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Abstract

Extreme Poverty and Inequalities: The Challenges of Inclusion

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In contrast to conventional poverty analysis, the study explores how extreme poverty are different because of the diversity of the underlying factors. The study also looks at the multi-dimensional nature of well-being of the extreme poor and explores the ways they experience their marginalisation in different forms. The study adopted a mixed method approach and analysed data obtained from various secondary sources including HIES, MICS and EEP/Shiree. It also carried out interviews with national and local level poverty experts.

Key messages of the study include the following: Extreme poverty is different from moderate poverty not only with respect to the poverty gap and sensitivity to economic growth, but also in terms of overlap with marginalised groups and agency; Although economic inequality is hardly correlated with the incidence of extreme poverty, borne out by other drivers, horizontal and geographical inequalities are appearing more strongly with emerging poverty pockets within regions; The distribution of poverty is modified when multi-dimensional poverty is considered; Extreme poor people have volatile livelihoods, sensitive over time to many challenging internal and external conditions and events, which weakens the efficacy of graduation measures; Unequal conditions of the political economy compounds the problem of access to resources, opportunities and social protection, inducing dependency and weak voice among the extremely poor; Policy needs to be re-imagined away from 'business as usual' programmes and projects which reinforce casualization; do not engage with rights, entitlements, and the inter-generational reproduction of poverty; do not engage with multi-dimensionality; do not engage with climate change shocks and environmental hazards; and fail to tackle both gender discrimination and the barrier to access problems especially faced by marginalised communities. Finally, the study points to the need for setting up a high-powered inter-agency platform within the government that may work as the focal point for knowledge, practice, experimentation and evaluation related to eradication of extreme poverty.