Tackling Extreme Poverty Using a Household-based Approach
By Karim Alibhai

- The world’s poorest households continue to be the most vulnerable in the face of multiple global crises.
- A household-based approach can work to alleviate ultra-poverty.

Multiple Crises Affect the Poorest

In the context of multiple crises, the world’s poorest are more vulnerable than ever. The recent food price spike has lead to an increase in the number of poor households by 100 million. The recent financial crisis is worsening poverty. In addition, climate change is threatening the livelihoods of millions.

The world’s poorest are the most likely to be left out of conventional sector-based or macro-level development programs.

Experience and research have shown that the needs of the ultra poor, and the need to adapt to climate change, are best addressed by working at the household level.

The Household-based Approach

In Asia, the Co-operative Housing Federation of Canada uses a household-based approach rooted in the principles of the Sustainable Livelihoods Approach. (For an introduction to the SLA, visit Livelihoods Connect.)

The principles of the approach are:

- **Household-based**: Programs are designed around the individual aspirations and plans of the poorest households in a target area.
- **Asset-focused**: Design and monitoring focus on enumerating, understanding, and enhancing the five categories of household assets, viz., natural, physical, social, financial, and human.
- **Aspiration-based**: Projects and programs are designed to fulfill the stated livelihood aspirations of poor households.

Targeting and Working with the Ultra Poor

Households are targeted based on a community wealth ranking exercise. Through this, the poorest households are identified, and the members of the households are coached to identify their livelihood aspirations and plan their livelihoods to fulfill these aspirations.

Household-Investment Plans

Village households or small community groups are asked to assess their assets levels in the five groups. Figure 1 shows how these are scored and displayed graphically across an “asset pentagon.”

Aspirations

A household’s aspirations represent steps that a household wishes to take to address poverty concerns (for example, increasing the number and quality of meals, or sending children to school). The additional income required to reach these aspirations is called the “aspiration gap.” Based on income requirements, household members identify resources and livelihood activities. Household income serves as an all-encompassing proxy indicator for the attainment of livelihood aspirations.
From HIPs to Household Plans

After the household has assessed its assets and aspirations, a household plan is created. In this plan, the household identifies how it will reach these aspirations, what household resources it will use, and how the project or program intervention will support this process.

Household livelihood activities are then aggregated and form the basis of project or program implementation. Aspirations also serve as baseline data for monitoring and evaluation.

Monitoring Livelihood Results

Monitoring household success in reaching aspirations is based on:

1. **Income**: Household income can be monitored using household cash books. Aspirations are said to have been fulfilled if the household has achieved the income increase to finance these (i.e., the household has filled the “aspiration gap”).

2. **Asset Increase**: A subsequent HIP survey can be used to compare each household’s asset levels against the baseline HIPs. An example of this is provided in Figure 1 above.

3. **Household Classification**: Based on their level of success in their chosen livelihood activities, households can be classified as “entrepreneur,” “self-employed,” “primary stage,” or “unsuccessful.” This system is useful both to monitor results and to facilitate coaching to the household’s specific needs.

Challenges and Lessons Learned

- The household-based approach requires high amounts of technical capacity. It also demands time and resources to complete and analyze the household surveys and deliver projects and programs on time and efficiently.

- When working with ultra-poor households, it is important to maintain engagement with the wider community to ensure support and buy-in.

For further information
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