

EXPLAINER

How the Graduation Approach Can Help People Break Out of Poverty



The first stage of the graduation approach to poverty reduction involves providing the beneficiaries with assets that will help them earn a living. Photo credit: ADB.

The poorest of the poor need sustained and integrated assistance in order to overcome the multidimensional problems of poverty.

Introduction

Poverty is not merely a lack of income and resources, but it also results in psychological poverty, a lack of voice in society, vulnerability to environmental shocks, and low self-esteem.

Government efforts to reduce poverty like social benefit packages, primarily in the form of cash handouts, are important. However, they can trap the extreme poor in transgenerational poverty—just surviving but unable to defeat poverty—especially when these efforts are not supported by timed, targeted, and comprehensive programs.

One of these programs is the “graduation approach.” It is a sequenced, multisector intervention that supports the poorest households to achieve sustained income and move out of extreme poverty within a specified period. When integrated properly, it can make antipoverty policies and programs more effective and efficient.

How is it implemented?

Pilot tests of the graduation approach were conducted in 10 cities in eight countries since 2006 by organizations supported by the World Bank's Consultative Group to Assist the Poor (CGAP) and the Ford Foundation. Results show that 75% to 98% of the participants met the graduation criteria after 18 to 36 months. The pilot programs recorded significant increase (7.5%) on food consumption, productive assets (15%), and savings (96%) 1 year after the program ended—that is, 3 years after the asset transfer.

Here are some of the recommendations based on the pilot tests and World Vision's experience in implementing this approach.

1. Integrate the graduation approach with government-run poverty reduction projects.

It is important to complement cash assistance for the poorest families with community-based, tailored assistance that includes soft components such as psychosocial support provision, cultivation of social support network, improved competencies, and others. Coordination by the government will avoid duplication in beneficiaries. Graduation of beneficiaries from poverty will open new spots in the program to accommodate other poor families who need the same support.

2. Build partnerships with existing groups or organizations that share the same goal and vision.

Building partnerships is crucial as few organizations have the expertise or financial capacity to effectively offer all the components of this approach. This should be done through a joint plan that creates a graduation-inspired pathway toward full economic and social inclusion. The plan should be developed based on an analysis of the root cause of poverty, existing resources and structures, and planned resources. Partnerships lead to more professional services, efficient use of time and resources, and strong ownership of different stakeholders.

3. Target the poorest families that can meet the graduation criteria.

Even within the extremely poor segments, there are more vulnerable groups that may not have the capacity or time to succeed in the program and who will need ongoing social assistance. These include old people, the chronically ill or disabled, those with psychiatric problems, and those who care for children or other family members.

4. Assess properly the psychosocial and socioeconomic problems of target beneficiaries.

Conduct the assessment at the start to uncover the roots and causes of their struggles. Assessment results may be used as a guide particularly in designing the interventions.

5. Respond with urgency to rights violations.

Poverty has many other interconnected vulnerability factors, like severe physical and psychological violence, child labor, child marriage, malnourishment, neglect, bullying, and family abuse, which require

urgent attention or quick intervention. This can prevent extreme cases and promote the rights and dignity of the poorest. Building positive relationships within the family and the community will enlarge the social support network of the poorest and give them a positive outlook in life.

What is the graduation approach?

Designed to help ultra-poor households, the graduation approach helps people attain the confidence and the capacity to independently generate income, buoyed by increased social and health awareness. It targets individuals living in extreme poverty and provides them with basic resources, financial education, technical training, life skill coaching, and social support so that they can “graduate” from the program with food security and sustainable sources of income.

The Ultra-Poor Graduation Approach



Source: *PROPEL Toolkit: An Implementation Guide to the Ultra-Poor Graduation Approach*. BRAC.

This approach is composed of six stages:

Stage 1: Asset transfer for income generation and livelihood

The household is assessed to identify the best assets that would help the family earn a living, taking into account their needs, resources, preferences, as well as market demand for the product or service.

Stage 2: Consumption support

Regular and time-bound cash transfer is provided to enable the family to meet their basic needs.

Stage 3: Savings

Financial or budget management training improves the family's savings and financial literacy.

Stage 4: Health care

The family is taught about free health services as well as healthy food and good hygiene.

Stage 5: Social integration

Activities that bring about positive relationships among family members and with the community are organized.

Children are encouraged to participate in age-appropriate summer camps to help them gain essential life skills and build positive relationship with peers.

Stage 6: Hands-on coaching

The family's progress is monitored through regular weekly visits. All successes and challenges are discussed. Lessons from experiences are reflected in future plans of the family.

A beneficiary household will graduate if they meet the criteria and indicators set by the program. BRAC and World Vision, which promote the graduation approach in their projects, suggest the graduation criteria below. Context- or project-specific criteria may be added.

Graduation Criteria and Sample Graduation Indicators

| Pillar | Graduation Criteria | Sample Indicators |
|-----------------------------|---|---|
| Social Protection | <ul style="list-style-type: none"> • Family members are healthy and food secure. • The household has access to basic services (health, safety nets, and safe water). • Household income meets basic needs. | <ul style="list-style-type: none"> • All household members have at least two nutritious meals per day in the past week. • Children at risk of malnutrition show a healthy rate of weight increase for their age. • Household income meets basic needs. |
| Livelihood Promotion | <ul style="list-style-type: none"> • Increased asset accumulation and continuous engagement in profitable and diverse livelihoods. • Multiple sources of income that exceed regular household expenditures. | <ul style="list-style-type: none"> • Value of productive assets has doubled since the initial transfer. • The household has access to at least two productive assets and to markets. |
| Financial Inclusion | <ul style="list-style-type: none"> • Household savings increase significantly. • The household regularly participates in a local savings scheme. • The household has access to credit. | <ul style="list-style-type: none"> • Household savings are above a certain threshold (determined by context and profile of the target group). • Savings can cover at least the lean periods, a major crisis, or household event. • The household is linked to formal savings and microcredit institutions. |

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| <p>Social Empowerment</p> | <ul style="list-style-type: none"> • Household members are part of and participate in community activities, groups, and organizations. • Children are educated. • Family members, including the children, have a positive mindset and hope for the future. • Women and girls have a voice and decision-making rights equal to male members of the household. | <ul style="list-style-type: none"> • Household members participate in community activities or social groups. • Male family members assist with household chores. • All children are on track to complete primary and secondary education. • Both boys and girls receive equal treatment and opportunities. • All children feel safe, loved, and aspire to a better future. • Household members have a clear vision for the future. • Women are able to control their own assets. • Men and women in the household share financial management. • Women's knowledge, skills, confidence, and leadership have increased. • Women of reproductive age are using family planning (if applicable). |
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Source: *Ultra-Poor Graduation Handbook*. BRAC & World Vision.

How can civil society organizations promote this approach?

- Adapt the related tools and training packages to local context. Analyze existing state or international psychosocial and socioeconomic needs assessment tools and create a comprehensive package for working with the poorest families.
- Recruit, coach, and train staff and implementing partners who will work on the program.
- Conduct baseline monitoring and evaluation of the graduation approach and gather evidence of its impact for further improvement and funding.
- Partner with sectors mandated to address the multidimensional issues of poverty.
- Provide services, such as training on core competency and life skills, seed capital assistance, loans, and linking families with markets and key services, including technical skills training, asset provision, and mentoring.

How can the government support its implementation?

- Review existing public policies to see how the graduation approach could fit—complementing rather than hindering existing poverty reduction efforts.
- Find ways to lower the costs of using this approach to be able to include it in the public policy framework with dedicated resources. Engage social support case managers, community social workers, champions across agencies, and other partners and donors to join and contribute in customizing this approach to the local context.
- Lead the mapping of the poorest households based on the graduation criteria and track the progress of registered households.
- Develop or strengthen the implementation of policies on responses to cases of rights violations and build projects that promote and nurture families' positive relationships and attitude toward life.

Resources

N. Moqueet, et al. Ultra-Poor Graduation Handbook. BRAC & World Vision.

H. Dharmadasa, et al. 2015. PROPEL Toolkit: An Implementation Guide to the Ultra-Poor Graduation Approach. Brac.

UNHCR. The Graduation Approach.



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