



## Reaching the Poorest of the Poor

*Bernd Steimann, May 2013*

The World Bank has recently announced that it intends to adjust its focus of interventions towards the poorest in society, mainly through boosting economic growth and increasing the income of the “bottom 40%”. Now that is certainly a laudable intention, yet the Bank may encounter some problems on the way. In fact, reaching out to the poorest people can be – in many respects – a difficult endeavour, not only for donors and development practitioners, but also for statisticians.

In a recent presentation at Zurich University, Dr. Sandra Contzen of HAFL (1) talked about her four-year research on the implementation of the Poverty Reduction Strategy Paper (PRSP) in Honduras and its effects on poverty reduction. In her intriguing analysis, Contzen showed how the Honduran PRSP systematically excludes the poorest of the poor by focussing its main interventions on people with a certain resource endowment (e.g. land, livestock, income, or social and political relations), while leaving the poorest of the poor with social relief programmes. Thus, she argued, the PRSP would implicitly refer to a distinction used by many donors, that is, between ‘poor people with potential’ and ‘poor people without potential’ (*pobres con potencial / pobres sin potencial*). The inherent logic behind that approach was a vague belief in a ‘trickle down’ effect towards the poorest of the poor – despite ample evidence from around the globe that this hardly ever works. Interestingly, Contzen found the same logic in poverty discourses at community level. In interviews with local leaders about local development activities, she was repeatedly told that “*we do not work with the ‘mentally poor’ (pobres de mente), because it is too difficult to work with them*”. Instead, communal authorities preferred to work with the “economically poor”, who in fact were people in those families and households with at least a minimum resource endowment. Thus, the poorest of the poor in Honduras often get excluded by their communities and international donors alike.

Now this observation is certainly not valid for Honduras alone, but also for many other developing countries where PRSPs and comparable mechanisms are directing development cooperation and poverty reduction interventions. However, according to Roy Carr-Hill of the London Institute of Education, the problem is not only how the poorest of the poor are perceived and approached, but whether their existence gets acknowledged at all. In a recent World Development article (2), Carr-Hill estimates that worldwide about 250 million poor people get systematically omitted by household surveys and censuses, with the effect that most national and global poverty estimates would suffer from substantial biases. According to Carr-Hill, the reason for that is twofold. First, household surveys – which are increasingly favoured over sophisticated but costly censuses in many developing countries – omit particular groups of poor people by design: people living on the streets or in institutions, mobile populations such as pastoralists, as well as multilocal households (with household members commuting irregularly between different places of work and living) often get excluded from surveys because they cannot always be clearly attributed to a particular community, and often do not comply with the concept of ‘household’. Second, many surveys are seriously biased because the poorest of the poor often live in slums and other potentially dangerous areas which enumerators tend to avoid, and because the mobile population is usually difficult to reach.

I experienced this myself while doing a household survey in rural Kyrgyzstan (3). Even though I planned the survey in early spring, when transhumant households are not yet on the move, it took me some time to realise that a considerable number of people was constantly living on the pastures outside the village, in simple houses without electricity. Although they did not necessarily belong to the poorest of the poor, omitting these people would have seriously biased my analysis of the share between rich and the poor, between the powerful and the marginalised.

Given that after 2015, the global development community wants to focus on those people who could not yet profit from the MDGs, there is a lot of homework to be done – not only for the World Bank, but also for many other donors, practitioners, and academics.

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## References

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