

## To feed or to educate: Hard choices for the extremely poor

### Summary and policy-relevant findings



Cows, chicken or goats were given to residents to help them make money. © BRAC.

A programme of transferring income generating assets such as goats, cows or chickens to the extremely poor in Bangladesh improved the income of the beneficiaries. However, the programme run by BRAC, a Bangladeshi non-governmental organisation (NGO), had little effect on children's education, Bangladeshi iiG researchers found. Their research shows that despite the success of the transfer programme in increasing incomes it did not automatically lead to increased school attendance of the recipients' children. They conclude that transfer programmes need to have additional components targeting the education of extremely poor children. Such components might be "conditional cash transfers" which have previously been found to improve enrolment rates.

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## Policy context

In Bangladesh 40% of people live below the poverty line and 26% are classified as being extremely poor.

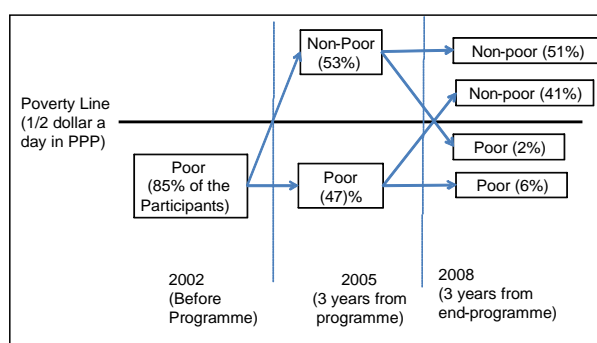
## Overview

In 2002, BRAC initiated the first phase of a programme called Challenging the Frontier of Poverty Reduction (CFPR) targeting the extremely poor in Bangladesh. The programme participants received income generating assets such as goats, chickens or cows. They also received a weekly stipend, health care services and a range of enterprise development support. BRAC also established village committees to provide additional assistance to the participants. Participants received the benefits over a period of two years with the aim that after that period, they would have a solid livelihood and would have come out of extreme poverty. Surveys were carried out before the programme started in 2002, and then in 2005 and in 2008.

## Project findings in more detail

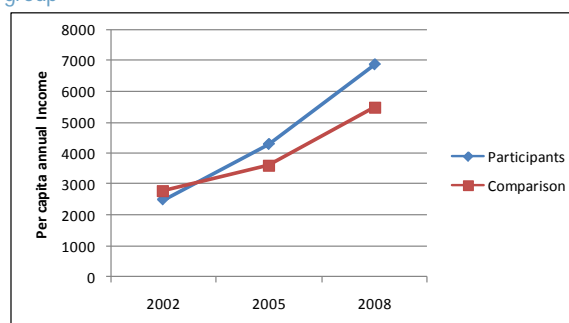
Surveys of the participants, who joined in 2002, show that 85% of them survived on less than half-a-dollar per capita daily income before they joined the programme. By 2008, over 90% of them had crossed that extreme poverty line (Figure 1).

Figure 1 - Change in poverty of the participants by income



Growth in their average income was substantially higher compared to the extremely poor who did not receive these supports (Figure 2).

Figure 2 - Trend in income of the participants and comparison group



Besides an increase in income and assets, the iiG researchers found that participation in the CFPR programme improved food consumption, housing, health practices and social awareness.

However, despite these positive changes in income and general welfare, the CFPR programme brought very little change in the school enrolment rates of extremely poor children both at primary and at secondary level. In fact, enrolment rates of the children from the participant households were not substantially different than those from the comparison households (Table 1). Moreover, the impact was limited to areas where the village committees were relative more active.

Table 1 School enrolment rates for extremely poor children in percent (%)

Child group	Household type	2002	2005	2008
Net primary enrolment (boys)	Participants	64.7	63.6	70.2
	Comparison	72.5	71.0	71.7
Net primary enrolment (girls)	Participants	69.4	73.8	75.5
	Comparison	70.8	74.7	76.3
Net secondary enrolment (boys)	Participants	4.3	3.8	8.6
	Comparison	9.3	7.2	12.0
Net secondary enrolment (girls)	Participants	13.3	15.7	14.1
	Comparison	21.4	21.6	19.1

Low school enrolment rates risk the perpetuation of poverty into the next generation as these children get involved in unskilled work in adulthood. These results show that increasing income of parents through transferring assets is not adequate to break this vicious cycle of poverty. Other studies on "conditional cash transfers" have found that conditioning the

transfers on enrolment of children yields improvement on enrolment rate. Therefore, poverty reduction programmes should incorporate specific components to affect children's enrolment.

### For more detailed information

On the CFPR please go to [http://www.bracresearch.org/working\\_papers.php](http://www.bracresearch.org/working_papers.php)

### Ongoing and Future research

A second phase of the CFPR programme started in 2007 and runs until 2011. A randomised evaluation of this second phase will be carried out. It will focus on whether i) the discrepancy in income and enrolment is due to any spillover effects and ii) whether the changes in the

programme, based on the lessons from phase I, manage to affect enrolment in the second phase.

### Information about Researchers

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Before receiving the livestock, residents could not afford basic repairs to their huts. © BRAC.

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