

# THE DYNAMICS OF POVERTY IN RURAL BANGLADESH

## Insights from Life Histories



Bob Baulch and Peter Davis

This policy brief summarizes interim findings of part three of a three-part quantitative and qualitative research study into the dynamics of poverty, which was collaboratively undertaken by researchers of the Chronic Poverty Research Centre, the International Food Policy Research Institute, and Data Analysis and Technical Assistance, Ltd. Part three of the study integrated a quantitative panel survey of 1,787 core households with a subsample of 293 qualitative life history interviews conducted in 160 households in 8 districts of rural Bangladesh in the spring and summer of 2007. The aim of the interviews was to explore the dynamics of poverty and the main drivers of change in people's lives, thereby drawing implications for policy aimed at reducing poverty and protecting the poorest.









### CONCEPTUALIZING THE COMMON LIFE TRAJECTORIES

The life trajectories emerging from the interviews were classified under 12 categories based on three directions (stable, improving, and declining) and four patterns (smooth, saw-tooth, single step, and multi-step), although only eight of these trajectories were observed (Table 1). These life trajectories demonstrate the importance of shocks to household poverty dynamics and individual life trajectories, especially when shocks are multiple and repeated.

A large number of the life histories analyzed display a saw-tooth pattern, whereby improvements in people's lives are reversed by intermittent shocks such as illness, often accompanied with large medical expenses, wedding expenses, and legal disputes (court cases). It is useful to distinguish between trajectories with and without scope for improvement between the downward steps. A declining multi-step pattern was common, whereby a number of sequential crises left little opportunity for

recovery. For the chronically poor, stable and declining saw-tooth patterns and declining multi-step patterns were most common. For extremely poor respondents, a low but stable saw-tooth trajectory often reflected mere survival, in that people only avoided a declining trajectory due to lack of scope for further decline without total destitution and death. For both rich and poor people on improving and stable trajectories, the improving saw-tooth pattern was most common..

**Table 1. Conceptualization of Common Life Trajectories**

Direction	Pattern	Depiction	# of cases
Stable	Smooth		8
Improving	Smooth		3
Declining	Smooth		2
Stable	Saw-tooth		135
Improving	Saw-tooth		76
Declining	Saw-tooth		30
Declining	Single-step		2
Declining	Multi-step		37

Source: Davis, Peter, and Bob Baulch, *Parallel Realities: Exploring Poverty Dynamics using Mixed Methods in Rural Bangladesh*, CPRC Working Paper (forthcoming).

## BACKGROUND AND METHODOLOGY

While it is sometimes difficult to reconcile qualitative and quantitative data findings, a fully integrated and sequenced approach to the study of poverty dynamics helps to compensate for the blind spots of any single approach. Similarly, the process of understanding differences facilitates a deeper understanding of the opportunities and challenges that poor people face as they struggle to improve their lives. In this phase of the study, 10 households were selected from each of 2 villages in 8 rural districts on the basis of poverty transition matrixes constructed using longitudinal quantitative survey data. Semi-structured interviews were conducted by a small team of experienced Bengali-speaking researchers using life-history methods and visualization techniques. All interviews were digitally recorded and then transcribed. Where possible, one man and one woman in each household were interviewed separately by two researchers of corresponding sex, then the interviewing researcher drew up a chart of the life history from the timeline of events drafted with the help of the respondent during the interview.

## DRIVERS OF CHANGE

For people who are poor, livestock was an important source of opportunity. It provided a ready source of investment and featured in progressions arising from shared ownership and full ownership of poultry, goats, and cattle and in a few cases the sale of cattle to buy land. As with other forms of opportunity there are risks of livestock losses leading to serious crises. Government interventions, such as those assessed in the original survey—food- and cash-for-education, agricultural technology transfer, and microfinance programs—also constitute important sources of opportunity for poorer households.

Illness, including injury and sometimes death, featured strongly as a common source of crisis with serious long-term consequences, both related to loss of income and additional expenses. Wedding expenses, especially dowries, also feature very strongly. Crises associated with the division of households and other family disputes were also important sources of decline, as were legal disputes over land or marriage and dowry, which placed a heavy burden on rich and poor households alike. Specific instances of flooding and storms, especially the floods of 1988, were important events with long-term impacts, including death and injury and the destruction of crops and infrastructure. While some forms of crisis were localized, they were common across the country as a whole. River erosion, for example, was a common problem and sometimes a catalyst for the displacement and migration of poor people.

Improvements in poor people's lives tend to occur gradually, whereas sudden declines are common. Crises are likely to produce serious and sudden declines when the crisis either directly damages an aspect of a person's well-being, such as their health, or when a person had low resilience due to previous crises, limited ability to insure against crisis, low savings, few assets, and poor networks through which to access other resources.

## KEY FINDINGS

- Most life trajectories follow an upward or downward “saw-tooth” patterns as opposed to a smooth process of accumulation or decline.
- Qualitative and quantitative classifications of the chronically poor and never poor are usually consistent.
- Qualitative and quantitative classifications of poverty transitions often disagree, highlighting the fuzzy nature of transitions.
- Household splits, disability, and vulnerability to hunger matter most in the qualitative analysis.
- Mutual learning, cross checking, and triangulation of findings promote a deeper understanding of the opportunities and challenges poor people face.

## CONCLUDING REMARKS

A number of key patterns and trends with important implications for policy have emerged from this study, including the ability of some people to exploit opportunities when they arise, while others are left behind; the impact of household division on different individuals; the relationship between lifecycle patterns and drivers of improvement or decline among different categories of people; and the relative importance of intermittent large and indivisible expenditure, such as expenses associated with weddings, illness and injury, and legal disputes, on people's life trajectories. Many of the life trajectories resemble either upward or downward saw-tooth patterns, not rather than the smooth process of accumulation or decline that are hypothesized by standard quantitative models.

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