | ৮,২২০/- |
| ৩. ট্রেড লাইসেন্স | ১০,০০০/- | ৭,৪৪০/- | ৫,৪০০/- | ৬. আদায় কমিশন ২০% হিসাবে | ৮১,০০০/- | ১,০০০/- | ২৪,১৭২/- |
| (ঘ) ইজারা :- | | | | ৭. বৃক্ষরোপন | ৪,০০০/- | ----- | ২,০০০/- |
| ১. খোয়ার | ২৩,০০০/- | ২২,৫০০/- | ১৪,৮০০/- | ৮. শালিশী আদালত খরচ | ২,০০০/- | ----- | ----- |
| ২. পাহা ইজারা | ৫,০০০/- | ৫,০০০/- | ----- | ৯। অার পাম্প | ----- | ১,৫০০/- | ----- |
| (ঙ) যানবাহন | | | | ১০. সাহায্য (সেবিন, প্রতিবন্ধি, ছাত্র) | ৩,০০০/- | ৫,০০/- | ১,৫০০/- |
| ১. রিক্সা, তায়ন, বাইসাইকেল | ৮,০০০/- | ৬,৪০০/- | ৪,৬৮০/- | ১১. রিক্সা তায়ন লাইসেন্স তৈরী | ২,৫০০/- | ১,৫০০/- | ----- |
| (চ) অন্যান্য (আরবি.এন.এস এবং কোয়ার) কর্তৃক হস্তান্তরিত অন্য উন্নয়ন কর্মকর্তার সহায়তা | ২,৫০,০০০/- | ১,৫০,০০০/- | ----- | ১২. শহিদ মিনার নির্মাণ | ----- | ----- | ৬০,০০০/- |
| (ছ) সরকারী সুরা প্রাপ্তঃ- | | | | ১৩. কম্প্যাক্ট সার তৈরী করন | ----- | ----- | ১,০০০/- |
| ১. চেয়ারম্যানের ভাতার অংশ | ১৯,৮০০/- | ১৯,৮০০/- | ১৯,৮০০/- | ১৪. চেয়ারম্যানের ছালানী | ৬,০০০/- | ----- | ৬,০০০/- |
| ২. সদস্যগণের ভাতার অংশ | ৯৯,০০০/- | ১,০০,৮০০/- | ১,০০,৮০০/- | ১৫. খেলাধুলা সাহায্য | ৩,০০০/- | ----- | ----- |
| ৩. সচিবের বেতনের অংশ | ২,০৫,৯০০/- | ১,৫২,৯১৬/- | ১,৫২,৯১৬/- | ১৬. ভূমি উন্নয়ন কর প্রদান | ৪,৪২০/- | ----- | ৪,৪২০/- |
| পাতার মোট আয় | ১০,৭০,৭০০/- | ২,৭২,০১১/- | ৪,৬২,৭০৮/- | ১৭. সংবাদ পত্র | ৩,০০০/- | ২,৪৪১/- | ২,৩৩৭/- |
| | | | | ১৮. জাতীয় দিবস উদযাপন | ৬,০০০/- | ৫,০০০/- | ৪,০০০/- |
| | | | | পাতার মোট আয়ঃ- | ৮,৪৪,০৫০/- | ৫,২৭,৭৯৩/- | ৬,৪৮,৫১১/- |

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সৈয়দপুর, নীলফামারী।

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