Pathways out of poverty

A comparison between Ethiopia and Viet Nam's approaches to reducing extreme poverty

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Abstract

The World Bank working paper 'Grow, Invest, Insure' published in 2016 outlines a three-point plan to reduce extreme poverty to three percent by 2030. Specifically highlighting the achievements of Ethiopia in Africa and Viet Nam in South-East Asia, the plan maintains a growth-first strategy to reducing extreme poverty, while emphasising the importance of investment in human capital to aid productivity and complementary social insurance.

This thesis reviews the three-point plan compared with approaches to reduce extreme poverty and outcomes observed in Ethiopia and Viet Nam in the period 2000-2015. Results from a synthesis of literature and data for Ethiopia and Viet Nam shows that, while growth-first strategies can be successful in reducing poverty, context is critically important. Both countries were sufficiently comparable in their population and political contexts and followed similar agriculturally led economic growth strategies. Both countries implemented campaigns to reduce extreme poverty over similar periods, through centrally managed regimes. However, where economic growth in Viet Nam catalysed economic transformation that enabled the expedient and sustained reduction of extreme poverty by 2015, Ethiopia exhibited only early suggestions of transformation and a strong tendency for transitory poverty escapes. Both case studies also clearly demonstrated that economic growth alone does not reduce *extreme* poverty. Transversal policy coordination and implementation that prioritises the targeting of integrated packages of support to the extreme poor, and offers graduated escapes to poverty, are required in order to enable households to exit poverty. These packages of support are both costly and complex to deliver. Where economic growth in a single nation cannot support them, macro-economic reform and political are insufficient to deliver effectively on extreme poverty reduction.

Specific effort was made to confine the period of review and to draw on sources that the World Bank researchers would have been privy to whilst drafting their plan, in order to test the validity of the claims made by the authors of the plan. Considering the wealth of information available during the development of the three-point plan, which clearly demonstrates the inconclusive nature of its recommendations, this thesis raises questions about how the authors of the three-point plan justified their approach.

Key words: World Bank, policy coordination, targeting, extreme poverty, poverty reduction, Ethiopia, Viet Nam

Contents

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Abbreviations

ADLI	Agricultural Development-Led Industrialisation
ATA	Agricultural Transformation Agency
BRAC	Bangladesh Rural Advancement Committee
CGAP	Consultative Group to Assist the Poor
CPI	Consumer Price Index
CPR2	Chronic Poverty Report 2 (2008-2009)
DALY	Disability Adjusted Life Years
DFID	Department for International Development
ECOSOC	Economic and Social Council of the United Nations
EPRDF	Ethiopian People's Revolutionary Democratic Front
ETB	Ethiopian Birr
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FSP	Food Security Programme
GDP	Gross Domestic Product
GSO	General Statistics Office of Viet Nam
GTP1	Growth and Transformation Plan 1
GTP2	Growth and Transformation Plan 2
HABP	Household Asset Building Programme
HDI	Human Development Index
IAEG-SDGs	Inter-Agency and Expert Group on SDG Indicators
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
INGO	International Non-Government Organisations

LDC	Least Developed Countries
MacOS	Macintosh Operating System
MDG	Millennium Development Goal
MDP	Multi-dimensional poverty
MoA	Ministry of Agriculture
MOARD	Ministry of Agriculture and Rural Development
MoFED	Ministry of Finance and Economic Development
MOLISA	Ministry of Labour, War Invalids and Social Affairs
MPI	Global Multidimensional Poverty Index
NAP	National Action Plan
NCFSE	National Coalition for Food Security in Ethiopia
NPC	National Planning Commission
NTP	National Targeted Programme
NTP-PR	National Targeted Programme on Poverty Reduction
OFSP	The Other Food Security Programme
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PPP	Purchasing Price Parity
PRSP	Poverty Reduction Strategy Paper
PSNP	Productive Safety Net Programme
SDG	Sustainable Development Goal
SDPRP	Sustainable Development and Poverty Reduction Program
SEDP	Socio-Economic Development Plan
SEDS	Socio-Economic Development Strategy
SEZ	Special economic zones
SNNPR	Southern Nations, Nationalities and People's Region
UN	United Nations
UNDP	United Nations Development Programme

US$	United States Dollar
VND	Viet Nam Dong
VNHLSS	Viet Nam Household Living Standards Survey
WASH	Water, sanitation and hygiene
WB	World Bank
WDR	World Development Report
WFP	World Food Programme
WTO	World Trade Organisation

Chapter 1: Introduction

In 2016, three researchers from the World Bank drafted a working paper (WPS7892) outlining a plan to reduce extreme poverty to less than three percent, they called the three-point plan, *'Grow, Invest, Insure: A Game Plan to End Extreme Poverty by 2030'* (Gill et al., 2016). It's a relatively short document of 47 pages excluding references, published by the World Bank Groups (WB) Development Economics, Poverty and Equity Global Practice Group and the International Finance Corporation. The authors recommend that when countries follow their strategy it will be "a winning game plan for putting a quick end to extreme poverty" (Gill et al., 2016: ii). The plan prioritises "raising labour income [as] the main driver of poverty reduction" (Gill et al., 2016: 31) and the authors explain the components, priorities, and prerequisites of their three-point strategy as follows:

- Grow: Policies to foster labour-intensive growth need to be enacted so as to promote the productive use of labour. Priority sectors ought to be agriculture, trade, and infrastructure. As a prerequisite, governments need to commit to managing macroeconomic stability.
- Invest: Policies to catalyse investments in human capital need to be enacted to deliver basic social services. Priorities ought to include education, health and population services, water, and sanitation. A prerequisite for effective delivery on this arm of the strategy is good governance.
- Insure: Requires policies to reduce vulnerability to risk. The objectives of these policies are to help the destitute and protect the vulnerable. The priorities ought to be social assistance, social insurance, climate action, and pandemic response, where the prerequisites for effectiveness is adequate information systems (Gill et al., 2016).

I came across this paper whilst working on a research paper for the United Nations Food and Agricultural Organisation (FAO) (FAO, 2019),[1] and read it first in 2016. When reading it, I started to wonder how these researchers arrived at their strategy.

1.1 Rationale

The three-point plan draws predominantly on gross domestic product (GDP) and poverty headcount data and presents evidence of poverty reduction approaches that support a strategy premised on previous World Bank approaches to reducing extreme poverty (see Chapter 2 for a discussion). To

[1] Together with colleagues Prof. Julian May and Dr. Anthea Dallimore, we were compiling case studies and input papers to inform the FAOs framework for ending extreme poverty in rural areas (FAO, 2019). Through this project, I had begun to explore some of the key themes raised by the three-point plan, but had not really stopped to critically assess how the World Bank arrived at their guidance. I wanted to better understand the approach to extreme poverty reduction that the authors presented. What did the authors mean by growth, investment, and insurance? And could these ensure the reduction of extreme poverty to three percent by 2030?

support their argument, the authors of the three-point plan sketch out examples of successful poverty reduction at national levels, and based on these examples, promoted approaches premised on combining macro-economic (agricultural productivity, trade, infrastructure investments) and micro-economic interventions (improving education, health, water, sanitation and hygiene (WASH); and providing social assistance, social insurance, climate action, and preparing pandemic responses). The authors identify key contextual factors (pre-conditions) that influence the efficacy of their proposed approach. These contextual factors (macro-economic stability, good governance, and adequate information systems to monitor and report on progress) reinforce the importance of public policy to mediate market forces to meaningfully reduce extreme poverty.

The plan draws on a history of the Banks poverty reduction literature and prioritises economic growth as a first step in reducing extreme poverty. An economic plan that emphasised: (i) inclusive agricultural-led economic growth that generates jobs; (ii) investments in human capital that enhances uptake of agricultural and other jobs; and advised that when countries have started to progress in these first two areas in which they could invest; (iii) insurance to protect the vulnerable from social, health, economic and environment shocks, thereby reducing extreme poverty (Gill et al., 2016).

In particular, Gill et al. demonstrate the degree of success achieved by Ethiopia and Viet Nam in reducing extreme poverty. The authors use Ethiopia and Viet Nam as exemplars of growth-first strategies for eliminating extreme poverty. Citing Ethiopia as the most successful case in Africa and Viet Nam as the most successful case in South-East Asia (Gill et al., 2016), the authors encourage policymakers to set aside debates on the merits of growth versus redistribution, and focus on prioritising economic growth strategies to reduce extreme poverty.

This thesis set out with the objective of describing how Gill et al. arrived at their three-point plan. In so doing, I have specifically considered two key case studies that the authors used to validate the efficacy of their approach, viz. Ethiopia and Viet Nam. Through describing and questioning how the authors arrived at their plan, a story about justification emerges. In part, this thesis arrives at similar findings, namely that economic growth is important to reducing extreme poverty. However, looking more closely at the two case study countries, it becomes clear that Ethiopia and Viet Nam expended a great deals of energy and resourcing targeting policies directly to the extreme poor. It is arguable that without such targeting, extreme poverty would not have been reduced to similar extents. Targeting proves to be essential for reducing extreme poverty. Furthermore, the ability to target interventions to the extreme poor, is significantly influenced by how this subset of the poor are defined and identified. Thus, definitions of extreme poverty constitute a crucial lens by means of which it is possible to perceive the potential efficacy of anti-poverty plans.

1.2 Research problem statement, aims and objectives

This study provides a review of the three-point plan, and drawing on case study research, provides recommendations for strengthening it. Through a close reading of the report *Grow, Invest, Insure: A game plan to end extreme poverty by 2030* by Gill, Revenga and Zeballos, published in 2016 by the World Bank, policy documents, evaluation reports, and analysis of secondary data, this research draws on a structured narrative synthesis to describe and critique the World Bank's three-point plan. A comparative case study design is used to examine how development strategies in Viet Nam and Ethiopia resulted in significant poverty reduction outcomes, and whether these align with the guidance in the three-point plan. This research documents poverty reduction pathways in these two countries in the period 2000-2015, leading up to the publication of the plan (drawing on data that would have been available to Gill et al.), and uses this data to reflect on the strategies outlined in the three-plan to identify whether there are lessons provided by these two countries' experiences that could be drawn on to either challenge or strengthen the three-point plan.

Three key research questions guided this study: *How did Ethiopia and Viet Nam reduce extreme poverty? Are the approaches taken in these countries similar to the approach proposed in the World Banks three-point plan? Do lessons from Ethiopia and Viet Nam provide a case for strengthening the World Banks three-point plan?*

Given that justification is of interest, I have specifically chosen to focus on evidence from Ethiopia and Viet Nam during the period 2000-2015, which might reasonably have been accessed by the authors of the three-point plan. Hence, most of the readings and data in this thesis are drawn from the period leading up to the publication on the plan in 2016. Strategic readings, published after this date, have been draw on only when necessary.

This thesis demonstrates that, whilst these two key exemplars of extreme poverty reduction have leveraged growth, investment and insurance to reduce poverty; reducing extreme poverty requires additional efforts. Whilst growth, investment and insurance may prove to be cornerstones of poverty reduction, lessons from Ethiopian and Vietnamese experiences in reducing extreme poverty provide opportunities to strengthen the three-point plan and develop it further.

1.3 Thesis structure

Chapter 2 outlines how extreme poverty has been defined in the context of this study and presents a description of the World Bank's three-point plan, detailing the dimensions of the plan, and its assumptions as described by its authors, laying a conceptual framework for this study.

Chapter 3 describes the research approach and methodology guiding this study.

Chapters 4 and 5 provide results from the case studies of Ethiopia and Viet Nam, detailing poverty and economic trends from 2000 to 2015, along with discussion of the drivers of change responsible for poverty and economic results during the period under review. The results of the synthesis have been used to analyse the alignment between the three-point plan and those taken by the two countries.

In Chapter 6, a brief comparison between Ethiopia and Viet Nam's extreme poverty reduction pathways and a discussion of key observations supported by examples from Ethiopia and Viet Nam's poverty reduction approaches frame recommendations for strengthening the three-point plan.

Chapter 7 summarises and concludes.

Chapter 2: Conceptual framework

Approaches to reducing extreme poverty are influenced by how it is defined, and the political economic context in which policy reduction plans are both crafted and implemented. Moreover, the definition of extreme poverty and the data used to observe and monitor its prevalence both frames and influences the nature of the policies and plans to eradicate it. Although summary statistics "cannot fully capture or express the many dimensions and the depth" of lived experience of the extreme poor, nor can "macro as well as micro conditions that determine their lives", poverty diagnostics nonetheless play a significant and meaningful role as a "tool for advocacy and a means to implement policies" (Adebanwi 2017:5). Ideally, where extreme poverty measurement is grounded in theoretical foundation, it considers distributional issues, causes, implications and the multi-dimensional nature of poverty and deprivation data that are used to facilitate achieving better outcomes (May, 2012).

Gill et al. use poverty headcounts as measured by the international poverty line ($1.90), reported globally by continent as well as at national level, as the main benchmark for tracking extreme poverty reduction in the three-point plan (see Gill et al., 2016: 3, 12, 45). Gill et al. refer readers to Ferreira et al. (2015) for more information about poverty measures. Despite also referencing texts by Ravallion (2009, 2010, 2013) and Ravallion and Chen (2007), and assuming the authors were aware of debates on the reliability and validity of extreme poverty measures at the time of drafting their plan, the authors curiously appear not to have considered other measures of extreme poverty to substantiate it.

Drawing on absolute, relative, and multi-dimensional definitions of poverty, this chapter frames a critical reading of the World Bank's three-point plan. This chapter outlines how extreme poverty is defined in the context of this study and presents a description of the World Banks three-point plan, detailing dimensions of the plan and its assumptions. The description and critique of the three-point plan, in turn, informs the analytical framework applied in this study.

2.1 Defining extreme poverty and identifying the extremely poor

Poverty is most frequently measured in terms of its prevalence, where the proportion of those below the poverty line in the population at a given time. In the poverty literature, this is sometimes described as the 'poverty headcount', but it does not provide information about the depth of poverty. The 'poverty gap' is a measure that refers to the average (usually the mean) distance of households below the poverty line, as a proportion of the line. It therefore takes into consideration not only the number of people below the poverty line, but how far below the poverty line (mean distance) they are situated. A third measure, viz. 'poverty severity', considers those that are furthest away from the poverty line to be far worse off than those who are closer. This measure is therefore calculated by squaring the mean distance below the poverty line. It is also referred to as the 'squared poverty gap' (World Bank, 2016c).

Conceptualising extreme poverty in developing countries can be traced back to a research paper by Lipton (1983) in which he discusses the notion of ultra-poverty a concept he later expanded on in *The Poor and the Poorest* in 1988 (Lipton, 1988). The extreme poor are a subset of the poor. Extreme poverty is also referred to as acute, ultra, chronic, and structural poverty, and is associated with a level of poverty at which households cannot afford essential non-food expenditures without sacrificing nutritional security. Lipton has argued that distinguishing the extreme poor from the poor proves critical, because World Bank projects and policies such as those of other donors often benefit "the poor", but seldom reach the ultra-poor (Lipton, 1988: iii).

Lipton broadly defined the ultra-poor as people in the households "in the bottom quintile of income per person in their country" (Lipton, 1988: iii). His research indicated that poorer households consist of seven or more members, high fertility rates and higher infant mortality, low proportion of people over 60 years old, and earlier marriages (Lipton, 1988: 46). The diets of the extreme poor consist of higher proportions of cereals and roots. The nature of poverty experienced by the extreme poor includes significant undernutrition and hunger and results in adverse health outcomes (Lipton, 1988: 46). Returns on labour, land, physical, and human capital for these populations are severely limited. The extreme poor experience significantly higher unemployment rates (Lipton, 1988: 46), and lower participation rates in economic activities, especially for women during their most fertile years. Lower levels of education among the ultra-poor relegates them to accessing lower skilled and less fulfilling work and jobs that are usually more insecure and offer lower wages. The ultra-poor also have very little capacity with which to bear the risk and costs of searching for work unless the potential for work is certain (Lipton, 1988: 52-53). The ultra-poor tend to have no access to land or access to only very small parcels of land, and less access to credit. "The extreme instability of all components of labor income for the ultra-poor often forces steady decumulation of assets via mortgage or sale" (Lipton, 1988: 54). Conversely, Lipton argues, where good quality land with available water is transferred at no cost to the rural ultra-poor, this successfully reduces their level of poverty (Lipton, 1988: 55).

With these definitions in mind, eliminating extreme poverty requires policy and interventions that seek achievements beyond "aggregate economic growth" (Ravallion, 2016: 593), that prioritise the realisations of freedoms and self-fulfilment of the poor, and provide poor people with more options and opportunities to exit poverty. Policy thus needs to remove "constraints that trap people in cycles of poverty… and promote wellbeing" (Ravallion, 2016:593). Ravallion draws attention to the "external economic, social and political constraints" that the poor face, and highlights that "even with reasonably open political institutions, there can be severe economic constraints such as inequitable access to markets, resources, technologies" and that addressing these constraints requires governments to intervene to even out access (Ravallion, 2016:593). "The market" cautions Ravallion, "is one means of doing this, though does not on its own promote equality or equity" Instead, "policy that seeks to remove poverty needs to both protect the poor (against shocks and practices) and promote opportunities for wellbeing." To reduce extreme poverty, appropriate "[m]acroeconomic conditions" need to be combined with appropriate "microeconomic interventions and institutional systems [to provide] health, education, nutritional needs, [and] jobs" (Ravallion, 2016:593).

Lipton has argued that, for the success of policies and programmes that intend to reduce extreme poverty, it is critical to target the ultra-poor, both geographically and within population groups (Lipton, 1988: 46). Lipton has argued that one should never rely on aggregate data such as total household income when identifying the extreme poor. Household income per capita may provide more reliable evidence of ultra-poverty, but still within households, women and children, in particular, may be at greater risk of extreme poverty. Lipton advised on three ways of identifying the ultra-poor. First, they spend more than 80 percent of income on food; but second, this satisfies less than 80 percent of caloric requirements for the age, sex, activity-group and body weight of the individuals; and third, household expenditure is lower than typical spending patterns for that community.

Ravallion and Chen (2019) have aptly asserted "to be judged "not poor" [...] a person needs to be neither absolutely poor nor relatively poor" and that determinations of a person's poverty ought to be anchored not only in measurements of their utility but also their capabilities (Ravallion and Chen, 2019: xx).

A brief review of absolute, relative, and multi-dimensional approaches to estimating poverty illustrates a number of poverty measurement options that were available to the authors of the three-point plan at the time of drafting it. Whilst many countries have adopted a suite of poverty lines that include a 'food poverty line', that reflects this threshold. Alternatives include applying the concept of chronic poverty (i.e. being repeatedly observed below the poverty line), and structural poverty (as introduced by Barrett and Carter (2006) and applied by Carter and May (2001)), according to which assets are used to estimate predicted poverty levels. Other views move away from money-metric measurement to include non-income dimensions, as well as clusters of relevant indicators. Alkire and Foster's (2008) concept of acute multi-dimensional poverty is a well-known example. A further approach is to consider the extreme poor as groups that are highly vulnerable to poverty. In this instance, rather than use a threshold to identify this group, their characteristics are used. Examples include refugee populations, the homeless, long-term unemployed, the landless, children and the elderly.

2.1.1 Absolute, relative and multi-dimensional poverty measures

Absolute poverty is generally reported as the inability to attain an objective and absolute minimum standard of living, indicating that an individual is deprived of accessing basic human needs (ref). Absolute poverty is reflected by a quantifiable indicator applied to a constant threshold that separates the poor from the non-poor, a poverty line, and measurement that relies upon surveys of income, expenditure, and consumption.

A poverty line denotes a threshold of poverty below which one’s income does not cover basic needs, that is, the absolute minimum amount of capital required for an individual or family to live (and have all necessities) over the course of a given period for example, $1.90 per person per day. Given that the threshold is associated with a monetary value, it reinforces the relationship between work, earning an income, and covering the costs of basic needs. However, poverty lines do not only take income into account. Asset poverty, including community or social assets such as access to shelter, health services, quality education, improved water and sanitation, can be considered and summarised as an average cost of accessing these. Someone earning less than a nationally set poverty line lacks the purchasing power to fulfil their needs and capture opportunities.

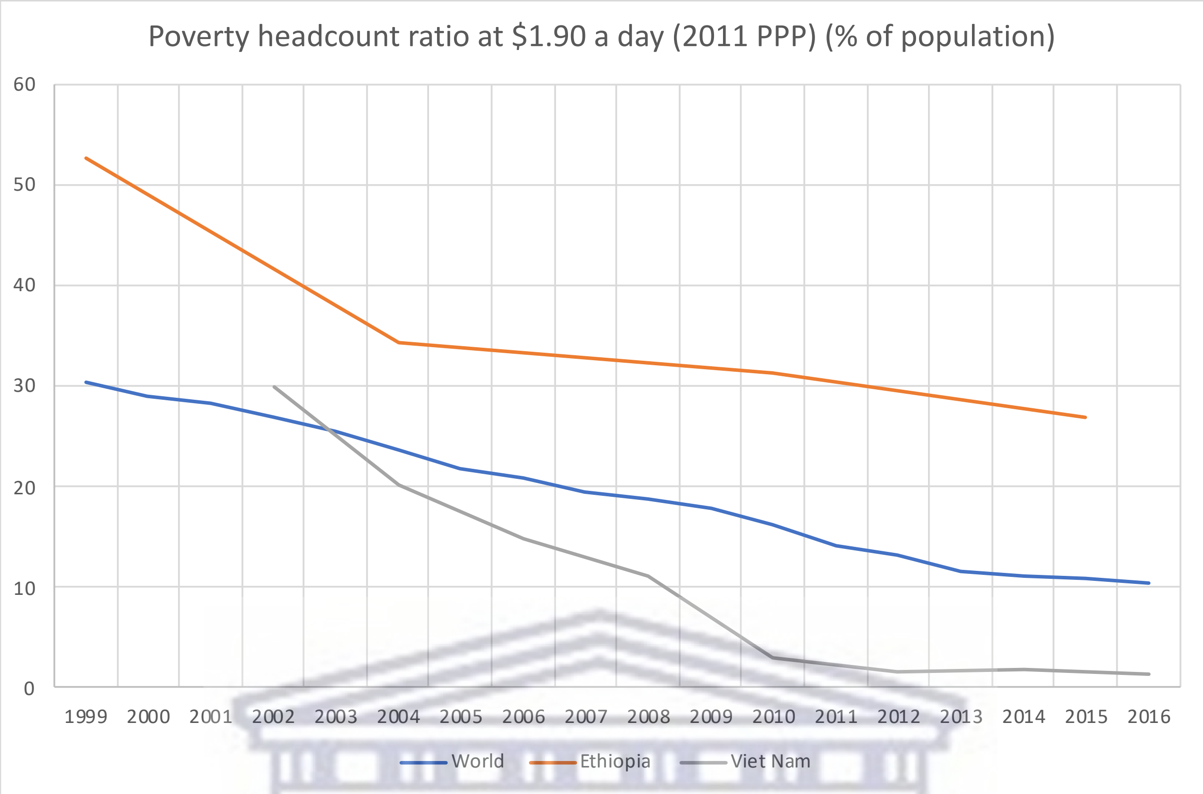
Despite the difference between countries, relative costs and purchase price parity, the international poverty line, currently fixed at US$ 1.90 per person per day, is often used as the extreme poverty line.

Higher poverty lines have also been proposed, including US$ 3.20 for lower-middle-income countries, US$ 5.50 for upper-middle-income countries, and US$ 22.00 for high-income countries (Joliffe and Prydz, 2016). Variable poverty lines shows that poverty can also be thought of as being relative, relating to a lack of resources with which to attain a *socially acceptable* quality of life (May, 2014: 2). Thus, when conceptually approaching the idea of a poverty line, it is useful to frame it within the context of generating an amount of income that is appropriate to ensure a reasonable standard of living for an individual within their given context. Relative poverty places emphasis on an indicator that varies according to the standards of the society being measured, and which takes account of distributional issues. Relative poverty is assessed in relation to a broader population (ref). Relative poverty occurs when a person cannot meet a minimum level of living standards, compared to others at the same time and place. A minimum amount, such as an international poverty line, may be used, but this is adjusted to consider changing needs, preferences, and national standards of living. Such measurement often builds up from a national food poverty line related to the cost of a basket of food items that provide a minimum level of energy in terms of calories. Higher poverty lines therefore take account of non-food items. Arguably, a person can be poor in relative terms but not in absolute terms, as that person might be able to meet her/his basic needs, but is not able to enjoy the same standards of living as others in the same economy do.

Whilst an absolute poverty line has a fixed cut-off applied irrespective of changes in the economy or the general wellbeing of the population, assessments of relative poverty incorporate current data to generate a poverty threshold. Thus, a "relative poverty line begins with some notion of a standard of living" (Foster, 1998:336). Measures such as a mean or median figure or quantiles are typically used to determine cut-offs, and for this reason, there are important relationships between the conceptualisation of poverty and the cut offs applied to the thresholds. Arguably the conceptualisation of poverty is more important than the more arbitrary determination of the cut-off (Taylor, 1998: 337). National poverty lines are more closely tied to conceptualisations of poverty that take context and relative wellbeing into account (ref), and thus, depending on their intended use, are arguably more appropriate than international poverty lines. However, given the variability of local contexts, national poverty lines prove limited, as they are not comparable across countries.

The application of a poverty line to determine a cut-off for extreme poverty – provides a poverty headcount figure. The number of people who fall below the threshold are considered poor or extremely poor. Foster, Greer, and Thorbecke have summarised this measurement as FGT0. The chart below, drawn from the United Nations and based on the World Development indicators compiled by the World Bank, show that, during the review period global poverty, head count reduced from approximate 50 percent of the world population to less than 30 percent at the $1.90 per person per day threshold. Against the same threshold, poverty in Ethiopia is shown to have reduced from approximate 30 percent to approximated 10 percent. In Viet Nam, poverty was reduced from around 30 percent to almost zero, with the most drastic reduction occurring between 2002 and 2010.

Figure 1 Poverty headcount 1999-2016



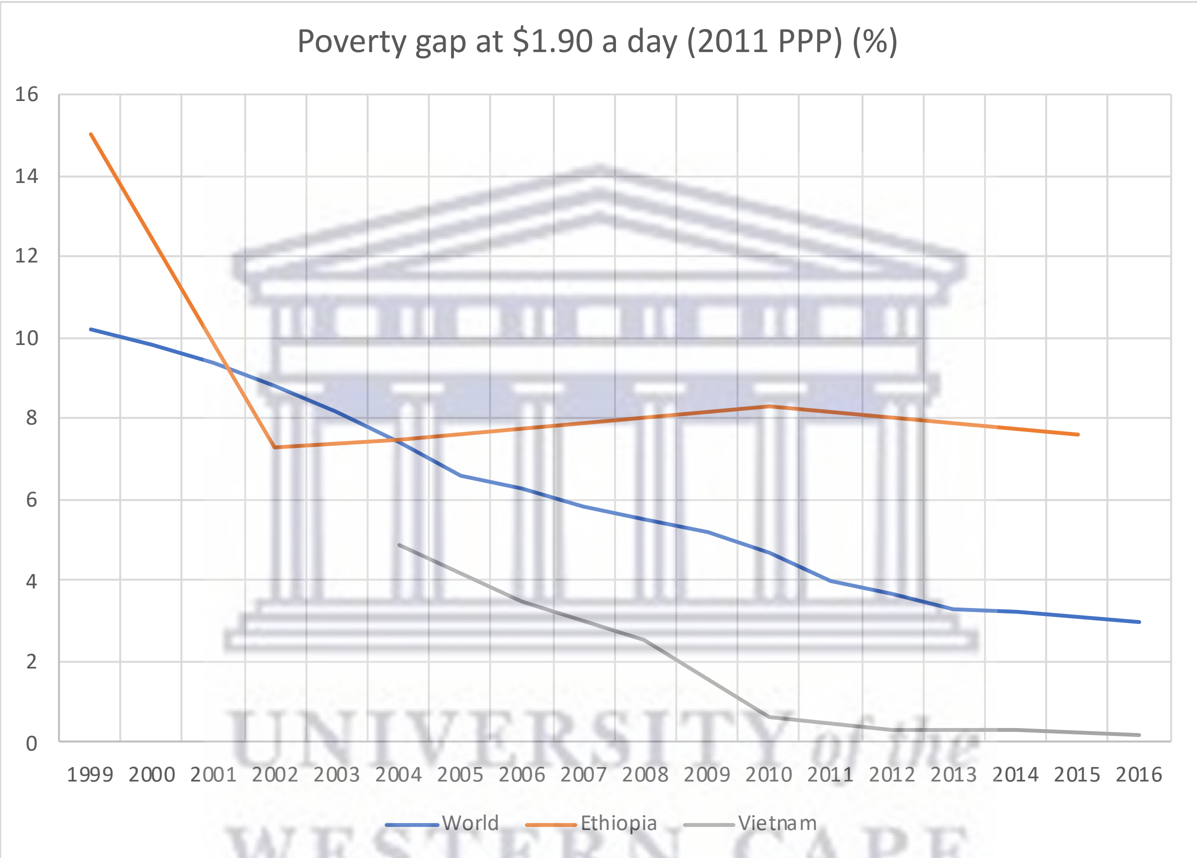
Source: http://data.un.org/Data.aspx?q=poverty&d=WDI&f=Indicator_Code%3aSI.POV.DDAY Last accessed 21 Nov 2022

Applying a poverty headcount, even a very low one such as those living on less than $1.90 per day, to define extreme poverty is, however, overly simplified.

With these challenges in mind, Ravallion and Chen have reconsidered the way in which poverty lines might be strengthened. With an interest in consumption-based poverty measures, Ravallion (2015:1) has raised a vital question relevant to this study. Given the inadequacy of absolute income-based poverty lines to measure social effects including relative deprivation and country-specific costs, and considering the need to monitor progress in reducing extreme poverty, *can knowing the headcount of people living below an international poverty line help us to determine whether we have left the poorest behind?*

Extreme poverty affects heterogenous groups of people, and thus, the concept of poverty is relative depending on different target groups being considered, where the ways in which people experience poverty (Kwadzo, 2015: 410). Whilst it may be hard to argue that anyone living on less than $1.90 per day is not extremely poor, the converse is not always true. People living on more than $1.90 per day may indeed be extremely poor by absolute and or relative standards. Furthermore, the further away from the poverty line an individual or household may be, the deeper they are in poverty, thus not all poor people are equally poor. The poverty gap is thus important to measure. Foster, Greer and Thorbecke have summarised this measurement as FGT1. The poverty gap estimates the size of population living on less than half of the median income of the poor. The data presented in the chart below is drawn from the World Bank's World Development Indicators, and was accessed from the United Nations data portal. Based on the $1.90 threshold, for the world's population this was estimated at approximately 10 percent in 2000, 14 percent of Ethiopia's population and five percent of Viet Nam's. By 2015, this had reduced to approximately three percent of the world's population, almost zero for Viet Nam, but had remained high for Ethiopia at around eight percent.

Figure 2 Poverty gap 1999-2016



Source: http://data.un.org/Data.aspx?q=poverty&d=WDI&f=Indicator_Code%3aSI.POV.GAPS Last accessed 21 Nov 2022

Neither of the measures above provide an indication of inequality. Absolute lines remain static in the face of economic change, and indicate the increase or decrease in poverty headcount. Relative lines are adjusted for national populations, or in relation to qualities of life such as food poverty at a minimum or higher levels of associated quality of life. Foster has cautioned on taking the "unidimensional prescriptions" of poverty lines such as those above as a guide to policy (Foster, 1998: 336). While Foster and Sen (1997) have argued that poverty indices that coherently take poverty headcount measures, poverty gaps and inequality into account can be used to greater advantage in development planning and international comparisons.

Critical to the application of these measures are the underlying concepts of poverty to which they are tied. These concepts affect the application of measures including the adjustment of cut-offs relative to change in the definition and distribution of extreme poverty.

Concepts of extreme poverty, applied to relative poverty measures are reflected in the values associated with cut-offs, and whether mean or median of income or expenditure are used to estimate quality of life. Whilst the use of relative lines set at national levels more appropriately considers heterogeneity within countries, measures of central tendency affect the validity of both absolute and relative poverty lines. Use of the mean gives equal weighting to the needs to the wealthy and poor, whilst application of the median places zero weight on the wealthy. Furthermore, country level comparisons further obfuscate the lived experience of poverty on the ground. For instance, it is unclear as to whether higher poverty lines for wealthier nations reflect real term higher expenditure required to reach welfare levels applied globally (Ravallion & Chen, 2017), or instead, if a more generous concept of welfare in those countries simply applies a higher reference point, adjusted to the social norms of what quality of life ought to be in those countries (Ravallion & Chen, 2017: 31). In the debate as to whether to use the mean, median, or something else in measuring relative poverty, it thus remains critical to define the welfare-economic basis more clearly for the choice of the measure of central tendency and cut-off(s) applied. A paper published by Ravallion and Chen in 1997 explores their interpretations of relative poverty lines in a welfare-consistent way allowing for relative comparisons (Ravallion & Chen 2017: 32).

Definitions of extreme poverty often include phrases such as “the poorest of the poor” and thus imply the importance of inequality in identifying and measuring extreme poverty. A measure of inequality, such as the Gini coefficient, further aids in the identification of vulnerable populations and allows for a more appropriate relative comparison across countries. However, when combining poverty and inequality measures there may exist an incommensurability between the two, where inequality measurements do not take absolute economic gains into account. An economy may grow by 10 percent per annum over a period and the upper quantile of the socio-economic classes capture half the gains, and the bottom quantile 10 percent. If the gains take inflation into account, the Gini coefficient will reflect more inequality, and neglect the positive gains made for the extreme poor. Thus, the application of inequality measures is not necessarily suited to monitoring policy impacts on extreme poverty.

Ravallion and Chen (2017, 2019) have argued that, when applying income-based thresholds such as the international poverty line, whether using the mean or the median (2017, 2019), evidence points to a clear decline in absolute poverty headcount (Chen and Ravallion 2004, 2010, 2013), where economic growth has played an important role (Ravallion and Chen, 2017: 3, 2019). However, upon closer inspection of the data, when accounting for relative income and consumption (2017: 3) and testing various weighted and unweighted measures of central tendency, they observe both falling numbers of absolute poverty in the developing world, and rising numbers of people who are still poor by the standards typical of the country in which they live (2017: 33, 2019:11). Their investigation has resulted in a proposal for a more complicated set of measurements, and the application of a **rank-weighted mean** for the estimate of extreme poverty headcounts. The rationale for applying a weighted mean is that when making relativist comparisons across countries, applying a mean would give equal weight to the rich or applying a median would give them zero weight (2019).

Using a rank-weighted Gini-discounted mean,[2] Ravallion and Chen proposed a new set of measures and demonstrated that relative-poverty lines ought to be adjusted downwards in high-inequality countries (2019: 10). The researchers thus demonstrates that poverty measures are responsive to both the application of the measure of central tendency and the inclusion of inequality-derived weights for those measures (2017: 33). They argued that the application of the international poverty line, as well as their aggregated and adjusted relative poverty lines, indicate a falling incidence of global poverty, however, poverty may not have fallen as rapidly as has been shown in more typical representations.

Applying their technique to the analysis of national poverty data enables the setting of international relative poverty lines (2017: 32, 2019), and thus, more robust assessments of the real progress in reducing extreme poverty. In particular, drawing on their data from 1,500 household surveys for 150

[2] In summary, the researchers used the absolute poverty line, fixed in real terms, as the lower bound for their calculations. The upper-bound poverty threshold was derived from a schedule of weakly relative lines. Weakly relative lines were derived by adjusting the international poverty line based on empirical income data from 1,500 household surveys for 150 countries over 1990-2013, and inferences about purchase price parity across countries. Their analysis using national poverty lines suggested that a rank-weighted mean is relevant when comparing income to derive welfare-consistent global poverty measures. Implementing these measures on a global basis, including countries at all levels of development, applying the lowest rank-weighed mean to the richest countries, provided a globally-unified measure of poverty, "in contrast to past work which has been bifurcated between "rich" and "poor" countries, with two distinct literatures (Ravallion and Chen, 2017: 32)". This analysis demonstrated the potential to incorporate measures of inequality into estimates of poverty using harmonised international poverty data, using a Gini-discounted mean is in setting upper bound lines, whilst also enabling better comparisons between nations (p.6-7). Revisiting the conceptual basis of relative poverty measurement this analysis asserts that, "to be judged 'not poor' […] a person needs to be neither absolutely poor nor relatively poor, as judged by the predicted poverty line in their country of residence (Ravallion and Chen, 2017: 33)," anchoring poverty measurement to Sen's (1985) "subsistence" capability and a "social inclusion" capability, rather than "utility."

countries over the period 1990 to 2013 (p.6-7), they make the observation that the "considerable pace of progress against absolute global poverty that has been documented before in the literature is not found for our new series of weakly relative lines" (2019: 10) and that, whilst there has been progress, "progress against poverty has been noticeably less […] as a whole, and progress against relative poverty in the high-income countries has stalled since the Great Recession" (2019: 10). Furthermore, the impact on reducing extreme poverty has been noted as less pronounced than for other populations of the poor. As to the reason for the slower progress against poverty, the authors indicate that the "evident lack of progress against poverty in the rich world implied by our measures is primarily about the [poor] distribution of the gains from economic growth" (2019: 11).

The author, reiterate points made by Foster (1998) and Taylor (1998), maintaining that a deep identification problem affects our analysis of poverty reduction, because definitions of poverty and extreme poverty vary considerably across countries (Ravallion and Chen, 2017). In addition, Ravallion and Chen argued that definitions of extreme poverty are also affected by subjective perceptions of poverty and well-being. Where, on the one hand, the observation of relative poverty may be under-reported due to shame, stigma and social exclusion associated with identifying as poor, there also exists a paradox where average life satisfaction or happiness may not rise much with economic growth (2017: 2).

Broadening this discussion, extreme poverty is not only understood as the lack of income, but its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion, as well as the lack of participation in decision-making. Hence, assessing wellbeing and quality of life requires a plurality of indicators (Alkire, 2015: 11). Considering these challenges in the search for a robust measure, that accommodates both absolute and relative dimensions, multi-dimensional poverty assessments may provide a much more holistic view of conditions of the poor, and allow a more nuanced approach to identifying the most vulnerable, and monitoring the scale and location of extreme poverty reduction.

The Global Multidimensional Poverty Index (MPI), created in 2010 by the Oxford Poverty and Human Development Initiative in collaboration with the United Nations Development Programme (UNDP) has been published since 2010 in the United Nations Development Programme's Human Development Report. The MPI draws heavily on Sen's conceptualisations of poverty as capability deprivation (Sen, 1999; Alkire and Santos, 2014). Sen's argument is that opportunities in life are determined by 'personal resources', such as talent and skill, as well as 'external resources' including income, wealth and social networks, and the social, cultural, legal and material context in which people live (Wolff and De-Shalit, 2007, Wolff 2015). Sen's argument is that degrees of wellbeing and freedom ought to be the measurements of extreme poverty, and that personal and national income do not always correlate well with these. With Sen's argument in mind, wellbeing and freedom have been incorporated into the MPI. The MPI comprises of 10 indicators across three dimensions: Health (child mortality, nutrition), Education (years of schooling, child school attendance) and Living Standards (electricity, improved sanitation, improved drinking water, flooring, cooking fuel, asset ownership). A deprivation cut-off is set for each of these indicators, and weights are assigned to each. A household deprived of all ten indicators would receive a score of 100 percent. The index considers a household "poor" if they have a deprivation score of 33 percent or higher (Alkire and Santos, 2014).

Sabine Alkire has articulated that in drawing on Sen's capability framework the MPI operationalises an idea of justice in the measurement of extreme poverty. Capability is captured as "a set of vectors… of functioning, reflecting the persons freedom to choose to lead one type of life of another … to choose from possible livings" (from Sen 1992; Alkire, S, 2015: 4).

The choice of indicators operationalises a direct method of poverty measurement, assessing "whether people satisfy a set of specified basic needs" (Alkire and Santos, 2014: 251). The MPI is designed to overcome the limitations of the indirect income method of estimating poverty (Alkire and Santos, 2014). "Poverty has always been understood as a multidimensional problem, yet traditionally it has been measured with one dimension: income" (Alkire and Santos, 2013:239).

The MPI aims to overcome the unidimensional limitations of income measures in the identification of who is poor, and aggregation of data across societies. Whilst an income-based poverty line assesses the costs in purchasing a basket of goods, dichotomising the population into the poor and the not-poor – the MPI gives greater consideration "to the properties that should be satisfied" by a poverty index" (Alkire and Santos, 2013:241). Alkire and Foster developed a method for estimating poverty "based on the unidimensional FGT family of measures" that counts the number of weighted deprivations experience by individuals and/or within households to estimate who is poor, and the severity of their poverty (Alkire and Santos, 2013:241, see also Alkire and Foster, 2011).

As outlined above, measuring extreme poverty is complicated. It is not merely a matter of counting the number of people whose household income falls below a threshold at a given point in time. At a minimum, the depth and nature of people's poverty needs to be taken into account. Moreover, the multi-dimensional aspects of their poverty are also critical to assess in order to address the needs of the extreme poor. How the extreme poor "cope with, contest, confront, collaborate with and/or liberate themselves from the limitations of their economic environment by using not only fiscal resources, but also social and political facilities and opportunities (Adebanwi, 2017: 25)." How the extreme poor confront "the fundamental issues that shape the political economy of everyday life" and what they "(should) demand from their economy, politics and socio-cultural processes" ought to be a fundamental consideration of a development approach that seeks to assist the extreme poor (Adebanwi, 2017: 25). Common to all approaches discussed here are acknowledgements that poverty measurement is closely tied to the theory about poverty that guides interventions that seek to eradicate it.

2.2 Evolution of the World Bank's plan to end extreme poverty

The World Bank's three-point plan grew out of a tradition of critical thinking summarised by the 1980, 1990 and 2000 World Development Reports (WDR), alongside a closer reading of the Gill *et al. (2016)*, three-point plan.

The 1980 World Development Report (WDR) was the third of its kind, with a central theme "People in development", and was published at a time that the Bank describes as difficult and uncertain. WDR 1980 emphasised that developing countries faced a new decade, with two major challenges. Continuing to achieve social and economic progress within an "international climate that looks less helpful" due to sluggish economic outlooks driven by increased costs of fuel and energy, whilst tackling "the plight of the 800 million people living in absolute poverty, who have benefitted too little from past progress" (WDR 1980: 1). Entitled *Poverty and Human Development*, the WDR 1980 proposes a two-point plan to eradicate poverty. The plan promoted economic growth and human development including household income, nutrition, fertility, education, and health (WDR 1980). Social insurance programmes were seen as relatively unimportant, and the strategy discouraged the use of social protection as mechanisms in developing countries (Gill et al., 2016: XX). Regarding economic growth, the World Bank argued that domestic policies of developing countries were crucial, and that the fate of poor people in developing countries would be decided largely by domestic opportunities. Human development was specifically raised in relation to increasing productivity, and leveraging the positive opportunities of population growth (WDR 1980). Thus, resolving poverty was determined to be a macro-economic issue, where successful reduction was seen as the result of improved *productivity and increased trade* that ultimately positively effected capital flows that could ensure domestic economic growth and employment opportunities for the poor.

WDR 1990, entitled *Poverty,* aligned with a 2.5-point plan. This report was the thirteenth in the annual series addressing major development issues and emphasised "a combination of labour-intensive growth, investments in human capital, and supplemental social assistance" (Gill et al., 2016: 45). WDR 1990 encouraged that market-based growth be made pro-poor through an emphasis on agricultural reform, openness to trade, fiscal prudence, and more substantial public investments in education, health, and family planning (WDR 1990). The theory behind this is that these would create conditions in which the poor have the opportunity to pull themselves out of poverty.

Although the report defines poverty in broad terms that include literacy, nutrition and health, as well as income (WDR 1990), the World Bank maintained that the first priority for developing countries ought to remain economic growth, and that the first line of attack on poverty ought to be the promotion of efficient use of the poor's most abundant asset, viz. labour. Policies the World Bank favoured to facilitate economic growth included market incentives, infrastructure development, and technology. The report also emphasised the importance of social and political institutions to provide access to basic social services to the poor, including primary healthcare, family planning, nutrition, and primary education. The report concluded by highlighting that although eliminating poverty altogether was not a realistic goal for the 1990s, reducing it greatly was entirely possible. Based on an analysis of economic climate and poverty reduction trends, the report projected that the number of people in poverty would reduce by one third by the year 2000 (WDR 1990).

WDR 2000, entitled *Attacking Poverty*, focused on the dimensions of poverty – exploring the nature and evolution of poverty, its causes, and a framework for action. The report maintained the World Bank's earlier 2.5-point approach to poverty reduction prioritising domestic economic growth and *making markets work for the poor*. This report highlighted the importance of inequality. The report also advocated for more attention to institutions, participation, income redistribution, and building the asset base of the poor to mitigate risks (WDR 2000) to achieve better results in reducing poverty. Building domestic state institutions and civil society was advocated for in order to improve responsiveness to the needs of the poor, reducing social barriers, and improving well-being, health, and access to education to allow increased income-earning potential (WDR 2000). The World Bank also emphasised the need for enhanced assessment and management of risk to reduce vulnerability to economic crises, and natural disasters (WDR 2000). Gill, however, notes that strengthening social institutions, were tougher concepts to translate into clear policies that work at global and country levels, hence they proved more challenging to operationalise (Gill *et al.*, 2016).

By the turn of the century the United Nations had established the Millennium Development Goals, foregrounding the eradication of extreme poverty and hunger as MDG1. To support the implementation and monitoring of the MDGs, the World Bank introduced the *Poverty Reduction Strategy Papers* (PRSPs) in 1999. A PRSP is a document given shape by a developing country government under the guidance of the World Bank and the IMF. The document typically identifies the incidence and causes of poverty and outlines specific strategies and policies to reduce it, accompanied by relevant expenditure targets. The intention of PRSPs was to reduce poverty through coordinated action, linked to the MDGs. The PRSPs also provided a link between UN and World Bank initiatives. As Fukuda-Parr has noted, "…there was a lack of consensus about how the MDGs should be achieved the MDGs became integrated into countries PRSPs" (Fukuda-Parr 2003, cited in Elkins 2017:5). The World Bank facilitated this through introducing the development of PRSPs as a conditionalities for loans (Elkins, 2017:2). As a result, "through self-regulation or direct application, global goals effectively define[d] strategic priorities that would logically drive resource allocation in programmatic priorities of national governments, development agencies and other actors" (Fukuda-Parr, 2014: 124), and PRSPs were one way in which the World Bank sought to entrench this. PRSPs thus became a vehicle for achieving the MDGs (Stewart and Wang, 2003; Elkins et al., 2005; Feeny and Prentice, 2017).

The World Bank observed that early key achievements of PRSPs were a "growing sense of ownership" by governments and civil society "more open dialogue… more prominent poverty reduction policy debates, extending beyond the social sector," as well as more systematic data collection, monitoring, and analysis (IMF, 2002: 5). The PRSPs presented a powerful mechanism for shifting development agendas aligned with the MDGs, as they provided an opportunity for integrating sectoral goals and costed interventions, thereby providing a common framework corralling collective efforts around the MDGs, along with clearer accountability.

However, the MDGs and the PRSPs have not been without criticism. The MDGs were criticised for too heavily influencing national development priorities without consideration of country contexts (Fukuda-Parr, 2004). They were used at times in perhaps limiting and contradictory ways; as standards for performance evaluation, planning targets, and imposed forms of self-regulation on nation states (Fukuda-Parr, 2014: 121-123). As standards and targets, they were often arbitrary, and inconsistent methodologies were used for defining each of the goals. Furthermore, there was inherent bias against African and other countries, with much larger challenges and lower starting points. The goals with regard to poverty reduction targets were for some countries implausible. Fukuda-Parr highlights that for the average African country to have halved poverty during the MDG phase would have required per-capita GDP to have grown by seven percent for 15 years (Fukuda-Parr, 2014: 123). Fukuda-Parr cautioned that "questions about how global goals influence policy behaviour" needed to be explored in order to understand the "kinds of unintended consequences … global goals lead to" (Fukuda-Parr, 2014: 119). Criticism of the PRSPS included that despite the early indications of their participatory nature, given that PRSPs are largely driven by the World Bank, often with superficial involvement by developing countries, and may have clashed with national development priorities, there were risks that the PRSPS did not effect development priorities and spending patterns, as intended by the World Bank (Elkins 2017). Elkins has also noted that quantitative evaluations of PRSP effectiveness were "surprisingly sparse" (Elkins, 2017:2). Furthermore, the PRSPs have been seen a tool for coordinating the implementation of World Bank development doctrine (Peet, 2003; Cammack, 2004), "…contrary", Cammack argues, "to the idea of pluralism" (Cammack 2004: 196).

2.3 The World Bank's three-point plan (2016)

Gill's 2016 document, continued to support the main line of reasoning for a growth-oriented poverty reduction strategy. Gill et al. advise that once countries have started to significantly reduce poverty through the first two arms, viz. labour-intensive growth and investments in human capital, it is prudent to increase the half-point of social assistance to a full point. The three-point strategy accepts the importance of growth and investment and a half-point, social insurance in previous World Bank approaches from the 1990s and 2000s, but argued for social insurance to be a "full complement". Gill et al. drew on previous World Bank reports, academic literature, and case studies from numerous countries to present a rather comprehensive set of strategies in their plan. They have provided some nuance for countries that are agriculture-based, transforming, and more urbanised (p.32). In addition, they emphasise that their three-point plan is more suited to countries such as Viet Nam that have already started to demonstrate economic growth and poverty reduction. They recommend that countries that still experience large proportions of extreme poverty may "find that the 2.5-point strategy is better suited, [and when] implemented well, extreme poverty rates will fall quickly", but that once a country begins to reduce poverty through the more conventional economic growth routes and policies to foster human development "the 2.5-point strategy should give way to the three-point strategy" (p.47) incorporating a complement of micro-economic policies geared towards insurance.

The authors insist that,

> *"if ending extreme poverty is the goal, the growth versus redistribution debate, and doubts about the adequacy of consumption-based poverty as a development goal are not the issues that policies makers should worry about too much" (p47).*

Using Viet Nam (amongst other countries) as an example, Gill et al. argue that "policymakers should be trying to figure out how this [three-point] strategy can be implemented" (Gill et al., 2016: 47). The authors are confident that the growth, investment, and insurance triumvirate would support the goal of reducing extreme poverty to less than three percent by 2030, and "should be considered after a country develops adequate administrative capacity" (Gill et al., 2016:46). The authors further stress that social insurance should not be incorporated in a way that undermines the first two points. Highlighting this, their report end with a reminder to nations to focus on growth first to reduce extreme poverty (Gill et al., 2016: 47). However, the authors caution that neither social assistance nor insurance ought to undermine labour-intense development or consume unreasonable portions of state budgets. The authors do indicate, at the time with optimism, that now carries a more sombre and cautionary note, that, “eliminating extreme poverty… will not happen unless Ethiopia and other strong performers … keep doing as well as they have in the last decade … and others start doing a lot better than in the past” (p.47).

2.3.1 Growth

The World Bank’s three-point plan for ending extreme poverty prioritises growth “in ways that raise labour incomes of the poor” (p.29). The authors observe that, despite urbanisation, poverty continues to be a largely rural phenomenon (p.31), with three-quarters of the poor in developing countries located in rural areas” (p.31), thus they advocate for growth that seeks to increase labour productivity in agriculture. The Bank also encourages investments in infrastructure to support labour intensive growth. The Bank also encourages the opening of trade to make sure that countries build on their strengths and use their resources efficiently (p.29). Gill et al. point out that increased employment and earnings (accounted for more than 50 percent of the poverty reduction in most countries they have studied, p.30-31) and that “GDP growth in agriculture is at least twice as effective in reducing poverty as non-agricultural growth” (p.31).

The Bank’s thesis is that there will be no significant poverty reduction without job-rich agricultural productivity increases and significant non-farm value chain and agri-business development. Consequently, “raising the labor [sic] incomes of the poor requires the same true and tested approach that was used in China, India, Vietnam, Thailand, and other counties that have reduced poverty” (p.30). The Bank articulates increased agricultural productivity and the export of agricultural products as increasing labour absorption in the agricultural sector, leading to rapid poverty reduction. The authors advocates for seven priorities to facilitate the type of growth that will lead to extreme poverty reduction, namely: agricultural growth, good policies, investments, economic discipline, openness to trade, building infrastructure, that all lead to increased productivity, and facilitate access to markets.

Boosting agricultural productivity is central to the three-point plan, especially for small-holder farmers, through a range of instruments, including access to assets, improved functioning of markets, and improved agricultural policy, since the “modernisation” of agricultural correlates with increased agricultural GDP. Furthermore, increased agricultural productivity can be leveraged to foster “a vibrant non-farm economy” (p.32), resulting in both on- an off-farm labour absorption. Agricultural productivity increases catalyse the development of related industries “accounting in some cases, for about a third of GDP – and the broader nonfarm economy" (p.31), creating multiplier effects for the rest of the economy (notably Gill et al. did not provide any figures to substantiate this point). In addition, of critical importance for the poor (who do not work in the agricultural sector), "Productivity growth in agriculture keeps food prices from rising, resulting in low wages that contributes to competitiveness of non-agricultural sectors' (p.31). Assuming that low wages are positive for the reduction of extreme poverty. In order to leverage the agricultural sector for labour intensive growth and poverty reduction, the authors argue that, "policies and strategies need to be adjusted according to the "state of agricultural modernization [sic]" (p.31). Gill et al. employ a 2008 WDR typology differentiating three stages of agricultural modernisation: (i) agriculture-based; (ii) transforming; and (iii) urbanised countries that they use to structure recommend policy priorities for agricultural-led economic growth outlined in Table 1 below.

Table 1 Stages of agricultural modernisation

Modernisation stage	**Approximate percentage of GDP and employment derived from agriculture**	**World Bank policy priorities and instruments**
Agriculture-based economies Agriculture is a significant contributor to the economy. Agriculture must act as primary engine of economic growth.	29 percent of GDP, 65 percent of jobs, 70 percent of poor located in rural areas. These countries account for around 417million rural individuals (2016) predominantly located in Sub-Saharan Africa.	Moving agriculture to the top of the policy agenda, expanding R&D and the use of technologies to enhance productivity. Boosting productivity of smallholder farmers Expanding **access to assets** (land, irrigation) Enhancing delivery of health and education Improving **functioning of markets** (reducing transaction costs, efficiency of input delivery, credit, appropriate taxation)
Transforming economies Reduced significance of agriculture Assumption: there are many pathways	13 percent of GDP, 57 percent of jobs, 82 percent of the poor located in rural areas These countries account for around 2,2 billion rural individuals (2016)	The key objective is to "facilitate the re-allocation of surplus labour from agriculture to other activities to reduce rural poverty" (p.32). Maintaining agricultural productivity Connecting rural areas to urban economy Reducing transaction costs

for the rural poor to escape poverty, including employment in the non-farm economy, involvement in higher value agricultural activities and rural-urban migration. (p.32)	predominantly located in South-East Asia, the Middle East and North Africa.	Infrastructure investments Providing market information services Establishing township and village enterprises Facilitating the emergence of related industries including food processing, transport Investments in education and vocational training and mobility to enable people to exit agriculture, equipping farmers for non-farm employment Safety nets such as "modest pensions" used to encourage transfer of land ownership
Urbanised countries Agriculture plays a smaller role in the economy Agriculture plays a valuable role in reducing entrenched poverty in rural pockets (p33)	Six percent of GDP, 18 percent of jobs, only 45 percent of the poor are located in rural areas. These countries account for around 255 million (2016) rural individuals predominantly located in Latin America, the Caribbean, Europe, and Central Asia.	"The policy goal for urbanized [sic] countries is to connect the rural poor to the opportunities that have been unlocked by the modernization of food markets" (p.33). Rural farms could become suppliers to supermarkets Assisting producer organisations to meet scale and standards required by modern food markets. Assisting smallholders to particate in producer organisations. Facilitating opportunities for rural poor to access wage employment in large-scale agribusiness.

Source: Compiled from Gill et al., 2016: 32-33.

The purpose of agricultural productivity for Gill and colleagues is specifically to leverage increased trade, especially export trade. In turn, the importance of trade to economic growth is that exports function as an important source of foreign exchange. A positive trade balance and healthy foreign exchange reserves facilitates the purchase of valuable imports such as new technologies to further boost productivity. Openness to trade encourages domestic firm productivity through competition.

Healthy competition in turn stimulates businesses drive to reach large export markets, leading to economies of scale, specialisations in production, and innovation which "set the stage for firm-level efficiencies, growth and ultimately employment generation" (p.33). The authors argue that for agricultural economies, where the majority of the poor are concentrated, agricultural exports are a critical first opportunity to fostering market innovation and competition. Agricultural productivity in turn will facilitate a multiplier in whole economy, increasing the secondary and tertiary sectors share of the economy from agriculture as the "principal engine of economic growth" (p.32).

Drawing on descriptions of South-East Asia's success in reducing poverty, Gill et al. argue that the countries "relied heavily on trade through labour-intensive, export-orientated manufacturing" (p.33). Gill et al. have indicated that "[t]his would not have been possible without a prior revolution in agricultural productivity that kept food prices in check and wages competitive" (p.33). Land reform is a critical precursor for most countries to boost agricultural productivity. Land reform, coupled with the contingent agricultural productivity, Gill et al. explain, led to industrial revolutions within successful countries (p.33).

Southeast Asian examples, as the authors illustrate, provide evidence of effective use of special economic zones (SEZ), geared towards establishing appropriate enabling environments by reducing production costs, reducing red tape, improving infrastructure and security in clearly defined areas, and attracting foreign firms (p.33). These countries strengthened and leveraged regional production networks through regional trade agreements, whereby components could be assembled in neighbouring countries. Thus, increasing intra-regional trade between developing countries (p.33). Furthermore, complementary trade policies were derived in order to promote competitiveness of exports on the open market and a framework of institutional support for market incentives. The authors indicate that successful strategies included reducing tariffs on imports to keep costs of imports down, thereby enhancing the uptake and use of technology, as well as maintaining stable exchange rates and avoiding currency over-valuations (p.33). The authors also point out that although now limited by World Trade Organisation (WTO) regulations, the success of Southeast Asian economies was propelled by the application of institutional support such as government sponsored incentives, preferential access to credit, subsidies, and the critical role that financial intermediaries played in export promotion (p.33).

Referencing WDR 1994, Infrastructure of development, the three-point plan indicates that "improving infrastructure is an imperative for countries that seek to initiate and sustain a process of labour-intensive growth" (p.34). The plan recommends greater investment in strategic economic infrastructure including roads, electricity, water, and ICT, the development of industrial and special economic zones to improve global opportunities, and regional economic linkages, as well as enhancing linkages between urban and rural areas. As “a particularly sound policy for achieving gains in agricultural productivity", Gill et al. advise targeting rural areas for infrastructure investment (p.34). The authors have argued, without providing a specific reference, that a ten percent increase in infrastructure spending correlates “by some estimates” with a one percent growth in GDP (p.34). The benefits that will accrue to these infrastructure investments include reducing the transaction costs that poor infrastructure, especially transportation. This leads to reducing distance to markets through improved roads that will especially benefit small-scale farmers (p.34). To enhance trade, infrastructure services, the governance of infrastructure will also need to be improved, so as to reduce import and export delays. Specifically, the plan prioritises more efficient regulations on border management, streamlined logistics, and reduced red tape.

The three-point plan maintains that prudent macroeconomic policies are a prerequisite to economic growth, and should incentivise agricultural productivity. The “right incentives”, argue Gill et al., will encourage “farmers to invest in their farms and engage in commercial activities” (p.35). Agricultural-led economic development could mature from village enterprises to larger commercial endeavours and greater liberalisation and lead to exports thereby rapidly and consistently increasing GDP per capita. To facilitate growth, the authors argue the “macroeconomic environment [ought] to be favourable to exporters to encourage trade” (p.35), where “an effective policy package would likely include, but not be limited to independent monetary policy, low inflation targets, prudent fiscal policy that does not discriminate against agriculture, exchange rate policy that favours stability and avoids overvaluations, and financial development to raise savings and facilitate the flow of capital” (p.35). Stable exchange rates coupled with low inflation would promote exports, while relevant tariff reductions would protect against the costs of imports. Setting export targets, facilitating investment opportunities, and the strategic use of incentives would aid market development. In turn, these instruments and this context would lead to increased savings, and facilitate capital flows that could be strategically used to invest into human capital, infrastructure, and services to further grow the economy and facilitate job creation that will, the authors argue, reduce extreme poverty (p.35).

2.3.2 Investment

In addition to investing in economic and physical assets as outlined above, the plan speaks specifically to the investment in the human capital of the poor. Drawing on World Bank growth-oriented approaches to poverty reduction that emanated in 1980s and earlier, Gill et al. argue that “Labor [sic] is always the most important asset of the poor” (p.35), where investments in human capital will foster economic growth if policies to catalyse human capital development are prioritised (p.35). As outlined in the 2- and 2,5-point plans to end poverty, the authors emphasise the importance for countries to invest in quality and coverage of education (p.35), health (p.37) as well as water and sanitation (p.38). The authors indicate that these investments are particularly crucial for children, since, without new opportunities, their capacity to escape poverty as adults is severely restricted, and also point to linkages between WASH, health, and education, where malnourished and/or ill children cannot be expected to function well at school (p.35).

Making reference to the 2004 WDR, *Making services work for the poor*, Gill et al. emphasise that services often fail the poor in access, quantity, and quality (p.35). Hence, Gill et al. argued, achieving success in building human capabilities required a prerequisite of good governance, which ensures service delivery would be effective, accountable and transparent (p.39). In developing their case for good governance, they acknowledge that the 2.5-point plan raised the importance of institutional strengthening, but that countries have found this difficult to facilitate.

The plan indicates that, whilst the number of primary school aged children not attending school has halved since 1990, in 2016, Gill et al. estimate that 59 million children were not attending school. Thirty million children (50.8 percent) not accessing education were in Sub-Saharan Africa, where rapid population growth was placing certain strain on the available educational resources (p.35). Gill et al. estimate that the impact of poor service delivery and population growth will result in an additional 40 million children in Sub-Saharan Africa not attending school between 2016 and 2025 (p.35), within pronounced gender disparities (p.36). The implications of this is that lower levels of education amongst girls correlates with earlier marriages, increased fertility, less likelihood for these women to enter the labour market, and a diminished role in household decision-making. These conditions lead to an increased likelihood that the children of these women will repeat the cycle (p.36).

Achieving improvements in educational outcomes in developing countries – particularly for literacy, numeracy, and overall grade scores – requires targeting of disadvantaged children. Particularly girls, ethnic monitories, and poor populations living in remote areas (p.36). Investments in education, Gill et al. argue, “are most effective when made in early childhood” (p.36). Improvements in early childhood education result in improved cognition, overall school achievement, and increased long-term earning potential (p.36). Improving access, however, is not sufficient. Lasting improvements in education require improvements in the quality of education provided. Improvements in access to quality education require incentives and accountability for both teachers and school management. The role of parents and parent-teacher associations often provide required oversight, and motivation to deliver quality education.

Along with investing in education, Gill et al. argue that improving health, especially in a person’s early years, is essential for long-term impacts of an individual’s life. The authors illustrate that investments in public health saw a declines in under-five mortality, from 91 deaths per 1,000 in 1990 to 43 in 2015. However, they observe that in 2015, there were approximately 5.9 million deaths of children under-five per annum, and that more than half of these could have been prevented, with children in Sub-Saharan Africa being unequally vulnerable, as they are 14 times more likely to die prematurely (p.37).

The authors motivate for expanding health care services through multiple forms, including public, private, and blended options; as well as community-based services. They recommend increased decentralisation of health service delivery, coupled with better governance measures, in order to maximise coverage (p.37). Improved governance needs to overcome, where "institutional constraints that limit the delivery of quality service" (p.37). Institutional strengthening, should they argue, included opportunities for autonomy and better management at health care facilities, especially regarding human resources management, that impacts on service and performance standards. Complimentary investments in infrastructure, improving rural facilities, training of maternal health providers, women's education, and family planning programmes will enhance health outcomes for the extreme poor (p.38). Hence, the authors recommend prioritising child and maternal health.

Improved water and sanitation (WASH) were highlighted as measures to reduce incidence of diseases, especially for children reducing child mortality and health costs. In turn, Gill et al. argue that increased productivity in school (and hence improved learning outcomes) and the workplace (p.38). The world's access to improved drinking water rose from 76 percent in 1990 to 91 percent in 2015 (p.38). Yet Gill et al. report that "in 2015, 663 million people – of which approximately 50 percent were in Sub-Saharan Africa and 15 percent in Southeast Asia relied on unimproved water resources" (p.38). The authors observe that access to WASH infrastructure varied considerably between countries, regions and especially for rural populations, correlating with socio-economic status (p.38). Access to improved water is generally higher than access to sanitation in developing countries, with the latter, rising from 54 percent in 1990 to only 68 percent by 2015 (p.38). Gill et al. thus recommended "devoting greater resources to water and sanitation, specifically in rural areas" (p.39) and further recommend that access at facilities such as schools and health care centres be prioritised (p.39).

The three-point plan emphasised good governance as a cornerstone of delivering on the investments in human capital referencing the 2017 WDR, Governance and the Law, and maintained that improving governance will enhance the effectiveness of public investments in education, health and WASH. Gill et al. argue that improved governance should improve the efficiency of government spending and ensure that funds are not diverted towards "dubious alternative uses" (p.39). The authors asserted that appropriate goal setting and monitoring and evaluation (M&E) systems will enable policy makers to better allocate resources where most needed to enhance development outcomes (p39). Accountability, the plan emphasises, is a critical component of better governance. Instruments of effecting accountability highlighted included elections and community participation (that strengthen governments accountability to citizens), and performance contracts (that hold service providers accountable to government) (p.39).

2.3.3 Insurance

Along with the importance of labour-intensive growth and investments in human capital, Gill et al. advocate that a full complement of social protection (insurance) should be viewed as the third leg of the stool. Insurance, the authors argue, is critical to ensuring the gains of economic growth and reducing vulnerability for the destitute. Gill et al. (2016) present three reasons for this. With substantial gains in poverty reduction, those still left behind are increasingly becoming the hardest to reach. Ethnic minorities, people living in remote areas, and disadvantaged groups face additional obstacles, and many have not managed to benefit from economic growth or human capital investments. For countries that have been successful in reducing poverty, investment in social insurance becomes an imperative to protect the gains that have been made, as many that have pushed themselves above the poverty line are still vulnerable to shocks, especially ill-health, weather-related events, and unemployment. Insurance is particularly crucial in countries that are vulnerable to pandemics and large-scale natural disasters. Hence, insurance stands to protect people from destitution and falling deeper into poverty when shocks hit.

Gill et al. argued that countries need to invest in a combination of three different types of insurance including: social assistance; broad-based social insurance; and global insurance programmes. As a prerequisite for a comprehensive social insurance system, countries require information systems that collect and analyse relevant data that can identify the location and characteristics of the chronic poor and those vulnerable to risk (Gill et al., 2016).

The authors of the three-point plan argue that there is a need for **social assistance** in countries that "continue to experience deep forms of chronic poverty" (p.39). The three-point plan highlighted direct transfers of non-contributory forms of support, specifically conditional cash transfers as a preferred instrument – and how near-cash transfers or food stamps/vouchers can help "end cycles of chronic and intergenerational poverty" (p.40). The authors specifically indicate that social assistance can assist the extreme poor, who cannot access labour market opportunities to meet their basic needs. Assistance can be provided, they outline, in ways that incentivise households to invest in the human capital of their children, that in turn will assist children to exit poverty.

Assistance will also help the poor to withstand shocks (p.40). Drawing on examples such as Mexico's *Progressa* Programme, the authors specifically highlight the importance of social assistance to facilitate "productive integration into the labor market" (p.40). However, the authors caution that provision of social assistance and effective use of assistance to incentivise behaviour change requires sophisticated administration. The administration of these systems relies on complex targeting of needy households, such as through proxy means tests. For countries with "lower administrative capacity", Gill et al. suggest that there may be a stronger case for distributing near-cash transfers or food vouchers/stamps. But the authors strongly advocate against food price and other subsidies as these are poorly targeted, inefficient and costly (p.40).

Social insurance, the authors argue, "is most helpful for successful developers as a means of preserving their gains" (p.39) and will result in fewer people being vulnerable to falling back into poverty. It should be noted that social insurance, as outlined in the three-point plan, does not target the extreme or chronic poor, but those who are vulnerable to becoming poor. Gill et al. point out that this population tends to be more diverse than the extreme poor, and that they also tend to be urban and mobile, and their vulnerability to different types of risks is multifarious. Risks faced can be either individual (such as a household member falling ill) or systemic (such as the 2008/9 financial crisis) (p.41). Three specific forms of social insurance are highlighted in the three-point plan, namely: health insurance; unemployment insurance that guards against macroeconomic crises; and income protection that guards against weather-related risks in the agriculture sector such as droughts (p.41). The authors advocate for free or significantly sponsored basic health care, particularly for the poor. Protection against unemployment and macroeconomic crises might include payments for "short spells of unemployment, or work guarantee programmes, or infrastructure programmes for economic reconstruction during challenging times" (p.42). Index-based weather insurance and crop insurance linked to area yield indices have also been recommended to reduce the risks faced by farmers, especially those with fewer alternative livelihood options (p42-43).

Gill et al. encourage programmes to be designed to target the type of risk rather than the type of beneficiary. Programmes should, the authors advise, minimise disincentives to work, should support the development of domestic private insurance markets, and the state should only become involved in addressing needs of the "missing market of insurance" (p.41). Using the case for insurance against agricultural risk, the authors highlight the important need for historical data to inform index-based insurance and the degree of sophistication in managing and diversifying risks on the part of the insurers to effectively deliver when pay outs are expected. The authors also point to the complexity of these insurance options illustrating that social security payments could be linked to agricultural risk, and thus blended options are possible for ensuring the resilience of poor farmers (p.43).

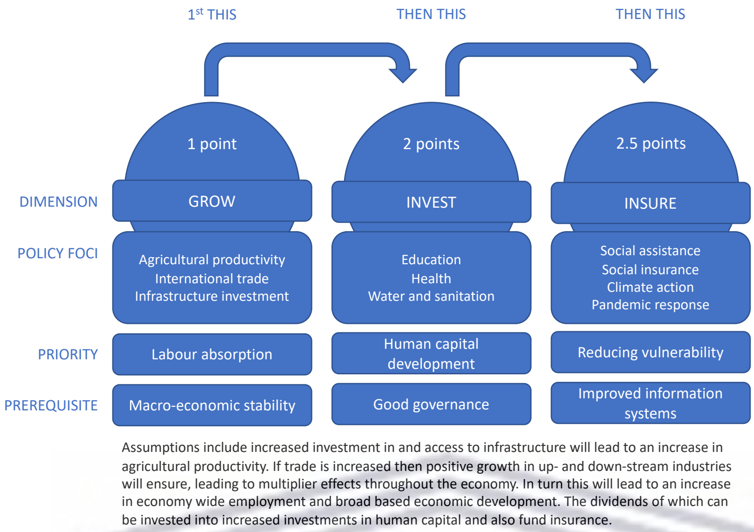
Furthermore, global insurance against climate change and pandemics was prioritised in the plan. Gill et al. argued that pandemics and natural disasters pose the greatest risks to developing countries (p.44). The authors emphasise that global shocks place enormous strain on a country's "capacity to respond", and they also advise that social insurance is critical for the protection of populations against pandemics and disasters especially "in regions that are most vulnerable to these shocks" (Gill et al., 2016:40). Pandemics, the authors argue, have wreaked havoc because of a "combination of weak public health systems, which fail to detect an emerging threat," where the importance of health monitoring is heightened because of "greater integration among countries through mobility and trade" which "sets the stage for the fast spread of disease" (p.43). Regarding pandemics, the three-point plan advised that strategies to protect the vulnerable ought to include both prevention and preparedness dimensions, and that health interventions ought to include investments in order to strengthen (human) public health systems and manage veterinary health challenges (p.43). Preparedness should specifically encompass early warning systems and contingency plans (p.43-44), designed in a way that ensures that financial resources are "readily available to help contain the outbreak" (p.44).

The authors summarised the devastating economic impacts and loss of life attributed to natural disasters, indicating that three-quarters of deaths resulting from natural disasters occur in developing countries, and emphasising the vulnerability of poor populations in developing nations. Climate change and the associated change in temperatures, and weather patterns including flooding and drought were, the authors indicated, "not entirely unavoidable" (p.44). They advise that the most critical insurance measures are to implement early warning systems, and respond to risks in urban planning, investing in drought resistant crops, improving irrigation for agriculture, and accessing "new technologies" because of "effective markets". They advise that countries "must have access to funds that can be immediately deployed" and in this regard the authors state that "international cooperation is imperative" (p.44) and highlight the availability of the World Bank's Disaster Risk Financing and Insurance Facility.

The three-point plan maintains that in order to assist the destitute and vulnerable information systems are imperative. These systems should enable policy makers to identify and geographically target the poor with interventions. Drawing on the 2016 WDR, Digital Dividends, the authors advise on the use of primary data (periodic household surveys, panel surveys) and specialised data (such as that which would inform index-based insurance) as well as technical data (including climate models, satellite imagery, to monitor the risks of pandemic and natural disasters. Data, they advise, should be modelled, in order to map risks and inform early warning and impact reporting.

The figure below outlines the central tenets of the pathway to extreme poverty reduction outlined in the three-point plan.

Figure 3 Three-point plan



Source: Compiled by the author based on Gill et al. 2016.

2.4 Conclusion

This chapter has shown that how extreme poverty is defined influences how the extremely poor are identified, and the nature of the interventions promoted to reduce extreme poverty. GDP and simple money-metric measures of poverty, as proposed by the World Bank's three-point plan, miss important dimensions of extreme poverty, thus undermining the efficacy of policy interventions. Furthermore, discounting the depth of poverty through simple cut-off points for poverty obfuscate the experience of extreme poverty for populations located at different points below those cut-offs. By articulating the three-point plan this chapter has begun to show inadequacies in the assumptions by its authors that become more pronounced in chapters 4, 5, 6 and 7. As will be shown, the quality and nature of growth matter. Furthermore, it needs to be acknowledged that populations with reduced capabilities may not be able to take up opportunities afforded by economic growth. Investment in human capital and providing insurance for the extreme poor remain important, but should investment and insurance only follow after growth?

Chapter 3: Methodology

The approach in this thesis is theory-driven (Chen, 1994; Rossi et al., 2003), where a critical realist ontology informs the research. Critical realism holds that there is a “reality” that exists independent of the observer, and that this reality consists of both observable and unobservable entities (Babbie and Mouton, 2010), including social structures, mechanisms, and events. From an evaluative research perspective, the philosophical framework informing realist evaluation emphasises the importance of understanding the underlying mechanisms and structures that shape social phenomena (Pawson, 2006; Pawson and Tilley, 2007). Realist evaluation approaches are well-suited to investigating complex phenomena, and the interventions that seek to influence them, providing a nuanced understanding of how and why interventions work. To understand mechanisms and how they effect positive change, one needs to examine the context in which interventions take place, and why interactions between mechanisms within given contexts produce both intended and unintended results (outcomes). Unpacking assumptions about the context(s) and mechanisms is thus critical to strengthening interventions and maximising positive outcomes (Pawson, 2013; Wong et al., 2016).

In this study, a critical realist perspective is used, where successful strategies to reduce extreme poverty are contingent on appropriate theory and observation or evaluation, and the gathering of data and the interpretation of evidence to inform development plans and strategies, such that we can know what extreme poverty is, that we can identify the mechanisms manifesting extreme poverty and can intervene to reduce extreme poverty (Pawson and Tilley, 1997; 2004). In doing so, we can identify who the extreme poor are, where they are located, and what it will take to improve their quality of life. Furthermore, through relevant research, we can identify the "right mix" of policies and programmes to reduce extreme poverty. This evidence can be used to refine and articulate pathways out of poverty. Implicit in this is the ability to influence policymaking communities with evidence of their effectiveness and leverage incentives for them to pursue paths that reduce poverty for the extreme poor (Pawson et al., 2005).

3.1 Research design and methods

This research uses a comparative case-study design (Maxwell, 2005; Goertz and Mahoney, 2012) and a narrative synthesis as the predominant method. Exploring the construct validity of the World Bank’s three-point plan for reducing extreme poverty (assessing if and how it worked within the sampled countries) (Stern, 2012), against evidence in Ethiopia and Viet Nam, necessitated a case study design (Seawright and Gerring, 2008; Gibbert et al., 2008). The case studies draw on secondary data, academic and grey literature. With an interest in authors’ justification of their plan, I have intentionally limited the focus to a review of data and critical thinking from period preceding 2016.

The study uses the analysis to assess whether the three-point plan reflects the experiences of the two countries, and whether there are lessons for policymaking that could strengthen the plans to reduce extreme poverty.

The case studies were guided by a theoretical framework derived from the World Bank plan and a reading of relevant literature and are structured using the three "legs" of the World Bank strategy. The results of the analysis are used to highlight consonance and divergence between the country strategies and the plan. The research moves from the general to the more specific, and uses evidence from case studies in order to develop an enhanced explanatory framework through which to understand what interventions may succeed in bringing about reductions in extreme poverty. In this way, the case studies are embedded within economic and poverty trend data, as well as broader programme theory. The case studies themselves served to iteratively refine the analytical framework, while assisting me to consider the potential for transferability of findings, further legitimising the research method (Levy, 2008).

To further strengthen this research, a Theory of Change (TOC) has been used as a heuristic device to guide analysis in this study. A TOC is a complementary evaluation tool for designing and implementing interventions. It provides a process-oriented approach that maps out causal pathways connecting outputs, outcomes, and impacts. These are usually presented visually as a way of articulating programme theory (as in Chapter 2) and accompanied by a description of the programme theory (also in Chapter 2) (See Scriven, 1991; Weiss, 1995; Patton, 2011). A TOC simplifies and summarises complex processes, but in so doing, also helps teams to understand and monitor the role and contribution of underlying mechanisms in the achievement of their policy and programmatic goals. Applying a critical realist lens in the development of a TOC emphasises the importance of causal pathways and mechanisms (Porter and Emmel, 2013; Porter et al., 2016) from output, to outcome, to impact, in relation to relevant risks and assumptions.

3.2.1 Narrative synthesis

A narrative synthesis was strategically used as the main research method in this study. A narrative synthesis is a sub-type of a systematic review (Coren and Fisher, 2006). A distinct difference, however, is to be found where a systematic review quantifies findings, while a narrative review prioritises qualitative interpretations of findings in the analysis and synthesis of results. Narrative syntheses have been criticised by some scholars as "possibly a step backwards towards a less structured approach more akin to the traditional literature review" (Boaz et al., 2006). However, narrative synthesis extends beyond a literature review, and is well-suited to evaluative research, where statistical approaches are inappropriate; programme theory is especially complex; and the heterogeneity of the sources and nature of data prevent many other forms of analysis. A narrative synthesis is more detailed and structured than a literature review, where the focused search for data and reading improves the credibility of the research design.

Narrative syntheses enable the "[a]ccumulation and aggregation [of data] within a number of perspectives (statistical, theory based, ethnographic etc.)" and are particularly useful for investigating complex causal pathways (Stern 2012: 24), enabling researchers to better interrogate causal relations within cases, as well as summarise findings in ways that better enable the examination of similarities and differences between cases (Ragin, 2014). Facilitating the identification of patterns, and drawing of conclusions about the relationships between contextual factors, intervention mechanism and outcomes, and establish hypotheses about relationships within intervention models.

As applied in this study, narrative synthesis is especially useful to investigating the multiple mechanisms and potential outcomes of poverty reduction in vastly different country and sub-national contexts in a structured way. The ability of a narrative synthesis to incorporate different types of data, describe interventions and causal pathways in more detail, conduct analyses within and across case, and systematically present arguments lends itself to the critique of development pathways and models serve as an inherent strength of the research method. Thus, narrative synthesis is a useful and rigorous approach to comparative case study research, allowing for the integration of diverse data sources, including qualitative and quantitative data – strengthening mixed-methods research designs (Sandelowski and Barroso, 2003). The findings are presented as "drawn together in a series of overarching conclusions… offer[s] more than the traditional literature review" (Victor, 2008: 38).

Furthermore, narrative syntheses are especially useful for synthesising,

> *"ideas and theories …[where] the object of interest (the intervention) has not been sufficiently understood. The role of the narrative review in these circumstances is to synthesise the multiple purposes and theories about how and why an intervention might work or not in different circumstances. This kind of review is useful for scoping the landscape in relation to particular interventions" (National Institute for Health Research, n.d.).*[3]

The role of the narrative synthesis in this thesis was to synthesise the ideas, theories and reported results about how and why policy interventions had worked or not in different circumstances. The choice of a narrative synthesis strengthened this research in two specific ways. First, it enabled the

[3] See http://www.nihrcrsu.org/guidance/narrative_synthesis/, accessed 27 April 2018.

use of more heterogenous sources and types of data. Second, it enabled an iterative research process that served to refine and deepen analysis. The narrative synthesis drew on secondary data, contained in documents. The nature and availability of these published reports and relevant literature lent themselves more to a narrative synthesis than a systematic review.

Unlike a systematic review, the narrative review was not limited to a preselected set of search terms or types of documentation. A preliminary inspection of the data showed that if following a systematic review methodology, important texts would have been excluded, due to their technical shortcomings. Thus, relevant issues would have been omitted from the analysis. Hence, the coding procedures required of a systematic review were not well suited to the 'messy' data provided in the types of documents analysed, such as project assessment reports, project planning documents, evaluations, and the like. As the narrative synthesis process evolved emergent findings informed the analysis of case study data and strengthened and interrogated initial observations. Terms and documentation were added as the process was underway, informed by a deeper understanding of the content and greater familiarity with the documentation available. As this proceeded, the data was categorised thematically in more specific ways, and emergent categories were added as required.

To ensure the study remained manageable two principles were applied. Firstly, using the principal of significance from thematic analysis (Glaser and Strauss, 1967), where themes that emerged and came up more often than others to explain economic and poverty trends in each country were documented and mapped. As this may have been subjected to confirmation bias, specific emphasis was placed on searching for alternative explanations for emergent results. In addition, a draft of the thesis was sent to the supervisor, as well as two external reviewers for comment. Reviewers pointed to weaknesses and potential omissions. This further informed the search for texts. Second, a principal of saturation was applied (Glaser and Strauss, 1967), where fewer arguments or alternative explanations emerged. In this process, the data at hand received focus, and looked more closely for patterns that would explain how Ethiopia and Viet Nam reduced extreme poverty. Arguments were continually refined with the objective of simplifying the argument to show consonance and divergence between the three-point plan and successful extreme poverty reduction pathways in Ethiopia and Viet Nam. In the process extraneous data and argumentation was removed from analysis.

The following sections outline the key research questions that guided the study and the strategy that was implemented to manage the process.

3.2 Key research questions

This study set out to answer three questions: firstly, to identify whether Ethiopia and Viet Nam have reduced extreme poverty; secondly, identifying what pathways they have followed and comparing these to the strategies proposed in the World Bank's three-point plan; and finally, determining whether experiences and pathways in Ethiopia and Viet Nam provide lessons for strengthening the World Bank three-point plan.

3.3 Research strategy

The research strategy was defined by the following phases.

The first task was to review relevant literature to gain insight of poverty and poverty reduction theory. This reading was used to clarify key concepts. Secondary data was gathered and analysed to further explore relevant concepts, and establish poverty trends relative to economic growth and other factors. This process occurred during the development of the research proposal, prior to commencing this research project, and informing the research questions that guided this study.

3.3.1 Content analysis

Initial content analysis focused on understanding the content of the three-point plan, namely how Gill et al. defined extreme poverty, what data they used, and how they explained and justified their observations about the reduction of extreme poverty. Copious notes were made and refined into a framework (see the table below). The strategies articulated by the three-point plan's components of grow, invest, and insure were used as a conceptual framework to direct the succeeding steps in the research process. The table below shows the key themes that emerged from content analysis of the three-point plan. These themes guided the search for documents upon which the narrative synthesis was based. The content analysis delivered three key research outputs: a conceptual framework for understanding and 'retrofitting' a TOC to the three-point plan (see diagram in Chapter 2), a framework and plan for conducting the documentation search for the case studies, and a framework for presenting the case study narratives (i.e. the structure of chapters 4 and 5 herein).

Table 2 Conceptual framework guiding the search for case study data

Conceptual Framework	
CONTEXT	1. Appraisal of economic context and poverty severity
	2. Appraisal of endowments and constraints
PRECONDITIONS	1. Effective political leadership and institutions
	1.1. Fiscal prudence and economic discipline
	1.2. Adequate governance systems to deliver on the processes of interventions
	1.3. Effective management information systems to inform evidence-based policy making
	2. Incentives for coordination and participation

GROWTH (labour intensive, inclusive)	MACRO-ECONOMIC TRENDS	1. Sustained economic development
		1.1. Macro-economic stability
		2. Increased foreign direct investment
		2.1. Conducive business environments, complementary trade policies, and institutional support
	TRADE	3. Large-sale job creation
		3.1. Agricultural reform/transformation
		3.2. Increased trade
	INFRASTRUCUTRE	4. Investments in and governance of appropriate economic infrastructure
		4.1. Improved natural resource management
		5. Increased household and community asset accumulation
INVESTMENT (in human capital and capabilities)		1. Improved social infrastructure, basic services and community assets
		2. Enhanced capabilities through access to financial services, technology, R&D, advanced education
		3. Increased urbanisation and leveraging advantages of agglomeration
INSURANCE (to reduce vulnerability to risk)	SOCIAL PROTECTION	1. Social assistance to smooth out consumption for poor households
		2. Social insurance to smooth out consumption for vulnerable households during crises
	ENVIRONMENTAL PROTECTION	3. Climate action
		4. Pandemic response
REQUIRED EMPHASIS		1. Policy coherence and multisector coordination
		2. A pro-poor perspective
		3. Cultivating behaviour change

Source: Compiled by the author.

Articulating the content of the three-point plan in this way enabled the researcher to be systematic in searching for data, ensuring that all components of Gill's plan were included in the data search. Summary tables of evidence using hyperlinks and comments were developed, and helped to refine the construction of the case studies. The framework started out more simply, and additional fields were added in order to record the emergence of additional details. The intention of this approach served to ensure that all the components of the three-point plan we captured and that researcher bias was reduced. As the case studies were conducted, the tables were expanded so as to allow modified approaches followed in each country to be captured. Initially, this was captured in a table in a Microsoft Word document, and later in a Microsoft Excel Spreadsheet, where quickly both became unwieldly. Alternatives such as Microsoft End Note and MacOS Notes were used to capture and compare data emerging from the case studies. Given that the data were both quantitative and qualitative, there was no simple solution to recording and comparing results. Eventually, a structured set of numbered files were created in order to keep track of data, and were merged and expanded as the structure of the argument emerged.

This approach provided a useful framework for understanding the World Bank's three-point plan, and an analytical tool for across and within case analysis. Enabling the researcher to maintain a realist evaluative approach, comparing data on results to theoretical frameworks throughout the process. Maintaining the emphasis of the analysis on validating the strategies outlined in the three-point plan and recording potential alternative approaches and explanations for extreme poverty reduction. This approach also provided a preliminary synthesis plan that fitted with the study's key research questions.

3.3.2 Selection of cases, sampling of data and documents

Case selection was informed by the three-point plan and involved selecting countries, policy eras and individual policies and documents. The selection of cases was intentionally purposive. Ethiopia and Viet Nam were highlighted by Gill et al. as countries that had been particularly successful in reducing extreme poverty by following principles advocated by the World Bank. By selecting Ethiopia and Viet Nam, I decided to focus on exemplary cases. These cases experienced rapid economic growth and success in extreme poverty reduction. This might, as Seawright and Gerring suggest, be that "social science folk wisdom" is violated by selecting "on the dependent variable" (Seawright, 2008: 301). However, for this very reason, Ethiopia and Viet Nam are worth considering. They may in fact, already be perceived as 'influential cases' – exemplifying "some larger cross-case theory" (Seawright and Gerring, 2008: 303) of what works to reduce extreme poverty, and this is addresses one of the key research questions, while justifying the sampling approach taken and the cases selected.

Furthermore, these cases are relatively similar, making them relevant both within and across case analysis (Seawright and Gerring 2008: 304). Both Ethiopia and Viet Nam were low-income countries that emerged from protracted conflict, and initially had fragile physical and governance infrastructure but have both prospered. The economies of both countries grew significantly, while poverty was dramatically decreased. Viet Nam was no longer low-income, and Ethiopia was rapidly moving in the same direction. Viet Nam was one of the fastest-growing economies in the world and Ethiopia the fastest growing economy in Africa. Coupled with the similarity in their political systems, this made them interesting to compare. Both adopted strong centralist approaches to development planning and poverty reduction. While both maintain powerful central control, they also engaged market economic systems in order to advance their development agendas. Each country combined significant levels of state ownership with substantial levels of foreign investment, with the express interest of advancing industrialisation. Simultaneously, both countries invested in poverty reduction strategies. Their investments in human capital and social reform suggested sophisticated and committed social development agendas. These combined approaches may be referred to as post-developmental, and no other countries seem quite as successful at this as these two. Thus, they made for a compelling opportunity to review the World Bank strategy, especially given the history of the Bank's preference for free market approaches to growth and development.

Given that the three-point plan was published in 2016, I made the decision to look only at data that could have involved the development of the three-point plan, and thus decided to focus analysis on the period 2000 to 2015. Limiting the scope of the study in this way informed the selection of planning eras and policies included in the analysis. The case studies provide a brief overview of each country's recent history, but focused on decision-making that aligned with the 2000-2015 period, which also conveniently aligned with the MDG period. In turn, narrowing the study in this way informed the selection of policies reviewed. Documents were identified through Google and library searchers using key words derived from the conceptual framework table above. Identified documents were scanned using text-based searches for key words. Documents that appeared relevant were downloaded and read. Contents were highlighted and coded by themes relevant to the assumptions in the World Bank's three-point plan, where notes from readings were included in summary tables.

3.3.3 Conducting two case studies

Case study research presented in chapters 4 and 5 is intentionally structured by the tenets of the three-point plan. Research commenced with secondary quantitative analysis, because the researcher sought to verify economic and poverty trends. Thereafter, the researcher investigated policies and outcomes related to growth, investment, and insurance. An initial scan for data on key poverty and economic trends in Ethiopia and Viet Nam was followed by reading policy documents, government reports as well as evaluative research and academic articles in order to understand how and why poverty and economic trends in Ethiopia and Viet Nam had emerged. The researcher remained mindful of the key concepts, assumptions and relationships underpinning theories of change (or pathways) for reducing extreme poverty – extracting information that provided evidence that supported or challenged the three-point plan. During this process, the characteristics of extreme poverty were clarified in terms of its distinctions from poverty, and evidence about the ways in which it is reduced in different environments started to emerge. This provided a foundation for comparing each of the case studies against the three-point plan.

Through this process, a narrative synthesis proved useful for retrofitting and appraising a theory of change, allowing for the systematic and comprehensive analysis of existing research and evidence to inform critique. As outlined above the key components of the theory of change (prerequisites, mechanism, processes, and outcomes) were captured as a conceptual framework. This provided the foundation for testing the TOC inherent within the three-point plan. Guiding the search for secondary data on outcomes (economic growth and poverty reduction data); and guiding the systematic search for evidence for each case study helped to determine how closely pathways in each country fitted with those outlined by the World Bank's strategy. Data about processes and results were then extracted systematically and organised by theme/component of the three-point plan.

3.3.4 Compiling case study narratives

Once initial evidence for each case was captured, the evidence was analysed. "Consonance" tables were created, where the first column in the table indicated the pathway recommended by the three-point plan and the subsequent columns included summaries of evidence from Ethiopia, and later Viet Nam. Presenting summaries side-by-side quickly allowed the researcher to observe where insufficient evidence had been collected, where evidence supported the three-point plan, and where it diverged from the plan. This analysis enabled the researcher to identify gaps, patterns and inconsistencies, as well as to conduct further searches and research. This process involved iterative research and reading practices – within cases to validate emergent findings, and later across cases to ensure comparable data were being collected and compared (Goertz and Mahoney, 2012). Results from these analyses were developed into narrative descriptions of each country case being studied highlighting patterns related to the ways in which policies within countries had reduced extreme poverty (Ritchie et al., 2014). Data were summarised and the narratives were refinied to highlight features of the causal pathways to extreme poverty reduction for each country (Miles and Huberman, 1994).

3.3.5 Comparing case study results

Once these data tables and initial narratives were developed, the researcher was better able to systematically compare findings from both cases. Narratives about each country case study informed critical reflection (Miles and Huberman, 1994) identifying similarities and differences between the two cases and between the two cases and the tenets of the three-point plan (Ritchie et al, 2014). This provided evidence against which to evaluate the pathway articulated by three-point plan. As a result, three narratives had been constructed; one outlining the tenets of the three-point plan and how it had emerged from World Bank approaches; another about the extreme poverty reduction pathways in Ethiopia; and the third about extreme poverty reduction pathways in Viet Nam. A synthesis of these three narratives was used to conduct across-case analysis, drawing on theories and experiences of extreme poverty reduction, and inform discussion about pathways that have shown results in reducing extreme poverty. In turn, this indicated where the three-point plan could be modified or strengthened. During this process, each narrative was further refined to highlight key points or remove extraneous ones.

3.3.6 Synthesis of findings

As outlined above, the synthesis of findings was an iterative process, and evolved over the lifecycle of the research project. At various stages, extracted information was summarised and analysed. Inconsistencies and alternative explanations were explored, and improved sources were updated. Guided by a conceptual framework derived from the three-point data, a critique was made of the World Bank's TOC inherent in their plan. Simultaneously, this challenged Gill et al.'s justification of their pathway to reducing extreme poverty. The results of this research present a coherent narrative identifying similarities and differences across and within cases against the three-point plan in a way that is accessible to many readers.

3.4 Ethics statement

Primary research was not conducted as part of this study. The research relied on secondary data in databases and documents available in electronic databases in the public domain including academic libraries.

3.5 Limitations

A bias is inferred in the definition of extreme poverty used in this study. The definition cannot be divorced from the desire to reduce extreme poverty and the concomitant need to understand how that occurs. There is likewise an assumption that reducing extreme poverty effects the potential for economic mobility, the ability of an individual and/or household to change their **economic status**. For this reason, notions of extreme poverty reduction are more closely related to the potential for an individual's economic contribution, and the capabilities that underpin this, than poverty reduction as a form of rights, and justice (Standing, 2017).

A further limitation of this study relates to the selecting of data. Given the focus on the period 1990 to 2015, it is possible that important theory after 2015, and certainly global events that impact of extreme poverty, are not taken into account. These events and new theories would not, however have been available to Gill, and thus justifiably fall outside of the scope of this study. Furthermore, the availability of "better" data including more recent data and the increased use of multidimensional poverty measures has a significant bearing on the design, implementation and monitoring of poverty reduction policy, however, a narrower focus on the sampling of data points has been taken in these case studies in order to enable an approximation of the analysis that may have plausibly been undertaken by the World Bank when developing the three-point plan, so as not to unfairly critique the plan by using data that would not have been available to its authors.

Despite the rigour of the research process, there are several limitations and weaknesses inherent in a narrative synthesis. In particular, similar to other qualitative methods, it relies on subjective interpretation by the researcher (Barnett-Page and Thomas, 2009). Given the independent nature of this thesis, the opportunities for inter-coder reliability was not available, and thus, there may be biases that are inferred by the researchers' lens and experience. A further weakness is the absence of a standardised protocol (such as those used in systematic reviews), however, this was mitigated by a systematic approach, along with the use of external reviewers. In addition, where many different sources were sampled and analysed, there is also the potential that nuances within each publication reviewed or of each policy or programme have been overlooked in the process. To limit this, the researcher maintained a tighter focus, guided by the TOC inherent in the three-point plan.

Chapter 4: Case study 1: Ethiopia

This chapter provides the results from the case study of Ethiopia. After sketching out an overview of the context of poverty and poverty reduction in Ethiopia, details on poverty and economic trends from 2000 to 2015 are presented. The drivers of change responsible for poverty and economic results during the period under review are then discussed. Data have then been used to analyse the alignment between extreme poverty reduction recommendations in the three-point plan and evidence of the strategy followed by Ethiopia during the review period.

4.1 Country introduction and overview

Ethiopia is the second most populous African nation, with a population of approximately 102.4 million people in 2016 (World Bank, 2017a) and is home to an estimated 83 ethnic groups.

Politically, 1991 saw a significant regime and ideological shift in Ethiopia. Until 1974, Ethiopia was governed by an Imperial Monarchy under Emperor Haile Selassie I, and from 1974 until 1991 under the Derg regime. Each regime change was the result of conflict. For each regime, agriculture was an important feature in development planning.

During the Imperial regime, development planning was introduced in three five-year plans (1957-1962, 1962–1967, 1968-1973) that favoured large-scale commercial farms for augmenting agricultural production. Progressively, the importance of the agriculture sector as the engine of growth was recognised, and emphasis was given to the modernisation of peasant subsistence agriculture (Essays UK, 2013). However, the government struggled to transform the economy. Failure was underpinned by unrealistic polices and strategies for agricultural modernisation that failed to deliver required inputs, infrastructure and market development, skilled human capital, and maintained unfavourable land tenure systems. A lack of clear policy targets, shortage of donor funding, and government's weak administrative and technical capability to implement the development plans constituted major challenges for the transforming the agrarian economy, addressing the impacts of famine, and reducing poverty (Getahun and Getahun, 2001; Geda and Degefe, 2005).

The Derg regime, informed by a socialist development path, introduced radical agrarian changes that emphasised nationalisation and equitable distribution of private property (including land housing, factories, businesses). A policy cornerstone during this time was the "socialist transformation of agriculture", establishing peasant associations, introducing collectives, and state farms cooperatives. Despite their intentions of reducing poverty, agricultural productivity declined, and economic performance was irregular (Brune, 1990; Geda 2001).

From their ascension to power in 1991, the economic development policies of the Ethiopian People's Revolutionary Democratic Front (EPRDF) took a significant departure from the notions of the command system pursued by the military Derg regime. The EPRDF supported market liberalisation, with concentrated state intervention (Geda et al., 2009). In 1992, with the support of international donors as well as the World Bank and IMF, the EPRDF enacted a variety of policies and invested in programmes designed to facilitate agricultural-led pro-poor economic growth. Declaring collectivisation and villagisation as undesirable and liberalising agricultural markets the door for increased private sector involvement in the economy was opened and Ethiopia began to experience remarkable economic growth (Geda et al., 2009).

Under the three-point plan, Gill et al. highlight that with economic growth rates above 10 percent per annum during 2000-2015, poverty reduction accelerated from 2000. Gill et al. explain Ethiopia's performance as the result of better policies, especially "good agricultural policies", for smallholder farmers (Gill et al., 2016: 32). Policies that strengthened the functioning of land markets, improved rural infrastructure (including irrigation and roads), fostered productivity gains, and facilitated greater access to markets lead to rapid economic growth (averaging five percent per annum between 1990 and 2004; and more than 10 percent per annum from 2004 until 2015) (Gill et al., 2016: 20; 34). Agricultural prices, the authors acknowledged, remained high during this period bringing adversity to the "most poor" (Gill et al., 2016: 20), however, "rapid economic growth … through higher productivity in agriculture [combined with] quicker progress in education and health [especially for women, as well as] minimal but well-designed income support for the very poor" (Gill et al., 2016: 20) facilitated meaningful poverty reduction for the extreme poor.

The authors of the three-point plan indicate that poverty headcounts reduced from 47 percent in 2002 to 29 percent in 2012 when applying the $1.90/person/day threshold (Gill et al., 2016: 20). Gill et al. cited that leading up to 2000 "the impact of growth on measured poverty [in Ethiopia] was small", however, "between 2000 and 2005 urban and rural poverty fell impressively" and between "2005 and 2011, rural poverty continued to fall (by 20 percent)", whilst urban poverty stalled "and the severity of poverty actually increased." These outcomes lead Gill et al. to recommended that, while Ethiopia might need to "remedy some deficiencies in its poverty reduction strategy", if Ethiopia continued to implement the economic policies of "the last decade" it would be a "major contributor to global poverty reduction in the next decade" (Gill et al., 2016: 21).

Consonant with Gill et al.'s observations, during the period preceding the publication of the three-point plan, Ethiopia's programme Agricultural Development Led Industrialisation (ADLI), coupled with the Poverty Safety Net Programme (PSNP), delivered a package of macro- and micro-economic policies that facilitated increases in agricultural productivity, increased GDP, improved outcomes in health and education, as well as poverty reduction. The data cited below show that during the period 2000 to 2015, Ethiopia was successful at rapidly reducing extreme poverty. Ethiopia was able to reduce poverty headcounts against international and national poverty lines as well as improve the quality of life of millions of residents against a range of multidimensional characteristics. Within a political climate focused on industrialisation and economic growth, agriculture provided a conduit for economic transformation and simultaneous rural transformation with resultant positive impacts on extreme poverty. The relationship between economic growth and poverty reduction are undeniable. Economic growth, however, was not only the result of favourable policies. A physical climate conducive to improving agricultural output played a significant role in both agricultural productivity while also allowing the regime to invest additional revenue in development programming, that did not need to be spent on drought and famine relief. Evidence also shows that by 2016, it was clear that despite impressive economic growth, the Ethiopian economy showed few signs of transformation. The economy remained overwhelmingly agrarian, agricultural production remained in the hands of small-holder farmers, exports were weaker than expected, and growth in the manufacturing and services sectors were low. At the time of publishing the three-point plan it is unclear that the economic gains and poverty reduction Ethiopia had achieved would be sustainable.

4.2 Poverty trends 2000-2015

From 1990 to 2000, Ethiopia had one of the highest rates of prevalence of poverty in the world, with 55.4 percent of the population living on less than US$ 1.90 a day (World Bank, 2015). Poverty prevalence against the international poverty line (US$1.90) declined markedly between 2000 and 2011 from 55.3 percent to 33.5 percent (World Bank, 2017b). Poverty rates also fell from 44.2 percent in 2000 to 29.6 percent in 2011, against the national poverty line[4] (see Table 2). Poverty declined in both urban and rural areas of Ethiopia. The proportion of urban people living below the national poverty line declined from 36.9 percent in 2000 to 25.7 percent in 2011; and for rural areas from 45.4 percent to 30.4 percent. The national level poverty gap index reduced from 11.9 percent to 7.8 percent. Disaggregated for urban and rural areas the changes were from 10.1 percent to 6.9 percent, and 12.2 percent to 8.0 percent, respectively. Overall urban poverty declined faster than rural poverty, and made a significant contribution to the reduction of national poverty.

In 2011, poverty levels were still high in both urban and rural areas. Despite encouraging gains in the reduction of national poverty, and improvements in welfare, the severity of poverty in 2011 was 3.1

[4] The national absolute poverty line was set at 3781 Birr per year per adult equivalent in 2011 prices. This was the amount of money needed to purchase food of 2200 kilocalories for every adult in the household, and other non-food items. Those falling below this benchmark were considered poor, meaning that their total expenditure on all items was less than the national absolute poverty line.

percent against 2.7 percent in 2004 (World Development Indicators, accessed 26 September 2017). Although small changes in percentage ought to be interpreted with caution, this trend suggests that that economic growth during that period failed to adequately reach the poorest of the poor and the inequality gap among rural households was widening - a point about which Gill et al. had written in their plan.

Table 3 Poverty profile (1980 - 2015) – Ethiopia

	1999/00	2004/05	2010/11
National			
Poverty headcount	44.2	38.7	29.6
Poverty gap	11.9	8.3	7.8
Urban			
Poverty headcount	36.9	35.1	25.7
Poverty gap	10.1	7.7	6.9
Rural			
Poverty headcount	45.4	39.3	30.4
Poverty gap	12.2	8.5	8.0

* The poverty headcount ratio is based on the national poverty line. Source: Compiled from World Development Indicators (Accessed on 26 September 2017); World Bank (2014).

The sub-national distribution of poverty indicates that the reduction of poverty has been faster in regions where poverty was higher. As indicated in the table below, Tigray, Afar, Beishangul-Gumuz, Southern Nations, Nationalities and Peoples Region (SNNPR) and Gambella all yielded poverty reduction of more than 18.5 percentage points. No regions showed an increase in poverty headcount over the period.

Table 4 Trends in the regional distribution of poverty incidence (percent) – Ethiopia

Region	Headcount Poverty			Total Change in Poverty
	1999/00	2004/05	2010/11	1999/00– 2010/11
Tigray	61.4	48.5	31.8	-29.6
Afar	56.0	36.6	36.1	-19.9

Benishangul-Gumuz	54.0	44.5	28.9	-25.1
SNNPR	50.9	38.2	29.6	-21.3
Gambella	50.5	-	32.0	-18.5
Amhara	41.8	40.1	30.5	-11.3
Oromiya	39.9	37.0	28.7	-11.2
Somali	37.9	41.9	32.8	-5.1
Addis Ababa	36.1	32.5	28.1	-8.0
Dire Dawa	33.1	35.2	28.3	-4.8
Harari	25.8	27.0	11.1	-14.7

Source: MoFED (2013); UNDP (2015)

Monetary poverty prevalence declined from 29 percent in 2011 to 23 percent in 2016 (UNICEF 2020).[5] Multidimensional child poverty however showed much higher incidence, and declined at a much slower rate reducing from only 90 percent in 2011 to 88 percent 2016. Evidence indicates that economic growth achievements have been disproportionate to social-welfare improvements for the most vulnerable groups (UNICEF 2020: iv).

Over 70 percent of the federal budget was allocated to "pro-poor sectors such as education, health, water and sanitation, roads" (UNDP, 2018). Fiscal resources were distributed through a system of vertical equalisation, whereby resources were allocated based on demand, so that local and regional governments could provide "similar sets of public services to their citizens … reducing or eliminating differences in net fiscal benefits." This was accompanied by strategic budgetary support to regional governments to finance capital projects to "help achieve the targets of the Millennium Development Goals" (UNDP, 2018). Prioritisations in **health** (especially antenatal services) and education, coincided with improvements in life expectancy. Signalling better living conditions, life expectancy increased over the period with females living an average of 56 years in 2004, 61 years in 2009, and 64 years in 2012. For males, life expectancy averaged 54 years in 2004, 59 years in 2009, and 61

[5] This report detailed the outcome of an expanded study on children's well-being in Ethiopia by the Central Statistical Agency (CSA) and UNICEF Ethiopia, to better understand disparities between monetary and multidimensional poverty among children. Quantitative data analyses were conducted using the Household Income, Consumption, and Expenditure Survey (HICE) and the Welfare Monitoring Survey (WMS) that were administered to the same samples of households in two years, viz. 2011 and 2016. Multidimensional child poverty was measured using UNICEF's Multiple Overlapping Deprivation Analysis (MODA) methodology. In this study, a child was considered multidimensionally poor if she/he was deprived of three or more basic needs or services.

years in 2012 (World Bank, 2014). Contraceptive use increased and Ethiopia significantly reduced under-five mortality rates (Gill et al., 2016: 37). There was progress in **educational** outcomes (Gill et al., 2016: 20). Primary school enrolment increased from less than 25 percent to more than 80 percent (Gill et al., 2016: 26). Rural access to safe **water** improved to 51.5% in 2013 (Gill et al., 2016:26) though access to improved sanitation facilities (23.6% in 2013) and electricity (23% in 2010) remained low (World Bank, 2014).

Ethiopia's Human Development Index (HDI) also improved by an average of three percent per annum equating with 0.34 in 2005, 0.40 in 2010, and 0.43 in 2013. However, Ethiopia's human development remained low. The country ranked 173rd out of 187 countries in 2013 (UNDP, 2014). When factoring in the adjustment for inequality in life expectancy, education, and income, the HDI for 2013 dropped from 0.43 to .307, a 30 percent decrease. **This highlights that multidimensional poverty had a substantial negative impact on human development in Ethiopia** (UNDP, 2014).

Ethiopia made notable progress on the majority of the MDG indicators, reaching the MDG 1 and target 1A, and halving its extreme poverty from 60.5 percent to 30.7 percent (See Table 4). Between 1990 and 2013, the country's hunger index was reduced by 39 percent.

Table 5 MDG performance 1990-2014 – Ethiopia

MDG 1: Eradicate extreme poverty and hunger		Status	Progress (percentage)
Target 1A: Halve, between 1990 and 2015, the proportion of people living in extreme poverty.	Indicator 1.1 Proportion of population living on<$1 daily (PPP)	Achieved	60.5 (in 1995) to 30.7 (in 2011)
	Indicator 1.2: Poverty gap ratio (percentage)	Achieved	21.21 (In 1995) to 8.21 (in 2011)
	Indicator 1.3: Share of poorest quintile in national consumption	Achieved	55.11 (in 1994) to 34.98 (in 2003)
Target 1C: Halve, between 1990 and 2015, the proportion of people who suffer hunger	Indicator 1.8: Prevalence of underweight children <5yrs old	Achieved	74.8 (in 1990-92) to 35 (in 2012-14)
	Population undernourished, percentage	Achieved	74.8 (in 1990-92) to 32 (in 2014-16)

Source: Compiled from UNDP (2015) and FAO, IFAD, WFP (2015).

Gill et al. acknowledge that, "A major contributor to Ethiopia's success in cutting the extreme poverty rate by more than half may just be good fortune: clement weather conditions during the last decade" (Gill et al., 2016: 12). Whilst a study using data that would have been available to the authors of the three-point plan, the Ethiopia Rural Household Survey on transitory escapes poverty cautions against an optimistic reading of poverty reduction statistics in Ethiopia. The study assessed the phenomenon and drivers of transitory poverty escapes where a household might exit poverty (measured by a consumption in relation to a poverty line) and later become re-impoverished, showed that "transitory poverty escapes are a significant phenomenon in rural Ethiopia", where 65 percent of households that escaped poverty between 1997 and 2004, we "again living in poverty by 2009" (USAID, 2016: 1). The study explained the drivers for impoverishment being related as much to systemic issues such as "the slow pace of structural transformation in the country; food price inflation and an increase in the vulnerability of farming conditions, [resulting from] increased land pressures and enhanced climate variability" as to individual household characteristics and dependency ratios (USAID, 2016: 1). Characteristics of increased vulnerability to impoverishment, the study identified as: high fertility rates relative to household access to resources (including owning land, livestock, quality of environment conducive to agricultural production, and access to agricultural inputs); being in a male-headed household; having one of more household members who are disabled; reduced per capita expenditure over time; reduced asset values/decumulation over time; no, or only low levels of education completed by the household head; having an unemployed household head; not having risk insurance (even informal sources of protection); experiencing more than one shock; and no access to remittances (possibly as an example of access to limited streams of income) (USAID, 2016: 1-2).

4.3 Economic trends

Real GDP growth averaged 10.5 p1 q3aeercent between 2003 and 2016, the country was one of the fastest-growing economies in the world (World Bank, 2017b). GDP per capita increased from $149 (constant 2005 US$) in 2004, to $217 in 2009, and $294 in 2013 (World Bank, 2014). A report by the IMF showed that income per capita more than doubled in real terms since 2004 (IMF, 2015). However, World Bank data demonstrated that economic growth in Ethiopia was not particularly inclusive, where, between 2005 and 2011, consumption by the bottom 40 percent grew more slowly than the top 60 percent, and the consumption of the bottom 10 percent did not increase at all (World Bank, 2015).

Growth fluctuated across economic sectors. As shown in Table 5, the growth rate of agriculture GDP increased from 3.1 percent per annum in 2000 to 16.7 percent per annum in 2016, and Industry increase from 5.3 percent to 11.1 percent over the same period. The rate of growth in the contribution of services increased from 10.9 percent in 2000 to 16.7 percent in 2010, but then eased back down to 8.6 percent by 2016. Agricultural GDP experienced a slowdown, represented by much lower GDP figures in 2010 and 2015, due to changes in rainfall associated with extreme weather events (Ali, 2012; Evangelista et al., 2013; Di Falco et al., 2012). Table 5 also shows the share of GDP by sector. Agriculture and services remained dominant over the period. Agriculture experienced a 10.6 percentage point decline; services increased slightly from 40.0 percent to 41.5 percent.

Table 6 Rates of economic growth, and share of GDP by sector – Ethiopia

	2000	2005	2010	2015	2016[6]
GDP (Current US$ billions)	8.24	12.4	29.9	64.4	72.3
GDP per capita	3.0	8.8	9.6	7.6	4.9
GDP growth (percent)	**6.1**	**11.8**	**12.6**	**10.4**	**7.6**
Agriculture	3.1	13.5	5.1	6.4	16.7
Industry	5.3	9.4	10.8	19.8	11.1
Services	10.9	12.3	16.7	11.1	8.6
Percentage share of GDP	**100**	**100**	**100**	**100**	**100**
Agriculture	47.8	44.7	44.7	39.3	37.2
Industry	12.2	12.8	10.2	17.7	21.3
Services	40.0	42.5	45.1	43.0	41.5

Source: World Development Indicators (Accessed on 24 September 2017)

Agricultural development strategies led to large increases in agricultural output and the country experienced impressive economic growth. Agriculture remained the backbone of Ethiopia's economy, accounting for over 80 percent of total employment and 83 percent of exports (Matouš et al., 2013; NBE, 2015; NLFS, 2013). Yet labour force survey data suggested that Ethiopia remained at a very early stage in its structural transformation. Labour transition out of agriculture into higher value non-farm employment, was negligible. The share of economically active people working in agriculture only decreased by approximately 3.6 percent from 80.2 to 76.6 percent between 2005 and 2013 (Schmidt, 2016: 14).[7]

[6] Please note the 2016 data s also included, as Viet Nam data is avaiable for 2016 but not 2015.

[7] Similar results were found by Bachewe et al. (2016) using a large-scale household survey data in high potential agricultural areas (Agricultural Growth Program survey) in which it was also found that total off-farm income comprised 18 percent of total ruralincome (Schmidt, 2016: 5).

Despite the regime's rhetoric regarding the dismantling of collectivisation, village enterprises and a focus on industrialisation of agriculture, 76% of the population still worked on their own small farms as their primary means of employment (ESS, 2012). Furthermore, the main agricultural outputs remained largely unprocessed goods and contributed little value to the Ethiopian economy. Export performance was "sluggish" during the review period (UNDP, 2018) resulting in a savings-investment gap of 15,3 percent of GDP. Over 70 percent of exports were for unprocessed primary goods with diminished value-added (UNDP, 2018). Merchandise exports had remained at approximately $3billion per annum from 2011 to 2015, and exports financed less than 20 percent of imports (UNDP, 2018). Per capita wages remained low, and households remained largely rural, while their vulnerability to shocks remained high. Although there was an increase in the services sector contribution to GDP, this represented "a shift from low productivity agriculture to another low productivity services sector" characterised by a high degree of informality (UNDP, 2018). Furthermore, despite "…huge public investments in mega projects [including] power generation, roads, railways, sugar, fertilizers", quality and completion of these projects were inadequate to bring about desired levels of accumulation to trigger transformation (UNDP, 2018). Economic output yielded per capita incomes of around $860, which was considered low for the desired levels of economic transformation Ethiopia was targeting (UNDP, 2018).

The World Bank recorded low levels of unemployment in Ethiopia during the review period at 5.9% in 2004, 5.4% in 2009, and 5.7% in 2013 (World Bank, 2014). This contrasts with the Ethiopian Labour Force Survey (LFS) that estimates unemployment in 2013 at 19 percent (Schmidt, 2016: 5). Using the result from the LFS of the working population in 2013, 76 percent reported working on their own farm, for wages, or within a non-farm enterprise as their primary means of income. Of these, 78 percent were solely engaged in own-family farm activities, while only 12 percent report having a secondary job outside of their own farm (Schmidt, 2016: 5). Given the highly seasonal nature of agricultural work, those working only on farms, work 26-27 weeks per annum, compared with those with more than one stream of income working 46-49 weeks per annum (Schmidt, 2016: 7). Non-agricultural workers were predominantly engaged in low-skill jobs, reflecting a low level of development with low demand for skilled workers (Schmidt 2016). Sales work constituted one-third of non-agricultural work the majority being informal traders (42 percent), formal shopkeepers (22 percent) and informal home-brewed alcohol sellers (21 percent) (Schmidt, 2016: 3). Demand for labour in construction, mining, food processing, garment manufacturing, and professional services remained low, and a major obstacle to achieving structural transformation in the near to medium term (Schmidt, 2016:8). Youth, Schmidt argued, were driving the limited structural changes observed in employment patterns. However, this appears to have been driven by the youth's lack of access to agricultural assets, such as land and support services than a pull towards more lucrative opportunities (Schmidt, 2016).

Coffee generated the largest foreign exchange. Ethiopia was the 11th largest exporter of this commodity in the world. In 2016/2017, the country earned a record US$ 866 million from exporting 221 000 tons of coffee to global markets,[8] representing more than one percent of the global coffee export, while oilseeds and flowers each contribute 0.5 percent to the world market. Other agricultural products that earned foreign exchange included khat, oilseeds, dried pulses, cut flowers, hide and skin, as well as live animals. Export products facilitated very little value-added.

Macro-economic policy did not return the impact that Gill's plan had indicated would be necessary. During this period the Ethiopian government reduced inflation to single digits, and the fiscal deficit to below 3 percent of GDP (UNDP, 2018).[9] Financially, a sustained balance of payments and prudent fiscal and monetary policies allowed the country to remain a low risk of external debt distress, with a debt to GDP ratio of approximately 25 percent in 2014 (African Development Bank Group, 2014). Despite monetary policy interventions, the exchange rate in the country depreciated substantially after 2004, due to falling foreign reserves in the country's central bank limiting Ethiopia's purchasing power. Monetary policies focused on strengthening domestic resource mobilisation and reducing domestic borrowing, while measures to improve tax administration and enforcement implemented (African Development Bank Group, 2014). However, taxes as a portion of total government revenue remained low, due to high poverty (World Bank, 2014). Overall, a weak revenue base limited the potential for government-funded spending on infrastructure in the country (World Bank, 2014). The country's current account remained in deficit during the period. In 2004, the current account stood at -12.6 percent of GDP, in 2009 it was -6.7 percent, and in 2012 it was -6.8 percent. Net inflows for foreign direct investment decreased substantially after 2004, from 5.3 percent of GDP to two percent in 2013. However, official development assistance and aid fluctuated from US$ 22.5 billion in 2004 to US$ 4.08 billion in 2009, to US$ 3.31 billion in 2012. The majority of developmental aid was directed to the poor, with grants from foreign countries accounting for 73 percent of revenue as a portion of GDP (World Bank, 2014).

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[8] See http://atlas.media.mit.edu/en/profile/country/eth/ Last accessed 26 September 2017.

[9] UNDP. 2018. Ethiopia's Progress Towards Eradicating Poverty. Paper to be presented to the inter-agency group meeting on the "Implementation of the Third United Nations Decade for the Eradication of Poverty (2018-2027)", April 18-20 2018 in Addis Ababa.

4.4 Drivers of change: Planning eras, key programmes and policies

Ethiopia’s ideology for development is often attributed to Meles Zenawi, originating in the 1970s and heavily influenced by the East Asian development model (Clapham 2018). All regimes leveraged long-established and hierarchical socio-political systems to shape economic development policy. Key to Ethiopian development planning has been strong centrist state planning (Clapham, 2018: 1154). Despite ideological shifts, this orientation provided the foundations for the EPRDF to establish legitimacy through focusing on economic growth. The EPRDF adopted an agriculture-led growth strategy that expanded into broad-based rural transformation through the addition of asset building programmes, and ultimately into extreme poverty reduction through the inclusion of cash transfers for marginal groups.

A key strategic framework guiding Ethiopia's economic transformation was Agricultural Development Led Industrialisation (ADLI). Launched in 1994, ADLI provided a guiding development planning framework for the new regime, enabling the regime to accrue legitimacy by addressing both food insecurity and economic underperformance through a combined strategy. This framework activated structures for the governance systems required to deliver on poverty reduction in Ethiopia, spurring the design of further development, poverty reduction, growth, and transformation strategies from 1994 until 2015 (and beyond). ADLI focused on achieving robust agricultural growth and labour-intensive industrialisation through the strengthening of input and output markets, including the commercialisation of smallholder agriculture through product diversification; promotion of niche high-value export crops; integration of farmers with domestic and external markets; and tailoring interventions to address the specific needs of the country's varied agro-ecological zones. The strategy was justified because agriculture was (and remains) the largest sector in the economy; most of the population lived in rural areas; and substantial potential to increase agricultural productivity existed (MoFED, 1993). Utilising the relatively abundant labour and land resources of the country was considered the most feasible way to improve smallholder agricultural productivity to address both food insecurity and poverty (MoFED, 1993).

Extreme poverty reduction was not initially identified as a specific priority of the ADLI. Benefits that accrued to the extreme poor in the earlier years did so largely due to broad-based improvements in the agrarian economy. ADLI evolved through pragmatic experimentation and adjustment. Documented as a series of policies and programme packages within the framework of poverty reduction strategy papers (PRSPs) aimed at promoting pro-poor growth and reducing poverty were designed and implemented, taking into account changing circumstances, shifting opportunities and challenges. These included the Sustainable Development and Poverty Reduction Programme (SDPRP) (2002-2005), the Plan for Accelerated and Sustained Development to End Poverty (PASDEP)

(2005-2010) and the two successive Growth and Transformation Plans (GTPs). GTP (GTP1) implemented between 2011 and 2015, and a second Phase (GTP2) launched in 2016. Each of these provided explicit strategies targeting the extreme poor.

4.4.1 Sustainable Development and Poverty Reduction Programme 2002-2005

SDPRP aimed to bring about faster and sustained economic growth and extending the benefits of that growth to the poor. Maintaining an agricultural-led development lens, the strategy prioritised food security, rural development, education and healthcare services, decentralisation and community participation and capacity building. Promoting small-scale agriculture was an essential measure for eliminating food aid dependency, reducing poverty, and boosting economic growth (MoFED, 2002). Agricultural research, extension packages, expanding irrigation schemes, and training producers in agricultural technology were essential measures for addressing challenges to small-scale agriculture (IMF, 2006).

Within the ambit of the SDPRP, and in response to a severe drought in 2002, the Ethiopian government introduced the New Coalition for Food Security (NCFSE) in 2002. The NCFSE evolved into the Food Security Programme (FSP) launched in 2003, evolving into the PSNP, launched in 2005 (discussed below).

4.4.2 Plan for Accelerated and Sustained Development to End Poverty 2005-2010

PASDEP, the second planning era under this regime, was designed to contribute to MDG targets. The plan took forward many of the same policy directions pursued during the SDPRP. New policy foci included a push for greater commercialisation of agriculture as a strategy for accelerating broad-based economic growth (Devereux & Guenther, 2007; MoFED, 2006). The agricultural growth agenda set by PASDEP emphasised production and export of higher-value crops, agro-ecological and geographic targeting for production, increased commercialisation of agriculture, larger scale production, and better integration of farmers and markets. The emphasis on commercialisation and large-scale agriculture can be seen as a point of departure from earlier ADLI imperatives that had seen smallholder farmers as drivers of growth in the agricultural sector and the broader economy (Teshome, 2006). The PASDEP helped achieve an average annual GDP growth of 11 percent during the plan period (MoFED 2011). Performance in the service sector contributed to this growth, demonstrating an increased percentage of GDP, however, agriculture's growth of about eight percent per annum between 2005 and 2010 accounts for most of Ethiopia's economic output. Growth stimulated approximately five percentage-point growth in per capita value-added income during this period (MoFED 2011). In general, the five years of PASDEP implementation brought rapid and sustained growth with tangible outcomes in the country's poverty reduction effort. Poverty and food insecurity declined by a margin of around 10 percent during the plan period MoFED (2011).

4.4.2.1 The Productive Safety Net Programme

PASDEP introduced the Productive Safety Net Programme (PSNP), which, as Gill et al. note, was "the largest such scheme in Sub-Saharan Africa" (Gill et al., 2016: 20) at the time, with a modest budget of "1 percent of GDP" (Gill et al., 2016:20). The programme saw significant improvements in design and implementation and expanded to incorporate a Household Asset Building Programme (HABP), complementary community infrastructure and resettlement components. The intention of the programme was to address food security through household asset building, voluntary resettlement and income creation from non-farm activities (MoFED 2006). The PSNP contributed to tackling communal development challenges, such as land degradation, water shortage, and lack of basic infrastructure. Since its inception, the PSNP grew from serving 4.5 million people to around 8.3 million people in 2012. The updated annual cost of the total programme is approximately US$500 million (Getu and Devereux, 2013; USAID, 2016).

As outlined in the table below, the PSNP was coordinated to respond to five policy areas, viz.: (1) growth and transformation; (2) social protection; (3) disaster risk management; (4) climate resilience and green economy revolutions; and (5) nutrition. The programme aligns with the areas prioritised in Gill, viz. grow, invest, insure plan. The indicators for growth and transformation as well as climate resilience and the green economy emphasised economy building through agriculture, agricultural resource management, and poverty reduction. Indicators also included measurements of clients benefiting from fee waivers, and nutrition support, which aligned with Gill's invest strategy; where indicators aligned with insurance for the extreme poor.

Table 7 Envisaged contributions of PSNP to key policy statements and key indicators

Policies	Indicators
Growth and Transformation Plans	Number of clients raised above poverty line. Total poverty-oriented expenditure as percentage of GDP.
Social Protection Policy	Number of safety net clients benefiting from fee waivers and nutrition-related conditionalities. Number of safety net clients expressed as a percentage of people living below poverty line.

Disaster Risk Management	Reduction in distress sales of assets by safety net clients as compared to previous similar disasters in operational areas. Reduction in the number of children in operational areas affected by severe malnutrition.
Climate Resilient Green Economy	Percentage of land covered by improved watershed and rangeland management structures and practices. Mt CO2e[10] sequestered in public works supported watersheds.
National Nutrition Programme	Reduction in percentage of stunting in children under 5 in operational areas.

Source: MoA (2014)

Focusing primarily on chronically food-insecure districts (*woredas*), the programme provided food and cash transfers to food-insecure households. Two types of beneficiaries were targeted through the programme. The first were adults who participated in a works programme that received payments in return for participation in public works, such as soil and water conservation measures and the development of community assets such as roads, water infrastructure, schools, and clinics. The second group were those unable to work who became eligible to receive unconditional cash transfers. These included older persons, lactating and pregnant women, persons with disabilities and child-headed households. The selection of eligible participants was conducted using a combination of administrative and community targeting systems. Households received an average of US$ 137 per year spread over six months (World Bank, 2011; MoA, 2014).

Gill et al. have earmarked Ethiopia's Productive Safety Net Programme was an innovative means of providing large-scale social assistance "in ways that reinforce policies to foster labour-using growth and investments in human capital" (Gill et al., 2016: 12). They emphasised that the combination of a public works scheme and an unconditional cash transfer – targeting poor households in food insecure areas was innovative inasmuch as it provided work opportunities to able-bodied household members, whilst "those without able-bodied adults [were] given cash transfers" (Gill et al., 2016:20-21). The authors further indicated that the PSNP positively reinforced economic growth linkages by facilitating increased "agricultural input use, thus increasing output and helping to reduce poverty" (Gill et al., 2016:21). Gill et al. remarked that a further innovation of the PSNP was the use of "self-targeting methods" such as through the public works programme, remarking that the PSNP "directly

[10] A measure of the atmospheric impact of greenhouse gas in metric tons of carbon dioxide.

reduced poverty" (Gill et al., 2016: 40). Moreover, the authors noted that the success of the policy was compounded by providing households with access to both PSNP and agricultural support packages – that resulted in improved food security, borrowing for productive purposes, improved use of agricultural technologies, and the operation of non-farm businesses (Gill et al., 2016).

Analysis of the PSNP highlights examples of targeting strategies that effectively promoted redistribution in favour of the "poorest of the poor". Female-headed households became prioritised "within the PSNP, with positive poverty effects" (USAID, 2016: 30). Although female headed-households were not explicitly targeted in the policy or its application, "the fact that female-headed households are more likely to be very poor and eligible for the program [sic]" led to a natural selection of female-headed households for participation in the programme. Comparing households that accessed to the PSNP with those that did not during this period, data shows that targeting interventions that combined cash and food transfers with livelihood programmes to female-headed households improved poverty outcomes. Participating female-headed households showed increased resilience, lower risks of transitory escape, and less impoverishment. Evidence showed that the overall effects of the PSNP reduced chronic poverty and that these "targeted" households' potential to embark on sustained poverty escapes when endowed with sufficient assets and skills. The research also showed that effecting greater returns on investment for the PSNP could be leveraged when turning the lower risk of certain households' transitory escapes into capacity to embark into sustained escapes from poverty through systematic and continued prioritisation of deeply impoverished households. That "explicit intent of strengthening the focus on gender equity, particularly in the areas of nutrition, household asset management, and community cohesion" (USAID, 2016:30)" showed the reductions in extreme poverty, especially where "the provision of a sequenced combination of interventions tailored to each beneficiary's capacity and needs" was implemented. In particular, interventions were aimed at households where members had the interest and propensity to run a microbusinesses (USAID, 2016:30- 31).

The International Food Policy Research Institute's (IFPRI) evaluation of the impacts and outcomes of the PSNP found that the programme had lowered the household food gap, increased per capita food consumption, and improved dietary diversity in targeted areas. More than seven million of the country's most impoverished people experienced gains in household food security and asset accumulation directly through the PSNP (IFPRI, 2013). In the highland regions of Ethiopia, public works transfers reduced distressed asset sales and increased the value of livestock holdings for the poorest 20 percent of households (IFPRI, 2013). The Household Asset Building Programme (HABP) enabled the extreme poor to accumulate household and economic assets, while the introduction of appropriate agricultural technologies for the extreme poor helped improve production and productivity. Support packages included the provision of improved inputs to increase livestock and crop production, moisture conservation and utilisation, natural resource development, training, support for additional income-generating activities and provision of market information (World Bank, 2011). These interventions, in turn, enabled households to increase and strengthen their asset bases. and technology skills. The combination of interventions contributed to the improvement of the food security of beneficiary households and increasing food security by 1.53 months in 2011 (Berhane et al. 2011). Households receiving support accumulated 133.6 Birr more in tools than households that did not, and produced 147 kilogrammes more of grain (Berhane et al. 2011; MOA, 2014).

Through systematic and participatory investigation, households that suffered from land scarcity and insufficient moisture were identified for resettlement to areas with adequate land and water (MoARD, 2009). The resettlement process was followed by the provision of a package of incentives that included participation in the PSNP. During its initial phases of implementation, settlers were offered two hectares of fertile land, simple farm tools, credit for the purchase of oxen, one year of food rations, and basic services, such as clean water, healthcare, and education (NCFSE, 2003). The resettlement plan was not a success. The initial plan of the government was to resettle approximately 2.2 million people, but, by 2008, only 60 percent of the target was achieved, and the activity eventually stopped in 2010. Although resettlement was carried out voluntarily, the idea of resettling the poor and food aid-dependent people under the name of achieving food security became controversial. Most donors were sceptical about the programme, due to its potentially harmful socio-environmental implications (Hammond, 2008; Rahmato et al., 2013).

The PSNP played an important role in enhancing the ability of poor households to cope with shocks and smooth consumption in the face of negative circumstances. However, recommendations and innovations to strengthen the PSNP would require considerably large resources and implementation and coordination capacities (USAID, 2016: 32).

4.4.3 Growth and Transformation Plan 1 2011-2015

The **GTP1**, Ethiopia's third five-year development plan continued to prioritise agriculture as a vital contributor to economic growth, but also introduced industrialisation as one of the main drivers for achieving the MDGs (MoFED, 2011). GTP1 saw the establishment of the Agricultural Transformation Agency (ATA). Modelled after similar public sector reforms and initiatives in Taiwan, South Korea and Malaysia, the primary goal of ATA was to promote agricultural sector transformation. The ATA also focused on strengthening value chains for teff, wheat, maize, sesame, barley, sorghum and livestock, supporting the use of agricultural technology including seed, soil, cooperatives, markets, research, extension, and irrigation, and addressing cross-cutting issues (gender, climate change, and environment, technology, as well as monitoring and evaluation), coordinating government, private sector and non-governmental partners to address systemic bottlenecks in order to improve agricultural growth and food security. The ATA was tasked with a broad range of objectives including: facilitating planning and coordination at national and sub-national levels; prioritising and raising agricultural and rural development investment into productive and social infrastructure, and agrarian development institutions; enhancing labour markets and regulation thereof; natural resource management especially water; expanding irrigation; land management, land reform and agro-ecological zoning; agricultural research, innovation and extension services; improved energy and electrification; providing rural and micro-finance to stimulate small, medium and micro enterprises; addressing landlessness and leverage opportunities for rural non-farm livelihoods; enhancing and encouraging uptake of information and communication technologies including e-banking, e-health and e-government; implementing social policy and social protection including minimum wage legislation and the protection of workers; and expanding social services including health, education and social development (NPC, 2016).

During the GTP1, Ethiopia was able to achieve real GDP growth averaged 10.1 percent per annum and a significant reduction in poverty prevalence (NPC, 2016). Despite these results, evidence indicates that agricultural-led development was impeded, due to poor capacity (human resources, finance, red-tape, relevant skills, and coordination) at woreda level, undermining the implementation of development plans. Inadequate institutional support for pastoral development including community-based natural resource management and improved tenure systems, contributing to poor agricultural management, and undermining the coordination required to generate increased surpluses. Poor land management and farming techniques stifled agricultural productivity. Population growth exacerbated land degradation, and increased subdivisions of land parcels, and a decline in soil fertility, with low levels of uptake of agricultural technologies, and inputs further inhibited the industrialisation of agriculture (Teshome 2006).

Table 8 Planning eras and key policies

Policy era	Key policies enacted
Prior to 2000	National Policy for Women (1993) Education and Training Policy (1994) Education Sector Development Programmes (1994) Health Sector Development Programme (Phase I, II, III & VI) (1997) National Environmental Policy (1997)

SDPRP 2002-2005	Pastoralist Community Development Projects (PCDP I&II) (2003) Food Security Programme (2003)
PASDEP 2005-2010	National Nutrition Strategy (2008) Sustainable Land Management Programme (2009) Agriculture Sector Policy and Investment Framework (PIF) (2010)
GTP 1 2011-2015	Climate Resilient Green Economy (2011) Agricultural Growth Programme (2011) National School Health and Nutrition Strategy (2012) National Social Protection Policy of Ethiopia (2012) Commune Development Programme (2012 – 2019) National Policy and Strategy on Disaster Risk Management (2013)

Source: Compiled from Admassie and Abebaw (2014; MoA, 2014).

4.5 Alignment with the three-point plan

Gill et al.'s recommendations that Ethiopia "continue on its current path" may have been misguided by the headline findings on increased GDP, growth of services contribution to GDP and the initial reductions in poverty headcount. The authors ought to have more deeply considered what structural changes had occurred in the economy and their sustainability; as well as how closely future poverty trends were related to the economic context in Ethiopia and the viability for meaningful economic transformation. Whilst Ethiopia's economy undoubtedly grew during the period 2000 to 2015 given the influence of weather patterns on agricultural output, land use policies and overall productivity coupled with the failure of large scale agri-business to emerge or the agricultural economy to shift into higher-value production with greater value added by the time of the publication of the plan, there was little more than optimism for Gill and his colleagues to suggest that Ethiopia's agricultural-led development plan would deliver meaningful and sustainable economic transformation. Nor that the fruits of agri-led development in Ethiopia could enable the country to sustain extreme poverty reduction independently of large international grant programmes.

4.5.1 Growth

During the period up unto the publication of the three-point plan, there is clear evidence of growth, through agricultural development led programmes and policies in Ethiopia. Macro-economic policy and fiscal planning was prudent, and Ethiopia provided an environment that was progressively more favourable to economic investment. Within resource constraints, Ethiopia implemented significant investment in economic infrastructure, especially in agricultural irrigation to improve output, roads to improve access to markets, and energy. Yet despite growth and investment, the economy did not transform sufficiently, and the profile of the labour market changed very little. Ethiopia was moving in the direction of structural transformation, but the preconditions for meaningful transformation remained inhibited (USAID, 2016; UNDP, 2018), and "macro-economic trends suggest minimal transitions from agriculture to higher value labor activities" (Schmidt, 2016: 1). Most employment still came from small-scale farming on own land, where commercialisation was inhibited by the small size of individual land parcels, land degradation, lack of irrigation, and economic performance contingent on unpredictable weather conditions. Thus, for a large proportion of the population, farming their own land constituted their own means of production and was insufficiently remunerative to lift them sustainably out of poverty. It appears that by focusing narrowly on GDP, Gill's analysis of Ethiopia obscured the evidence on the limited and weak structural transformations of the economy.

4.5.2 Investment and insurance

Ethiopia invested significantly in social infrastructure and human capital in ways that align with the three-point plan, specifically in health, education and WASH. Yet, despite both agro-economic and social development policies and programmes enabling improvements in agricultural productivity, health and educational attainment – structural challenges within the economy inhibited opportunities for poor populations to improve their circumstances within the job market. Gill's narrow focus on poverty headcount achievements underplayed the vulnerability of the poor, and the magnitude of extreme poverty defining Ethiopia's context. Given Ethiopia's economic, social, and physical/environmental context, Gill et al. failed to consider the viability of (meaningful) jobs to lift the extreme poor out of poverty in a sustainable manner. Social protection played a bigger role in reducing extreme poverty than economic growth and transformation. It is unclear, how, at the time of drafting the three-point plan, Gill et al. envisaged for Ethiopia that higher educational attainment and increased human capacity for employment could have translated into higher paying non-farm wage employment, given the scarcity of meaningful work opportunities.

The evidence above provides examples of how Ethiopia strategically targeted support to poor and vulnerable households and individuals. The Ethiopian strategy combined packages of support, including fee subsidies, works programmes, and cash transfers. Governance mechanisms were leveraged to integrate support transversally (both laterally across government agencies, and vertically through the different spheres of government). In addition, formal and informal insurance mechanisms were utilised to galvanise the poor from adversity. However, even when taking the example of the PSNP into account, the resourcing of support programmes was conservatively financed. The depth and magnitude of poverty and extraneous vulnerabilities (such as climate and geography) ought not to be underplayed. It is difficult to imagine a scenario where Ethiopia was able to grow their way out of poverty.

4.6 Conclusion

This chapter has outlined that during the period 2000 to 2015, the political regime in Ethiopia intervened in the economy, achieving impressive economic growth and reductions in extreme poverty through an agricultural-led economic strategy while maintaining conducive macro-economic conditions. Planning eras evolved, adapted and become more nuanced. Core policy geared towards reducing extreme poverty showed a focus on 'investment' and 'insurance' including enabling the extreme poor to access opportunities to engage in the economy. However, despite excellent economic growth expected economic transformation did not occur. Continued small-scale farming and limited off-farm jobs resulted in limited opportunities for the extreme poor to leverage any enhanced capabilities. Due to the persistent scale and depth of extreme poverty in Ethiopia even innovative social support that combined cash transfers, basic health insurance, education subsidies and emergent graduation packaged resulted in limited and intermittent coverage of insurance for to the extreme poor.

Chapter 5: Case study 2: Viet Nam

Following the structure of the previous chapter this chapter provides the results from the case study of Viet Nam. After sketching out an overview of the context of poverty and poverty reduction in Viet Nam, details on poverty and economic trends from 2000 to 2015 are presented. The drivers of change responsible for poverty and economic results during the period under review are then discussed. Data have then been used to analyse the alignment between extreme poverty reduction recommendations in the three-point plans and evidence of the strategy followed by Viet Nam during the review period.

5.1 Country introduction and overview

With a population of 96 million people, Viet Nam is ranked the 16th most populous country in the world, and one of the most densely populated (CIA, 2017). The Kinh (Viet) are the dominant ethnic group, comprising 86 percent of the population, while more than 53 other ethnic minorities make up the remainder (CIA, 2017).

In 1986, the Communist Party of Viet Nam, which had been the ruling party since reunification in 1975, launched a campaign known as 'Doi Moi', a framework for economic transformation. The decision by the government to set the country on a new path was preceded by decades of food shortages, low levels of productivity, high levels of inflation, and inefficiencies generated by an overly planned economy. The shift to a socialist-oriented market economy was preceded by the devaluation of the exchange rate, inflation stabilisation, the liberalisation of trade and foreign investment, and the formation of private businesses (Balisacan, Pernia and Estrada 2003). Critical drivers of economic growth included a commitment to industrialisation and modernisation; substantial growth in the private sector driven by legislative reform; high levels of foreign direct investment; substantial investment in public infrastructure and telecommunications; public administration reform; economic integration into the world economy; substantial improvements in quality and access to social services; and, the restructuring of the banking system and state-owned corporations (Balisacan, Pernia and Estrada 2003).

Viet Nam's developmental goals were initially politically driven, rather than demand-led, and implemented by developmentally driven state agencies (Pham 2012: 14). Political leadership in Viet Nam followed an "interventionist, state-led pattern of development" styled on other "successful East Asian developmental states" (Pham, 2012: ii). Viet Nam's democratic centralist, political system enabled government structures to expedite plans and issue resolutions to address sector-specific obstacles to development, economic growth, and poverty reduction. The efficiencies of the sate were organised around a National Assembly (the highest representative organ of the people), the

State President as Head of State, and elected by the National Assembly. Vice Presidents, the Prime Minister (head of government), and the Chief Judge of the Supreme People's Court, all appointed by the president, and the supreme state administrative agency of the Republic (Socialist Republic of Viet Nam, 2017). While at a sub-national level, policy was implemented via 58 provinces and five municipalities, clustered into six regions: Red River Delta; Northern midlands and mountain areas; North Central area; Central coastal area; Central Highlands; South-East; and the Mekong Delta.

Gill et al. described Viet Nam as a "latecomer" to economic reform and poverty reduction, partly due to extended conflict and a lack of independence in the country (Gill et al., 2016:17), but also noted the quick progress Viet Nam made to reducing poverty once it commenced these efforts formally (Gill et al., 2016: 9). The authors herald Viet Nam as "one of the world's most successful developers" (Gill et al., 2016: 17) because within "a decade of consolidating the country, Vietnam had started to engineer the fastest decline in extreme poverty ever seen so far" (Gill et al., 2016:17). The authors promote Viet Nam indicating it to be one of the most successful countries in reducing extreme poverty (Gill et al., 2016: 12), where, between 1990 and 2012, the number of Vietnamese living on less than $1.90 per day reduced from 40 million to less than three million (Gill et al., 2016: 16). Gill et al. attributed Viet Nam's success to implementing policies that were "uncannily similar to policies of Korea and Taiwan during the 1980s" (Gill et al., 2016: 16) noting that Viet Nam implemented "the proven 2.5-point plan: a strategy that emphasized [sic] economic growth generally initiated by improvements in agriculture, big investments in education, health and family planning, and well-chosen social assistance programmes" (Gill et al., 2016: 12). Notwithstanding impressive gains in reducing poverty, extreme poverty remains prevalent in remote and mountainous regions, and amongst ethnic minorities, who have only partially benefitted from the country's growing economy.

5.2 Poverty trends 2000-2015

In 2002, 38.8 percent of the Vietnamese population was living on less than US$ 1.90/day (2011 PPP). By 2014, this had reduced to 3.1 percent of the population[11] (Socialist Republic Viet Nam, 2012). From the 1993 to 2008, a total of 45 million people escaped poverty (Socialist Republic Viet Nam, 2012). Table 10 illustrates the distribution of poverty using the national poverty line.[12] The national poverty rate declined from 34.7 percent in 1998 to 5.8 percent in 2016. There is some fluctuation in

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[11] Source: PovCalNet, World Bank http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx), accessed 5 October 2017

[12] This measure, created by the GSO, was a monthly average income per capita of households, based on a government-set poverty line. It was updated according to the consumer price index (CPI) and in 2016 it stood at 630 000 VND (Viet Nam Dong) for rural areas and at 780 000 VND for urban areas (GSO 2017).

the rate of poverty reduction between reporting periods. From 2002 to 2006, the most considerable reduction (13.4 percent) was recorded. Other notable periods have been between 1998 and 2002, and 2010 and 2014, which each saw a 5.8 percent reduction. The lowest rate of reduction (1.3 percentage points) was between 2006 and 2010, and may be explained by economic slowdown as a result of the global financial crisis, it this correlates with a period of lower than usual GDP growth. An interesting observation is that the pace of poverty reduction returned to a 2.6 percentage reduction in poverty for the two years from 2014 to 2016. Notably, the poverty gap at national level was seven percent in 2002, and reduced to 4.5 percent by 2014.

The rate of poverty reduction in urban areas has been slower than it has in rural areas. Urban poverty had been reduced from a low base of 9.0 percent of the population in 1998 to 2.0 percent of the population in 2016. Rural poverty has been reduced from a much larger share, of 44.9 percent in 1998 to 7.5 percent in 2016. The reduction in rural poverty is making the most significant impact on the overall reduction in poverty in Viet Nam. This observation may also be testimony to the targeted rural interventions Viet Nam implemented to reduce extreme poverty. Despite these results the poverty gap in rural areas was more than five times higher than in urban areas, at 5,9 percent in 2014.

Table 9 Poverty profile (1998 - 2016) – Viet Nam

	1998	2002	2006	2010	2014	2016
National						
Poverty headcount	34.7	28.9	15.5	14.2	8.4	5.8
Poverty Gap	9.5	7.0	3.8	5.9	4.5*	n/a
Urban						
Poverty headcount	9.0	6.6	7.7	6.9	3.0	2.0
Poverty Gap	1.7	1.3	0.8	1.4	1.0*	n/a
Rural						
Poverty headcount	44.9	35.6	18.0	17.4	10.8	7.5
Poverty Gap	11.6	8.7	4.6	7.8	5.9*	n/a

Poverty headcount is based on the national poverty line. Source: PovCalNet, World Bank http://iresearch.worldbank.org/PovcalNet/povOnDemand.aspx) *2012. Accessed 5 October 2017.

In 2012, the World Bank and the Viet Nam Academy of Social Sciences undertook an extensive poverty assessment to help characterise the nature of poverty and extreme poverty within Viet Nam's society, according to several critical dimensions. Other than geography and ethnicity, the sector of employment, source of income, educational attainment, landholdings, access to social protection, amongst other aspects, were considered. In her analysis, Valerie Kozel, who also drew upon the 2010 Viet Nam Household Living Standards Survey (VHLSS), identified the extreme poor as those with a per capita expenditure below two-thirds of the 2010 Government Statistical Office (GSO) poverty line (Kozel 2014). Her analysis confirms that poverty in Viet Nam remained a predominately rural phenomenon, with poverty concentrated in the upland and central highland regions. Results found that 90 percent of the poor and 94 percent of the extreme poor lived in rural areas, whereas urban poverty was mostly confined to smaller cities and towns. Rural households that were able to push their way out of poverty were those that have diversified household income sources away from purely farming and into business, trading, and salaried employment in industry, manufacturing and the services sector (see Kozel 2014).

Considering the sub-national distribution of poverty in Table 9, it is evident that poverty has been greatest in regions where it was highest. The table also illustrates that the ranking of regions by poverty in 1998 is still relevant in 2016, where the most impoverished regions at the outset were still the poorest more recently. For example, the Northern Midlands and Mountain Areas was the most impoverished region in 1998, with a poverty headcount of 64.5 percent. Between 1998 and 2016, poverty declined by 50.7 percentage points. This region was still the poorest in 2016. A similar trend was evident in each region. The second poorest area, the Central Highlands, maintained its place throughout the period, with a poverty rate of 52.4 percent in 1998. It too benefited from a rapid decline of 43.3 percentage points to a poverty rate of 9.1 percent by 2016. These two areas are characterised by mountainous terrain, which made access to social services and infrastructure development difficult. They were also where most ethnic minorities resided. Residents of these areas often fared worse on a wide range of socio-economic and health indicators (Kozel 2014). The South East region, which experienced the lowest poverty rates, was a highly urbanised region that had benefited significantly from high levels of industrialisation and foreign direct investment.

Table 10 Trends in the regional distribution of poverty incidence (percent) – Viet Nam

Region	Headcount Poverty						Total Change in Poverty
	1998	2002	2006	2010	2014	2016	
Northern Midlands and Mountain Areas	64.5	47.9	27.5	29.4	18.4	13.8	-50.7

Central Highlands	52.4	51.8	24.0	22.2	13.8	9.1	-43.3
North Central and Central Coastal Area	42.5	35.7	22.2	20.4	11.8	8.0	-34.5
Mekong River Delta	36.9	23.4	13.0	12.6	7.9	5.2	-31.7
Red River Delta	30.7	21.5	10.0	8.3	4.0	2.4	-28.3
South East	7.6	8.2	3.1	2.3	1.0	0.6	-7.0

Source: General Statistics Office of Viet Nam, https://www.gso.gov.vn/default_en.aspx?tabid=783 Accessed 5 October 2017.

Based on the international income poverty line, the national poverty rate was considerably reduced from 49.2 percent in 1992 to 14.8 percent in 2008 and just 2.8 percent in 2014. The multi-dimensional poverty rate also reduced from 9.2 percent in 2016 to less than seven percent in 2017. However, based on multi-dimensional poverty criteria, the poverty rate for ethnic minority groups remains relatively high. Social security policies have been implemented nationwide and have achieved positive results. By the end of December 2017, more than 13.9 million people had social insurance; by the end of 2015, 100 percent of the poor and social protection beneficiaries were provided free insurance cards, and about 81 percent of near-poor people had health insurance. Access to basic social services such as electricity and hygienic water, has been on a rising trend. Monthly social support is now provided for the social protection beneficiaries in almost 60 provinces/cities (Ministry of Planning and Investment, 2018. p.14).

Improvements in child and maternal health in Viet Nam correspond with improved health policy. The under-five mortality rate decreased from 50.8 (per 1 000 live births) in 1990, to 21.7 by 2015. The infant mortality rate meanwhile decreased from 36.6 per 1 000 live births in 1990, to 17.3 by 2015. While maternal mortality decreased from 139 per 100 000 live births in 1990 to 54 by 2015.[13] Viet Nam is also on track to achieve its targets for universal access to reproductive health services and other improvements in maternal health (Socialist Republic of Viet Nam, 2015). The near universal primary enrolment rate was achieved by 2014. Primary completion rates in urban areas increased from 85.6 percent in 2005 to 92.2 percent by 2013, and in rural areas from 39.0 percent in 1992 to 88.0 percent by 2008. Overall Lower Secondary School enrolment rates increased from 81 percent in 2005 to 87.24 percent by 2012. Large-scale standardised tests have also seen substantial improvement in student achievements (World Bank, Belgian Development Cooperation, DFID, 2011;

[13] Data from World Development Indicators: https://data.worldbank.org/indicator/

Socialist Republic of Viet Nam, 2015). Data as at 2013 showed good progress, with 82.5 percent of rural households having clean water (an increase from 62 percent in 2005); 60 percent of rural households having hygienic latrines; and 87 percent of schools and 92 percent of health centres having achieved their targets (Socialist Republic of Viet Nam, 2015)

Viet Nam has a Human Development Index (HDI) of 0.638 and is ranked 115 out of 188 countries. This score has improved from 0.477 in 1990, representing an average annual growth rate of 1.45 percent, succeeded only by a dozen other countries (UNDP, 2016). Viet Nam made significant progress in achieving the MDGs. Viet Nam achieved MDG 1A, halving the proportion of people living in extreme poverty by 2012. Target 1C of halving the proportion of people who suffer hunger was achieved by 2015. Viet Nam also achieved MDG 2, achieving universal primary education, MDG 3, promoting gender equality and MDG 5, thereby improving Maternal Health (Thuy, 2017). The country demonstrated a willingness to monitor, report on, and implement the MDGs and incorporated them into successive national Socio-Economic Development Strategies and Plans. The government designed its own Viet Nam Development Goals and localised targets and indicators. So as to ensure that a comprehensive and consistent reporting mechanism was enabled, the government enacted the Strategy for Statistics Development in Viet Nam in 2011.

One of the significant lessons learnt from Viet Nam's MDG success widely recognised by the international community was that it selected the right modalities to "nationalise" MDGs and the integration of MDGs into SEDSs and SEDPs at national, provincial, and sector levels. Experiences from MDG implementation in Viet Nam also shows that annual and five-year SEDPs constitute the best mechanisms to link development goals and resources to realise such goals (Ministry of Planning and Investment, 2018: 25).

Table 11 MDG performance 1990-2014 – Viet Nam

MDG 1: Eradicate extreme poverty and hunger		Status	Progress (percentage)
Target 1A: Halve, between 1990 and 2015, the proportion of people living in extreme poverty.	Indicator 1.1 Proportion of population living on<$1 daily (PPP)	Achieved	58.1 (in 1993) to 17.2 (in 2012)
	Indicator 1.2: Poverty gap ratio (percentage)	Achieved	18.3 (in 1993) to 4.5 (in 2012)
	Indicator 1.3: Share of poorest quintile in national consumption (average expenditure per person)	Achieved	VND3.5m (in 2002) to VND23.17m (in 2012)

Target 1C: Halve, between 1990 and 2015, the proportion of people who suffer hunger	Indicator 1.8: Prevalence of underweight children <5yrs old	Achieved	41.0 (in 1990) to 14.5 (in 2015)
	Population undernourished (percentage)	Achieved	9.3 million in 2000 1.8 million in 2013

Source: Compiled from UNDP (2015).

5.3 Economic trends 2000-2015

Viet Nam's GDP consistently increased from 2000 until 2016. Despite the Asian and global economic crises, GDP grew from $33.6 billion to more than S202.6 billion, amounting to a six-fold increase. Income per capita increased five-fold from US$ 433 per capita in 2000 to US$ 2,186 in 2016. Table 11 shows variations in the annual growth rates across economic sectors. Agricultural GDP declined from 4.6 percent to 1.4 percent. Industry GDP also declined, from 10.7 percent in 2000 to 7.6 percent in 2016. Services GDP increased from 5.3 percent to 7.0 percent. Data indicate that industry and services sectors recovered substantially from -9.9 percent and -7.7 percent contractions reported in 2010.

Table 12 Rates of economic growth, and share of GDP by sector – Viet Nam

	2000	2005	2010	2016
GDP (Current US$ in billions)	33.6	57.6	115.9	202.6
GDP per capita (US$)	433	700	1 334	2 186
GDP growth (percent)	**6.8**	**7.5**	**6.4**	**6.2**
Agriculture	4.6	4.2	0.5	1.4
Industry	10.7	8.4	-9.9	7.6
Services	5.3	-	-7.7	7.0
Percentage share of GDP	**100**	**100**	**100**	**100**
Agriculture	25.5	21.0	21.0	18.0
Industry	36.7	41.0	37.0	36.0
Services	37.8	38.0	42.0	45.0

Source: World Development Indicators database (accessed October 5, 2017).

Despite an economic reform initially hinged on agricultural-led development, agriculture's share of GDP declined from 25.5 percent to 18.0 percent. The share of services grew from 37.8 percent to 45.0 percent, dominating the economy over that period. The share of industry peaked around 2005 at 41.0 percent and then eased to 37.0 percent in 2010 and 36.0 percent in 2016. Industries share of GDP was slightly lower in 2016 than in 2000. Viet Nam's dominant industries included food processing, garments and shoes, machine building, coal, steel, cement, chemical fertilizer, glass, tires, oil, and mobile phones. Its main agricultural products include rice, coffee, rubber, tea, pepper, soybeans, cashews, sugar cane, peanuts, bananas, pork, poultry, and seafood. It is one of the world's top exporters of rice and the second largest exporter of coffee.

There was a very low rate of unemployment averaging 3.7 percent, and a low inflation rate of 2.7 percent (CIA 2017). The agriculture sector takes the largest share of employment, with 42 percent of all employed people working in this sector (GSO 2017). An extended period of sustained economic growth at a rate of over six percent, coupled with a commitment by the government to inclusive growth and improved social outcomes, contributed to significant poverty reduction (World Bank 2017a). Between 1991 and 1995, the economy produced one million new jobs each year (Socialist Republic of Viet Nam 2017). Viet Nam, the authors of the three-point plan indicate, struggled to maintain macroeconomic stability (Gill et al., 2016:17).

5.4 Drivers of change: Planning eras, key programmes and policies

The 6th National Congress of the Communist Party of Viet Nam, held in December 1986, featured a landmark decision by the party to abandon the socialist central planning method and to adopt a market-oriented socialist economy, subject to state direction, known as **"Doi Moi"** (renovation). Viet Nam's modern history is characterised by discrete periods of committed policy pronouncements made by the Central Committee, that have emanated from this framework, accompanied by specific commitments from all arms of government. The main feature of the Doi Moi has been market liberalisation, with the abolishment of a central management system and state subsidies, and the corporatisation of state-owned enterprises. Key pieces of early legislation included the Land Law of 1988, which recognised private land use rights, and the Law on Private Enterprises (1990), which enabled the formation of private companies. A fundamental reform, Resolution 10 of the Central Committee, enabled farmers to gain access to long-term leases, to sell their products on a free market, and they were no longer required to participate in cooperatives. The effects of these reforms, along with other vital pieces of legislation included recognising various economic sectors as equal before the law and able to co-exist; recognise peasant households as autonomous units, enabled to make their own decisions with regards to labour, funds, and land use; streamlining the management of existing cooperatives that were still functioning well and providing specific services that individual households could not manage, such as irrigation and pest control; shifting agriculture and the rural economy from subsistence to commodity production, based on the comparative advantage of each region; allowing farmers to sell produce on a free, unregulated market; increasing state investment in irrigation, creating credit banks and providing agricultural extension; and expanding education, health, telecommunications and electrification in rural areas (Boothroyd 2000).

Growth in Viet Nam was spurred by the move to a market economy championed through the Doi Moi (renovation). Growth was further supported by “radical land reforms”. The promulgation of 1988 and 1993 Land Laws resulted in the privatisation of more than 80 percent of farmland, and the creation of land and credit markets. “Vietnam went from communist collectives to family farms in less than a decade (Gill et al., 2016: 16).” This had an immediate and immense positive effect on poverty reduction (Gill et al., 2016: 16, 26). The facilitation of private markets in agricultural output (Gill et al., 2016: 16) meanwhile resulted in average annual agricultural sector growth rates of “nearly 4 percent [sic]” (Gill et al., 2016: 16). The transformation of the economy reflects that agricultures share of GDP fell from 30 to 20 percent by 2012; and trade increased by more than 150 percent of GDP. Trade growth incorporated diversity including manufacturing of garments and clothes and agricultural produce (coffee and rice), as well as the production of crude oil (Gill et al., 2016: 16). To illustrate the effects of agrarian reform on growth Gill et al. reflect that in 1986 Viet Nam imported 0.5 million tons of rice, but that by 2009, Viet Nam exported five million tons per annum (Gill et al., 2016: 46).

Since 1991, the Doi Moi framework has been operationalised through state-issued decade-long macro-economic and socio-economic development strategies (SEDS) divided into five-yearly socio-economic development plans (SEDPs), that have since evolved over the period. The country’s policy approaches to poverty reduction have been comprehensive, diverse, and complementary. Overall direction, high-level strategies and master plans were devolved into specific policies and programmes delivered as regional and target-group specific projects. While aimed at achieving national and SEDS objectives, a range of policies, mostly national targeted programme (NTPs), were enacted to facilitate poverty reduction, tailored to regional characteristics and population groups to ensure greater effectiveness (Socialist Republic of Viet Nam, 2015). These policies included poverty programmes, rural and agricultural development, education and training, water and sanitation, health care, and social assistance. Combined with economic growth policies, these policy areas effectively cover all areas prioritised by Gill et al. in the three-point plan. As an example of the scale of social policy in Viet Nam, during the period, 16 NTPs were implemented through the ministries of health, education, water, transport, agriculture, and rural development to assist in reducing extreme poverty. Following the end of the 2011-2015 Socio-Economic Development Plan, the government of Viet Nam decided that it would reduce the number of NTPs to two, viz. the NTP for New Rural Development and the NTP for Sustainable Poverty Reduction. Reducing the number of NTPs has been a move to strengthen coordination and reduce inefficiencies throughout all levels of government (World Bank, 2017a).

5.4.1 Strategy for Socio-Economic Stabilisation and Development 1991-2000

The 7th Party Congress produced a resolution of 12 significant policies that would strengthen the renovation process with a focus on industrialisation and modernisation, called the Strategy for Socio-Economic Stabilisation and Development 1991-2000. Emphasis was placed on creating a multi-sectoral economy, concentrating on agricultural production, consumer goods and exports. Inflation was reigned in, and agricultural production proliferated to the point that Viet Nam, once highly dependent on rice imports, started exporting rice instead. The goal was to shift the condition of the poor and to change the status of the country as a "poor, under-developed country". During this era, state-owned enterprises were subjected to a period of reform and introduced profit-based accounting systems. They were given greater autonomy and independence in management and control over assets and expected to generate a profit. Foreign investment was strongly encouraged, and international trade blockades, especially with the United States, were relaxed. The country joined international and regional economic organisations and engaged in the process of gradual integration with the world economy. Targets were set and achieved with regards to nationwide illiteracy eradication, and universal access to primary education. Access to secondary education, vocational training and university education expanded rapidly, including expanded coverage of child and community health care, along with efforts to contain epidemics (Socialist Republic of Viet Nam 2001) It was during this initial SEDS that the National Targeted Programme Poverty Reduction (1998 – 2010) (NTP-PR) was launched.

5.4.1.1 National Targeted Programme Poverty Reduction (1998 – 2010)

NTP-PR was one of the longer and most comprehensive programmes explicitly targeting poverty reduction. It commenced in 1998, and was initially referred to as the National Targeted Hunger Eradication and Poverty Reduction Programme. It was a consolidation of several national programmes into fewer, more focused projects. Its name changed in 2006, and it is commonly referred to as NTP-PR. The programme provided an overarching national framework for managing and integrating various interventions being undertaken in different sectors by different levels of government. The objective of the programme was to reduce the proportion of extreme poor households to less than ten percent and eliminate chronic hunger. The programme also sought to provide jobs for 1.5 million labourers annually, reducing the unemployment rate in urban areas to less than six percent and increasing labour time-use in rural areas to 80 percent. In addition, NTP-PR set out to ensure that poor communes received basic infrastructure, including small-scale irrigation, school, healthcare facilities, roads, water, electricity and markets (United Nations Development Programme, 2004). The programme consisted of six support policies and twelve projects, which are listed in the table below. These features have been carried through to succeeding NTPs and inform other further policies.

Table 13 The six policies and 12 programmes of NTP - PR

Policies	Projects
1. Low cost, good quality medical care for the poor (free or inexpensive medical care, free health insurance cards, construction of health infrastructure, supply and training of medical staff) 2. Low cost, universal and good quality education for the poor (reduced or exempt school fees, free or cheap notebooks and textbooks, scholarships, teacher training especially in boarding schools for ethnic minorities) 3. Special support for ethnic minorities in extreme difficulties (provision of basic needs, production inputs, production technology training) 4. Special support for vulnerable people e.g., those affected by natural disasters and temporary migrants (support with production, technical training, house repairs) 5. Housing support (providing appropriate housing to the poor, especially in urban and flood prone and border areas) 6. Support with production tools and land (reclaim, recover, reallocate land, supply boats, fishing nets, hand tools, and so forth).	1. Credit for poor households to develop production 2. Guidance to poor people on business, agricultural and forestry extension 3. Developing models of hunger eradication and poverty reduction in poor communes 4. Infrastructure in about 700 poor communes (not under Programme 135) 5. Assistance to production, i.e., processing of agricultural produce, non-agricultural skill development and small-scale industries and services 6. Training of cadres responsible for implementation 7. Settlement of migrants in new economic zones in poor communes 8. Sedentary agriculture and settlement in poor communes 9. Loans for small-scale employment generation projects 10. Modernising and strengthening the capacity of employment service centres 11. Collect statistical data on the labour market and establish an information system 12. Training and strengthening of cadres involved in employment management

Source: United Nations Development Programme, 2004.

NTP-PR included specific approaches to the identification or targeting of beneficiaries based on households living below an income-based poverty-line threshold set by the Ministry of Labour, War Invalids and Social Affairs (MOLISA). The monetary amount set was determined by the minimum income necessary to meet the food needs of each person. The procedure of identifying an individual household, was a form of poverty census, was based on a simple means test and community targeting. The steps were:

- **Step one:** Members of the Commune People's Committee including the village head, cadres of village mass organisations, village police and heads of self-governing groups made a preliminary list of poor households and submitted it to the Commune HEPR Committee.
- **Step two:** The commune HEPR Committee assigned staff to verify the situation of the listed households. Staff from the district HEPR Committee assisted in this phase to develop the proposed list of poor households.
- **Step three:** The Commune People's Committee conducted a village meeting, including the better-off households in order to seek their opinions on the proposed list. The proposed list was then revised and submitted to the district HEPR Committee.
- **Step four:** Head of a village conducted a meeting that included only poor households to inform the certified poor households in the village (United Nations Development Programme, 2004).

Following this process, a poverty census was undertaken every five years and a list of poor and indigent households, identified primarily using a per-capita income threshold, was compiled. A more straightforward tool, a two-page questionnaire, was used on an annual basis to update the list. Advantages of the method were that it was easy for local-level administrators to understand inadequate income as a measure of poverty, and the two-page questionnaire was relatively easy to administer. Targeting was not, however, without challenges and criticism. Three criticisms are essential to note. Firstly, the threshold for determining eligibility was only set using per capita income and did not consider other dimensions of poverty. The threshold seems to have been arbitrary and very low. The reasons for such a low threshold seem to be due to a set of minimum criteria based on food poverty and mitigating hunger, and relative to government resources allocated to the provisioning. Thresholds were, however, revised, following the 2004 UNDP evaluation, and increased for the 2006-2010 implementation period (United Nations Development Programme 2004). Secondly, the methodology seems to have been inconsistently applied, where testing was not uniformly undertaken across communes, and did not cover the entire population.

Implementation seems to have been uneven, and rules and procedures were not strictly adhered to at the local level. The 2004 UNDP evaluation found that a difference existed between households on the nominated household list, and that households considered poor by the village residents. Additionally, there was no rigorous process of quality control of the household data collected (World Bank, 2013). A further complaint about the poverty list system is that there was no national or provincial database kept of recipient households. This resulted in inefficiencies and duplicated efforts by different government agencies that developed separate beneficiary lists for each programme, providing further administrative burdens for local staff.

A sub-programme of the NTP-PR highlights an evolution of targeting approaches and innovations in extreme poverty reduction. A Socio-Economic Development Programme targeted specifically at challenged Communes in Ethnic Minorities, and Mountainous Regions, known as **Programme 135** (P135) was one of the most extensive programmes designed to reach remote and isolated people in Viet Nam. The programme initially covered 1,715 communes, with a scope of 1.1 million households and six million people. In 2004, it was expanded to cover 2,362 poor and remote communes. P135 was delivered through five programmes: infrastructure development, inter-commune centre infrastructure development, relocation planning, agriculture and forestry extension, and training for commune staff in remote and mountainous areas. The objectives were to reduce the proportion of poor households in severe-difficulty to less than 25 percent; to increase the proportion of school-aged children in school to over 70 percent; to train poor people in production; provide clean water; control dangerous and social diseases; develop rural markets; and construct roads to inter-commune centres (United Nations Development Programme, 2004). The criteria for identifying communes for P135 was: (1) Location: remote border or island; more than 20km from a developing centre; (2) available infrastructure: is absent or temporary; significant transport problems prevail; no access by car to the commune; little or no electricity supply, irrigation, clean water, schools or health centres; (3) social issues: illiteracy is more than 60 percent; significant health problems; backward custom; (4) production conditions: generally unfavourable and inadequate to meet the population's requirements; collection of forest products accounts for a significant proportion of household incomes; forest land is used for agricultural cultivation; shifting cultivation is practiced; (5) living conditions: more than 60 percent of households are poor by MOLISA income threshold (United Nations Development Programme, 2004).

5.4.2 10 Year Strategy for Socio-Economic Development 2001 – 2010

The overall goal of the 2001 – 2010 Strategy for Socio-Economic Development was to, "bring our country out of underdevelopment" improve people's material, cultural and spiritual wellbeing, through laying foundation for Viet Nam to become an industrialised country by 2020 (Socialist

Republic of Viet Nam, 2001). This was a period of a dramatic decline in all forms and locations of poverty. The specific strategic goals were to double GDP from the 2000 level; increase the efficiency and competitiveness of enterprises, as well as that of the economy as a whole, and better meet consumption and export demand. The strategy aimed to ensure macro-economic stability, keep budget deficits, inflation, and foreign debt within safe limits, grow foreign exchange reserves, and push domestic savings to over 30 percent of GDP.

A substantial commitment was also made to invest in public infrastructure and telecommunications, including the upgrading and expansion of the rural communications network. Public infrastructure investments included fortifying dyke and water conservation systems and the provision of electricity, telephone, and basic postal services. A commitment was made to building dispensaries, schools, cultural and sports facilities in most communes, and providing sufficient hospital beds. A continued commitment to renewing and developing state-owned enterprises and improving their production and efficiency was made (Socialist Republic of Viet Nam, 2001).

From a social perspective, the strategy sought to increase the country's HDI, eliminate hunger, and reduce the number of poor households. Additionally, reducing unemployment in rural and urban areas, ensuring universal access to junior secondary school, reducing child malnutrition to 20 percent, and increasing life expectancy to 71 years, forming a vital focus of the government's efforts during this time (Socialist Republic of Viet Nam, 2001). Concurrently, the Viet Nam government implemented a sustainable poverty reduction programme for sixty-two poor districts (mostly in the north-eastern mountainous region, including forest-dwelling communities), known as **Resolution 30a** (2008-2020). The programme had four primary foci: increasing income through job creation, production and labour exports; improving education standards; improving the quality of local administrators; and investing in infrastructure. The design of this programme presents a further strategic move. The designation of these 62 districts as particularly needy made them eligible for other targeted programmes (Kozel, 2014), further crowding in support for extreme poverty reduction.

5.4.2.1 National Targeted Programme New Rural Development 2008-2020

In 2008, the Viet Nam regime implemented a National Targeted Plan targeted explicitly at the rural community. Before the New Rural Development NTP (NTP-NRD), rural development was addressed primarily through the NTP-PR, P135 and Resolution 30a. The NTP-NRD focussed the strategies outlined above on rural development. The objectives of NTP-NRD were "…to enhance the spiritual and material life of people; to acquire relevant social and economic infrastructure, to achieve appropriate economic structure and production organizational arrangements, to link agriculture with the industry and service sectors; link rural development with urbanization; achieve democracy, equality, stability, rich cultural and national identity in rural society; to protect the ecological environment; and maintain national defence and security, social order and safety (World Bank, 2017b: 7)." The strategy went beyond enhancing land productivity, and was used to stimulate diversified and off-farm job creation, and improved incomes for those living in rural areas. Specific interventions included farm consolidation, promoting contract farming, establishing agricultural cooperatives and marketing to transform and grow the agricultural economy and support poverty reduction. The NTP-NRD helped improve food safety and product diversification to meet the growing demand of the new urban middle classes, and export standards (OECD, 2016c).

These interventions also focused on achieving infrastructure targets set for communes, districts, and provinces. A predetermined set of 19 economic and social criteria were established. These criteria were organised under five headings, namely: I) Planning: Planning and planning implementation; II) Socio-Economic Infrastructure: Transportation, Irrigation, Electricity, School, Cultural infrastructure, Rural market place, Post office, Housing; III) Economic and Production Organisation: Income, Poor household, Labour structure, Forms of production infrastructure; IV) Cultural-society environment: Education, Healthcare, Culture, Environment; V) Political System: Social-political system, Social security and order (OECD 2016). Achieving these targets meant the awarding of a "national rural development status", to a district, which was a politically desirable achievement for provincial leaders, which meant attracting the possibility for additional funding from other government sources. Hence, the NTP-NRD leveraged incentives for efficiency and effectiveness through decentralised delivery mechanisms. The NTP-NRD was implemented in 8,921 communes across all 63 provinces in Viet Nam and coordinated 11 main activities: (1) new rural development master planning; (2) social-economic infrastructure development; (3) production development and rural economic structural transformation; (4) social security; (5) development of education in rural areas; (6) development of grassroots health facilities; (7) improving cultural life; (8) improving rural hygiene and environment; (9) improving quality and roles of political organisations; (10) robust national defence and security, social order and safety in rural areas; and (11) enhancing capacity for NRD implementation and M&E (World Bank 2017b).

5.4.3 10 Year Strategy for Socio-Economic Development 2011 - 2020

The third Socio-Economic Development Strategy (2011 – 2020) reiterated Viet Nam's commitment to becoming a fully industrialised country by 2020. Alongside macroeconomic stability and economic security, this SEDS affirmed the country's commitment to sustainable development, environmental protection, and improvement. The main features of the strategy, viz. delivering on 'renovation' and economic restructuring emphasised market development; increasing domestic value-added;

continued development of agri-business; clean energy, technology and innovation; further development of the services sector; increased investment in infrastructure, education and research and development; natural resources management, and climate change (Socialist Republic of Viet Nam, 2001). This SEDS also reinforced the nations commitment to maintaining independence, sovereignty, political security, and social order.

In 2011, drawing on lessons from evaluations of NTP-PR and P135 in 2004 and 2009, the government pronounced a revised approach to poverty reduction programming, known as Resolution 80 (2011-2020). Resolution 80 presented three advances in the conceptualisation and delivery of extreme poverty reduction programmes in Viet Nam. Firstly, this resolution committed to ensuring that future poverty reduction efforts were targeted to the most impoverished ethnic minorities. Poverty reduction targets for this group were set at twice the national average, making accelerated poverty reduction for this group a political priority. Secondly, the resolution affirmed commitment to further harmonisation of programmes between ministries targeting poverty reduction (United Nations Development Programme, 2013). In so doing, responsibility for poverty reduction became that of line ministries (rather than specialised separate Ministries). Thus, poverty reduction policies were considered as a critical task in mandatory performance of line ministries and sectors, against which their performance was evaluated. Poverty reduction was thus transversally integrated through both centrally governed national plans and decentralised delivery mechanisms. Thirdly, the government committed to pilot new and innovative approaches and models to poverty reduction. Examples of these innovations are block-grants and cash transfers, as well as closer engagement with the extreme poor through decentralised and participatory local interventions that empowered citizens and facilitated engagement between citizens and local authorities (United Nations Development Programme, 2014). Following Resolution 80, a National Targeted Program for Sustainable Poverty Reduction (NTP-SPR) was operationalised in 2012. The tenets of the policy affirmed the approach outlined in the NTP-PR, P135, Resolution 30a and Resolution 80. The purpose of the NTP-SPR was to support the SEDS 2011-2020. Through the NTP, MOLISA further emphasised the streamlining and mainstreaming of poverty reduction policies through all line ministries focusing on the poorest districts, communes and villages with innovative approaches to address the multi-dimensionality of poverty. Local government and citizens were empowered to participate in the formulation, implementation and management of programmes. Approaches were adopted that respected the norms, traditions and knowledge of the local ethnic minorities, as well as the inhibited capacities of the extreme poor. Strategies further focused efforts on access and linkages to markets, gender equality, and environmental sustainability. The NTP-SPR continued support for block-grant funding to local governments and cash transfers. Programme documentation also indicates a commitment to improved monitoring and strengthened management information systems to inform programme design and delivery (United Nations Development Programme 2012).

Table 14 Planning eras and key policies

Policy era	**Key policies enacted**
Prior to 1991	Foreign Investment Law (1987) Land Law (1988) Law on Private Enterprises (1990) Resolution 10 of the Central Committee (Agricultural reform) (1988)
Strategy for Socio-Economic Stabilisation and Development 1991 – 2000	Education Law (1998) Land Law (1993) Enterprise Law (2000) Programme 135 Socio-Economic Development Programme for specifically challenged Communes in Ethnic Minorities and Mountainous Regions (1998-2010) National Targeted Programme Poverty Reduction (1998 – 2010)
Strategy for Socio-Economic Development 2001 – 2010	Common Investment Law (2005) Gender Equality Law (2006) Law on Health Insurance (2008) Healthcare Fund for the Poor (2003) NTP for Education (2003) Poor Districts (Resolution 30a) (2008-2020)
Strategy for Socio-Economic Development 2011 - 2020	Strategy for Socio-Economic Development (2011 – 2020) NTP for New Rural Development (2011-2020) NTP for Sustainable Poverty Reduction (2011-2015) TDP for Rural Water Supply and Sanitation (2012-2015)

Source: Compiled by the author using case study data collected when drafting FAO 2019.

5.5 Alignment with the three-point plan

Viet Nam attributes their achievements to a “combination of various important factors: (i) an inclusive growth model, which enable[d] many people to participate in and benefit from growth; (ii) a good system of social security policies, for example, social insurance, health insurance, and social support; (iii) accessible and affordable public services such as education and health; and (iv) relatively equal access to assets, especially land” (Ministry of Planning and Investment. 2018. P.27).

Undoubtedly Viet Nam has excelled at delivering on this mandate. The case of Viet Nam shows an evolution of extreme poverty reduction policy, supported by, and facilitated through economic growth. Combinations of macro-economic and micro-economic interventions were leveraged to achieve clearly defined targets. Interventions were delivered to reduce extreme poverty in rural, often remote locations, mindful of the social, cultural and capacity contexts of these populations. Delivery was sophisticatedly coordinated through institutions and enabled through increasingly participatory processes. In addition, the Viet Nam regime used data astutely in order to guide policy and to adapt policy and programming.

5.5.1 Growth

Viet Nam's impressive economic growth led to rapid transformation within the economy. As Gill et al. note, Viet Nam's economy shifted from collective and cooperative agriculture to large-scale industrialisation within a decade. Evidence indicates that secure land rights and tenure encouraged farmers to make long-term investments and devote more labour to non-farm activities (Byerlee, 2005). Evidence shows that productivity in agriculture, spurred on by incentives and subsidies, and corralled by clearly focused economic policy, led to the diversification of agricultural outputs. As noted, Viet Nam shifted from being a net importer of one of their main food sources, rice, to becoming one of the world's largest exporters. Moreover, agricultural production shifted to include higher value produce and agribusinesses developed that supported processing and exports. Monetary policy was managed in ways that improved exports, domestic savings, and investment by the private sector. Dividends from foreign exchange and increased taxes were invested into intensive economic and social infrastructure programmes. In turn, developments within the agricultural sector, when combined with incentives and government support, led to increased outputs in the manufacturing and services sectors. While Viet Nam's economy grew, it also diversified. Viet Nam's experience provides an exemplar of the meaningful economic growth that Gill et al. outlined in the three-point plan. Viet Nam successfully followed a 2.5-point plan, putting growth first, and emphasising investments in human capital that benefited productivity, thereafter expanding their strategy to include a greater emphasis on targeting the extreme poor with social support and expanding social and health insurance when the economy could afford such programmes.

5.5.2 Investment in human capital

Viet Nam's approach to investments in human capital align closely with objectives outlined in the three-point plan. Investments in health, education and WASH improved access to and quality of healthcare, education, and quality of life for the poor and non-poor in Viet Nam, maximising the economic potential of individuals and households. Economic transformation delivered meaningful jobs that enabled the Vietnamese in urban and rural areas to leverage their improved capabilities.

As provided for in policies including NTP for Education and an Education Development Strategic Plan (2001-2010) and the National Education for All Action Plan (2003-2015) (EFA), Viet Nam made significant investments in **education**. Policy evolved from focusing on primary enrolment to the quality of education and learning environments (World Bank, 2005). Health policy and investments improved both supply and demand-side services in Viet Nam. Health system strengthening including upgraded healthcare facilities in all geographic areas, and attracting qualified staff to rural and disadvantaged areas to ensure equity in access to quality services. Performance contracts were introduced to incentivise healthcare facility management and the expansion of private sector health care was encouraged (OECD, 2016). On the demand side, the government implemented strategic health care insurance facilities, The 'Health Care Fund for the Poor' (HCFP) 2003 provided health insurance cards to the extreme poor and selected minorities to access free healthcare services while the near poor were subsidised at a rate of 50 percent. Government revenues are used to finance these health care costs. Universal access to health care was further expedited through the National Health Insurance Law (2009). The law established health insurance coverage as compulsory, with an augmented optional component. An integrated system ensured coverage for all citizens with varying degrees of subsidisation based on need. By 2011, 63 percent of the general population had taken up the insurance coverage (Lieberman, 2009; Centre for Health Market Innovations, 2017) Recognising the catastrophic health expenditure arising from illness as an important driver of extreme poverty (Xu et al, 2003) Viet Nam expedited the delivery of WASH programming through policies such as the National Targeted Program for Rural Water Supply and Sanitation (2000 – 2015) and the National Rural Clean Water Supply and Sanitation Strategy. Delivery of infrastructure was clearly targeted and included community participation, sustainability and cost recovery (World Bank, 2015b).

As the Vietnamese economy grew it provided millions of sustainable jobs, thereby reducing the number of extreme poor and the number of people needing state support. While extreme poverty reduced to around three percent, the extreme poor were increasingly rural, ethnic minorities living in geographic areas that were often hard to reach, and where infrastructure and job opportunities were severely constrained. Through successive NTPs that combined economic and social objectives with clearly articulated pathways, goals, and indicators the extreme poor were increasingly better targeted for social support. Policy packages of support were comprehensively designed, while cascaded delivery at national and subnational levels ensured horizontal and vertical transversal integration, reducing coverage gaps and duplication. As illustrated through the examples of NTP-PR and Resolution 30a (and others) support was comprehensively provided through combinations of investment and insurance that sought to maximise the poor's potential or economic and social participation in their communities. Social and health insurance rapidly expanded to near total coverage of the population irrespective of their employment status, reducing the economic burdens of unemployed and ill-health for the poor and the extreme poor, enabling them to retain household assets and improving their resilience and ultimately enhancing their capabilities. Viet Nam's experience demonstrates the feasibility of a growth-first poverty reduction strategy that enabled the country to take progressively better care of the extreme poor (including those who were unable to participate in economic activity), because they were a progressively smaller and a better targeted proportion of the population, where providing support through redistributive mechanisms was progressively less burdensome.

5.5.3 Insurance

Gill et al. reflected that Viet Nam had "not relied much on social assistance programmes" (Gill et al., 2016:16), however, he highlighted Viet Nam's NTP-PR as a "flagship" social assistance programme covering 1.2 percent of the population in 2008 with "temporary antipoverty programmes" providing coverage to additional poor including "roughly 4 million pupils receiving fee exemptions, 4 million households receiving government loans, and 2 million people receiving help with business development and training" [all sic] (Gill et al., 2016: 16). Gill et al. also noted that total spending on social assistance "was 0.2 percent of GDP" and that the benefits provided by social assistance providing less than 20 percent of the minimum wage (Gill et al., 2016:16).

Research conducted as part of this study found that, while the use of insurance in relation total population size was low, the use of targeted household and individual cash-based approaches had increased by 2015 to ten national cash transfers that included regular and crisis-linked payments. The most prominent ones included monthly cash support to the disabled, orphans, single parents, and lone elderly; a small monthly cash payment to poor households to offset increased in energy prices (delivered via local social officers; cash transfer to needy children, via the school principal, for nine months of the year; and additional support to poor Kinh and ethnic minorities in boarding schools (World Bank, 2013). However, programmes emerged from different ministries with separate budgeting and delivery mechanism, where cash transfers were applied in fragmented ways, and were often poorly targeted, with many policy and implementation gaps, and at times, overlapped. Opportunities for strengthening linkages between cash transfers and complementary support services were also noted yet facilitating which would have necessitated improvements in delivery mechanisms, especially at the local level, with better case management of extreme poor households (Cox, 2002; Kozel, 2014). However, social protection through cash transfers emerges from the case studies as having had a positive impact on the reduction of extreme poverty, especially when combined with other interventions (Sabates-Wheeler & Devereux, 2010), and embedded in national planning initiatives (Sabates-Wheeler & Devereux, 2010; Kozel, 2014).

5.6 Conclusion

The case of Viet Nam shows an evolution of extreme poverty reduction policy combining macro- and microeconomic policies. Excellent growth in Viet Nam led to economic transformation. Productivity increases in agriculture, manufacturing and services provided opportunities for the extreme poor to leverage enhanced capabilities that resulted from expansive social development campaigns. Social insurance including free comprehensive health coverage and free education for the extreme poor, coupled with limited but highly targeted cash transfer programmes and the emergence of graduation packages provided a comprehensive social safety net improving the resilience of the extreme poor. Furthermore, the design and delivery of extreme poverty reduction interventions took into account the rural, often remote locations of the extreme poor, as well as social, cultural and capacity contexts of these populations. In addition, the Vietnamese regime used data to guide policy and target programming.

This chapter comprises three key sections. The first demonstrates that the quality and nature of economic growth are critical to poverty reduction. While the second and third sections draw on evidence to reinforce the importance of micro-economic interventions in reducing extreme poverty. Arguing that growth is only relevant to extreme poverty reduction when it delivers appropriate social and economic outcomes focussed on the extreme poor. The chapter provides examples from the case studies of how focus on the extreme poor was facilitated through improved targeting, graduation, policy coordination and integration.

Ethiopia and Viet Nam both prove relevant and compelling cases as late developing countries of similar size and context that followed similar agricultural-led development paths coordinated by strong regimes. Each country emerged from similar conditions, and prospered. The case studies show the positive effects of a range of complementary policies on extreme poverty reduction. Both countries were making progress on the reduction of extreme poverty that coincided with increased GDP per capita and nearing or reaching middle-income status. Over similar periods Ethiopia increased GDP from US$ 8,2 to US$ 72,3billion (2000 to 2016, constant at 2005 US$ rate)[14] and decreased poverty headcounts for 44,2 percent to 29,6 percent (2000, 2010). Viet Nam increased GDP from US$ 6,5 to US$ 202,6billion (2000 to 2016, constant at 2005 US$ rate) and decreased poverty headcounts from 38,8 percent to 4,8 percent (2002, 2010). Viet Nam reached middle-income status in 2010, and Ethiopia was aiming to reach middle-income status by 2025. For both countries, extreme poverty reduction was faster in urban and slower in rural and outer lying areas. Prosperity was sustained because markets were coordinated, dividends from increased industrialisation were reinvested, and foreign investment strategically used.

Each country engineered poverty reduction through coordinated efforts supported by a variety of national and focused policies. Both countries, showed positive though slightly different outcomes.

The policies and outcomes of both countries illustrate approaches to extreme poverty reduction that provide useful perspectives for reorienting our reading of the World Bank plan. The case studies emphasise the rural location of extreme poverty and demonstrate that rural poverty may be more severe and harder to reduce than urban poverty. The case studies confirm that the extreme poor live in larger households and have less education. They have diminished access to productive assets, and social and economic infrastructure. They are often socially excluded groups, including women, and ethnic minorities. They have diminished capacity and capability with which to take up

[14] Data derived from the World Bank. See https://data.worldbank.org

opportunities aimed at their welfare and require a package of support. Sustained economic or productive engagement comes gradually to these populations.

Poverty reduction outlined in the grow, invest, insure plan proposed by Gill et al. (Gill et al., 2016) is supported by the experiences of both Ethiopia and Viet Nam. In both countries, it is reasonable to claim that this plan has worked to improve the wellbeing of poor through employment. However, this study focuses on the three-point plans stated ability to reduce *extreme* poverty. Thus, it is critical to note that while the case studies reflect the tenets of the three-point plan, they also demonstrate how the regimes have made significant additional contributions that emphasise the importance of the interrelationship between macro- and micro-economic interventions to reduce *extreme* poverty. Strategies employed by these regimes identify essential forms of focusing efforts to reduce extreme poverty. This focus has supplemented economic growth measures to aid poverty reduction, because economic growth alone was not adequate for improving the wellbeing of the *extreme* poor.

The table below summarises the main results of growth, investment, and insurance related policies in Ethiopia and Viet Nam. Where Gill et al. anticipated that growth would lead to economic opportunities for the extreme poor ,Viet Nam has experienced excellent growth that was coupled with economic transformation that better enabled this than was experienced in Ethiopia. As outlined in Chapter 4, Ethiopia experienced less transformation than Gill et al. may have expected, in large part due to the structure of agrarian society and the agricultural economy, constrained in particular by small parcels of land, and environmental conditions that jointly limited productivity increases. In turn, limited productivity increases stifled off-farm job creation, and limited opportunities for the extreme poor to leverage any enhanced capabilities. As a result, the continued and extensive burden of providing for the extreme poor through government and donor sponsored programmes placed significant burdens on the state. Despite extensive and innovative social insurance policies and programmes, the persistent scale and depth of extreme poverty in Ethiopia resulted in limited and intermittent support for the extreme poor, entrenching their vulnerability and undermining their opportunities to escape extreme poverty.

The economic growth noted in Viet Nam is notable, not only in its scale and rapidity, but its quality, because productivity increases in Viet Nam's agricultural sector led to *sustained* productivity increases in manufacturing and services. The economy provided more and better opportunities for the extreme poor to leverage enhanced capabilities such as those fostered through expansive social development campaigns. Given the inclusion of greater numbers of the population in the economy, the diminishing number of extreme poor, and the reduced burden of providing support to huge numbers of extremely poor people, the Vietnamese state was able to better develop and sustain their support packages that led to comprehensive health coverage, free education, and comprehensive well-targeted social safety nets. These were policies that in turn fostered positive macro-economic outcomes.

Table 15 Comparing the outcomes of Ethiopia and Viet Nam against the dimensions of the three-point plan

Dimension, and key assumption	Ethiopia's experience	Viet Nam's experience
Growth, leading to economic opportunities for the extreme poor	Despite excellent growth expected economic transformation had not occurred	Excellent growth led to economic transformation
Investment in human capital, enhancing the capabilities of the extreme poor	Continued small-scale farming and limited off-farm jobs resulted in limited opportunities for the extreme poor to leverage any enhanced capabilities	Productivity increases in agriculture, manufacturing and services provided opportunities for extreme poor to leverage enhanced capabilities that resulted from expansive social development campaigns
Insurance, increasing the resilience of the extreme poor	Due to the persistent scale and depth of extreme poverty even innovative social support that combined cash transfers, basic health insurance, education subsidies and emergent graduation packages resulted in limited and intermittent coverage for the extreme poor	Social insurance including free comprehensive health coverage and free education for the extreme poor, coupled with limited by highly targeted cash transfers and the emergence of graduation packages provided a comprehensive social safety net improving the resilience of the extreme poor

Source: Compiled by the author.

The case studies demonstrate that it is the nature and quality of economic growth and the integration of sustained investments in human capital and insurance that facilitate the reduction of extreme poverty. Lessons from the case studies both independently and when compared provide valuable inputs that could strengthen the three-point plan. The case studies show that greater focus and the prioritising of micro-economic interventions reduces extreme poverty. Thus, the three-point plan would have been more compelling had it been focused on the extreme poor, rather than on the poor in general; better addressed targeting; included graduation as a mechanism for supporting the extreme poor; and provided details on how countries successful in reducing extreme poverty had coordinated and integrated packages of support for the extreme poor. Ideologically, however, this would have required a shift in World Bank thinking. The World Bank would have needed to acknowledge the limits of economic growth on extreme poverty reduction, and the relevance of redistribution for this sub-set of the poor.

6.1 The quality and nature of economic growth matter

As outlined in Chapter 2, the World Bank has progressively developed poverty reduction plans arguing for macroeconomic, microeconomic, and institutional reforms to support neoliberal social and economic transformations. The 2-, 2.5- and three-point plans demonstrate a consistent logic in their argument. Inclusive growth is assumed to lead to economic transformation and job creation from which the extreme poor will also benefit. Investment ought to be focused on building human capital, leading to economic productivity gains and facilitating greater participation of the extreme poor in the in the labour market. Insurance should receive sparing and conservative investment, so as not to undermine market responses to need and only to protect gains that have accrued to the extreme poor (or more specifically the poor). The World Bank's poverty reduction approaches have been heavily influenced by theory, and interventions that seek to prioritise economic growth and deprioritise redistribution.

Following previous World Bank proposals, Gill et al. emphasised the importance of agricultural-led development as a means of reducing extreme poverty. Evidence from the case studies reiterates the appropriateness of such a strategy in reducing poverty. Processes of rural transformation were underpinned by substantial gains in agricultural productivity usually linked to land reform, resource management (Emerton, Snyder, 2018), rural-urban migration, and shifts from subsistence farming to villagisation to commercialisation. Infrastructure investments including improvements in roads, irrigation, access to markets, agro-processing and ICT were vital. Incentives for farmers to invest and commercialise in their production were also crucial. These forms of growth were typically labour-intensive in areas where the extreme poor reside. With increased production, in time, growth become export-focused and driven by trade and industrialisation facilitating further access to markets. Increased labour productivity linked to labour market reforms, in particular in Viet Nam, followed.

Expanding the agrarian economy had dual benefits of reducing extreme poverty and contributing to economic output. The experiences of Ethiopia and Viet Nam demonstrate that agricultural reform provided the most opportunities for the extreme poor to benefit from economic opportunities. This was primarily due to the fact that the extreme poor tend to live in rural areas close to agricultural production and processing sites. Work in the agricultural sector also offers a range of entry points for unskilled labour. Following this line of reasoning, it is therefore relatively easy to craft an argument to indicate that the approaches in Ethiopia and Viet Nam are consonant with the World Bank's three-point plan. A graph representing economic growth and extreme poverty reduction might lead us to believe there is a linear relationship between the two. There is, however, a more complicated relationship between economic growth and extreme poverty reduction than what has been presented by Gill et al. The quality and nature of economic growth that reduces extreme poverty needs to effect transformation of the economy and provide meaningful jobs, *even for those who may not have the capabilities to take them up*. This is indeed a tall order.

Ethiopia adopted an agriculture-led growth strategy that expanded into broad-based rural transformation through the addition of asset-building programmes, and ultimately into extreme poverty reduction through the inclusion of cash transfers for marginal groups (refer to the discussion of ADLI and the PSNP in chapter 4). Leveraging abundant labour and land resources, programmes fostered improvements to smallholder agricultural productivity, thereby addressing food insecurity and poverty. The second Ethiopian PRSP included a push for greater commercialisation of agriculture as a strategy for accelerating broad-based economic growth (MoFED, 2006; Teshome, 2006; Devereux and Guenther, 2007) and contributed significantly to MDG targets.

Viet Nam's NTP-NRD provides an example of a multi-dimensional and multi-sectoral approach that embraced the social, economic, and cultural aspects of rural development. The focus was on land productivity, and on increasing and diversifying income and off-farm job creation. A variety of approaches, including farm consolidation, contract farming, agricultural co-operatives, and marketing, as promoted by the government. The first phase of the NTP-NRD focused primarily on achieving infrastructure targets set for communes, districts ,and provinces. The strategy then began to improve food safety and product diversification to meet the growing demand of the new urban middle classes, and export standards (OECD, 2016c). Thereafter, other policies have further developed agri-business. Viet Nam's CPR2 programme, for example, focused on improving rural infrastructure to facilitate market access. This included three pillars: infrastructure, education and information (Shepherd, Scott, Mariotti et al., 2014: 65) that are argued to "make agriculture work" for the poor. The private sector was crowded in, resulting in widely shared benefits. Public investments in agricultural research and development and rural infrastructure have also been strongly pro-poor in Viet Nam (Fan et al. 2004). Transport infrastructure was explicitly identified. A World Bank (2007) report indicated that road rehabilitation in Viet Nam increased the variety of goods that households sold in the market, primarily fruits, vegetables, and meat, and encouraged greater participation in trade and services. These benefits depend on interactions with other infrastructure investments, geographic location and attributes, as well as community, and household characteristics. Focused approaches were developed over time and tailored to the needs of impoverished communities. These interventions focused on improving the livelihoods of the extreme poor. Micro-economic interventions were delivered with the intention of stimulating productivity increases, leading to positive long-term macro-economic outcomes.

Rural transformation and the development of the agrarian economy would not have been possible without focused substantial investments in infrastructure and natural resource management. In addition, the governance of these resources was critical in an inclusive economy (Ravallion 2016). Ensuring that the poor had access to and could use infrastructure to enable their economic emancipation was vital. Both case studies provide examples of transport and logistic infrastructure, irrigation and equipment, ICT, agricultural technology, as well as infrastructure services, such as agricultural extension services and R&D, that have advanced their agrarian economies. For the extreme poor to take up opportunities to use these resources for their economic emancipation (through taking up jobs), other investments in their capabilities precede this (Ravallion, 2016). The case studies show that reduction of extreme poverty, given its mostly rural location, was initially facilitated through rural transformation and development planning. However, the divergence in their approaches and outcomes also illustrates useful learning. While for both countries agricultural strategies maintained a focus on smallholder farmers, Viet Nam's economic growth strategy quickly included large scale industrialisation, providing greater resources for poverty reduction programming, where Ethiopia struggled to fund these policies.

Gill et al. (2016) emphasised that the expansion of economy must take place within a stable political, macro-economic, growth-orientated environment. The case studies confirm that political and macroeconomic stability must be maintained, especially inflation control and long-term policy planning and coordination. Managing macroeconomic factors, increasing favourable trade and infrastructure investments were key to overall economic growth in Ethiopia and Viet Nam, while in addition, Gill et al. (2016) pointed to vital to growth that benefits the extreme poor. Both regimes emphasised the management of macro-economic stability. Independent monetary policy constitutes a crucial dimension of the economic growth strategies of both countries. Both countries rebounded rather quickly after the 2008 global financial crisis, and although at first GDP was depressed, it rose back to growth levels that it had experienced ahead of 2008. The rebounded economic performance was mainly a result of export trade. A distinct difference between the two countries was that Ethiopia's debt ratio remained higher than Viet Nam's and the country repeatedly borrowed (Hunt and Lipton, 2011; Béné, 2013) in the face of crises, whilst Viet Nam borrows almost exclusively for social and economic investments.

Despite robust economic growth in both countries, markets cannot be understood as optimal institutions for lifting people out of extreme poverty (Rodrick 2000, Ravallion 2001, Monga 2017). Inconsistent poverty elasticities and the heterogeneity of economic growth outcomes on poverty reduction, in particular the contribution of economic growth to job creation and in turn on lifting people out of poverty, warrants closer consideration. How quickly growth reduces poverty depends both on the initial income distribution and how it evolves over time. In societies with more unequal distributions, the same growth rate makes far less of a dent in poverty. Thus, how efficiently average growth will reduce poverty also depends on the way in which the income distribution shifts as the economy grows (Lustig, 2002). The extent and depth of poverty at the base year of measurement matters and the use to which prosperity is put also matters. Ethiopia's rapid economic growth has translated into a significant decline in extreme poverty, but one that was nonetheless less than that of Viet Nam. This shows that the size of the economy at the base year of measurement also matters. Ethiopia was also yet to translate increasing prosperity into improved human development. This confirms that extreme poverty is multi-dimensional, and that improved incomes alone do not necessarily result in better health or education emphasising that the distribution of the benefits of growth also matter (Ravallion, 2016; Hulme, 2016).

For both Viet Nam and Ethiopia, economic growth, irrespective of its job creation potential for the extreme poor, was found to have two additional benefits not discussed by Gill et al. Regimes were able to establish legitimacy in both Ethiopia (Fantini, 2013; Mandefro, 2016;) and Viet Nam, where socio-economic performance emerged as important means of establishing legitimacy for the EPRDF and Community Party of Viet Nam (Thayer, 2010; Hiep, 2012). As a result of each party's economic prowess, their legitimacy in turn enabled them to embark on projects including reducing extreme poverty that may at first have seemed counter to the interests of the middle class and the wealthy. Secondly, resources become available to states that enabled them to implement costly and long-term evidence-based policies and programmes that attended to a broader set of needs of the extreme poor, through complex and resource-intensive modalities (such as multisectoral coordination, targeting, and graduation). It also appears that, contrary to Gill's argument, open democratic systems may be less important in facilitating focused policy reforms that reduce extreme poverty. Neither Ethiopia nor Viet Nam have especially open political systems. This suggests that where there is an 'elite project' focused on nation-building, which recognises the need for a social compact between citizens and the state, extreme poverty is likely to be placed seriously on the policy agenda, irrespective of the political system. Whilst the World Bank has provided guidance and frameworks for extreme poverty reduction, the effectiveness of country-level strategies in achieving these goals has been determined by state-level actors. For countries to yield positive outcomes in reducing extreme poverty, leadership need to be resolute. Policymakers need to read and adapt to complex contextual factors, commit to long-term strategies, and invest in clear visions for the future of their nations. To do this requires determination, investment, socio-political support, data and participatory practices. This is how Ethiopia and Viet Nam have leveraged strong state-led development strategies. These case studies raise important questions about how documents like the three-point plan, influence our conceptions of normative relationships between politics, people and the economy, and the institutional arrangements that realise extreme poverty reduction. Ethiopian and Vietnamese experiences demonstrate that it is more important to consider how political settlements and economic relations frame policy options, and are leveraged to reduce extreme poverty, than to propose specific institutional formulations as "remedies" (Baloyi 2016: 175, in Khan et al., 2016).

6.2 Focusing on the extreme poor

Despite areas of consonance between poverty reduction approaches proposed by Gill et al. and observed in Ethiopia and Viet Nam, economic growths contribution to *extreme* poverty was only evident when growth translated into appropriate social and economic outcomes for the extreme poor. Transformation of the economy was vital, but enabling the extreme poor to access opportunities was not simple. Economic reform and fiscal prudence were insufficient to achieve pro-poor growth (May 2006), and growth that was not-pro-poor was still in part able to fund comprehensive social protection schemes through redistributive processes. Nor did growth alone adequately explain extreme poverty reduction (Ravallion, 2016). Growth is only useful in extreme poverty reduction if the extreme poor share in the growth. The extreme poor only benefit from economic growth when the opportunities afforded by growth are invested in programming and interventions that specifically targets them. As witnessed in the case studies, significant micro-economic programmes focused on household level survival and livelihoods were required in order to build the resilience of the poor. The case studies demonstrated that, where growth reduced poverty, the reduction of extreme poverty was led by the integration of investment and insurance provided to the extreme poor, irrespective of their ability to pay for them. Examples provided in the case studies highlight the complex and complicated relationship between economic growth and extreme poverty reduction.

Given the centrality of pro-poor growth and job creation to the World Bank's evolution of responses to extreme poverty, maintaining focus on the potential of job-rich growth to 'lift' the extreme poor out of poverty, the case studies show that greater focus on the extreme poor and how they benefit from micro-economic interventions is critical in facilitating their economic participation. Where Gill et al. have advised that the debate between growth versus redistribution is something that policy makers should not worry about (Gill et al., 2016), it instead is remains at the heart of meaningful change for the extreme poor. Growth should not be seen as a reason to fail to incorporate redistribution as a means of reducing extreme poverty.

A first step in focusing on the extreme poor is to distinguish the extreme poor from the poor. As outlined in Chapter 2, the extreme poor are a sub-group, who, given the nature and depth of their poverty, might not be able to take up the opportunities of economic growth and job creation without additional support. As evidenced in the case studies, investments that enhance the capacities and capabilities of the extreme poor are critical to ensuring opportunities for them to become productive adults. Investments in human capital and capabilities enable populations to access opportunities that improve their quality of life (Sen, 1997). Central to household resilience and opportunity are the rate of household and community asset accumulation (including savings, personal insurance, education, health, networks, access to information) (Scoones, 1998). These enable improvements in the quality of decisions and incentivise behaviour change. Investments in social infrastructure, basic services, education, health, family planning, water and sanitation and relevant community assets are required to facilitate these opportunities. Investments alone, however, are insufficient. Social reforms are required to ensure the poor's capabilities are enhanced. These reforms can include expansion of access to basic services, the combination of relevant support packages or basic needs, but also access to financial services, technology, research and development, and advanced education so as to ensure enhanced capabilities are leveraged to maximise prosperity.

6.3 Focusing investment and insurance policy interventions on the extreme poor

Consonant with the three-point plan, both case studies demonstrated that education, healthcare and WASH have been investment priorities that have contributed to the reduction of extreme poverty. For example, in Ethiopia, the SDPRP and GTP placed increasing focus on access to education and healthcare. Documentation on Viet Nam shows how focus shifted from access to quality in education and from providing basic health services to more comprehensive care, with universal access subsidised for the near poor, and free for the extreme poor. Given the importance of mitigating health risks and the shocks that arise from catastrophic health expenditure arising from illness were recognised as being an important driver of extreme poverty (Xu et al., 2003). Viet Nam's

RWSS is a good example of how the delivery of such social infrastructure has facilitated the reduction of extreme poverty. The delivery of the strategy included community participation, sustainability, and cost recovery. Improving sanitation as a priority of the government. Target groups included the poor, ethnic minorities and people living in remote areas (World Bank, 2015b). The strategy was reported to be meeting targets on schedule (Socialist Republic of Viet Nam, 2015), improving infrastructure and information about WASH, and reducing the incidence of illnesses that destabilised poor households.

Gill et al. outlined two forms of insurance as core to reducing vulnerability, namely: social protection and environmental insurance (Gill et al., 2016). Although Gill's plan separated investment and insurance, both forms of insurance the World Bank encourages relate to investments outlined above. Social protection often derived from reforms includes social insurance and social assistance (Desai, cited in Chandy et al., 2015). Social insurance such as work guarantees smooth out consumption for vulnerable households during crises (Ellis et al., 2009). Social assistance, in the form of conditional and unconditional cash transfers, cash plus programmes, direct food and nutrition provisioning and free or subsidised essential services smooth out consumption for poor households over the life course (Ellis et al., 2009). Regarding environmental insurances, Gill et al indicate two main types, namely climate action and pandemic response. Climate action is described as proactive warning systems, mitigation and resilience strategies, and disaster relief. Pandemic response is categorised as health and veterinary.

The case studies demonstrate how social protection can be foregrounded and extended producing considerable progress in reducing of extreme poverty. Although the initial focus for social protection was on the provision of cash transfers, whether these are conditional or unconditional, universal or targeted, 'Cash Plus' has been identified as bringing about more significant impact. Cash plus interventions provide examples of sophisticated ways of focusing policy interventions. Gill et al. (2016) does not adequately explore the concomitant nuances of designing programmes and approaches that can comprehensively and effectively target the extreme poor. The emerging literature on 'Cash Plus' strategies at the time of the publication of the three-point plan, identified the need for a more integrated approach combining access to services, support and behaviour change, in order to capture greater benefits from cash transfers. Work undertaken by Roelen et al. (2017) established that, while the comprehensive benefits of conditional and non-conditional cash transfers – as one form of social assistance – had wide-ranging benefits, they have gone further in developing human capability, especially with regards to improved nutrition, learning outcomes and morbidity. 'Cash plus' transfers including complementary forms of support emphasised the importance of service and support linkages, recognising that the many non-financial and structural barriers faced by the poor cannot be addressed by cash alone. And the ability of blended support to induce the behaviour change required to achieve desirable outcomes in nutrition, education, and health. Additionally, cash plus programmes showed the potential to address issues of exclusion and structural inequalities, which are often the daily experience of the extreme poor. This partly addresses demand and supply-side challenges, providing the extreme poor with an integrated approach to services and support. The use of household and individual cash-based approaches in Viet Nam began to increase during the review period. By 2015, there were more than ten cash transfer programmes, although they tended to follow the model of simple cash transfers without a transformative or service delivery component (World Bank, 2013) and delivery mechanisms for payments were not well designed. A better example of a transformative cash transfer programme would be Ethiopia's FSP described in Chapter 4. The FSP draws together a range of different support packages targeted to differentiated populations of extreme poor. The programme provided cash transfers along with components that provided access to land, and skills, asset building, and work programmes.

The case studies demonstrated examples of how policy interventions focused resources, strengthening outcomes, and providing better returns on government and donor spending. Policies were focused in three specific ways. Populations of the extreme poor were better identified and intended programme beneficiaries targeted. Implementation of graduated approaches to enable the extreme poor to migrate out of poverty began to feature more clearly by 2015. Policies and interventions were increasingly transversally integrated across ministries and levels of government, with the increased coordination of delivery of policy packages in appropriate sequences. Overall, these forms of focus demonstrated commitment to pro-poor planning, delivered more holistic interventions, facilitated equitable or positively skewed access to quality services and support, improved targeting of interventions (IFAD, 2008), and the facilitated intergenerational graduation support (De Montesquiou et al., 2014). It is necessarily the case that much of this has a microeconomic application related to the welfare of households. Despite evidence of the success of these approaches in the literature, and the case studies that Gill et al. themselves draw on, these innovative development planning approaches were not well articulated in the World Bank's three-point plan.

6.3.1 Targeting

While Gill et al. provide examples of targeting in the three-point plan, geographic, criterion and categorical targeting in Ethiopia and Viet Nam were significantly successful as to expect targeting to feature more prominently in plans to reduce extreme poverty, than was evident in the three-point plan.

Geographic targeting offers opportunities for dealing with extreme poverty that are fair and transparent. Although programmes based on location-based targeting run the risk that they will exclude impoverished people who are living in less poor areas, and will provide benefits to non-poor living in impoverished areas. Where it is known that extreme poverty is a more rural than urban phenomenon, targeting of programmes to rural populations provides a simple example of how this can be a successful, and be a relatively less sophisticated or technical process. Despite these strengths, examples from Viet Nam highlighted weaknesses, including the setting of quotas (limiting the number of households that can access benefits based on government budgetary allocations) at different locations, where weaker administration and bureaucratic procedures led to excluding the poor from accessing services due to identification documents and certificates that were not issued on time. This remains a simple and relatively effective strategy for focusing the benefits of interventions on intended beneficiaries.

Additional criteria for the identification of the extreme poor, and the selection of beneficiaries who received in poverty reduction interventions generally involves a form of means testing. A means test is a targeting mechanism based on a weighted combination of characteristics that are believed to be highly correlated with wellbeing or deprivation. The Ethiopian PSNP demonstrated a simple for of means testing, where if you could work, you were offered a job in return for a small wage through a works programme; if you were unable to work due to age or disability, you were offered a small social grant in the form of a cash transfer. The example of the MOLISA targeting in Viet Nam, through means testing, is outlined in Chapter 5. This offers a more complex example of approaches and includes community participation in the process of targeting households that benefit from poverty interventions. More sophisticated means testing take income, asset, and multi-dimensional forms of poverty; as well as assesses household changes over time. As households may become more impoverished due to shocks or systemic challenges; or may increase their resilience to poverty overtime as result of economic and social benefits. Means testing assists in prioritising households and individuals that ought to access support.

A third example evident in the case studies was categorical targeting. Categorical targeting consists of selecting individuals based on characteristics of interest to policymakers, which may or might not correlate with wellbeing or deprivation. The categories could be based on age, sex, or ethnicity. Viet Nams' Programme 135 provides one such example. Geographical targeting was used to select beneficiaries based on location of residence (such as an area affected by a hazard, or a district with high poverty prevalence), and further targeting, focused on ethnic minorities within those regions. Another example were policies targeted at children that combined different targeting modalities, such as geographic and means tests, but when simply focused on children, provide an example of categorical targeting. Considering that children account for more than half of the global extreme poor, this is a fair means of ensuring coverage when large proportions of a population are poor. Furthermore, given the intimate relationship between extreme poverty and food insecurity, ensuring child health and nutrition becomes an essential investment in human capabilities.

Central to reaching the extreme poor was a targeted approach that recognised that the specific geographic location of the extreme poor must first be identified, and the nature of their poverty understood. Characteristically, the extreme poor live in and amongst the poor and are not always in clusters, meaning that a targeted programme may well be based within poor communities districts, but that further work is required to identify of the extreme poor. As a result of the technicalities, the extreme poor are difficult to reach, and even in countries where comprehensive social safety nets exist, they often fall through. Increasingly sophisticated forms of targeting interventions can improve the prospects of assisting hard-to-reach groups to exit extreme poverty (Coady et al., 2004; Devereux et al., 2015). Focusing of policy in this way was not evident in all policy that was enacted in Ethiopia and Viet Nam during the review period. Nonetheless, the evolution of poverty programming in these countries over the period demonstrates increased focus and more sophisticated targeting. Examples provided in the relevant case studies are sufficient to recommend that targeting, and ways to implement it, ought to have been much more prominent in Gill's plan.

6.3.2 Graduation

Evidence in the case studies, and the ways that successful interventions were tailored to the extreme poor, point to graduation as a more appropriate pathway to integrating the extreme poor into the economy that anticipating market activities to 'lift' them out of poverty. A graduation approach recognises the importance of targeting. The Bangladesh Rural Advancement Committee (BRAC) first pioneered the Graduation approach in Bangladesh that has since been developed and piloted elsewhere by the Ford Foundation and CGAP. This approach recognises the complex, multi-dimensional nature of extreme poverty that leaves particular groups of people excluded, often as a result of geographic location and social isolation, and unable to benefit from expanding markets (See De Montesquiou et al., 2014). Graduation approaches intend that beneficiaries who have received support exit the programme once they reach a point at which it is anticipated they will maintain a higher income trajectory. Ethiopia's FSP, described in Chapter 4, is a good example of a programme that has evolved from Cash to Cash Plus, and which adopted a graduation model (MoFED 2006; Getu and Devereux, 2013). Evaluation of the programme found that the strategy lowered household food gap, increased per capita food consumption, and improved dietary diversity in targeted areas (IFPRI, 2013). A World Bank evaluation found in 2012 that the graduation applied in Bangladesh significantly increased household income and asset ownership, and reduced extreme poverty (World

Bank, 2012). A study including Ethiopia, in particular, showed that households participating in a graduation programme had a 95% higher income than those in control groups after three years (Cunha, et al, 2016). The success of graduation programmes was attributed to providing a fuller package of support, rather than a single component. Similar programmes focus on the location and nature of excluded groups and incorporate participation of communities and beneficiaries in the targeting process. These programmes, however, tend to face two key challenges: identifying and recruiting the extreme poor into the programme; and sustaining long-term, expensive interventions (Hulme, 2010).

Based on evidence that with the right mix of interventions, offered in an appropriate sequence, it is possible to 'graduate' the extreme poor into a sustainable livelihood, over a period of time, Graduation advocates for five steps. The first step almost always focuses on food security and increasing household food consumption to avoid the devastating and long-term impact that inadequate food has on child malnutrition. It is difficult for the extreme poor to consider longer-term livelihood strategies when they are overwhelmed with the survival-level challenge of not having enough food to eat. Once these needs are met, participants are then provided with assistance to save money as a risk-management tool, provided with technical skills training, and assets such as livestock and intensive life-skills coaching. The targeting of the extreme poor through the graduation approach is designed to move the extreme poor into the market economy, by preparing them for self-employment and/or wage-paying jobs. It is not, however, considered a substitute for universal social-protection programmes (de Montesquiou et al., 2014.).

6.3.3 Transversal coordination and integration

To ensure the sustained reduction of extreme poverty requires policy coherence and multi-sector coordination, driven by evidence-based policymaking practices. The objectives of improved coordination and integration are to design and deliver policy packages with reduced delivery gaps and overlap that also address contextual factors. Such coordination requires capable institutions to facilitate poverty eradication as a transversally integrated priority. Multi-layered institutional structures need to facilitate communication, experimentation, and adaptation (Chaffin et al., 2014). Institutions in Ethiopia and Viet Nam have evolved to deliver large and complex interventions. Both nations have demonstrated that increasing coordination and the transversal integration of extreme poverty reduction across line ministries yielded greater success. Institutions in both countries achieved significant progress in relation to the scale of poverty and the range of contextual factors that needed to be navigated. While there were still opportunities to improve governance systems to deliver programmes and evidence-based policymaking, the evolution of decentralised delivery mechanisms worked well for these highly centralised administrations. The case studies even provide examples of how incentives were applied at local government level to encourage programme fidelity.

The progression from one policy era to the next, and the revision of policies to address extreme poverty, illustrates that leadership were responsive to changing conditions and adapted policies over time. These adaptations reflect changes in political priorities of the international community as well as within each nation. The ability to shift policy perspectives demonstrates that the nature of political and policy making environments is a crucial precondition to successfully reducing extreme poverty. There ought to be a clear vision for extreme poverty reduction supported by effective political leadership and institutions that can address structural issues, facilitate transversally integrated policy packages, and maximise the impact of policy interventions (Chaffin et al., 2014). The political environment and its policy making systems need to support evidence-based policy making and empower and hold leaders accountable. In addition, effective leaders must adapt to complex national and global events and leverage innovation to better ensure long-term sustained positive outcomes (Karpouzoglou et al., 2015). Adequate governance systems are required to deliver on the processes of interventions. Incentives need to be identified to encourage commitment and coordinate participation of relevant stakeholders, and effective management information systems are required to provide strategic information to leaders to make timeous, evidence-based decisions about the efficacy of their strategies.

Gill et al. advised for improved governance systems, enhanced monitoring and evaluation, better use of data, and strategic investment. However, the three-point plans emphasise the way in which preferential types of political systems and their functions missed the opportunity to present how different countries had delivered on the mandate of reducing extreme poverty. By oversimplifying the presentation of governance arrangements and supporting extreme poverty, programming the three-point plan has avoided addressing the complexity of these programmes. In so doing, the plan creates the illusion of a normative and acceptable governance pathway to effect the reduction of extreme poverty. Instead, as evidenced in this study, there are numerous global goal frameworks, governance arrangements, political settlements and funding arrangements, that need to be negotiated in order to deliver policies to reduce extreme poverty. Irrespective of the overarching political process within a country, these case studies have demonstrated that transversal coordination and integration of functions ensures better outcomes.

6.4 Conclusion

This chapter demonstrated how the quality and nature of economic growth are relevant to reducing extreme poverty; and how the extreme poor and their experiences need to be central to policies that seek to reduce extreme poverty. Comparing Ethiopia and Viet Nam's approaches to reducing extreme poverty with the three-point plan demonstrated inadequacies in the World Bank's plan, and raised questions about its ideological basis. Examples provided in this study demonstrated the importance of micro-economic interventions for the extreme poor. The analysis showed that growth is only important to reducing extreme poverty where it effectively facilitates economic transformation that benefits the extreme poor. Transforming the economic lives of the extreme poor, more often requires investments in human capital and social protection and insurance as a foundation. Investment and insurance policies need to be better focussed on the extreme poor. Examples of focussing highlighted in this chapter were targeting; graduation; coordination and integration.

Chapter 7: Conclusion

Having conducted a close reading of the three-plan, appraised data from two case studies, and reviewed literature that the authors of the three-point plan may have drawn upon, this thesis demonstrates that, whilst a “grow, invest, insure” strategy may reduce poverty, it proves less effective at eradicating *extreme* poverty.

The World Bank’s three-point plan has maintained a growth-led plan for the reduction of extreme poverty. However, this analysis demonstrates that the three-point plan fails to adequately address the inconsistencies of poverty elasticity, or account for the important contributions of micro-economic interventions in reducing extreme poverty. Gill et al. have argued that job-rich economic growth would lift the extremely poor out of poverty. However, evidence from the case studies demonstrates that when accounting for the depth of their poverty, their often-remote location, limited capabilities, and poor access to productive resources presents the reality of them finding a job in a competitive labour market or improving their economic potential through their own production, which is not often feasible.

How did Ethiopia and Viet Nam reduce extreme poverty? Were the approaches taken in these countries similar to the approach proposed in the World Bank’s three-point plan?

Poverty was reduced through economic growth, but extreme poverty was only significantly reduced through more focused interventions.

The three-point plans pathway to extreme poverty reduction could be summarised as follows: first, a country should grow their economy; then they should invest in human capacities so that people can take up jobs that have been created; then they should protect populations against risk (without disrupting private sector markets). Evidence from the case studies provide alternative pathways. One of these is that the wellbeing of the extreme poor should be facilitated through a combination of investment and insurance policies (geared towards populations of extreme poor who can take up employment as well as those who cannot); simultaneously it is in a country’s best interest to facilitate economic growth to more equitably transform their economies, to make resources for these policies available, and to garner legitimacy that enables long-term planning and interventions. More narrowly focusing on the wellbeing of the extreme poor, another pathway for reducing extreme poverty – especially for the most marginalised and remote of extreme poor populations – is simply to provide for their wellbeing through redistribution hinged on better targeting. The latter is only tied to economic growth inasmuch as economic growth provides one conduit for the funding for such interventions.

Both case studies have demonstrated that in order to reduce extreme poverty the quality and nature of economic growth matter. The experiences of both countries shows that reforms that led to agricultural productivity increases cultivated opportunities for the extreme poor to benefit from economic opportunities. This is because many of the extreme poor live in rural areas. Furthermore, work in the agricultural value chain also offers entry points unskilled labour. However, when comparing the experiences of the two case studies, it becomes evident that effecting agricultural productivity increases alone were insufficient to sustainably reduce (or eliminate) extreme poverty.

Viet Nam's agriculturally-led economic growth strategy facilitated sustained productivity increases that more quickly included large scale industrialisation, leading to economy-wide transformation. This transformation provided better opportunities for the extreme poor to leverage enhanced capabilities. These capabilities were fostered because greater resources were made available in Viet Nam for poverty reduction programming. In turn, a diminishing number of extreme poor led to a proportionately greater amount of resources becoming available for interventions targeted at the extreme poor, resulting in more effective and efficient policy outcomes.

Comparatively limited productivity increases in Ethiopia stifled off-farm job creation and weak economic transformation led to transitory escapes from poverty, entrenching the vulnerability of both the extreme poor and broader poor populations. There were very limited opportunities for the extreme poor to leverage any enhanced capabilities for economic gains in Ethiopia. Furthermore, the persistent scale and depth of poverty in Ethiopia, coupled with Ethiopia's borrowing in the face of social and environmental catastrophes, resulted in a greater struggle for Ethiopia to fund necessary policy interventions by means of which to benefit the extreme poor.

Economic growth, however, presented an important opportunity for both Viet Nam and Ethiopia, that were not discussed by Gill. Economic growth provided a means of establishing regime legitimacy. This legitimacy in turn, facilitated political support for 'elite projects' such as extreme poverty reduction through redistribution and resourcing that enabled costly, long-term and focused interventions. Interventions that leveraged multi-sectoral coordination, targeting, and graduation and lead to better outcomes than economic growth and market forces alone could have achieved.

To reduce extreme poverty, both countries placed emphasis on investment and insurance policies that related closely to those described in the World Bank's plan. However, the case studies demonstrated that the distinction between investment and insurance are not as clear-cut as Gill et al. have indicated in their plan. As discussed in Chapter Six, Ethiopia and Viet Nam both demonstrated significant reductions in extreme poverty through the expansion of education, healthcare, and WASH programming, especially as emphasis shifted from access to access *and* quality *and* comprehensiveness of services. Both cases demonstrated even more pronounced positive outcomes on extreme poverty when access was heavily subsidised, or free for the extreme poor. Thus, focusing investments and insurance policies on the extreme poor was vitally important. Furthermore, the case studies indicate that these interventions were enhanced, and their impacts were more significant when they were coordinated across ministries, where they explicitly focused on the extreme poor through targeting methods. The extreme poor also benefit more from interventions when they fostered graduation, enabling the extreme poor to migrate out of poverty.

The case studies also challenged the World Bank's growth-first development agenda. Whilst economic growth enabled poverty reduction, the wellbeing of the extreme poor is more positively effected through investment and insurance-oriented microeconomic interventions. These interventions do not necessarily require economic growth to first materialise. Conversely, for the extreme poor, investments in their capabilities and insurance against risks are required before they can utilise any benefits associated with economic growth.

Ethiopia and Viet Nam have been compelling examples to review, because their developmental strategies combined both state-led and market approaches to reduce extreme poverty. Leadership was both determined over the long-term and was opportunistic, blending micro-economic interventions, and macro-economic transformation to effect extreme poverty reduction. The case studies demonstrate the importance of economic growth to poverty and extreme poverty reduction, placing emphasis on macro-economic conditions that foster growth. In part, this facilitated economic transformations that provided market opportunities that the poor could leverage, but moreover, providing regime legitimacy and a political foundation upon which to design redistributive interventions targeting the extreme poor. The case studies demonstrate that the reduction of extreme poverty relies on the *interrelationship* between macro- and microeconomics and the sequencing of policies and programmes in ways that enable the extreme poor that far exceed those expressed by Gill et al. Given that examples of the importance of these interrelationships, and the limits of a "growth-first" strategy for extreme poverty reduction were clearly documented in credible literature in the period leading up to the publication of the World Bank's three-point plan, it remains curious that Gill et al. did not better articulate alternative pathways for reducing extreme poverty. As a result, it appears that the three-point plan may have been a strategic communications tool used by the World Bank to legitimise growth over redistribution, despite the limits of economic growth for reducing extreme poverty.

Whilst growth, investment, and insurance may be cornerstones of poverty reduction, lessons from Ethiopian and Vietnamese experiences in reducing *extreme* poverty provide opportunities to strengthen the three-point plan and develop it further.

The three-point plan is founded on metrics that may obscure the complexity of the predicament of the extreme poor. Extreme poverty cannot be explained only as the number of people living below an international poverty threshold. The depth of poverty is very important to consider, and it is a useful way to remember just how impoverished the extreme poor are – and how that undermines their capacity and capabilities to engage in this fast-changing world. The extreme poor require special attention, services, and support to prosper. The definition of extreme poverty needs to be contextualised within the multi-dimensional aspects of their poverty, not just summarised by the international poverty line. As a result, it can be argued that the World Bank's three-point plan has used the term 'extreme poverty' when Gill et al. might really mean 'poor people who are able to access and take up job opportunities'. Furthermore, the three-point plan relied on national data to summarise economic growth and poverty reduction progress.

Reducing extreme poverty requires that the extreme poor are better identified and targeted geographically, categorically, and with refined criteria, so as to better articulate meaningful causal pathways to effect positive outcomes. It is important to imagine what *The Plan* might look like if the extreme poor were the actual focus. As the case studies showed, plans that prioritise the extreme poor ought to place more emphasis on altering micro-economic factors that enhance the lived experience of the extreme poor. In so doing, policies that prioritise the needs of the extreme poor at micro-economic level result in populations that are more resilient to changes in economic trends and adverse events.

In keeping with the rationale of the numbering of World Bank plans (from 2 to 2.5 to 3), it is tempting to suggest that the inclusion of *focus* becomes an additional half-point, offered in recognition of the fact that market forces are combined with macro- and micro-economic elements of spatial and development planning so as to bring about a reduction in extreme poverty without sacrificing the efficiencies of markets, where they are available. Focus is clearly illustrated as an effective system for extreme poverty reduction in the examples provided by the Ethiopian and Vietnamese regimes. However, proposing a 3.5-point plan would be inadequate. Policies that seek to sustainably reduce extreme poverty require a reorganised strategy. Reorganising the plan should offer clearer articulations of multiple policy pathways that better facilitate the migration of the extreme poor out of poverty. Growth, investment and/or insurance pathways may still be relevant, but are likely to be hinged on the nature, extent, and location of extreme poverty within a country; and relevant national and subnational social, economic, geographic, and political endowments that can be leveraged to facilitate the reduction of extreme poverty. Sequencing matters. Perpetuating policies for growth over social protection, if they do not reflect the relevant context of the extreme poor, could perpetuate inequality and exclusion, and entrench extreme poverty.

Strengthening the three-point plan therefore requires that the World Bank revise and more clearly state its definition of extreme poverty, and broaden the data used to measure and monitor extreme poverty – specifically including multidimensional poverty measures. The World Bank should either more clearly articulate their theory of how growth first approaches are meant to reduce extreme poverty in different contexts, providing more detailed country case studies to substantiate the validity of their theory; or demonstrate the complexity of micro- and macro-economic and social interventions required to reduce extreme poverty.

7.1 Reflecting on the study design and emerging research questions

Articulating the pathways along which policy or programme theory effects different (intended and unintended) outcomes is complex. Using a narrative synthesis methodology has allowed for a better articulation of the experiences of Ethiopia and Viet Nam than was presented by Gill et al.; and a clear articulation of the three-point plan. In turn, the research strategy has enabled the researcher to compare these country experiences to the pathway proposed by Gill et al. The methodology has been well-suited, as more quantitative approaches may have obscured how policy makers in Ethiopia and Viet Nam focused their interventions on the extreme poor for the best results.

Now that the pathways of Ethiopia and Viet Nam are better understood, further research can be undertaken to test whether *focus* in these ways has made similarly significant contributions to extreme poverty reduction in other countries. Further research could prioritise testing the relationship between economic growth and extreme poverty reduction when moderated by differently focussed investment and insurance policies. Given that this thesis asserts a hypothesis about the sequencing of policies on outcomes of the extreme poor, process tracing and the use of qualitative comparative analysis would now be well-suited to testing scenarios and context-mechanism-outcome configurations. The results of such analysis could be used to better argue which policies, in which sequence should be implemented in different contexts in order to achieve extreme poverty reduction targets. Enabling extreme poverty targets to be better set against measures that better reflect the multi-dimensionality of life for the extreme poor. Further research could investigate whether any specific configurations are better at addressing structural causes of extreme poverty. In so doing, further research would contribute to a discourse about the sociology of evidence, and how devices such as the three-point influence perceptions of normative relationships between people, politics, and the economy; as well as the financial and institutional arrangements they perpetuate.

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