

# International Development Committee

## Oral evidence: Extreme poverty and the Sustainable Development Goals, HC 932

Tuesday 1 March 2022

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Members present: Sarah Champion (Chair); Theo Clarke; Mrs Pauline Latham; Chris Law; Nigel Mills; Dr Dan Poulter.

Questions 1 - 38

### Witnesses

[I](#): Dr Sabina Alkire, Director, Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford; and Romilly Greenhill, UK Director, ONE Campaign.

[II](#): Shameran Abed, Executive Director, BRAC International; and Dr Rachel Glennerster, Associate Professor, University of Chicago.

## Examination of witnesses

Witnesses: Dr Sabina Alkire and Romilly Greenhill.

**Q1 Chair:** I would like to start this Committee session for the International Development Committee by saying that the Committee stands in solidarity with the incredibly brave and noble people of Ukraine. We are disgusted and horrified by the despicable actions of Putin, who appears ever more deranged. His actions are those not of a leader but of a desperate thug, and he will not win. We urge the UK Government and the international community to continue in their unwavering commitment to Ukraine and make sure humanitarian support is urgently supplied to all who need it, both the Ukrainians who stay and those forced to flee. We note with horror that civilian centres are being targeted, in breach of international law, and support calls for swift evidence collection to be gathered on the ground now so that war crimes can be prosecuted with the utmost urgency. Putin will not win this. We are with the people of Ukraine. This Committee will do everything we can to make sure that they get the justice and the support that they deserve.

I would now like to introduce our first panel on this first public session of the Committee looking at extreme poverty and the Sustainable Development Goals. We are very fortunate to have both Dr Sabina Alkire and Romilly Greenhill here with us virtually on Zoom today. Could I ask you both to introduce yourselves, starting with Sabina and then turning to Romilly, please?

**Dr Alkire:** Hello, I am Sabina Alkire. I am director of the Oxford Poverty and Human Development Initiative, a research centre in the Department of International Development at the University of Oxford. We look at the lives of poor people and how different kinds of deprivations interlock in their lives. We measure it. We work with national Governments and international organisations seeking to fight it both by measuring it more accurately and using these as policy tools.

**Romilly Greenhill:** Hello, I am Romilly Greenhill. I am a director of the ONE Campaign. ONE is a global movement working to end extreme poverty and preventable disease by 2030.

**Q2 Chair:** Thank you. I would like to ask you both this rather broad question to tee us off, starting with Romilly. What do you think are the main drivers for extreme poverty around the world? Do you think there is the political will to address those drivers and prevent them?

**Romilly Greenhill:** I wanted to highlight three important drivers of poverty now and going forward. One sadly very recent driver is the Covid pandemic. We were making significant progress in ending extreme poverty in the recent decades. Unfortunately, we have seen that progress go quite significantly into reverse. The World Bank has estimated that in 2020 about 100 million people were pushed back into extreme poverty as a result of the pandemic. We expect that to continue in the years to



come. We have seen significant reductions across the SDGs but particularly on that extreme poverty indicator.

Another one that is sadly very salient today is the issue of conflict across the board. We are seeing increasing concentrations of poor people living in fragile and conflict-affected states. Two-thirds of people living in extreme poverty are expected to be living in those contexts by 2030.

The third is climate. Unfortunately, that is something that is going to continue in the years to come. By 2030, by some estimates we are going to see another 120 million more people pushed into poverty. It is the three Cs: Covid, conflict and climate.

There is obviously a continued commitment in this country to address those issues, but we do have some concerns about whether it is at the levels that it has been in recent decades. I wanted to highlight a couple of examples. We are seeing more and more aid spending, for example, going into middle income countries and away from the poorer and the most fragile states. We saw a big speech to Chatham House last December by the Foreign Secretary. Poverty was not mentioned, I don't think, anywhere in that speech. We do have some concerns about whether there will be the political will to continue tackling extreme poverty going forward.

**Q3** **Chair:** Thank you. The same question to Sabina.

**Dr Alkire:** Indeed, Covid is a clear driver of the increase of poverty. Alongside the \$1.90 a day that Romilly mentioned, we compute a global multidimensional poverty measure for 5.9 billion people in 109 developing countries, and by our estimations Covid set us back 3.6 to 9.9 years, increasing poverty by 131 million to 547 million people because of falling into undernutrition and food insecurity and children out of school unable to learn and these kinds of Covid-related disparities. That has been a big driver and an important one.

In a sense, that is a lack of measuring to manage, managing to measure, and a good tight relationship between numbers and outcomes. We all care about girls' education. We all care about women's education. The FCDO has been a voice for this for years. When we looked at our global MPI this year we found 1.3 billion people are poor and two-thirds of them, 836 million, do not have an educated girl or woman in their household. We have those numbers. We have them for every country. We know if the households have an educated boy or man and if they do not. This evidence, which includes disaggregated evidence for 1,291 subnational regions and includes what the overlapping deprivations are that poor people face, this database is not linked to development activity and a closer link between existing data and outcomes could be useful.

In terms of political will, I will give the example of Sierra Leone. Sierra Leone had the fastest reduction of 80 countries and 5 billion people in reducing poverty. It did so in the years 2013 to 2017 when the Ebola



pandemic raged in that country. Poverty in a multidimensional sense went from 74% to 58%. Something went right. If there were a political will, they would be looking at these stories, celebrating them, seeing what went right and how we can similarly turn a corner on poverty during the Covid pandemic. It is that kind of nexus between examples that have worked, data, and hopes and aspirations for the future that we are looking for. Pandemics require decisions with too little information, but if we can use the information that we have it can make a difference.

**Chair:** Thank you very much.

Q4 **Mrs Pauline Latham:** Good afternoon. Sabina, could you tell us how the numbers of people living in extreme poverty have changed over the last few years? What are the data telling us?

**Dr Alkire:** There are two primary measures of extreme poverty. There is the World Bank \$1.90 a day, which is SDG 1.1.1. That updates using estimations pegged to national account growth. By that, there were 635 million at the beginning of 2020. It went up by 97 million to 732 million at the end of 2020, and then in 2021 it came down by 21 million so that at the end of 2021 the World Bank accounts there were 711 million poor people.

By the global multidimensional poverty measure that looks at people who are deprived in one-third of three dimensions. It will take but a minute to say them. A child is undernourished or an adult is undernourished in a household. A child has died in the last five years. Nobody has completed primary school. A child is not attending school through class 8. They lack clean water, adequate sanitation, electricity, good quality housing, clean cooking fuel, and they only have one or zero of the following sets of assets: a phone, a radio, a television, a refrigerator, an animal cart, a computer, a bicycle or a motorcycle. If people are deprived in one-third of those weighted indicators, with health and education weighted higher because of the number, then it is 1.3 billion. It is more than twice the number of acute poor by the World Bank's \$1.90 a day. Those are the two measures and the two levels that we have at this point in the pandemic.

Q5 **Mrs Pauline Latham:** Can you tell me if you think the \$1.90 is a helpful level or should we be looking at further indicators such as poverty and access to nutrition, healthcare and education when we are assessing extreme poverty?

**Dr Alkire:** We should be looking beyond \$1.90, although including it as one of the indicators. The reason is threefold. One is the precision of the \$1.90 a day. Sometimes it is based on a little old data. India's data is 2011, imputed from 2014, so that is difficult. A second is that the \$1.90 statistics are only available at the national level, but for us with the global multidimensional measure or for nutrition or education we can go within country. For example, for the national multidimensional measure, within Nigeria it is four to 88%. Within Haiti it is four to 61%. Chad is 42 to



## HOUSE OF COMMONS

99%, Ethiopia at 11 to 90%, India one to 52% across their states, so disaggregation requires measures beyond \$1.90 a day.

The third is the remedy. If FCDO puts a child in school it will be years before that child grows up, earns an income and affects the \$1.90 a day, but if child school attendance is part of your measure it changes that year. If a child was undernourished, is sponsored and becomes well nourished and the measure is \$1.90, it will take some time for that to change, but if you monitor it directly through one of the indicators of the multidimensional measure or through a dashboard it changes that year. Again, as a management and measurement tool it is a more precise tool.

**Q6 Mrs Pauline Latham:** Could I ask Romilly first and then Sabina: do you think there are any particular areas or groups that are more affected by extreme poverty? How can we understand that better? As you say, things are often at a higher level. How do you drill down?

**Romilly Greenhill:** It is true that the groups most likely to live in extreme poverty are often marginalised groups. We are thinking about disability, for example, with a very high correlation between disability and extreme poverty. Women and girls, definitely ethnic minorities, that is a big issue; often spatial differentiation. As Sabina has just said, in countries like Nigeria and Ghana, there are very significant differences in poverty rates; in Ghana, if you are in Accra or in southern Ghana versus if you are in the northern area. It is often geographical or spatial marginalisation and if people are in rural areas. Often what you see is that these things are coming together. If you are a poor girl living in northern Ghana or northern Nigeria, you are significantly more likely to be living in extreme poverty than if you were a man in an urban area. It is logical but the inequality within countries is very extreme in the way that Sabina says.

It is also the case that we often have very poor levels of data to measure these things. On disability, for example, if you look at household surveys you are often not even picking up levels of disability. You do need some of these more disaggregated micro indicators to capture who is living in extreme poverty.

**Dr Alkire:** Yes, we disaggregate the multidimensional poverty measure and all of its component indicators by ethnicity, by subnational region, rural/urban area, disabilities when we have the data. I have a couple of examples.

We disaggregated 41 countries by ethnicity or caste. In Vietnam, 14% of the population are ethnic minorities but 47.5% of the poor, almost half, are ethnic minorities. In Bolivia, 44% of the population are indigenous but 75% of the poor are indigenous. Levels of poverty are twice as high among the Quechua indigenous than the Aymara. There are lots of nuances and all of our data tables are online. In terms of disabilities, for example, in Uganda by a Washington Group definition, 76.5% of people



with a person living with disabilities in their household were poor and 68% otherwise.

A big group is children. I mentioned that for us and for the \$1.90 a day, both, children are a key group. We disaggregate every single year by children, and one half of the multidimensionally poor people have not celebrated their 18th birthday; they are children. Of the children in the developing world, one in three are multidimensionally poor, and of the adults it is one in six. This kind of information, as Romilly said, is very important: 55% of the population live in rural areas but 84% of the poor live in rural areas. Again, all these data are online, but it is a very clear association between these definitions.

**Q7 Chair:** Sabina, the figures that you gave are really stark and quite shocking. Do you find that donors, and I am particularly thinking about the FCDO, use that data to make sure that their development money goes to the most in need or is it generally more of a broad-brush approach that is taken? The other thing I am thinking is a lot of our money would go on priorities that are probably set at a government by government level. I am wondering if that just compounds the issues that you are talking about.

**Dr Alkire:** For the first, I do not know if FCDO uses these numbers. There have been some years when we made presentations in London but not in recent years. Everything we do, as I said, is online and in the public domain.

In terms of Governments, we also act as the secretariat of a 60-country south-south network of developing countries who are using or developing multidimensional measures and using them for their own national poverty reduction activities. There is a very high degree of activity with heads of state and ministers presenting every year at the UN General Assembly, a south-south meeting every year, this year in Egypt, and so on. There is a lot of energy so I wouldn't think there would be discord but rather relief if others came in to support the different SDGs that are interlinked at the level of the poor people who cannot turn on the lights and feed their child and send another kid to school. I think that there is awareness at the level of developing country governance.

**Q8 Dr Dan Poulter:** First, Romilly, it has only been a few hours since we were on the same panel together last night, but it is nice to see you, and good afternoon, Sabina, as well. Romilly first, what actions are the most effective at lifting people out of extreme poverty?

**Romilly Greenhill:** It is nice to see you, too, Dan. We are having a busy time of it.

There is a whole cluster of policy areas in the social sectors that are absolutely vital in lifting people out of poverty. The first is around health, universal health coverage, and particularly a focus on primary healthcare. That is important not just for lifting people out of poverty but also for



## HOUSE OF COMMONS

keeping them out of poverty. One of the things that we see is very common is that if a household has an unwell member of the household, often the costs involved in that can push people back under the poverty line and they end up having to sell assets to pay for medical bills. That is why universal health coverage, helping people with the financial aspect of healthcare, is so vital.

Health is also very important for the long run. We know that, for example, children who are immunised are significantly more likely to grow up and have higher levels of income. Parents of children who are immunised have to spend less time looking after them because they get less ill and so on. Health spending is very critical both in the short term and in the longer term.

Sabina has touched on education already, absolutely critical, particularly education of girls and women for reasons that we know very well. Girls can better support their families and have better economic opportunities over the long run if they are better educated. Again, it is about the level of education. Pre-primary education is very important. Primary education has been shown to have a much bigger impact on poverty than focusing on tertiary, universities and specialised training, for example. The other big area that there is a lot of evidence on is social protection, providing cash transfers to the poorest people. That can be incredibly beneficial, both in terms of raising incomes in the short term but also helping support economic growth in the longer term. That is the whole cluster around the social sectors.

There are another couple of areas that I wanted to highlight. One is around antidiscrimination legislation. As we touched on earlier, it is often the most marginalised groups that struggle and that are much more likely to live in poverty. Legislation that prevents discrimination against those groups can be critical.

Finally, jobs are a very obvious area. When people can have sustainable jobs they are very likely to lift themselves and their families out of poverty. The policy area—that is, what you do to support those jobs—is things like microfinance, it is things like infrastructure and electricity in the areas where poor people are living. This is the point about disaggregation. It is very important. There is no point creating loads of jobs in Nairobi when the poorest people are living in north-east Kenya. They have to be jobs and infrastructure and microcredit that is accessible in those areas where the poorest and most marginalised people are living. I will stop there.

**Q9** **Dr Dan Poulter:** I was going to ask a follow-up question but you have already touched on that in your answer so I will put that to Sabina. How can those involved in delivering aid and aid programmes ensure that their programmes target those most in need?

**Dr Alkire:** Before I come to that, if possible, just a little postscript on Romilly's excellent response. One is just the language. I think we all





agree on it, but the words “lifting out” sometimes give the impression of disempowerment, but when poor people who had left poverty were interviewed and asked what made the most difference, was it a government programme, an NGO, a business, a friend, a kinship network, 77% of them said, “It was my own initiative”. We have to remember that they are the protagonists and they put together these pieces of different programmes and use them to come out of poverty.

In that same spirit, I think Romilly would have also said—and did in some ways—that it is these programmes but it is also some combinations of them. You think of the midday cooked meal scheme in India that gave lots of young women jobs and it gave children nutrition and an incentive to attend school. They sat together, so they mixed and broke social barriers. By having a few well-crafted projects, you can look at a number of different deprivations at the same time and address them in an interlinked way.

Coming to your question about targeting those most in need, I already alluded in some sense to the fact that there are a lot of data and it is not that difficult but perhaps they are not always used, as we know, in some of the targeting activity. There are different kinds of targeting. There are certain very high geographic regions; for example, in Chad where 99% of people are poor, where it must be universal. Just knowing what those regions are, knowing the deprivations that are there and the infrastructure and institutions is enough.

There are other places where the targeting would be at the household or at the more micro level. That is where there can be innovative uses, for example, with technology. If you know the deprivations—during Covid in Honduras, people got a QR code and if they were deprived in some health and protection activity they could use the QR code for that. If it was food security, they could use it. They looked at the particular deprivations that household had and it was an efficient way of targeting. Bringing together the newer technology and then the data about household-level need is quite powerful.

Another way of targeting is in a sense the ongoing dialogues with the workforce, because we are all focused on getting jobs in the pandemic and getting jobs with a living wage for communities that have lost their jobs because of the pandemic. Having consultations and the closest possible nexus so that the jobs offered are the jobs people will take in those places, that is quite an important thing. It sounds so basic but the reason we bring this up is that there have been projects that led to the wrong kind of jobs or in the wrong places. When time and resources are tight, that is a little bit of a disappointment. I think that that joining up by ongoing consultation with poor people in communities is a money saver.

**Dr Dan Poulter:** Romilly, do you have anything further to add to that before I have another question for you?





**Romilly Greenhill:** I just wanted to agree with what Sabina said about the ways in which policies can work together to support poverty reduction. For example, I talked about social protection and cash transfers. There is really good evidence to demonstrate that that can help with education, for example, if you provide cash transfers to girls or to the families of girls who stay in education and do not leave, which is a very common problem. Girls complete primary education and then they take on caring responsibilities with their families, they reach puberty and often they then leave education. When you provide things like cash transfers or feeding programmes and so on they are much more likely to stay in school and that has longer-term beneficial impacts. It is things like immunisation. Again, a child who is immunised is much less likely to get sick and, therefore, much more likely to spend time in school. Yes, I would absolutely agree on that point.

Q10 **Dr Dan Poulter:** Thank you. When people have been lifted out of poverty, how do we prevent them from falling back into it? Sabina, do you want to take that first?

**Dr Alkire:** Yes. There are different types, as we said, of monetary poverty and of multidimensional. In terms of monetary poverty, there has to be a focus not just on the immediate short-term cash but on the longer-term ability to be a productive worker during one's working life. That will require, as we talked about, access to micro credit, access to kinds of insurance for jobs insofar as those can provide disability assurance and different kinds of insurance, and the cultivation of saving habits.

In terms of multidimensional poverty, many of the deprivations require some investment in institutions of higher quality education and healthcare, but some at the housing level of water or sanitation or clean energy, those are more likely in peace times to be sustained and more unlikely to be rolled back. It is less likely across all of the countries for which we have data for multidimensional poverty to increase in the absence of a conflict, which is perhaps a good thing but it means that one also has to do the prevention of different kinds of conflicts. Those are key.

Another key moment in a poor person's life is mobility. If they move to a city or because of a natural disaster, then they will be, again, precarious. In those times they would need particular benefits in order to be able to make a decent living in that situation. Identifying the times when people are most vulnerable and appropriate, long-term strategies for reengaging their lives in a new place is key.

**Romilly Greenhill:** I touched on some of this earlier, but I do think health and universal health coverage is absolutely critical for preventing people from falling back into poverty. First, making sure that they do not get sick in the first place—so that is a lot of the preventative measures as I have touched upon, things like vaccination—also then making sure that if they are ill they get the appropriate treatment and it does not cause



## HOUSE OF COMMONS

significant financial hardship. That can be an incredibly important driver of people falling back into poverty that they have financial hardship. As mentioned before, people have to then sell assets and often it can take a long time to recover if they have sold their cow or whatever their productive asset is in order to pay healthcare bills. They do not just bounce back. Often that can have a long-term impact.

It is providing the overall health infrastructure so that we are targeting people at the local level, where they live so, for example, they are not having to then travel a long way to access healthcare, which has additional cost. I agree with everything Sabina says but I think health is also an incredibly important dimension to this.

**Q11 Chris Law:** Thank you both for being here this afternoon. I have a few questions that I would like to put to Romilly if that is okay. I will begin with: how well do you think the UK Official Development Assistance is targeted towards tackling extreme poverty?

**Romilly Greenhill:** I do have concerns about the direction that UK development assistance is going in, in terms of targeting extreme poverty, along two real dimensions. One is the question of which countries UK ODA is going to. Under DfID there was this target of 50% of ODA would go to fragile states. That was an incredibly important target because, as I mentioned at the outset, there is increasing concentration of extreme poverty in fragile states. If you are aiming to tackle extreme poverty, that is where you will be targeting your ODA and in sub-Saharan Africa.

What we have seen in large parts of Asia is that poverty rates have fallen quite dramatically in the recent years and decades and that is incredibly welcome, but in sub-Saharan Africa progress has not been as rapid. A country allocation that focused on extreme poverty would retain a very strong focus on sub-Saharan Africa, on fragile and conflict-affected states, but we are not seeing that. We are seeing falls to sub-Saharan African countries. To give you an example, south Sudan, cuts of 50% last year; Ethiopia, cuts of 55%; Somalia, cuts of 40%. Meanwhile, some of the middle-income countries like China saw an increase of 530% last year; Brazil, 7,000% increase. That is from a very low base I should clarify, but countries like Indonesia also saw an increase. When we are looking at the country allocations we are seeing a definite trend in terms of declining poverty focus.

Thinking about sectoral allocations, we are seeing unfortunately a similar story. Humanitarian aid has fallen by almost 50%. By definition that is going to the poorest and most marginalised people and often in fragile conflict-affected states. The heading called "Education, gender and equality", which we have both highlighted as incredibly important in fighting poverty, has gone down by 45%. We understand the overall aid budget has been cut, but within that we are seeing a disproportionate cut to the sectors that matter most for the poorest people and to the



## HOUSE OF COMMONS

countries and regions where the largest number of poor people live. That is something we are very concerned about.

The other thing that I am concerned about is when you look at the multilateral organisations that we have contributed to over the last 10 to 20 years—organisations like the World Bank, the Global Fund and Gavi, the Vaccine Alliance—although it is not the case for all multilaterals, in general multilaterals tend to be very well targeted at poverty reduction, and we are starting to see a decline in contribution to multilaterals. Going forward, that is something that we are also very concerned about.

**Q12 Chris Law:** On that point, Romilly, you talked about sub-Saharan Africa and not only the massive cuts but the likely forecasts as well that are going to come from those areas. The integrated strategic review said that 80% of poverty is going to be coming from Africa. What are your thoughts about that review and why do you think the Government have taken their eye completely off the ball when it comes to extreme poverty?

**Romilly Greenhill:** I suppose the integrated review is as it says, an integrated review, and from a wider foreign policy perspective there has been this focus on the Indo-Pacific tilt for wider geostrategic reasons. From our perspective, there are important reasons to keep the focus on extreme poverty. I understand why there is this greater foreign policy orientation but in the long run I think it serves the UK better to focus on where the countries are that need UK aid the most and where extreme poverty is concentrated. I would urge that to be a continued focus for the Government.

**Chris Law:** Can you provide some examples of successful programmes—

**Chair:** Sorry, I think that Sabina was trying to come in.

**Chris Law:** Sorry, Sabina, go ahead.

**Dr Alkire:** I have two postscripts. One is that by the \$1.90 a day measure I mentioned, 21 million people came out of poverty in 2021, but poverty actually rose in sub-Saharan Africa and in NENA in 2021.

The second footnote on the other side is that by the global multidimensional poverty measure we see roughly similar numbers of poor people in sub-Saharan Africa and in south Asia. India, by a multidimensional measure, had 370 million people who were poor in 2015-16. We are updating the numbers in the next couple of months and we will hopefully see that come down, but that has meant that south Asia remains a poverty focus in the multidimensional sense of children who are undernourished, out of school and so on in ways that it is perhaps not so much any longer in the monetary sense.

**Q13 Chris Law:** Can you provide me with some examples of successful programmes or interventions that have helped to tackle extreme poverty and some reflections on what you think the consequences are of trying to save money now through the aid cuts and what the real cost will be in



## HOUSE OF COMMONS

the longer term? It is a big question, I understand, but, Romilly, maybe you could begin with that.

**Romilly Greenhill:** Let me take the second question first. The consequences of trying to save money now are that we will end up having to spend more money in the long term. The way I think about it—and it does make me sound a bit like a grandmother—I always say “A stitch in time saves nine”. That is true on Covid, climate and conflict. If you think about Covid, the benefits now of tackling the pandemic, rolling out vaccines, tests and treatments around the world, are absolutely enormous. The costs to the UK are relatively small. Similarly on conflict, the benefits of peace keeping, the value for money of investing in peace building and peace keeping rather than suffering the costs of conflict, are absolutely enormous.

To my mind, the cuts are a short-term measure but they are going to cost us more in the long run because ultimately supporting economic growth, supporting good health, supporting a reduction in conflict and fragility and a reduction in extreme poverty around the world is beneficial for the UK, just as it is beneficial for people in those countries. I think that it is really a false economy.

I have forgotten the first part of the question. Would you mind just—

**Chris Law:** I was just asking if you could provide one or two examples of successful programmes, how they are demonstrated and why it is so vital for them to be continued.

**Romilly Greenhill:** There are enormous and numerous examples around the world of successful aid programmes. If I talk about education, this is more thinking about the cuts and we are going to see 4 million fewer girls educated as a result of those cuts. I mentioned earlier the multilateral programmes, Gavi, the Vaccine Alliance, and also the Global Fund to Fight AIDS, Tuberculosis and Malaria. The UK has been an absolutely critical player in both of those and a vital contributor. If you think about Gavi, we have seen 760 million children vaccinated around the world. I think that it is 13 million lives saved as a result of those programmes. These are really important programmes that we have been supporting and from our perspective it is absolutely vital that we keep on doing that.

**Dr Alkire:** We measure success and we measured trends over time for 5 billion people in 80 countries last year, and 14 of the fastest reductions in sub-Saharan African countries; think of Sierra Leone, Togo, Mauritania, even Ethiopia 2016 to 2019, then Liberia, Timor-Leste, Rwanda, Guinea, Côte d’Ivoire, Gambia. There are successes in low-income countries in post or ongoing conflict-affected countries, and these are important to recognise and to study. Aid went right in some of those places in different ways.

I will give the example, though, of India. From 2005-06 to 2015-16, again if we take a multidimensional optic because we do not have



## HOUSE OF COMMONS

monetary trends from surveys in that period, then 271 million people came out of poverty. That was over a decade. It was different political parties and terms of office, but clearly with midday cooked meals, the PDS by CDS, the Anganwadi system in children care, the NREGA national employment guarantee scheme, these programmes had a massive impact, as did state-level programmes. We know that all 10 measures came down, but we also know in terms of the leave no one behind that the poorest states were Jharkhand, Bihar, Chhattisgarh and Madhya Pradesh, and they had the fastest progress. We know that the children were the poorest and they had the fastest reduction. We know that Muslims were the poorest and they had the fastest. The scheduled tribes and the scheduled castes had the fastest reduction. It was a pro-poor change. Sometimes maybe there is not such attention to the result because if there was attention to these results there might be more energy because people would see that it really does make a difference at scale.

Hopefully, when we keep updating, we will be able to uncover other stories but one question that I would have is: how do others learn these stories and get energised by them and link the aid activities to them? Because they are really telling a massive story. Bangladesh from 2014 to 2019, with millions of people, I think 19 million people, out of poverty. Indonesia does not have much poverty by this definition but it got 4 million out from 2012 to 2017. Both Bangladesh and Indonesia had the fastest reduction, by Sylhet, by Papua, their poorest districts.

There is a lot of data. There are other places that did not work so well. In Central African Republic, poverty went up. In Madagascar poverty went up. They are two really heartrending situations, but there is still a lot that we can learn and it would be energising to engage in that kind of interchange.

**Q14 Chris Law:** That is helpful. It would be really helpful to give the contrast as well: where the successes have been made and what we are seeing being reversed as a result of cuts and the ultimate consequences of not just cost in terms of pounds, shillings and pence but also the cost on the ground to people's lives.

This is my very last question because we are running out of time. What more could the FCDO do to ensure its funding has the greatest effect?

**Romilly Greenhill:** I have a few suggestions. One is the target that I mentioned that DfID had around spending on fragile and conflict-affected states. It is not clear to me at the moment as to whether that target is being retained. We would be supportive of retaining that 50%, 50% to LDCs and fragile states or just to fragile states. That is incredibly important.

To my last point, protecting spending on health, education and social protection is vitally important, and protecting spending through the large multilaterals. We were disappointed to see that there was a 55% cut in



## HOUSE OF COMMONS

UK spending through the World Bank announced last December, in the replenishment for the IDA, which is the development arm of the World Bank. We saw a 55% cut in the UK allocation, yet the World Bank is a very poverty-focused institution. We think that protecting spending to multilaterals is very important.

Protecting spending to health is particularly important in the pandemic, and within that to the lower levels of healthcare, so primary healthcare that is most important for the poorest people, and strengthening health systems. I think there is quite a lot of interest in strengthening health systems but we would want to see that continued.

Across the board, in terms of all the social sector spending, we need to make sure that, first, there is a focus on disaggregation so that we are very clear which groups are being targeted, it is not just an aggregate health programme or education programme but it is disaggregating in the ways that Sabina has outlined in terms of ethnic minorities, disability, marginalisation and so on, and that we have the data to do that. Data remain an absolutely key component, so we would want to see continued FCDO support for that data collection, aggregation, monitoring and so on.

I have a couple of final points. There are some programmes that do not clearly demonstrate poverty focus, things like front-line diplomatic activities that are funded under the aid budget, the Chevening Scholarship programme. We would like to see those areas scaled down and the money reallocated towards health and education. We welcome the Foreign Secretary—

**Q15 Chair:** Sorry, Romilly, can I just come in there? You would like to see the Chevening scheme scaled down or you would like to see it funded through different measures?

**Romilly Greenhill:** Sorry, funded through different measures, yes, that is a good qualification. Yes, it is an important programme but it does not clearly demonstrate how it tackles extreme poverty. Most of the people who benefit from the scholarships are higher income from across the developing world. Yes, it is very poorly targeted at poverty. By all means continue Chevening but we do not think it should be coming from the ODA budget, which is a very precious resource.

Similarly, on front-line diplomatic activities, clearly we should be doing diplomacy. That is an incredibly important area for the UK to be engaged in, but we do not think that it should be funded out of the ODA budget as it currently is, some of it, in developing countries.

**Q16 Chair:** Thank you. Could I shift to Sabina for her final thoughts, please?

**Dr Alkire:** I would agree with all that Romilly has said and I would add three things. One is that, as I said, 55% of the population of developing countries live in rural areas, 45% in cities, but 84% of the poor. Whether it is agriculture, whether it is better food storage so there can be food security even during a pandemic, whether it is internet connectivity so





that new industries can spring up, attention to the rural sector is a vital component of any poverty reduction activity at this time.

To underscore the importance of data, most of the money must go to programming, but FCDO has an image for using evidence and for creating and using data well. I would think that that would be appropriate. The Global MPI that we do requires 43 questions. The Demographic and Health Survey has 625 questions. A monetary survey has 500 to 1,000. It is a short number of questions and if FCDO could mainstream these into different survey instruments or do visible regular data collection it would change the world of poverty because, again, we could measure to manage. We could see what happened.

The last is the private sector, which we have not touched on. The—*[Inaudible]*—does not have ESGs well measured: environmental, social and governance. ESGs could be poverty. It could be monetary and multidimensional poverty. That could be a key performance indicator. Unless we have more regular data, it will not be interesting to the private sector, but if it is, then some social bonds and others could be unlocked. The FCDO again could play an interesting role in bringing that sector appropriately into the poverty activity.

**Chair:** Ladies, that was an incredibly informative session. You have laid out the scale of both extreme poverty right now but also the task ahead of us to address it. The one big thing for me, which you have kept on highlighting and rightly so, is the use of good data and when we have these limited resources using them as strategically as possible. Thank you very much for your time today.

## Examination of witnesses

Witnesses: Shameran Abed and Dr Rachel Glennerster.

Q17 **Chair:** We will now move to our second panel, which is going to explore some of the solutions that have been tried to eradicate extreme poverty and give us their thoughts on what impact they have had on the ground.

Thank you very much to my second panel for joining us today. We do appreciate the time and commitment that you are giving to us. Could you both introduce yourselves and a little bit about your organisations? We have Shameran Abed and Rachel Glennerster. Shameran, if I could start with you, could you introduce yourself and your organisation, please?

**Shameran Abed:** Sure, thank you, and I hope that you can hear me. I am Shameran Abed, the executive director of BRAC International. BRAC is a large international NGO founded in Bangladesh in 1972, so we are celebrating our 50th year this year. BRAC believes that poverty is multidimensional. BRAC works across all the different dimensions of poverty, through all the different sectors, from education and health to financial services, gender, agriculture, food security, climate change. We





## HOUSE OF COMMONS

work through a variety of ways, running our own donor-funded development programmes to running social enterprises and also making social investments. I am normally based in Dhaka, Bangladesh, but I am speaking to you today from Kampala in Uganda. It is a real honour to be here. Thank you.

**Q18 Chair:** Thank you for making the time. It is really appreciated. Rachel, tell us a little bit about yourself.

**Dr Glennerster:** Hello, I am Rachel Glennerster. I am an associate professor of economics at the University of Chicago. From 2018 to 2021 I served first as chief economist of DfID and then of the FCDO, on leave of absence from academia. I am involved in a number of networks of researchers whose research focus is on trying to measure the impact of different development approaches and programmes and rigorously test their effectiveness.

**Chair:** Thank you very much. We have a series of questions. We will direct them to one or other of you, but if you want to come in, just raise your hand and we will make sure that we get to you. If there is something that you want to give us more detail on and you want to do that in writing, that will be most welcome as well. I will hand over to Nigel Mills for our first question.

**Q19 Nigel Mills:** Rachel, can I direct this one to you? You have just said you were involved in measuring impacts of things. Could you perhaps talk us through what you think the impact of the Covid-19 pandemic has been on the number of people living in extreme poverty? I guess it has raised the number quite significantly, has it?

**Dr Glennerster:** Yes. Covid has had a huge impact on poverty around the world. In particular, it has led to a number of people who were just above the poverty line in many countries—BRAC has done some important work demonstrating this. As we have heard, you have had this reduction in poverty over the last decades but a lot of people were pretty vulnerable and just above the poverty line. Covid led to a lot of people losing their income when they had unstable employment and they were working in the informal sectors. I cannot remember the exact numbers. I think it is 700 million people being pushed down into poverty, but I can check those numbers for you in the World Bank estimates. Some of the biggest impacts were on the urban poor, as I say, people just above the poverty line, and then people working in informal sectors.

**Q20 Nigel Mills:** Life feels pretty normal here now but I guess that is not the same for the whole world. Do you think that this will unravel and when Covid is finally through the numbers will drift back to where they were, or do you think that some of the damage here will be longer lasting or will need some action to tackle it?

**Dr Glennerster:** There is quite a lot of evidence about people, once they have lost assets, which is what happened during Covid. They lost income. They were working in sectors that required a lot of traffic, so anything



## HOUSE OF COMMONS

from tourism to working in bars or restaurants or on the streets. Then people stopped being as active so they lost their income that way. When you lose that income, you run down your assets and then it takes a very long time to build those up again.

Again, I call out the wonderful work of BRAC research here. It has demonstrated how people who become really poor and have very few assets really struggle to get out of poverty, partly because there are lumpy things like owning a cow and the fact that once you have sold the cow, it is very difficult to get back up and raise the money to be able to acquire those assets again. Kids were pulled out of school. In Uganda, children have been out of school for two years. It is very difficult to get them back in again. A lot of kids will come back but they will be permanently worse off unless we have very radical interventions to support that.

There are examples of these shocks in the past having very long-term impacts. There is a great study of what happened in Pakistan with the earthquake. Schools were just closed for a couple of months but children fell behind and they never managed to catch back up. Three years later, their health was worse, their education was worse.

There is a lot of evidence that these short-run impacts can have very long-term consequences. Children have poor nutrition for a number of months that will permanently affect their cognition. Yes, we will see some things bouncing back but I think we will see very long-term impacts particularly for children.

**Nigel Mills:** Shameran, Rachel cited some work you have done. Do you have anything you want to add or disagree with?

**Shameran Abed:** I definitely agree with all of that. There is nothing that I disagree with. I will add a couple of things.

We had seen a sustained reduction in extreme poverty for a number of decades prior to Covid, although I have to say that the rate of reduction was reducing in the last few years. We would expect that because as the numbers are coming down and we are going to the more entrenched, the more hard to reach people in extreme poverty, it is harder and harder to pull them out or help them to pull themselves out of extreme poverty. The rate was reducing but the numbers were reducing and we were basically gearing up for a big, final 10-year push towards the 2030 agenda.

Then Covid hit and, of course, now we have gone the other way. We have reversed the progress. There is another at least 100 million, if not more, people in extreme poverty as opposed to before the pandemic. That number is now about 700 million people globally. Obviously, we have now gone backwards a few years. We are now at around the 2017-18 level, so we have more of a catch-up to do.



To your question about whether things will bounce back, I completely agree, some things will bounce back but for certain things the impacts are going to be very long term. We have seen a lot of people who we now call the new poor, who were not in poverty before the pandemic and have now fallen into poverty. We have found in some of our work that it is more difficult to push them back out of poverty because they are not used to being in that state and they need different kinds of interventions to bring them out of extreme poverty. We are doing some new programming there.

On the schools one, I will just add something additional to what Rachel said. There has been tremendous learning loss in a country like Bangladesh where schools have been closed for almost two years, but there have been other impacts of school closures as well. One of the biggest ones we have seen is an increase in underage marriage. If you have 13, 14 or 15 year-old girls in schools, that is one way to keep them out of parents marrying them off at a very young age. Now that schools have been closed for two years, a lot of parents have married them off and that has been a terrible thing that we in our work have been trying to prevent but the numbers are still going up. That is something you cannot reverse easily. There have been quite a lot of impacts like that that will take a long time for us to address.

**Q21 Chris Law:** Thank you to both of you for being here today. Rachel, I want to first direct a question to you around climate. Given the awful circumstances going on in Ukraine, it is forgivable to note that the IPCC report came out yesterday, which was incredibly grave. It said that we have irreversible impacts of global warming. What impact has climate change had and is having on extreme poverty?

**Dr Glennerster:** We have already seen an increase in extreme weather events. I am not a climate scientist but I think the consensus is that, while you cannot point to any specific extreme climate event as due to climate change, we know that the regularity is going up. This is particularly affecting low-income countries, partly because they have less ability to cushion the effects of weather. If you have extreme weather days, so extreme heat, for example, that does not lead to an increase in mortality very much in high-income countries. It leads to a big increase in mortality in low-income countries, and there is some good research demonstrating that. That is partly because physically we cannot cope—low-income countries do not have air conditioning; they do not have shelter and people have to go out to work anyway—and it is partly because of the effect on crops.

Agriculture, as you heard in the last session, is extremely important for those in extreme poverty. A very high percentage of the poor live and work in rural areas, which are, of course, very dependent on agriculture. Something that is hard to maybe appreciate is just how vulnerable that agriculture is to shocks in the lowest income countries. In sub-Saharan Africa, there is very little irrigation, for example, so you are completely



dependent on the weather. A lot of the impact of these extreme weather events works through the damaging effect on agriculture.

If you look at things like the IMF's forecast for who will be hit hardest by climate change, it is this band of countries geographically around the equator, many of whom are extremely poor, and that is partly because of their geography but it is a lot to do with the lack of coping mechanisms that we employ when we get hit by climate change.

**Q22 Chris Law:** To follow on from that question, there was a lot of talk at COP26 about mitigation, long overdue I might add, and also about resilience. What more could donors and aid organisations be doing to step up now and to help improve the circumstances under which people are living in extreme poverty to mitigate against climate change?

**Dr Glennerster:** For mitigation and adaptation, low-income countries are producing very little carbon. In general, that is not where you are going to get the main sources of mitigation from low-income countries. They can help. They can contribute to the world's mitigation efforts, for example, through agricultural practices or not cutting down trees and things, but if they do that we ought to pay them for it. I feel quite strongly that if we get them to do things to help us, frankly, to mitigate against our carbon production, that is not aid. That is our carbon. That is mitigating our carbon production and asking them to help, in which case we should pay for it. We should pay for it and not pay for it out of the aid budget.

There is a lot that we can do to help low-income countries adapt to climate change. One of the most effective things is to invest in agriculture that is more resilient. For example, the UK has done a lot of work to support the development of drought-resistant and flood-resistant crops that are more resilient to these climate shocks. That has proved to be an extremely cost-effective investment.

**Q23 Chris Law:** Shameran, would you like to add anything to the questions around climate and extreme poverty and impact?

**Shameran Abed:** Yes, absolutely. I want to reinforce that point. Most of the money in climate finance is going towards mitigation and obviously there is a need for that. However, in countries like mine, in countries like Bangladesh, the effects of climate change are here now and they are real. We need a lot more money flowing into adaptation and into local adaptation.

At this moment only 2% of climate finance flows into locally led adaptation. If you look at some of the things that Rachel was talking about, in the southern coastal belt of Bangladesh seawater is rising. Saline water is coming upstream. Land that was arable before is no longer arable, so there has to be a lot more around new types of livelihoods but also a lot more on new types of crop varieties that are not only flood resistant but saline-water resistant.



## HOUSE OF COMMONS

There is a lot of work that needs to go into that: into training farmers, into new ways of farming. There is a lot of need for that and it is now, it is not five or 10 years down the line. I would say that a lot more funding needs to go into adaptation, locally led adaptation, and let organisations that have done work in that lead on that. We have a lot of knowledge and expertise in helping people change their livelihoods and learn new techniques to cope with the impacts of climate change.

**Q24 Mrs Pauline Latham:** Rachel, what is the impact of living in extreme poverty on women and girls and other marginalised groups, for instance, people with disabilities or religious minorities?

**Dr Glennerster:** This is something that goes in both directions, in the sense that being a woman in a female-headed household is much more likely to make you part of the extreme poor. Being a religious minority is more likely to cause poverty. You are much more likely to experience poverty, and then poverty makes all these things harder for you. It is going in both directions. Being in those disadvantaged groups makes you more likely to be poor. It also makes poverty harder for you because you cannot access the opportunities that you need to help you get out of poverty.

Women will often have a harder time accessing employment opportunities. They find it much harder to borrow. Even many schemes that are designed to help women access borrowing will require that they get a signature of a man in order to be able to borrow. This makes it much harder to access the opportunities that can help you get out of poverty.

Again, in low-income environments the kind of support that we are used to seeing in the UK for people who are disadvantaged is much less common. Schools are not adapted to be able to deal with students who have disabilities. Even simple things like eyeglasses, kids who need glasses. In a large majority of low-income countries, they do not have access to glasses and therefore they cannot take the opportunity of the educational benefits. Consistently in agriculture, in education and in health, we see the opportunities for the more marginalised are very much lower. I can expand on any one of those directions if you would like to follow up.

**Q25 Mrs Pauline Latham:** That is very helpful, thank you. Shameran, what types of programmes are typically the most successful at working towards SDG Target 1.1 of eradicating extreme poverty? Oh, we have lost Shameran. Shameran has disappeared.

**Chair:** I am assuming the connection in Uganda is not that good but it looks as though Rachel could come in.

**Mrs Pauline Latham:** Rachel, could you also touch on whether that differs between religions too?



**Dr Glennerster:** Let me start with the evidence on what are the most effective things that we can do to reduce extreme poverty. There is a set of things that are positive and important in the short run and those that are in the long run. For example, we know that investments in health and education have very high returns in terms of higher wages, for example, for more education, but that is a longer-term investment. As you heard in the previous panel, cash transfers are a very effective way of addressing extreme poverty in the short run but they can help people get over a hump and exit extreme poverty in the long run.

Again, I am going to call on some great research from programmes done by BRAC. The ultra-poor programme by BRAC has shown that if you provide both an asset and income to some of the most vulnerable people in the world you can lift them out, permanently lift them out, of poverty. The programme goes on for two years but even once you have withdrawn the support those people stay at a higher level of income. Shameran, it was originally addressed to you. I will let you take over.

Q26 **Mrs Pauline Latham:** I do not know if you heard the question, Shameran, and I hope it was not something I said that made you disappear, but I am pleased you are back. Could you tell us what types of programmes are typically the most successful when working towards the SDG 1.1 for eradicating extreme poverty?

**Shameran Abed:** Thanks very much. I dropped off. I lost connection for a second. As I mentioned when I was doing my introduction, poverty is multidimensional. For us in the all of the work that we have done over 50 years, what we have found when we address poverty holistically in an integrated way, it has much greater impact than we do it through individual intervention. Obviously health is important, education is important, and financial services are important. Working on the social elements is important in terms of gender, in terms of rights.

When you combine a lot of that it has a much greater impact, especially with our work with extremely poor people and what we call the ultra-poor, those who are not only under \$1.90 dollars a day but who are particularly vulnerable. These are usually households where there is a woman with children and typically the man has left and she is having to fend for herself and her family with little or no education, little or no skills, with very little support from the community and with programmes that are not really targeted towards her. We find people in ultra-poverty.

To one of the questions to the previous panel: you have to target very well to find these households because even in rural villages these households are almost invisible. They are so marginalised and discriminated against that it is hard to find them, so we do a lot of deliberate targeting to find households in ultra-poverty. When we do we provide a set of interventions that are very deliberately designed, and try to provide a combination of social protection, livelihoods, financial services and, as I said, the social empowerment element in such a way





that in two years we push these families—help these families—to pull themselves out of poverty.

The evidence suggests that not only are they a lot better off at the end of the two-year programme period, which you would expect given the amount of support that they are getting. However, three, four, five, or seven years post what we call graduation out of these programmes, these families continue to progress out of poverty. Therefore, the two-year intensive investment in these families has a long-term and sustainable impact. Yes, there has been a lot of discussion around cash versus some of these more intensive programmes. The research suggests that cash transfers have a good short-term impact but a big investment in these households that give them the assets, the training, the skills and the confidence to pull themselves out of extreme poverty lasts a longer time and the impact is much more long term.

What pushes them back into poverty, the few that fall back into poverty, are typically shocks—health shocks, natural disasters, conflicts—but typically we have found that a very large majority of the women and their families that have been through these well-targeted graduation programmes do very well for many years after the programme ends.

**Q27 Mrs Pauline Latham:** What role do you think local communities have to play in terms of shaping the programmes that are in the different areas?

**Shameran Abed:** There is a lot of need for local contextualisation of these programmes. Poverty looks different in different parts of the world. If you look at rural Bangladesh to rural Tanzania where the population is much more sparse, or rural Afghanistan and rural Pakistan, it looks very different. When you go from rural to urban, poverty looks very different. The urban slums have their own dynamics. There are a lot of different things that come into play in certain communities—caste, religion, social situation, drugs, mental health.

There are a lot of different contexts that we need to look at. As we have been trying to steer these programmes globally, what we are trying to do is identify the essential elements that are almost universal that we want to build into each of the programmes that we run, but how do we then take that and contextualise it for the local community and how do we make sure that these programmes are really targeted towards that community.

In rural areas a lot of the investments are in livestock. Rachel mentioned giving women cows, goats, a piece of land. Of course, in urban slums you cannot do that. It is around giving people skills and jobs. Therefore, you have to look at how we contextualise to the local setting and how we make these programmes as good a value for money as possible.

**Q28 Chair:** Shameran, I am hugely impressed that BRAC takes the effort to find these ultra-marginalised, ultra-extreme poverty families, but how do you avoid them being stigmatised by your help? I am thinking of jealousy



of people around and the negative impacts that that could have.

**Shameran Abed:** Yes, that is a great question. Thanks for that. Obviously, when you are identifying these ultra-poor and you call them "ultra-poor", you almost stigmatise them as well. Typically, within the communities there is a term called the "hated poor". They are the hated poor. Nobody wants them. They are always coming around looking for help. They are always asking for things. They are always asking for favours so, even in those communities, people try to stay away from them as much as possible.

There are a couple of things we do. First, in the targeting we involve the community. It is the community coming together. We do a participatory rural appraisal method, where the community comes together and tells us who are the poorest people in that village, in that community. In doing that, we get buy-in that, "We are here to help the poorest people, the people that you do not want to be in that situation because they are continuously coming and asking you for help. We will provide that support to those families but you have to help us to identify them". Through that we also say, "Now that we're here to do two years of programming, as a community, you also have a responsibility to also support that". We build a lot of support from the community towards those households and give people a purpose. Even poor people, being able to help other poor people makes them feel good. We create committees in those villages and we bring some of the local elites into those committees and give them a real stake in the development of the poorest people in those communities. That is one.

The other is we try to get these very marginalised, typically women back into the social structure. A lot of the work we do is not just cash transfer or asset transfer or skills and training but we effectively bring them back into the fold of that community. A lot of the success of this model and this approach is because of that social element. If you go into the household of a previously ultra-poor family that has been through the programme and has come out and has graduated three or four years ago, they will tell you now, "I didn't have this, I didn't have that, now I have cows or goats".

One of the things that they almost invariably will tell you with a lot of excitement is, "People invite me to their daughter's weddings and I get invited to events and I'm part of this community now. Before, nobody wanted me, nobody wanted to talk to me. When people saw me approaching, people would run away and now they actually invite me to things". That is so powerful, the social empowerment is a hugely important part of this programme and this approach.

**Chair:** Thank you, that is incredibly powerful.

Q29 **Nigel Mills:** Thank you. Given the changes in the number of people living in extreme poverty that you have talked us through, could you say how you would assess how well the FCDO has responded to those changes?



Has it been quick off the mark or has it been perhaps caught a little bit unawares as to what was happening in the last couple of years? Rachel, do you want to start?

**Dr Glennerster:** There are two parts of this. There are the big changes in extreme poverty and where poverty was being focused in the decade or so before Covid. That is something that the FCDO was tracking quite well. It has a number of different ways that it uses to track that. One is a model that tries to make sure that aid funding is focused on the countries with the most extreme poverty and an inability to self-finance—that is, to raise its own financing to tackle poverty—and also looking at what are the most effective ways of reducing poverty. The UK has been at the forefront of this effort to assess what are the most effective ways to reduce poverty and it is something that the FCDO is working on.

There is a stickiness. The countries that have received a lot of aid in the past, it is quite hard to take aid away from them. If I think about countries like Kenya, Kenya has made a lot of progress and people are aware, people are looking at the statistics and saying that Kenya and Ghana are becoming much richer and we can probably reduce the aid funding to them, but they have big staff and they have programmes running. It can be a little bit sticky and it can take time to move and change aid allocations quite as responsively as we might want to the data.

Then there are the big changes as a result of Covid. I was there at the time, so you may think I am prejudiced, but we put a lot of effort into measuring what was happening to people immediately. Who was it whose income was falling? I was putting out blogs at the time. Because the UK had a big network of researchers that we were funding, working on economic opportunities and stuff, they switched immediately to collecting data on who was being hit by Covid. We were putting out data publicly, weekly, on who is being hit hardest and where are incomes falling.

Indeed, I was called to go and talk to the IMF Africa Department because it noticed that we were getting that data and were on top of what was happening quickly. In terms of how much could we respond and adapt to those very big shocks, one issue was that the aid budget was falling because it was tied to GNI at exactly the time that we were measuring who needed most help and being at the forefront of demonstrating how much poverty was going to go up.

The other challenge was that it is quite slow to get money out through a bilateral agency in those sorts of situations. It takes much longer to get a programme going. Instead, multilaterals found it much easier to respond very quickly and use programmes that already existed. Therefore, we do have to think about the bilateral versus multilateral programme in terms of who is the best able to respond rapidly to these kinds of crises. The World Bank was able to push an awful lot of money out the door very quickly in response to the falls in income as a result of Covid.



One thing I would say is that we are going to have more of these shocks so we need to be preparing now for more of them. We are going to have more pandemics; we are going to have more climate-change shocks. What I would like to see the UK and others invest in is helping countries develop these shock-responsive programmes. Not just giving people cash transfers who are poor or other programmes who are poor over a long time, but we need to be able to respond quickly. You have to put that in place ahead of a shock so that you can then, say, send money on people's telephones where the drought hit, where the hurricane hit, where there is a pandemic, where you have shut down economic opportunity to curtail the spread of disease. That is something that we need to do in advance and it is something that the UK could do a lot more to help get in place.

**Nigel Mills:** Thank you. Shameran, is there anything you want to add about the UK's performance?

**Shameran Abed:** I should say that, historically, the UK has been the most poverty-focused bilateral. In our experience for the 50 years of BRAC's existence, the UK has been our biggest funder by far. If you just look at the last 20 years that we have been running this ultra-poor graduation programme, in Bangladesh we have helped 2.1 million families or households lift themselves out of extreme or ultra-poverty. That is almost 9 million people. The UK has been by far the biggest funder of that as well, so historically the UK has had a huge commitment to the reduction of global extreme poverty and we have benefited and the people of Bangladesh as well as the people of many countries like ours have benefited greatly from that.

In the last 10 years I should also mention that the UK and the Australian Governments together with BRAC had a strategic partnership agreement running from 2011 to 2020. That was one of the largest programmes that the UK Government had and it had a huge impact. It was identified by FCDO, and the Independent Committee for Aid Impact is one of the best programmes that UK aid has run. It had a huge impact with the 0.5% of the ODA budget in that programme impacted—just through BRAC in Bangladesh, one organisation in one country, that accounted for 17% of total food security reach, 15% of total global sanitation reach and 13% of total global children in schools, funded by the UK.

In our experience the UK has been very much at the forefront of the fight against extreme poverty, except in the last couple of the years we have seen a move away from that. In the new strategy we do not see extreme poverty featuring much at all. The UK came up with the principle of leave no one behind, as a complement to the Sustainable Development Goals, and was one of the architects of that principle and that is hardly featuring now at all. It is sad to see that and I really hope that the UK refocuses or re-finds its focus on extreme poverty going forward.

Q30 **Chris Law:** Rachel, how do you see the FCDO's approach to tackling



extreme poverty differ from that when it was under ?

**Dr Glennerster:** The main issue with the merger, the main downside—in some ways it is a lot of the same people involved in working on issues of extreme poverty, a lot of the same procedures in place. We talked a little bit about whether there has been a change in terms of prioritising countries and there is a little bit more aid going to some middle-income countries, but not a very big change so far on the allocation to different countries.

The main change is an issue of bandwidth, which is that when you had one Ministry that was focused on development, it had the ability to think long term. I am not saying that the FCDO does not think long term, I am saying the top of the office is inevitably focused on immediate short-term crises, like Ukraine at the moment. Of course, the FCDO should be worrying about Ukraine at the moment, of course it should worry about Iran and China and big global threats. That makes a lot of sense but, when you have these series of short-term crises, it is quite hard to have a top of the office that is thinking about the longer term.

If you are thinking about how to address extreme poverty you have to have a lot of energy and focus on a long-term strategy. There are still people who care about that and there is an understanding that you need a long-term strategy and there is a strategy being developed. I do not think that has changed that much. It is more just the air gets sucked out by immediate crises.

That is the thing I am most concerned about. When you had a Secretary of State for Development that was their focus. Day in, day out you had Ministers who were thinking about the long-term implications of development. It is not that Ministers in FCDO do not care about it, they are just constantly being dragged into other crises. That is true of senior officials too.

There are other areas where there are positives that have come from the merger. For example, we talked here about the importance of protecting minority rights and religious minorities. Those are inevitably very political and you need diplomatic efforts to push on them. It is great that we now have more ambassadors in low-income countries, and high commissioners who come from a development background and understand the issues of low-income countries, but that is offset against just a lack of bandwidth to focus on it. I do not think it is so much that the policies have changed, I think it is an issue of bandwidth.

Q31 **Chris Law:** Rachel, in your own view, would you like to see a separate Ministry at least where there are Ministers and Cabinet Secretaries accountable for the long-term vision and approach to aid and development funding and plans for what they wish to use that money for?

**Dr Glennerster:** I was originally opposed to the merger. I do see—and I did see when I was part of the merger—a lot of benefits. I still see a lot of



benefits. I do think that there needs to be something done to solve this problem of bandwidth. Whether that is a Minister within the FCDO who is very focused on development, a re-splitting; something needs to be done to protect that space. I am not a politician. I am a professor. I think about evidence but I also know about the psychology and how it is very easy for human beings to focus on the immediate and find it very hard to focus on the long run, so we need some institutional systems to get us to focus; to have people's space protected to focus on the longer term.

**Q32 Chris Law:** Thank you. I want to turn to Shameran. Given the cuts, given the merger, given the lack of Cabinet Ministers, Cabinet Secretaries, can you honestly say if the FCDO is still committed to achieving target 1.1 of the Sustainable Development Goals? Please speak candidly; we really need some assistance.

**Shameran Abed:** At this point it does not feel like that from where I am sitting. Obviously I am a practitioner and I am based in the global south. We worked with DfID and now FCDO for so long. We have had strong strategic partnerships. We have partnered in many countries. It is one of the funding partners that we enjoy and like working with. We felt for a long time that we were likeminded, in the sense that we focus on issues that are important to both of us: extreme poverty, women's rights, girls' education. We have worked well together for many years but at this point, if you ask me about the last couple of years, we do not see the same meaningful sort of commitment to global extreme poverty. I am glad that there is still expressed commitment to things like girls' education but, given the situation we are in, given that we have regressed in the last couple of years and we are going to have a very difficult time reaching or hitting the 2030 SDG 1 target, I would like to see again a strong commitment from the UK Government to reducing extreme poverty globally.

**Q33 Chris Law:** Rachel, maybe I could put that question to you and ask for your suggestion as to what you would see would be a possible path forward to help achieve SDG 1.

**Dr Glennerster:** There is a question of "achieve in general" or what the UK could do. I think you are asking what the UK's role is in particular.

My research is all about what are the specific programmes that are the most effective way of reducing poverty, and I can reel off a list of them. We have talked a little bit about some of them. However, the big role that the UK has played—and it is really urgent that it continues to play—is helping to provide the evidence to Governments in low-income countries who, after all, are the people who spend the most money on anti-poverty programmes, not donors, not the World Bank: low-income country Governments are the biggest funders.

The most critical role that the UK can play is to help them spend their money most effectively. We have the ability to do that by both investing in research and evaluations to understand what is effective and using our





## HOUSE OF COMMONS

voice and influence through the multilaterals. The UK has been incredibly effective at influencing places like the World Bank. For example, the big money that was put aside for Covid vaccines at the World Bank, the UK played a huge role behind the scenes by helping multilaterals be better, but mainly supporting low-income country Governments by providing the evidence but also helping them fund parts of programmes, piloting them with Governments and then having the Governments scale them up. That has been a very effective approach.

We talk about girls' education. The main thing is not just money to do girls' education. The main way in which we can improve girls' education is to improve the way education is done, the way teachers teach. That is where the UK can be incredibly effective: investing in understanding and learning what is the best way to help teachers teach better and then piloting and working with Governments to introduce programmes in their schools, not fund a few schools, not fund a few UK schools; that makes for a great photo op for Ministers, it makes our NGOs very happy, but it does not move the needle. What we need to be doing is helping Governments improve their education systems.

**Q34 Chris Law:** Thank you, Rachel. I will move very quickly to the next question for Shameran.

Bluntly, can you tell us what has been the impact on your programmes to tackle extreme poverty from the UK cuts to ODA? We will need concrete examples here to champion returning to 0.7% as soon as possible. Shameran, can you maybe share a few examples, please?

**Shameran Abed:** Yes. Thank you very much. Of course, we can provide you with a lot more specific information on that but one or two examples now. First, the strategic partnership agreement, which I mentioned earlier, between BRAC, the UK Government and the Australian Government, which lasted for 10 years, had a huge impact. For every year that it was reviewed by FCDO/DfID, it got an A grade. It was ended last year by FCDO. FCDO pulled out of it. The programme, the partnership, still exists.

The Canadian Government came into the partnership. It is a BRAC, Canada, Australia partnership now. I say that with a lot of sadness because the FCDO, the UK Government, was one of the architects of that partnership. That is one example of where the UK Government, the FCDO, the local office, came back and said, "We cannot commit to a five-year partnership. We are going to do it again project by project, so we are pulling out of this long-term partnership". Similarly, we have seen cuts to other programmes, our ultra-poor graduation programmes in Uganda. There have been tangible impacts of this cut, down to 0.5%, for our programming in Bangladesh and internationally as well.

**Q35 Chris Law:** Could you write to the Committee and share some more detailed examples? I know you have mentioned you had plenty to share.

**Shameran Abed:** Yes, absolutely.



**Chris Law:** Thank you.

Q36 **Theo Clarke:** First to Rachel, how would you like to see the FCDO's forthcoming development strategy address the issue of extreme poverty?

**Dr Glennerster:** There is a set of things that it needs to cover. One is targeting of aid to which countries. We have talked a lot about that: the importance of making sure that aid is focused on countries with large numbers of poor people. Note that I say "large numbers", not necessarily large percentages. For example, India. There is still a benefit in providing support to countries such as India where there are some states with very high rates of poverty, even though the country as a whole is much better off, but what is the strategy for focusing money on the countries with the most poverty is a key part of it.

Then comes focusing on the areas where there is the strongest evidence of cost-effectiveness. That is that we are spending on the things where a pound will go the furthest in reducing extreme poverty.

The third thing is comparative advantage. There are lots of things that we could do but a good assessment of what it is that the UK is particularly good at doing is important, instead of trying to spread ourselves thinly over everything. We would be looking for that assessment.

Finally, something that I think the FCDO, and DfID before it, was not very good at doing, in spite of being very good at lots of other things, is saying we want to do a few things at large scale. All the evidence points to economies of scale in working in aid. In other words, it is much more cost-effective to do a programme that covers lots of people, such as the ultra-poor programme that we have talked about—a lot of evidence, incredibly cost-effective. We can just scale that up massively instead of trying to invent and try new things. We are always trying to invent new things in lots of different places and trying to tackle everything as opposed to focusing our resources on the things that we know work and do them at massive scale.

I would say that so far the UK has been quite good at focusing its efforts on the poorest countries. We have to watch to see whether that changes. The UK has been quite good at doing evidence-based programming but could do a lot better. The UK is not so good at focusing on the things, picking and choosing and not trying to do everything. It needs a lot more work on focusing on a few things and doing them at scale.

**Shameran Abed:** Maybe I can start by just supporting and reinforcing something Rachel said earlier that I agree with, which is that a lot of the funding for extreme-poverty programmes will come from the Governments of those countries. Look at India, Pakistan, Bangladesh or even Ethiopia and Nigeria, definitely at Indonesia and the Philippines: Governments are spending a lot of their money in extreme-poverty programming.



Where the UK can play a big role, as Rachel said, is on testing, prototyping, evidence, sharing expertise and pushing policies. The UK still has a lot of influence, especially in the Commonwealth but also beyond. A lot of the work we are doing is trying to get Governments to improve in their own poverty programming and having a very influential partner like the FCDO is very important.

Again, a lot of this sounds grim but even now, when I look out over the next 10 years—we have gone back and it is going to be difficult to reach our 2030 target—we already have a lot of knowledge and expertise about how to reduce ultra-poverty and extreme poverty. As Rachel said, we have evidence-backed programmes. The BRAC programme is one of them. There are many others. We just need to scale them and we need the political will to do that. A lot of the funding is already available in in-country budgets. We need to make sure it is being spent well, that the targeting is good so that the people who deserve the interventions are getting them, that we are getting good value for money with the kinds of programme designs that we do. In that, the UK Government have a huge role to play.

Going back to 0.7% and using that money well to change the policies and programmes and spread good innovations globally can make a huge difference in reducing global extreme poverty.

**Q37 Theo Clarke:** Rachel, does the FCDO work well with wider stakeholders? I am thinking in particular of NGOs as well as other donor countries, and specifically about in their work on trying to eradicate extreme poverty?

**Dr Glennerster:** That is a big question. There are many, many different stakeholders.

**Theo Clarke:** I saw your eyebrows go up at that point, Rachel.

**Dr Glennerster:** There are lots of different kinds of stakeholders. With some of the multilaterals it works extremely well, is very influential and good at listening, investing the time and effort and people, trying to make those relationships work, and it is highly respected.

Among country Governments, there are some good relationships, some rocky relationships and relationships are something that it is important to maintain post-merger; the approach to relationships has sometimes been a bit different. Again, one is building trust and listening for the long term and that is always up against a short term—"We need you to release PPE. We need you to let the plane returning British nationals leave now".

The FCDO faces a lot of tension, sometimes, between the short term and the long term, in building those relationships with Governments but key to that is respect. We cannot have the same kinds of relationships with low-income countries that we had when we bossed them around. There was a tendency—"We've got the money; you have to listen to us". China has changed that. We are not the only people in a country with money to



## HOUSE OF COMMONS

offer. Countries are growing. They have their own money. We have to change how we do things. Sometimes we manage that well; sometimes we manage it less well.

With NGOs, it sometimes goes well and sometimes does not. I would like to see much better relationships with local NGOs, frankly, the BRACs and Prathams of the world. It is not just about UK NGOs; it is about the NGOs and partners in-country and we can always do better at listening to them. There are some amazing people in FCDO who spend their lives doing that and who care very deeply about it, but it is always a challenge—when you are the big guys in the room and you have a lot of money—to recognise those power dynamics and make sure that you are listening.

**Q38 Theo Clarke:** Thank you. Finally, if I could start with you, Shameran, do you think the UK is still seen as a country that is committed to achieving the target of ending extreme poverty?

**Shameran Abed:** I would like to believe so. For many years, the UK was the most poverty-focused bilateral. I know things have changed a little bit more recently; it has been very recent. Internally at BRAC or among civil society organisations, when we still talk about the most likely funders for anti-poverty programmes, FCDO is always around the top of the list, so, yes, I think it is still seen as that.

Very recently, it is starting to feel like that focus is getting lost a little bit. I hope it is just a short-term blip and that we see a return to that commitment. Yes, the UK has such a long history of doing this. It has been one of the biggest bilateral funders. It was one of the largest funders to IDA at the World Bank as well. There are many ways in which the UK has funded the reduction in poverty globally.

**Theo Clarke:** Rachel, any other comments?

**Dr Glennerster:** I would just say the UK's reputation is taking a hit—there is no doubt about that—but it is still highly respected. The UK is still a big donor but more importantly, it is still highly respected. However, it is a vulnerable point at the moment and the next few years are going to be quite telling. It takes a long time to lose reputation and the UK has a very high reputation but that is definitely vulnerable.

**Theo Clarke:** Thank you, Chair.

**Chair:** Thank you and thank you to both panellists. That was a sombre reminder, at the end, that our international reputation is being chipped away, and we want to do all we can to rebuild it here with this Committee.

Thank you both very much for the time that you took today and also for all that you do to try to tackle and raise the profile around extreme poverty. We cannot allow this situation to go on unchallenged and I thank you for what you are doing in that respect. Thank you very much, Committee members and team.