

<b>Institution:</b> University College London		
<b>Unit of Assessment:</b> 16 – Economics & Econometrics		
<b>Title of case study:</b> Informing and influencing government and international NGO policies to improve conditions for the ultra-poor		
<b>Period when the underpinning research was undertaken:</b> 2010-2020		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b>	<b>Role(s) (e.g. job title):</b>	<b>Period(s) employed by submitting HEI:</b>
Imran Rasul	Professor of Economics	2005-present
<b>Period when the claimed impact occurred:</b> 2013-2020		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<b>1. Summary of the impact</b> (indicative maximum 100 words)		
<p>Of the 800,000,000 people globally who are thought to live on less than USD1.90 per day, almost half are classified as 'ultra-poor'. This demographic has proved particularly difficult to reach. Researchers at UCL and LSE led the first long-term evaluation of a 'graduation-style' antipoverty programme targeting ultra-poverty in Bangladesh. The work provided robust evidence that this kind of intervention sets the ultra-poor on a sustainable path out of poverty, with positive effects being maintained long term: 95% of TUP participants were shown to achieve 'graduation' and to maintain their improved conditions beyond the programme cycle. Today, graduation programmes help some 3,000,000 ultra-poor households around the world. The research continues to inform programme development and implementation among national governments (including Pakistan, Kenya and Philippines) and national and international NGOs, affecting the strategic spending of millions of dollars, and ultimately helping many millions of the world's poorest people to improve their lives.</p>		
<b>2. Underpinning research</b> (indicative maximum 500 words)		
<p>The 'ultra-poor' are defined as those living at less than half the poverty line for 'extreme' poverty. Working largely in insecure wage labour, with few or no assets and limited skills, they are the most marginalised subset of the extremely poor. The majority are landless rural women. Traditional poverty alleviation interventions often fail to reach this group. Since the 1990s, research organisations and development agencies have exerted considerable effort to understand which interventions might reach the ultra-poor and provide them with a sustainable route out of poverty. Research described here has significantly advanced these efforts.</p> <p><i>Evaluation of a pioneering anti-poverty programme:</i> the key underpinning work consisted of a large-scale, long-term analysis of the causal link between extreme poverty and labour markets as part of a randomized evaluation of 'Targeting the Ultra-Poor' (TUP), a nationwide poverty alleviation programme run in Bangladesh since 2002 by international development agency the Bangladesh Rural Advancement Committee (BRAC). Professor Imran Rasul worked with colleagues from LSE (Professors Oriana Bandiera and Robin Burgess), and the University of Bocconi and BRAC to evaluate TUP. Rasul's expertise in economics, with a research background in labour, development and public economics and in designing and evaluating randomized control trials were all core inputs into the project from its outset. The project was a collaboration of these academics, and each co-author contributed to all parts of the project from its inception, design, data collection and research.</p> <p>The programme sought to catalyse occupational change by providing the poorest women with one-off transfers of livestock assets (with a value of USD140 per household) and skills training over two years. Starting in 2007, the research team randomly assigned 40 BRAC branch offices serving 1,309 villages to either treatment or control groups for four years. A participatory wealth ranking process, involving all households in a community, classified households as ultra-poor, near-poor, middle class, and upper class, based on their initial assets, consumption etc. The team surveyed all ultra-poor and near-poor households and a 10% sample of middle and upper class households four times from 2007 to 2014.</p>		

*Evaluation results:* At baseline, livestock rearing was primarily the preserve of wealthy women, with the poorest women engaged in almost wholly seasonal casual wage labour that in comparison generated less than half the hourly earnings and limited poor women to working two months fewer per year than wealthier women in the same villages.

Women targeted by the TUP programme increased their total working hours and their earnings, supporting an accumulation of livestock, land and business assets and a reduction in poverty. Crucially, these effects were shown to accelerate over time. Four years after the initial livestock asset transfer - and two years after direct programme support had ended - the programme produced a 9% increase in per-capita non-durable consumption and a decline of 8.4 percentage points in the number of households living on less than USD1.25 per day. Household cash savings increased nearly nine-fold, the value of household assets more than doubled and the household savings rate increased by 25 percentage points from an initial value of close to zero. The value of land owned by the ultra-poor rose by 220%, the value of productive assets tripled, and beneficiaries became more engaged in credit markets. Importantly, these gains did not come at the expense of other (non-targeted) households in the same communities.

This research therefore shows that graduation programmes that provide both productive assets and training enable the ultra-poor to escape poverty. Results of the evaluation were published in 2017 [R1]. As one of the most extensive and long-term evaluations of an anti-poverty livelihood programme, it provided the first sound evidence for the long-term transformative effects of the graduation approach taken in TUP. The research highlighted that the very poorest are neither unwilling nor unfit to engage in the same jobs as more prosperous women in their communities, but instead face structural barriers to accessing stable and productive work.

### 3. References to the research (indicative maximum of six references)

[R1] Bandiera, O., Burgess, R., Das, N., Gulesci, S., Rasul, I. and Sulaiman, M. (2017). 'Labor markets and poverty in village economies', *Quarterly Journal of Economics* 132(2), pp. 811–870.

### 4. Details of the impact (indicative maximum 750 words)

In April 2013, World Bank president Jim Yong Kim announced a global target date of 2030 to end 'extreme poverty', then defined as living on or below the equivalent of USD1.25 per day (updated in 2015 to USD1.90 per day). An estimated 800,000,000 people still live below this line. Within that demographic, the ultra-poor have proved particularly difficult to reach. Rasul's research has made a significant contribution to global efforts to set the ultra-poor on a sustainable path out of poverty, primarily via its influence on the decisions of national governments and national and international NGOs to invest in graduation-style programmes. A 'State of the Sector' report by the World Bank's Partnership for Economic Inclusion showed that in 2018 there were 99 graduation programmes in 43 countries, serving 3,100,000 households; many further initiatives are planned [A]. According to BRAC, by 2020 the graduation approach had been adapted in 114 programmes in 45 countries. The research described here has contributed to the existence of all of these programmes by providing the first robust evidence for the long-term efficacy of the graduation approach.

The primary mechanism for this has been the provision in [R1] of the first robust evidence for the long-term efficacy of the graduation-style antipoverty intervention pioneered by BRAC's 'Targeting the Ultra-Poor' (TUP) programme. The 'big-push' approach combining large-scale business asset transfers with complementary skills training was shown to deliver significantly greater benefits than programmes that aimed to improve access to capital or skills alone. By helping to validate the graduation approach, the research has made a major contribution to work by the Bangladesh Rural Advancement Committee (BRAC) – and, in turn, many other humanitarian and development organisations – to adapt and roll out graduation programmes around the world. [R1] has therefore shaped poverty alleviation efforts around the world by directly and indirectly informing strategic planning and investment decisions within a wide range

of humanitarian and development organisations, and national governments, illustrative examples of which are outlined below.

**BRAC:** BRAC serves a global population of some 138,000,000 people in 12 countries across Asia, Africa, and the Americas and has a total annual expenditure in excess of USD800,000,000. The research published with BRAC in [R1] has informed the USD20-30,000,000 of that total budget that it devotes each year to its ultra-poor graduation programme [B1 p.73]. The Deputy Director of BRAC International observes that this was the first time a rigorous experimental design had been used to evaluate BRAC's programmes but randomised control trials are now used regularly in their evaluation and have become 'an important part of justifying spending on a program' [B2]. In Bangladesh, where the original TUP ran, BRAC graduated 1,900,000 ultra-poor households between 2002 and 2017. In line with the findings in [R1], consumption, savings, and asset holdings dramatically increase among programme participants: 95% of participants achieve graduation and maintain their improved conditions beyond the programme cycle [B1, p.20]. BRAC uses the research in its international advocacy work, including to help secure funding for new TUP programmes and to assure donors that funds are being spent on effective programming [B3]. In an interview conducted in July 2017, the Senior Director of the TUP explained: 'The RCT [randomised control trial] evaluation of BRAC's graduation program [R1]...has played a large role in lending credibility to BRAC's advocacy efforts' [B4]. The research findings – and the success of BRAC-led programmes informed by it – has also 'tremendously advanced global advocacy for graduation-style programs' [B3], leading to the implementation of interventions that improve the lives of very poor people around the world.

By demonstrating conclusively that the TUP approach was effective, [R1] also underpinned decisions by BRAC to reproduce the model beyond Bangladesh: preliminary research results prompted pilot programmes in Pakistan [B2], Haiti [B3], and eight other countries beyond Bangladesh (including Ethiopia, Ghana, Honduras, India, Pakistan and Peru). For example, between 2013 and 2019, graduation programmes benefitted 1,600 participants in Lesotho, 250 ultra-poor women and their households in South Sudan, and 1,660 young people in Uganda. Benefits included enhancements in participants' knowledge, skills and resources to improve their own and their families' health and nutritional status via greater food security, and increased financial skills and savings behaviour. Participants also benefitted from improved capacity to increase their incomes [B5].

The methodology employed by the UCL/LSE team is used by BRAC to evaluate aspects of its programming. Its Vice-Chair explains: 'the lessons about research design learned alongside [the research team] from 2007-2014 are still being applied in BRAC's Research and Evaluation Division' [B6]. Wider impacts are achieved through the development and delivery by BRAC of technical assistance to improve other organisations' capacity to implement graduation-style antipoverty programmes. In January 2016, it released a 116 page in-field toolkit, which makes extensive use of the research in providing guidance for both BRAC and other NGO employees implementing TUP programmes around the world [B7]. BRAC also regularly advises and trains governments, humanitarian and development organisations, and UN bodies to adapt and implement the graduation approach. Its Ultra Poor Graduation Initiative, an entity launched in 2013 to support organisations implementing graduation programmes, provides technical assistance and advisory services across five main phases of the graduation approach: assessment, design, planning, implementation and learning. The Initiative is currently working with organisations implementing graduation programmes in Egypt (2018-2021), Liberia (2018-2020), the Philippines (2017-2020), Uganda (2019-2022) and Zambia (2020-2024).

Via its influence on BRAC, the research has further shaped the approach taken by wide-ranging international poverty-alleviation organisations and national governments around the world.

**World Vision International:** The research informed an internal review of strategy at World Vision International (a charity devoted to improving the lives of vulnerable children) which led, in 2017, to its commitment to making the graduation approach its core model for the period to 2030. According to the Senior Director of Livelihoods at World Vision, this change in strategy will inform a budget of some USD300,000,000 and shape operations in 65 countries. The Senior Director cites [R1] as one of the two pieces of evidence supporting their new commitment to graduation

programmes, explaining that it ‘influenced World Vision to adopt graduation because it shows that the positive effects of graduation are sustainable’ [C]. This is reiterated in the World Vision Ultra-Poor Graduation Handbook, which cites [R1] in explaining why World Vision chose to adopt the graduation approach [C p.13]. Its version of the TUP, the Ultra Poor Graduation Model (UPG) is currently used in Sri Lanka, India, Mongolia and Armenia, as well as in Bangladesh. With BRAC’s support, World Vision plans to implement graduation programmes to help improve child wellbeing among vulnerable households in 40 countries [B8].

**Fonkoze:** By 2019, Haitian NGO Fonkoze had graduated more than 6,000 Haitian women out of ultra-poverty through its Chemen Lavi Miyò (CLM) programme, an intervention based on the BRAC TUP programme. Fonkoze has used [R1] ‘as evidence for an underlying model upon which new adaptations can be built’, for example for people with disabilities and those with HIV, and the ‘sustainability of graduation outcomes as shown by [R1]’ enable them to advocate for the inclusion of graduation in a new national social protection strategy for Haiti [D]. In this context, the CLM has been identified as a promising pilot initiative and a candidate for scaling by the Institute for Development Studies [D pp.1, 3-4].

**The BOMA Project:** A collaboration between a US non-profit organisation and Kenyan NGO, the BOMA Project helps women in Kenya to lift themselves out of extreme poverty. The Project’s CEO explained that they use the ‘rigorous evidence’ that [R1] provides to secure donor funding and as an advocacy tool in its work with various African governments, which is significant because ‘[c]ollaboration with governments to improve existing social protection programs can be one of the most effective ways of scaling up graduation programming. The research in [R1] can help make the case to government ministries that the most effective way to structure their existing interventions is using the graduation approach’ [E]. The Project further uses the work ‘as evidence of a successful model upon which to base its own programmes’ as it expands from Kenya into new countries such as Northern Uganda, Somalia and Tanzania [E].

**Trickle Up:** International development agency Trickle Up has piloted adaptations of the BRAC graduation programme to break the intergenerational cycle of poverty, and to improve the lives of people with disabilities and of indigenous people. The Director of Monitoring, Evaluation and Research at Trickle Up explains that [R1] ‘adds to the body of evidence for graduation which informs Trickle Up’s budget of approximately 5 million dollars and its work in 10 countries’ [F].

**United Nations High Commissioner for Refugees (UNHCR):** UNHCR serves 33,900,000 displaced people globally. Its commitment to adapting the TUP to support work with refugees has been underpinned by the validation of graduation programmes provided by [R1], in line with a strategic approach first set out in *UNHCR Global Strategy for Livelihoods 2014-18*. Since 2013, its field teams and partners (with support from Trickle Up) have implemented the graduation approach in six countries, with positive outcomes already observed. In Costa Rica, for example, where the programme was implemented from 2014-17, unemployment rates among refugees participating in the graduation programme delivered by UNHCR decreased from 36% to 4%, while self-employment rates more than doubled from 24% to 59%; as many as 79% of participating households reached a monthly income equal or greater to the national minimum wage upon graduation [G]. A new initiative led by the UNHCR Poverty Alleviation Coalition plans to scale up the graduation approach to reach half a million refugee and host-community households in 35 countries from 2020 to 2025.

**National governments:** According to the UNHCR, more than 15 country governments have integrated the graduation approach into their social protection and poverty alleviation policies and programmes [G]. Many of these work with NGOs to develop context-specific approaches to alleviating poverty. As well as supporting the work of other NGOs, BRAC has provided technical assistance and implementation support to several national governments; it credits the research published in [R1] with helping to secure these collaborations [B4]. Significant examples include a long-term contract with the Government of Kenya to help the International Fund for Agricultural Development (IFAD) and the Kenyan Ministry of Finance implement a graduation program, and a multi-year implementation program in the Philippines, funded by the Asian Development Bank [B4].

The Government of Pakistan has used the BRAC TUP programme as a model for engendering social protection by incorporating some of its most successful features into the Benazir Income Support Program (BISP), a federal unconditional cash transfer programme targeting some of the poorest households in Pakistan. Since 2013, Rasul and the LSE researchers have worked with the Pakistani Ministry of Livestock and a large NGO – the Pakistan Poverty Alleviation Fund (PPAF) – to achieve this. Underpinned by **[R1]**, they designed a research programme (piloted in Punjab) that compared the results of an asset transfer graduation program and an equivalently-valued cash unconditional cash transfer. PPAF has since successfully advocated for the implementation of a graduation programme to help households currently within the BISP to move out of it. The Group Head of Compliance and Quality Assurance at PPAF confirms that ‘a strong research based is critical to [PPAF’s] advocacy work’ and **[R1]** was a key piece of evidence used by PPAF to successfully advocate for the take-up of the graduation approach by the Government of Pakistan **[H]**. The Government of Pakistan’s 2017-18 budget included plans to expand the BISP to offer training and grants of PKR50,000 to 250,000 households as part of the graduation programme **[I]**. In March 2018, the Government of Pakistan announced a new agreement between BISP and PPAF to implement the Poverty Graduation strategy across Pakistan. In total, 320,000 households, representing 2,000,000 individuals, will benefit from this partnership **[I]**.

**[R1]** provided robust evidence that a graduation style antipoverty programme intervention sets the ultra-poor on a sustainable path out of poverty. This evidence informed programme development and implementation among national governments (including Pakistan, Kenya and Philippines) and national and international NGOs, affecting the strategic spending of millions of dollars, and ultimately helping many thousands of the world’s poorest people to improve their lives.

#### 5. Sources to corroborate the impact (indicative maximum of 10 references)

- A. World Bank Partnership for Economic Inclusion (2018). *State of the Sector*. Synthesis Report. <https://bit.ly/2DowDCS>. See Annex A for full list of programmes.
- B. Evidence from BRAC: **B1** BRAC 2018 Annual Report: <https://bit.ly/2o4Y3ZjY>; **B2** Director of BRAC Research and Evaluation Division (2001-2006) and Deputy Director of BRAC International (2006-2012). Transcript of interview, July 2017; **B3** Former Director of Extreme Poverty Programs at BRAC. Transcript of interview, July 2017; **B4** Director, Targeting the Ultra Poor, BRAC. Transcript of interview, July 2017; **B5** <https://bit.ly/396kyBh>; **B6** Vice Chairperson of BRAC. Transcript of interview, 13 July 2017; **B7** PROPEL Toolkit: An Implementation Guide to the Ultra-Poor Graduation Approach, BRAC Publications; **B8** Ultra-poor Graduation Handbook <https://bit.ly/3cXOZe2>
- C. Evidence relating to World Vision: **C1** Global Sector Leader for Livelihoods, World Vision International. Transcript of interview, April 2017; **C2** World Vision Ultra Poor Graduation Handbook. 2<sup>nd</sup> edition, May 2019 <https://bit.ly/2Bt52yc>
- D. Evidence from Fonkoze: **D1** Executive Director of Fonkoze. Transcript of interview, May 2017; **D2** ‘Targeting the Ultra-Poor: Lessons from Fonkoze’s Graduation Programme in Haiti’. January 2019. <https://bit.ly/32AvO3J>
- E. CEO of BOMA Project. Transcript of interview, April 2017.
- F. Director of Monitoring, Evaluation and Research, Trickle Up. Transcript of interview, April 2017.
- G. Screenshot of UNHCR website and YouTube <https://bit.ly/3f4Wdjl>
- H. Group Head of Compliance and Quality Assurance at PPAF. Transcript of interview, July 2017.
- I. Budget Speech given by Minister of Finance of Pakistan; Government of Pakistan press release, 13-03-18 <https://bit.ly/3tJMmDv>