Asset-ing the Extreme Poor:
Experiences and Lessons from a BRAC Project

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The authors are both researchers at the Research and Evaluation Division (RED) of BRAC. We are grateful to the project staff of the JFRP/ECHO project for their time and inputs. In particular we would like to acknowledge the countless meetings and discussions we had with the JFRP project organizers in Madargonj, which provided us with both an appreciation for and insights into the project. Rita Das Roy, a former RED researcher also worked with us at the initial stage of this work and contributed towards the shaping of ideas.

Abstract

The Jamalpur Flood Rehabilitation Project (JFRP) was designed to provide flood rehabilitation to women who were not targeted in the previous ECHO/NOVIB/BRAC flood rehabilitation project of 1998/1999, in which, mainly BRAC group members received flood rehabilitation inputs. In response to the 1998 flood, many donors funded NGOs which delivered rehabilitation inputs to their own members. This was a concern as the extreme poor, who suffer the most damaging losses in any natural disaster, tend to be under represented in the NGO membership profile. This project was designed to assist very poor women who were not associated with NGOs and thus were left out of the 1998 flood rehabilitation programs. The objective of the project was to provide rehabilitation assistance to poor women through a range of assets with a view to push them towards self-sustenance and to link them with existing development programs. The project aimed to involve 3400 hard-core poor women in income-generating activities and employment enabling them to earn a living and recover damages incurred due to floods.

This research was carried out during a time when the project was about a year old. Thus, impact assessment was not the idea behind this work. It was designed to address two broad themes: (1) targeting effectiveness and (2) asset specific issues, such as preliminary ideas of benefits received, challenges faced and future possibilities. For the first theme, the project used a set of targeting indicators on which information was collected through survey questionnaire. In addition to this, we asked some basic questions related to poverty dynamics around two assets--- homestead land and crop land. We developed separate sections for each asset focussing on benefits, challenges and future possibilities.

We find that this project has been very effective in targeting the extreme poor. This success is commendable as it involved the development of good indicators, based on a synthesis of poverty literature and programmatic knowledge gleaned from considerable BRAC experiences dealing with poverty. One recurrent theme that emerges in this paper is that the real challenge in providing the critical push in the lives of the extreme poor involves bringing about critical changes in the agencies of the extreme poor. This has to be achieved at the individual level and also at deeper and intermediate levels affecting the reproduction of the poverty trap. Ensuring the economical/technical aspects of asset returns and its viability are not sufficient in themselves, changes will have to be made in the settings in which the extreme poor conduct their lives.

I. Introduction

It is commonly acknowledged that, despite the phenomenally rapid growth in outreach of NGOs particularly of microfinance projects, NGOs have failed to reach the extreme poor. The second round Impact Assessment Study of BRAC's Rural Development Project (RDP), carried out by BRAC's Research and Evaluation, finds that 41% of the eligible poor did not participate in any NGO programmes, microfinance or otherwise (Hussain, 1998). Rahman and Razzaque (2000) in a recent article find that almost three quarter of the hardcore poor did not participate even in non-financial NGO programmes. Further, the extent of non-participation between the hardcore poor and the non-poor is very close. Rahman and Razzaque argue that the hardcore poor's non-participation is due to microfinance mechanisms and structures, through which most Bangladeshi NGOs deliver social development services like health care and education.[1] The NOVIB Report on Bangladesh echoes very similar concerns: "The NGOs have not yet taken a pro extreme-poor approach to poverty alleviation" (NOVIB, 1996).

Microfinance, the mainstay of most NGO projects in Bangladesh, is not suitable for all categories of the poor. For those trapped in chronic food insecurity with no asset base to protect themselves from the myriad of web of shocks, the microfinance strategy may be ineffective and sometimes counter productive. It is no wonder, then, this sub-sector of the poor are most likely to not participate in conventional microfinance programmes.

This paper is about the experiences and lessons from a small BRAC pilot project that aimed to provide a critical push in the lives of the extreme poor with a view to unleashing a process that would allow them to exit the poverty trap and attain a self-sustaining livelihood. The approach the project used is underpinned by an asset based understanding of poverty. This approach argues that ownership and access to assets, conceived in a broad sense, is central to long term improvements in well-being. All assets share a common characteristic: alone or in conjunction with other assets, they produce a stream of income over a period of time. Some, but not all, assets have a second characteristic, namely that they are a store of value: ownership or right of access can be transferred to another party. Assets can be physical (livestock, tools, land, labour), financial (money, savings in a bank account) or 'virtual', as in the cases of knowledge and social capital.

The extreme poor are trapped in chronic deprivation due to the combination of poor health, meagre education, and fractured families on one side and skewed resource distribution, inadequate infrastructure, varied forms of exclusion and scarce employment opportunities, on the other side. This sub set of the poor lack the complementary resources that they can use to lift themselves out of the state of chronic deprivation. As one of our respondents said so succinctly, 'life for us is a like a worn out blanket--- you go on stitching only to discover new holes'. They are caught in a trap, below the

[1] For a good analysis of such non-participation of the very poor in conventional microfinance projects, see the article by Rushidan Islam Rahman (Rahman, R.I., 1998) in Geoff Wood and Iffath Sharif (1998) edited book, 'Who Needs Credit?', UPL, Dhaka. The same book has several other articles on this issue (Hashemi, 1998; Zaman, 1998). However, in the global context, it is important to appreciate that the Bangladeshi microfinance projects score extremely high in terms of the depth of poverty outreach. More importantly, the challenge of deepening the poverty outreach in microfinance and general concern with its poverty alleviating affects is more strongly debated in Bangladesh than anywhere else.

threshold of a virtuous cycle of asset accumulation and sustainable livelihoods (Zimmerman and Carter, 1999). This project intended to provide a critical push, through direct asset transfer and a range of other supports, to enable the extreme poor to cross the threshold to more sustainable livelihoods.

The paper is divided into nine sections. The next section (Section II) describes the project to locate the subsequent discussion and analysis. This is followed by a brief section (Section III) on the methodology used for the study. Section IV examines the various issues pertaining to targeting effectiveness of the extreme poor. Given that poverty dynamics is an increasingly topical theme in the recent poverty literature, we do some basic analysis using our data on this issue in Section V. In Section VI we explore the issue of benefits accruing to the beneficiary households and in Section VII, we discuss the prospects of microfinance for such a group of the poor. Asset-specific discussions on problems and challenges are discussed in detail in Section VIII. Section IX concludes.

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II. Project Description[2]

The Jamalpur Flood Rehabilitation Project (JFRP) was designed to provide flood rehabilitation to women who were not targeted in the previous ECHO/NOVIB/BRAC flood rehabilitation project of 1998/1999. In this project, mainly BRAC group members received flood rehabilitation inputs. In response to the 1998 flood, many donors funded NGOs which delivered rehabilitation inputs to their own members. This was a concern as the extreme poor, who suffer the most damaging losses in any natural disaster, tend to be under represented in the NGO membership profile. This project was designed to assist very poor women who were not associated with NGOs and thus were left out of the 1998 flood rehabilitation programs. The objective of the project was to provide rehabilitation assistance to poor women, push them towards self-sustenance and to link them with existing development programs. The project aimed to involve 3400 hard-core poor women in income-generating activities and employment enabling them to earn a living and recover damages incurred due to floods.

[2] This section draws substantially from Annex 4 description of the Jamalpur Flood Rehabilitation Project (JFRP) in BRAC's proposal to the Donor Consortium titled, 'Challenging the Frontiers of Poverty Reduction: Pushing Down and Pushing Out'.

II.1 Asset Packages

Five types of assets were transferred. We considered three of these for this study—poultry, cow and goats. These were seen to be more directly related to immediate income generation than the others. However, we describe all the five asset types in this section. In addition to the assets, all beneficiary households received 32 kg of wheat every month for 12 months. This component of the project was introduced later after it was observed that, for many beneficiary households, it was difficult to look after the assets while continuing in their earlier work. It was feared that this would decrease the expected benefits from the asset and thereby defeat the whole purpose of the project. BRAC approached the World Food Project (WFP) with whom it already has an established partnership through the IGVGD project, for the wheat supplement. The package for each asset is described below:

- Poultry: Each woman received 18 two-months old HYV *Nera* chicken along with a cage and poultry feed for three months[3]. The poultry feed was to last till the poultry began laying eggs, with a slight overlap so that the beneficiaries could save money with to buy subsequent feed. The feed is expensive and, without the additional profits from eggs sale, the beneficiaries would not be able to manage. Though poultry rearing is a common activity among most women in rural Bangladesh, these poultry are scavenging type and of low yield and require little additional input. In contrast, the *Nera* variety is significantly more productive provided the birds are kept healthy, properly fed and housed. As this is the most unfamiliar of the assets transferred by JFRP/ECHO, it requires the most intensive follow up. After the chicken have passed their egg laying stage, usually when they are 72 weeks old, they are sold and new 2-month old chicks are bought from BRAC. This asset has the greatest potential to provide a regular income flow, which is very important for extreme poor households. However, given the non-traditional nature of this asset and the varied factors that can impact the realized yield, this activity can also be very risky.

- Cows: This was one of the most frequently requested inputs. Cows are seen as very valuable in rural settings. Most beneficiaries asked for a milch cow and only a few asked for a bull. Cows produce offspring and milk, while bulls are fattened and sold at Eid. Providing food for cows is labour intensive and it can take several hours each day to gather enough grass for them. As a result, women with no family members to help them gather food were forced to spend less time working at their income earning jobs. This resulted in reduced pay and, in some cases falls, in food consumption for beneficiaries. To remedy this situation, NOVIB/BRAC decided to provide wheat to these women. However, when the World Food Program agreed to give all beneficiaries wheat for one year, BRAC stopped providing wheat itself.

- Goats: Each goat beneficiary received three goats. In many cases, the adult goats came with their offspring or were pregnant and three goats became five or six very quickly. The goats are housed in shelters made from corrugated iron sheets. Feeding goats is labour intensive and beneficiaries face similar problems as cow beneficiaries, regarding time spent gathering food.

[3] According to the information obtained from the website (www.bovans.com/layers/clntext1.htm) of the genetic research company that produces Bovans Nera breed of commercial layers, 'the Bovans Nera is a docile, colour-sexable, brown egg layer with an excellent feed efficiency and good livability, producing superior quality brown eggs'.

- Nursery: The nursery inputs are another unfamiliar venture for many of these women. Each beneficiary was given 30 *aampropali* mango saplings[4] and fencing to protect them. The idea was that after a year, these saplings could be sold at a higher price providing a lump sum to the beneficiary which she could use to acquire additional assets. The maintenance is low and requires little work on the part of the woman.

- Housing: This was another frequently requested input. Many poor women live in poor quality housing and, therefore, feel vulnerable. Housing materials were supplied to women, who were asked to raise the ground of their houses. The housing beneficiaries were the only ones not originally targeted to receive an income generating input. It was therefore decided to modify the project and provide them each with goat worth 800 taka – which buys two small goats or one adult sized goat in addition to the housing materials. Thus, the housing beneficiaries could be linked with development activities through their income earning assets.

- Latrines: BRAC was careful about latrine distribution as its own research shows that latrine use is low among some households who receive it for free. Latrines were provided to the beneficiaries who had also received one of the above inputs. The beneficiaries were chosen based on their need and enthusiasm to have a latrine. Some women were very insistent about their need for one and it was thought they would be most likely to use them. Women who have had latrines in the past were also judged to be good candidates for a new one.

The range of asset types and packages discussed above suggest that there is a strong realisation that the extreme poor are not a homogenous group. For instance, poultry, cow and goat are all relatively labour intensive; however, the HYV poultry is more knowledge intensive as it is a non-traditional activity. Nursery, on the other hand, is less labour intensive and can be managed without disturbing the existing work pattern of the beneficiary. Some extreme poor households may be living in such poor housing conditions that it may not be possible for them to maintain and derive any benefits directly from income generating assets. Housing may be more fundamental for them. Combining housing with a goat is a good example of creating an appropriate asset mix suitable for such households.

III. Methodology

The JFRP/ECHO project operates in five of the six *upazillas* of Jamalpur district[5]. We questionnaire surveyed 100 beneficiary households from two of these upazillas, Madargonj and Islampur, making a total sample size of 200. We intended to compare targeting and other project outcome variables between these two project areas. Discussions with the field staff of the project revealed that the distribution of the assets (poultry, cow and goat) transferred to the beneficiaries in any project area was not random--- it depended on project target, household characteristics and other household factors such as proximity to market centres and to a BRAC office, availability of grass for

[4] This is an improved variety of mango saplings. According to the advertisement of this product, this variety of mango is fleshier, sweeter and higher yielding than existing varieties. They also ripen during a time when market prices are high.
[5] The district upazilla of Jamalpur Sadar was excluded.

cows, etc. This meant that a random selection of beneficiary household would not be appropriate.

To address this, we used the following sampling strategy: For each upazilla, we used the total upazilla distribution of the three types of asset beneficiaries to arrive at the first level sample distribution. This gave us for each upazilla the number of poultry, cow and goat asset holders that were to be surveyed. Next, for each *union* of the upazilla,[6] we calculated the union's share of each asset and used that as a weight on the first level distribution to arrive at the required number of beneficiary households to be surveyed for each asset at the union level. For each asset type, we then randomly selected the required number of households from the union-level, asset-specific, beneficiary household list. This sampling strategy ensured that we capture the non-random, asset-beneficiary household mapping at the union level.

The questionnaire was designed to address two broad themes: (1) targeting effectiveness and (2) asset specific issues, such as preliminary ideas of benefits received, challenges faced and future possibilities. For the first theme, the project used a set of targeting indicators on which information was collected through the questionnaire. In addition to this, we asked some basic questions related to poverty dynamics around two assets---homestead land and crop land. We developed separate sections for each asset focussing on benefits, challenges and future possibilities.

Besides the questionnaire survey, we also facilitated participatory wealth ranking (PWR) exercises. The selection indicators used in the project could be cross-checked against PWR findings. We also held several discussion sessions with the relevant project organizers to get a picture of the processes involved, challenges faced and how challenges were addressed from a project point of view. We participated in a few spot meetings and did case studies of a few beneficiary households. The entire fieldwork took about a month.

IV. Targeting Effectiveness

We rely on a number of sources to assess targeting effectiveness of the project. The first source is the set of indicators developed by the project and subsequently refined for the CFPR/TUP project. The second source is the PWR exercises carried out. This will also give us an opportunity to cross-test the project-determined indicators. Additionally, some indicators of household well-being derived from the questionnaire is also used.

IV.1 Targeting Indicators: Applying a Synthesis of Knowledge and Experiences

The poor are not a homogenous group. Though obvious, this fact is often overlooked in conceptual frameworks of poverty-focused projects. Within the ranks of the poor lie groups with low assets, less employment opportunities, greater consumption deficits and greater vulnerability to periodic economic and social shocks. The dynamics of poverty for the various groups within the poor are wide-ranging and this has important consequences for project thinking and action.

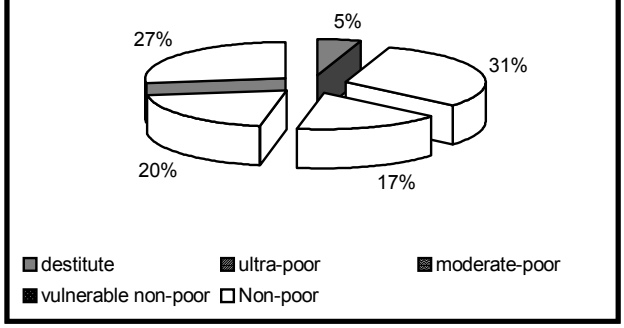
[6] Ideally we would have liked to do the second stage of the exercise at the village level. However, given the sample size, a higher level (union) was chosen.

According to a World Bank report (1998), about 5% of the population in Bangladesh are destitutes, 31% ultra-poor and 17% moderate poor. An additional 20% of the population, these studies suggest, though non-poor, are pretty vulnerable to pressures of downward mobility that could throw them into poverty. The poverty line, in this report, is based on a basic needs approach where a person is identified as poor if s/he consumes less than 2122 kilo calories per day and as extreme poor if s/he consumes less than 1805 kilo calories per day.

The extreme poor can be further divided into two groups. The first category includes the destitute, living on less than 1600 kilo calories per person per day. They are physically unfit for the labour- based livelihoods of the poor in general – agriculture labouring, rickshaw pulling etc. The second category consists of the ultra poor who are physically fit for work, but still consume less than 1805 kilo calories per person per day. Figure 1 shows the distribution of the total population in Bangladesh in terms of the various poverty groups. This distribution suggests that almost 70% of those living below the poverty line would be either destitute or ultra-poor[7].

Definitions of the extreme poor are varied as a result of the multiple constraints faced by the poor and, in particular, the extreme poor. The World Bank (1996) defines the extreme poor as those who have no land or house of their own, sell manual labour as their only means of income, have no savings, are unable to have three meals a day, cannot afford to purchase minimum clothing and have no ability to spend money on education.

Figure 1:
Distribution of total population in Bangladesh in terms of poverty status



Alamgir (1998) includes the following in the extreme poor category: households without any agricultural or homestead land, widows, husband-abandoned women, women-headed households, households with disabled adult male members and households without any source of income or with very irregular income.

[7] According to BBS estimates, however, in 1995-96, 48% of the national population lived below the poverty line, which is significantly lower than the figure of 53% that is suggested by the World Bank study. The Mid-term Review Report on the Fifth Five Year Plan finds that the percentage of people living below the poverty line has decreased to around 44% in 1999 (GOB, 2000). Methodological differences lie at the heart of the disagreements. See Sen, B. and M. Ravallion, 1996, for a discussion on poverty estimate and categorization debates with reference to Bangladesh.

In most poverty studies, landlessness is used to differentiate among the poor. Landlessness, however, is pretty widespread in Bangladesh. Since an increasing proportion of people are now involved in non-farm activities, some of which are totally de-linked from agriculture, landlessness is inadequate as a proxy variable for poverty in general and extreme poverty in particular. Similarly, female headed households may not be a sufficient criterion for defining the extreme poor—what may be more important is the process through which female-headedness is reached. A BRAC Research and Evaluation Division Study (Hossain and Huda, 1995) found that the process by which women became household heads was through migration of male income earners as well as death of their husbands or the disability of the adult male income earners. The poverty outcome and capabilities of escaping poverty will be pretty different in each of these cases.

Rahman et al (1998) argue that a single criterion is not enough to define the extreme poor. The definition of the extreme poor needs to be addressed multi-dimensionally. Several indicators such as, income, occupation, housing and physical characteristics, geographical location, sex of the household head and household dependency should be considered. Sen and Begum (1998) decided on three indicators in their work – land, housing and occupation.

Targeting indicators were developed for the JFRP based on a synthesis of Bangladeshi poverty literature, programmatic experience and primary research conducted by the Research and Evaluation Division (RED) of BRAC (Halder and Husain, 2001). These were pilot tested several times to arrive at a list of indicators that are observable, verifiable and difficult to mimic. We conducted focus group discussion with the JFRP staff on these indicators to understand how these are operationalized and modified. A table showing these indicators along with the result of this exercise is shown in Table 1.

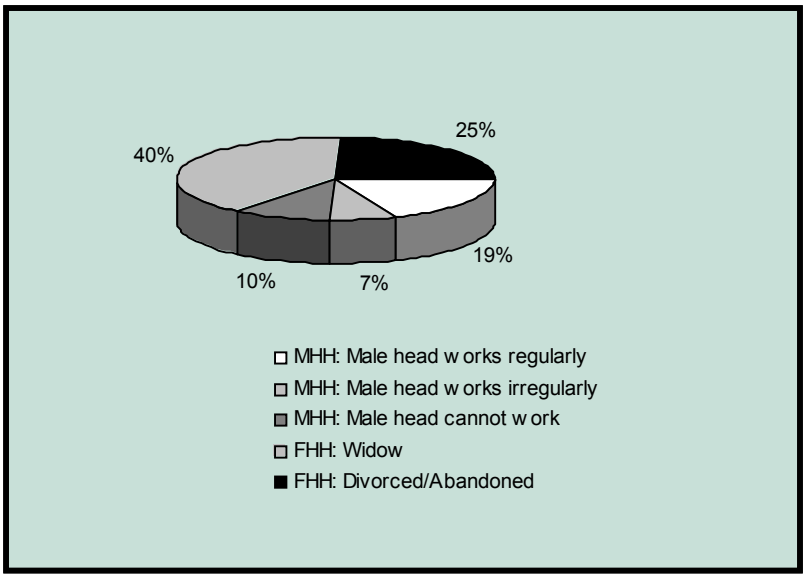
Table 1: Project Indicators

Indicators	Summary of discussions with project staff
Marital status	
1. Widow	This is quite easily verifiable. Locally, the word *bewa* is very commonly used to address widows.
2. Divorced/Abandoned	Legal divorces are relatively rare and cases of husbands migrating out and remarrying without any support or contact with the wife-in-village, are common. Words such as *Chaira Gese* (left) or *Khema Dise* (had enough) are commonly used. But, project staff spoke of many incidents of mimicking.
3. If husband present, then, physically unable to work	Carries the risk of mimicking and disincentives to work. This can lead to further increases in the work burden for women. Instead of an ability-inability to work distinction, project staff tends to examine the regularity of work and if irregularity is due to illness. Cases of 'willingly irregular', i.e. lazy and 'irregular due to physical constraints' are distinguished.
Physical Asset	
4. Total land (cultivable and homestead combined) not more than 10 decimals.	One proxy that is used is 'not having homestead land'--- locally, the word used to refer to such households is *khosha* or *uthuli* and such households include a significant proportion of the poorest. As the very poor households participate very rarely in the land rental and sharecropping market, their total land is relatively easy to observe and verify.
Livelihood	
5. Beneficiary-to-be sells labour	This can include both *bari*-based (*kantha* stitching, paddy husking, etc.) and non-*bari*-based (working as house-help, rice mill worker, brick field, etc.) labour selling. Project staff seemed to give a lot of importance to this criterion as it reflects the determination and physical ability to work of the beneficiary.
6. No other income earner in the household	Similar to 3 above. However households that need to put children below 14 years of age to work instead of schooling are positively discriminated.
Others	
7. No current MFI Participation	Though this information has the greatest chance of falsification, project staff made use of BRAC VO information network and collective sanction (by withdrawing when detected, the names of all potential beneficiary households living in the cluster of someone who falsified this information from the beneficiary list) to ensure that this criterion was fulfilled.

IV.2 Perspectives from the Survey Data

We explore targeting effectiveness of the project by dividing the beneficiary households into two broad categories: female-headed households (FHH) and male-headed households (MHH). As the variables used for this purpose do not seem to differ much across the two upazillas we surveyed, we discuss this section without distinguishing between them. The figure below shows the distribution of surveyed households according to MHH (distinguishing by male head's work-ability) and FHH (distinguishing by process, i.e. widowed or divorced/abandoned).

Figure 2: Distribution of Samples Households



Many studies have found strong relationships between female headedness of households and various dimensions of poverty, especially those centred on vulnerability (Halder and Hussain, 2001). Findings from various studies suggest that over 15 percent of the rural households in Bangladesh are headed by women (Momen, M., et al, 1995). While most FHHs live in far worse conditions than landless male villagers, all FHHs are not necessarily poor: they may have their own land or live under the patronage of a wealthy male headed household related to them by kinship. Thus, female headedness of households will have to be combined with other indicators such as landlessness, for effective identification of the extreme poor.

In our survey, we find that 64.5% of the households are FHH[8]. We distinguish between two types of FHH – those headed by widows and those by divorced/abandoned women. Figure 3 is the result of a cross-tabulation exercise between various types of household headedness and land status. The figure clearly suggests a number of relationships:

- About 88% of the FHHs selected for the project have no crop land. Almost 50% of these FHHs do not even own the homestead land in which they live. The corresponding figure for landlessness for male-headed households (who have been selected based on other indicators discussed later) is 70%. The figure for 'not owning homestead land' drops to 31% for male-headed households.

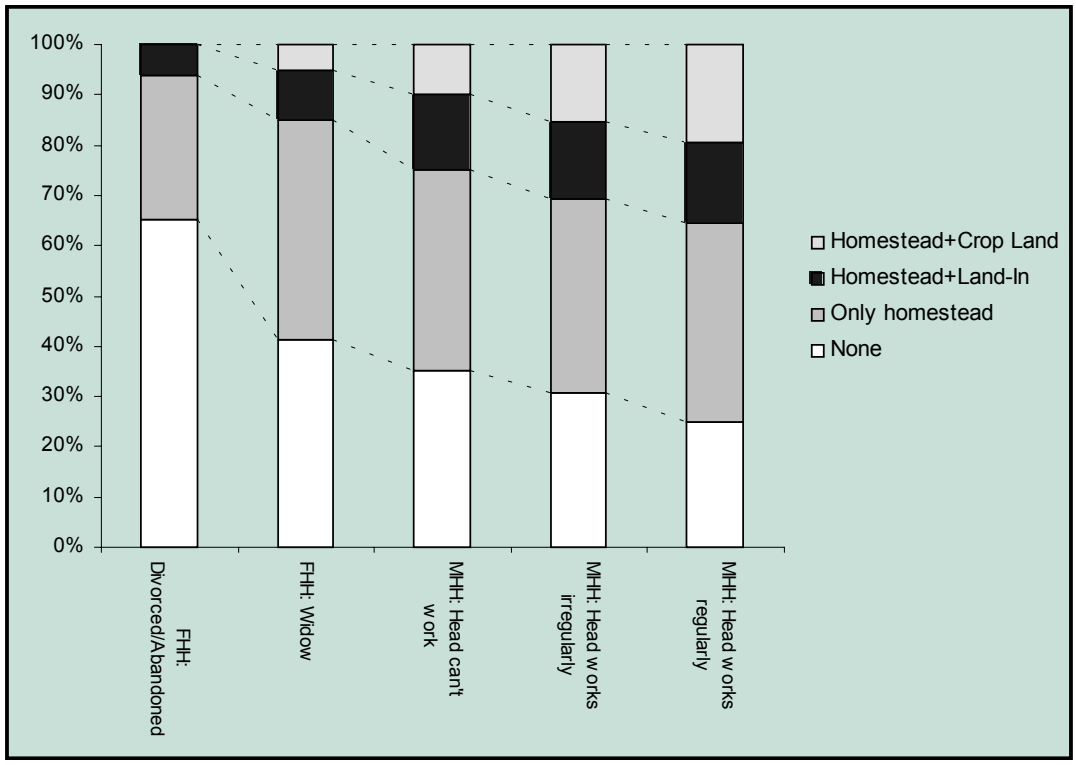
- Upward mobility, proxied by the percentage of households that own their homestead land and have rented-in/ share-cropped-in land for cultivation, is seen in 7% of female-headed households, while the corresponding figure is about 16% for male-headed households.

[8] We are aware of the distinction made in the literature on female-headedness of households between de jure and *de facto* FHH. However, discussions with project staff suggested that the focus was on de jure FHH such as widows, divorced and abandoned as they are more visible and clearer. However, as we discuss later in this section, *de facto* FHH where the 'male head' is unable to work due to physical disability, long term illness, etc., has been also been considered within the target group for this project.

- Among the FHHs, those headed by divorced/abandoned women heads seem to be the most vulnerable. A much higher percentage of these households do not own any homestead land (65%) than those headed by widows (41%). The project is quite well represented (25%) by divorced/abandoned FHHs.

The project fares pretty well in terms of the twin targeting criteria of FHHs and landlessness. Even for those FHH who own crop land, the median figure turns out to be extremely small, about seven decimals.

Figure 3: Land Status of Sampled Households



For poor households, household labour is of great importance for its ability to survive and take advantage of new opportunities, such as microfinance, migration, etc. 17% of the females from FHHs selected for the project are living alone. The average family size of FHHs in our sample is 3.08, which is significantly different (t-ratio= 6.13) from that of male-headed households (4.5).

Let us now turn to the MHHs selected for the project. 35.5% of our sample beneficiary households are male-headed. Of them, 46% are headed by males who work irregularly or are physically incapable. the incidence of landlessness for MHHs is very high at 70%, though its lower than for FHHs. The median land size for those MHHs who own land is just 8 decimals. 44% of the MHHs reported at least one incidence of illness in the last one month that led to work loss. The median work loss was about 10 days in the last one month prior to survey.

Dependence on paddy obtained from gleaning or food from common property resources is a good indicator of the level of food insecurity faced by a household. We find that

almost 90% of the households rely on food from common property resources while about 50% of the households reported gleaning after harvest.

Having to use children's labour for earning rather than sending them to school is a common livelihood strategy adopted by very poor households. For all the sample households, incidence of work among children of school-going age (6 to 14 years) is high. We find that 29% of both female and male children of this age group have to work. 53% of female children and 44% of male children of this age group have been found to be going to school[9]. For female children work mainly involves house work and looking after poultry or livestock. At times, it also involves working as house-help in relatively well-to-do households nearby, for which they get paid in food and clothing. For male children, work involves day labouring as a helper (*jogali*) in construction or carpentry; or long-term contract labour to farming households where they get paid mostly in kind. The driving motivation behind such work is usually expenditure saving, rather than income generating, *per se*. The decision to make children below fourteen work, rather than go to school, stems from extreme poverty and, hence, the CFPR/TUP has included this as a targeting criteria[10].

IV.3 Perspectives from the PWR Exercises

We did not have the time to conduct participatory wealth ranking (PWR) exercises in all the clusters where the project beneficiaries lived. There were 52 villages in the two upazillas covered by our survey of beneficiary households. This diffused outreach pattern reflects a major weakness of the project, which we shall elaborate later. We wanted to cross-test the targeting indicators used in the project with other alternative measures. One such alternative measure is community perceptions of the extreme poor, which can be obtained by using PWR. We organized and facilitated two social mapping and PWR exercises in two paras where the project was working. There were a total of 269 households living in these two paras.

These two paras are located in a village of the Madargonj Sadar union. The population is dense due to river erosion in other unions of the upazillas. Thus a significant number of households have moved to the adar union villages. Many of these households take initial shelter on homestead lands of relatives and the adult male members of poorer households migrate out to Dhaka or other main cities of the country, often leaving the women behind. In our survey we find that a significant percentage (about 80%) of divorced/abandoned households became so after husbands remarried in their place of migration. As a result, the sadar unions of such vulnerable upazilas tend to have a concentration of very poor and vulnerable households.

Four wealth categories emerged from the discussion on stratification. A table showing the summary characteristics of each of these wealth categories along with the distribution is shown below:

[9] The remaining children have been reported either as 'too small' or 'unemployed/ does nothing'.
[10] This is five year project that BRAC has recently undertaken to work with the extreme poor through a wide range of interventions. The JFRP/ECHO projects has been extremely important in conceptualizing this project

Table 2: PWR Group Characteristics

Wealth Category	Summary Characteristics	No. of households (% of total)
Non-poor	Landed (min. 1.5 acres). Salaried job, business, shop-owner. Owns rice mill, shallow machine. Have children abroad. Can save for accumulating big assets.	107 (40%)
Upper-poor	Everyone has some crop land (.50 to 1 acre) along with rickshaw/van. Some have small shops or hold low level salaried jobs. Don't have to borrow to meet consumption.	24 (9%)
Poor	All have some land (less than .50 acre). Work as day labourers. Some pull rickshaw/vans. Own homestead land. Borrow occasionally for emergency or special occasions.	59 (22%)
Poorest	Just homestead land. Beg or work as house help. Those who do day labouring do not/cannot get regularly income due to frequent ill health. Frequent borrowing to meet bare consumption. Sometimes reduce consumption/ starve to manage.	79 (29%)
TOTAL		269 (100%)

We obtained the list of project beneficiary households that fall within the cluster of households for which we conducted the PWR exercise. There were in total 13 such beneficiary households. 10 of them fell within the poorest category of households identified through the PWR and the remaining 3 were in the PWR obtained 'poor' category.

Assuming that the PWR exercise largely reflected the community's perception of wealth (or lack of it), the fact that households belonging to the 'poor' category were selected for the project suggests two things: one that the project targeting indicators were at times being violated, or, two, that the project indicators need revision. Our survey data for these three 'mistargeted' households and interviews with them reveal a very interesting pattern.

All these three households are cases where the beneficiary was a divorced/abandoned daughter living with her parents. In two of these instances, the mother herself was widowed. The three households had other male income earners (day labourers), owned their homestead land and one (the FHH headed by a widow) had 12 low quality decimals of land left by her husband and now managed by her son. The son has recently married and is planning to form a separate household. Her daughter was married off by selling 3 decimals of the land 5 years ago. Two years after the marriage, the husband left her and has allegedly remarried in Dhaka. He migrated there right after the wedding and used to return intermittently but has stopped doing so for the last three years. All these three beneficiaries work as house help in nearby better-off households.

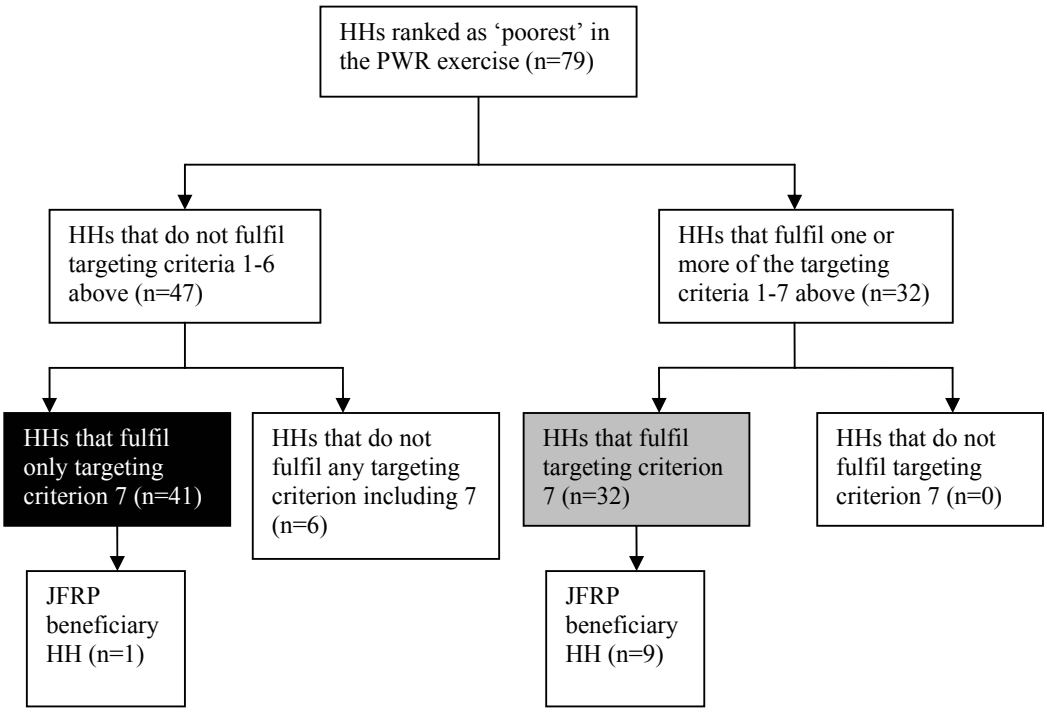
These observations reveal a limitation of the PWR exercise in that it focuses on the household as a unitary, homogenous unit and fails to account for extreme forms of vulnerabilities that may be faced by some of its members though the household as a unit may not be very poor. This was the indeed the case for the three households, 'mistargeted' according to the PWR exercise. Yet, from another perspective, the dimensions of these three 'mistargeted' households reveal the innovativeness of project staff in being able to use their judgement and local knowledge about context specific poverty dynamics in targeting. This is indeed encouraging and worth celebrating.

We want to introduce another argument here regarding the interpretation of the targeting performance of the project as per the PWR exercise results. One important rationale behind the JFRP was that the poorest are generally excluded or fail to benefit much from the conventional microfinance strategy. Thus, one way in which the targeting efficiency of the JFRP may be assessed is in relative terms — in comparison to microfinance project targeting performance with respect to the poorest. We collected current MFI participation of all the households that fell within the PWR cluster and found there were 27 such households. Of them, only 6 (22%) belonged to the poorest category according to the PWR groupings. The corresponding figure for the JFRP is more than three times higher.

For the 79 households ranked as the 'poorest' in the PWR exercise, we collected information on the list of targeting indicators used by the programme. Among these households, there were six that did not fulfil any of the targeting criteria. Interestingly, these six households had current MFI participation. Therefore, among the households ranked as poorest by the PWR exercise that did not mtch any of the other project-determined targeting criteria were those that had MFI membership. This strongly supports the view that the presently available microfinance products rule out 'unstable' households, such as female headed households with no male income earner or households where the male income earner is physically unable to earn regularly. It is this group of households excluded by the dominant development strategy that is being targeted by the JFRP type of project. Of the 10 JFRP beneficiary households that belonged to the PWR ranked poorest category, nine came from this type of households.

However, it should also be noted that among the PWR ranked 'poorest' group of households, there is a significant section of households (59%) that do not fulfil any of the targeting criteria *except* the criterion (of 'no current MFI membership'. As discussed above, of them only six currently participate in MFIs. Thus, there is a large group of the 'poorest' households that face double exclusion --- both by MFIs and JFRP targeting criteria. Our records show that only one of these households was a JFRP beneficiary. This category of households is indicated by the black shade in the figure below. Understanding the poverty dimensions and dynamics of this group of the poorest households should be an important future research topic.

Figure 4: PWR and Project Targeting Indicators



It is amply clear from the discussion on the previous section on targeting of the JFRP/ECHO project that it has been extremely successful in ensuring an extremely strong focus on the poorest. There is almost no type II error (including those who ought to be excluded). Given the set limit and small coverage of the project relative to the number of very poor households who satisfy the project targeting criteria in the working area, type I targeting error (excluding those who ought to be included) is unavoidable. If anything, we feel that there has been a strong focus on working with the absolute bottom pile among the poorest and, thus, type I error meant excluding the slightly better-off among the poorest. This is reflected by the fact that a significant section of households (53%) who were categorized as the 'poorest' in the PWR exercises did not fulfil any of the JFRP/ECHO project criteria.

V. Poverty Dynamics: Some Basic Exercises

We now turn our attention to a different but related theme. Recent poverty literature argues that though a large proportion of households may be poor at a particular point in time, a significant proportion of them move in and out of poverty (Hulme, Moore and Shepard, 2001). Studies of poverty dynamics, exploring poverty-processes and variation in the extent and severity of poverty for a set of households over time, is a time consuming and expensive exercise. Yet, an emerging body of literature on theoretical aspects and empirical examination of poverty dynamics suggests that a large section of the poor are 'transient poor'. In most studies, the category of 'sometimes poor' is larger, at times by a considerable extent, than the 'always poor'. The ICRISAT panel finds that

virtually all households in that locality appear to experience poverty sometimes but very few are chronically poor (Baulch and Hoddinot, 2000).

Distinguishing between transient and chronic poverty has important implications for project type and design. Microfinance, the mainstay of most NGO projects in Bangladesh, is probably very effective as a promotional and preventive strategy for households who have some complementary assets—physical or social. Mcrofinance can be ineffective and sometimes counter productive for households that are trapped in chronic food insecurity with no asset base to protect themselves from the myriad web of possible shocks,. Arguably, it is the set of chronically poor households that are the focus of the JFRP/ECHO project.

We developed a section in our questionnaire to gain a basic idea about poverty dynamics by exploring changes in homestead and crop land for sampled households. For each household, we asked if they owned the homestead land they were living on; if the answer was negative, we asked them if they owned homestead land previously and, if so, how they lost it. A similar sequence of questions was asked for crop land. However, for households who did own crop land at the time of survey, we asked if they owned more crop land previously and if so, again, how it was lost. For male headed households, the previous point in time extended to the father's household while for the female headed household, it extended to the husband's household.

V.1 Homestead Land Dynamics

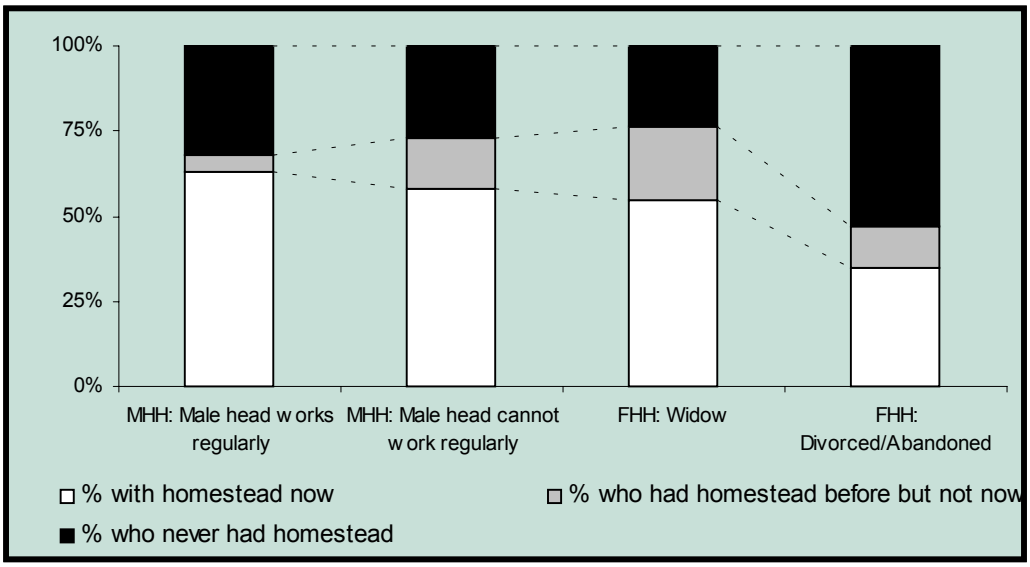
For the sample as a whole, 48% did not own the homestead land in which they lived at the time of the survey. Of these households, almost 69% never owned homestead land while the rest lost it over the years. Not owning a homestead land is a sign of extreme vulnerability in rural Bangladesh and the fact that 33% of all the households surveyed were found never to own one is a strong indication that the project is indeed working with a set of households who are trapped in chronic forms of extreme poverty. Losing homestead land is also another important indicator of extreme downward mobility pressures on the household and 15% of all households surveyed were found to have lost their homestead land and did not own any at the time of survey. We categorized the reasons for the loss of homestead land obtained from into three. This distribution below shows that household shocks, especially those related to medical treatment expenditures make up the largest trigger in loss of homestead land.

Table 3: Reasons behind Losing Homestead land

Main Reason	Percentage
Shocks	58%
Marriage expenditure	14%
Debt	17%
Treatment	27%
River erosion	28%
Others (husband's remarriage, abandoned, etc.)	14%

The importance of this trigger is further corroborated in Figure 5. When surveyed households are categorize by household headedness, we see that the share of 'households who had homestead land previously but not now', increases as we move from male-headed households who can work to female headed households who are widows. From this figure we also note that the share of households who 'never owned homestead land' is the highest for divorced/abandoned female headed households and lowest for widow FHHs. Widow FHHs vulnerability is driven by loss of asset, such as homestead land, triggered by the death of the husband. This is not the case for divorced/abandoned FHHs --- 53% of such households in our sample were married to men who themselves did not own any homestead land.

Figure 5: Poverty Dynamics: Homestead Land



IV.2 Own Crop Land Dynamics

We find similar dynamics at work related to crop land owned. A very large portion of the households surveyed (94%) never owned any crop land. However, amongst households who owned crop land, quite a large portion (20.5%) is currently landless.

The pattern is very similar to that we obtained for homestead land loss, except that river erosion does not appear to be an important reason behind land loss for our survey

households[11]. Again, when we differentiate households according to household headedness categories, we find a similar picture to the one we obtained previously for homestead land dynamics.

In summarizing the discussion on poverty dynamics using land resources, we wish to highlight the following:

- The project has not only been successful in targeting the extreme poor as we saw in the previous section, but also the chronically poor among them. This is reflected by the fact that a large number of these households never owned even a homestead land (48%) or crop land (73%).

- We also, find that a significant proportion of households lost their homestead (15%) land or crop land (21%) and had none at the time of survey. The reasons for such loss were predominantly related to severe health shocks, mostly of main male income earner.

Figure 6: Poverty Dynamics: Crop Land

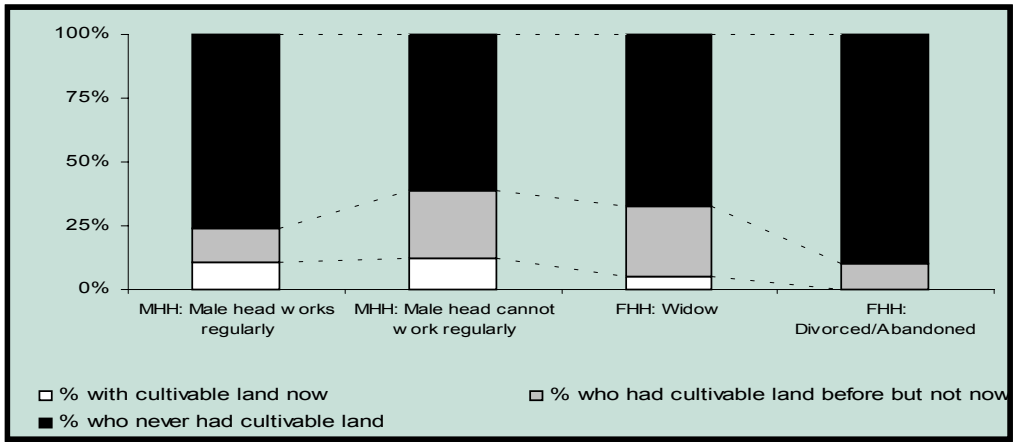


Table 4: Reasons behind Losing Crop land

Main Reason	Percentage
Shocks	83%
Marriage expenditure	20%
Treatment	63%
River erosion	Only 1 case
Others (husband's remarriage, abandoned, etc.)	17%

- FHHs formed through a process of abandonment or divorce appears to be the most vulnerable. 65% of such households did not own the homestead land on which they lived at the time of the survey. This is the highest compared to all the other groups of households. 53% of these households never owned a homestead land suggesting that a large proportion of these households suffer from intergenerational poverty affecting their quality of marriage. Our survey data shows that 25% of the JFRP/ECHO project beneficiary households belong to this category.

[11] However, we saw earlier that 27% of the households lost their homestead land due to river erosion. It seems that of those river erosion affected households that moved in to unaffected land (which is a diverse group of people), the project has been successful in selecting the poorest --- those that were landless.

VI. Benefits: Inferring from Revealed Preferences

The study was not designed to assess impact, which would entail tackling attribution problems. This would require carefully constructed control groups and econometric techniques to address problems of selectivity bias and control for counterfactuals. Given that the project had been in operation for about a year and a half, we felt that it may be premature to start a full-fledged and rigorous impact assessment exercise. The scope of this study was much more modest. It proposes to explore the experiences of the JFRP/ECHO project with respect to targeting, general directions and patterns of benefits accruing to the households as reported by them and identify the challenges faced.

In our questionnaire we included general and asset specific sections to get some broad sense of benefits accruing to the beneficiary households. One question we asked the surveyed households was, if they had been able to get any additional asset and/or carry out major expenditure(s) which *they felt* could not have been done without the project transferred asset (referred to as Q1 hereafter). This is very rough and simple way to try and address the attribution problem and we were fully aware that response to such a question may be biased, especially when asked by researchers working with the very organization that transferred the asset. We nevertheless included this question out of curiosity and as an experiment. We expected a very high percentage of positive responses. The result was quite surprising and differed between the two study upazillas.

In Madargonj, 76% of the respondents answered in the positive to this question, while the corresponding figure was 64% in Islampur. The asset-specific distribution of positive responses in the two upazillas is shown below. Madargonj beneficiary households reported more positively across all the assets, but the difference is markedly strong for those households who got goats from the project. Another feature that is worth noting from the table below is that for both the upazillas, there is a similar ordering between the assets in terms of the question above. Households that got poultry reported the most positively, next are households who got goat and lastly those that got cows. However, the difference between households that got cow and goat is much less stark in Islampur compared to Madargonj.

Table 5: Benefited from Asset Use?

	% responding 'yes'	
Asset	**Madargonj**	**Islampur**
Poultry	81%	74%
Goat	75%	47%
Cow	59%	43%
Total	**76%**	**64%**

The differences in the response to this simple question across asset types and upazillas are consistent with the results we get from questions on asset-specific problems and challenges, as we will see later in Section VIII. In this section we focus on the benefits reported by the households.

We categorized the investments/expenditures resulting from the asset programme as reported by the households into three broad groups: home improvement, acquiring household assets, and those related to consumption, clothing and medical expenses. The share of each of these groups is 37%, 29% and 34% respectively. Home improvement

includes buying tin sheets, repairing/making fences, doors, etc. A diverse range of assets were reported to have been bought, such as, buying goats, *chowki*, buckets, poultry, ornaments, utensils, etc. Consumption, medical and clothing related expenditures are naturally important and this turns out to be a significant category of benefits reported by the surveyed households.

In order to cross-check the benefits reported by households in Q1, in the asset-specific section of the questionnaire, we asked how the proceeds from using the asset, such as selling eggs, in case of poultry, selling milk, in case of cow, and selling additional goats, were used. We find strong correspondence between the responses obtained from this and the one obtained from Q1, suggesting that the asset was indeed an important contributory factor in enabling the households to undertake the reported investments/ expenditures.

VII. Dare to Microfinance?

Enabling the beneficiary households to take advantages from mainstream development programmes, such as microfinance has been a stated long term objective of the JFRP/ECHO. Though it may be too early to assess progress towards this objective, we wanted to get a sense of general perceptions that these households had about microfinance after their involvement with the JFRP/ECHO.

None of the surveyed household members had current microfinance participation at the time of survey, though 12% of the households reported having microfinance participation in the past. It may be argued that if the beneficiary households are able to build more solid and sustainable livelihood from the asset transfer, then, it should be reflected in their desire and courage to take on microfinance. We developed a section in the questionnaire to assess this aspect. In one of the questions in this section we asked the beneficiary to provide a general comparison between her household and those that she knows to take microfinance. The result in Table 6 shows that the predominant (75.5%) comparative assessment is that microfinance households are better-off.

Table 6: JFRP/ECHO households and MF households

Compare the MF participating HHs to yours	Percentage
Like my HH	6.5%
Better than my HH	75.5%
Worse than my HH	11.5%
Don't know any MF HH	6.5%

The next question in this section asked the beneficiary if she would feel confident to take microfinance loans. 46% of the households reported in the positive. The distribution of responses to this question is given below.

Table 7: Dare to Microfinance?

Do you feel confident to use MF?	Percentage
Yes	46%
Not yet but maybe later	21%
Don't want loans	27.5%
Unsure	5.5%

The rest of this section of the questionnaire was for households that responded 'yes' to the MFI participation question. The median expected loan size and the median desired weekly instalment turns out to be taka 5,000 and taka 100 respectively. The predominant (70%) desired loan use was paddy-husking, presumably due to the quick turnover of the activity that fits in well with a regular weekly repayment plan. Some wanted to expand the ECHO asset-base by buying more poultry/ cow/ goats. We also asked these households why they did not take microfinance before. Predominant responses reflected lack of confidence (21%), courage (21%) and understanding (22%). Any microfinance development strategy for this group of households would, therefore, have to tackle issues pertaining to confidence building.

We also find a close relationship between positive reported benefits of asset use and the confidence to take microfinance. 52% of the households that indicated they could have made investment/expenditure without the ECHO asset, also expressed confidence to use MFI. Correspondingly, only 17% of households that indicated they could not have made investments/expenditures expressed confidence regarding microfinance. The correlation coefficient between responding 'yes' to both these questions (regarding investment/expenditure and microfinance) is significant at the 5% level.

Though it is extremely important to be cautious yet innovative about microfinance products and project design targeted towards the extreme poor group of households, it is encouraging that a significant proportion of the beneficiary households appear confident to take on existing offers of microfinance. One of the next steps of this project could be to explore this issue more deeply to better understand the financial service needs and preferences of this group of households in order to develop suitable microfinancial products and mechanisms for them.

VIII Problems and Challenges

We structure the discussion in this section into general problems and challenges faced in implementing the project and asset-specific ones.

VIII.1 Challenges of Targeting: The Scatter Dimension

The project had to deal with two important constraints: scattered outreach and understaffing.
We get a sense of the scattered outreach problems from our survey data which was designed to reflect the union level asset-specific spatial diversity. In Madargonj, the 100 sampled households were spread across 29 villages and in Islampur, across 17 villages. Problems with diffused outreach were exacerbated by understaffing and negatively impacted the quality of follow-ups and monitoring[12]. Diffused outreach also creates other challenges: for example, if assets are transferred to only a very few households and not to others living close-by and being equally eligible, it could raise hostility and confusion which could adversely affect the project.

[12] Understaffing was an extremely important problem faced by the project. Initially only one field staff was assigned for each upazilla and very soon it became clear that additional staff was necessary. One more project organizer was subsequently assigned in June, six months after the project was in operation. By then, the bulk of the task of selection and asset transfer was over.

However, field level innovations minimized much of the potential damage that the twin problems of scattered outreach and understaffing could have caused. Discussions with the field staff revealed that such scattered outreach and understaffing made individual household visit and follow-up on a regular basis almost impossible. This reality prompted an adaptation from a basic microfinance concept. In December 2000, 'meeting spots' were formed and beneficiary households around these spots were nominally assigned to these through discussions[13]. Each meeting spot holds a weekly session where the field staff can discuss important issues and find out about individual problems. This arrangement does not preclude individual household visits, but given the reality of the scattered outreach, allows the field staff to plan and ensure that these visits are more efficient and effective. They can now focus more on problem cases, on those who remain absent for repeated meetings and on those for whom commuting to meeting spots regularly is difficult given their physical location. Beneficiaries could also share and discuss problems amongst themselves.

VIII.2 Asset-Specific Problems and Challenges

We now turn to asset-specific problems and challenges. For this, we rely mostly on the data from the asset-specific section of the questionnaire and secondary data sources.

VIII.2.1 Poultry: Possibilities and Pitfalls

As discussed above, this was the most critical and largest sector of the project. That is why we focused relatively more on this sector than the other two in this study. For the project in aggregate, of the 3,900 beneficiary households, 39% received poultry. We will recapitulate the basic idea in order to illuminate the possible pitfalls and vulnerabilities behind poultry. Poultry beneficiaries are to sell eggs which provide a regular flow of income to the household. Yields are *expected* to be high enough to provide the households with a surplus to accumulate, net of running costs of the project. Towards the end of a cycle, enough birds are *expected* to survive so that the beneficiaries can sell them and have enough money to buy another unit of 18 chicks from BRAC and purchase feed for the first three months, before the new batch starts laying eggs. The table below lists for each of these stages the assumptions behind what is expected at each stage.

Calculating rates of return by collecting yield and cost data using a recall method from households is extremely dubious for this sector. The time lapse (which is more than a year) and the non-linearity of the yield and feed requirement causes severe problem in using a recall method. The figure below illustrates the non-linearity. This is based on actual data collected by the Madargonj JFRP/ECHO team on 30 best poultry beneficiaries (referred to as MB30 hereafter). These 30 beneficiaries were selected right at the beginning based on project organizers' assessment and observation. Monthly data was collected for each of them enabling us to explore the dynamics over time in the 'best case' scenario.

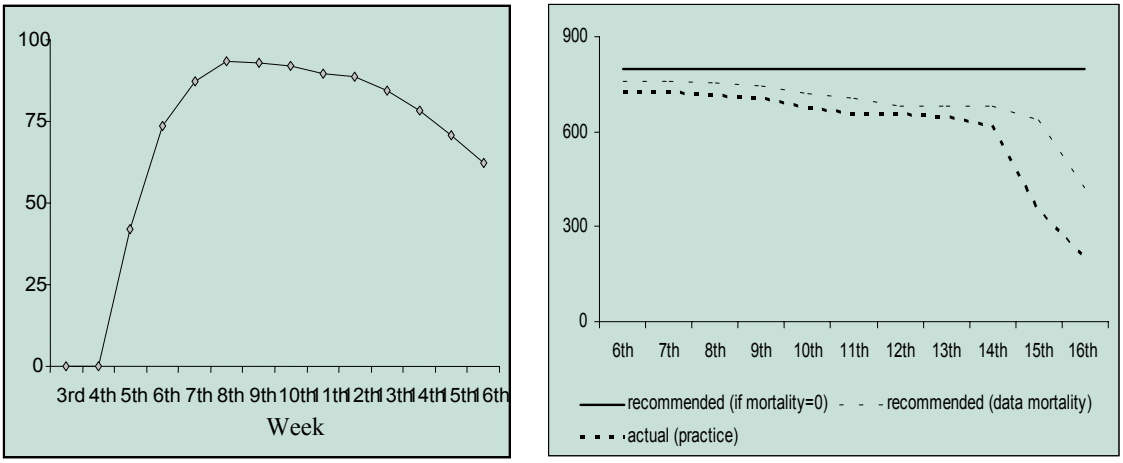
[13] This arrangement, though simple-sounding was arrived at after much experiments. In Madargonj, the relevant project organizers initially organized asset-specific monthly meetings at the area office, but this was not very effective given the large number of asset-specific beneficiaries and disruptions caused in the normal functions of the area office. Even the location of the meeting spots went through several alterations.

The average yield and feed buying over time (in months), based on the above data, is shown in Figure 7. Yield starts at a low level but picks up quite rapidly and reaches a peak when the poultry is about 7-8 months old (i.e. 5-6 months after the asset transfer as the birds are already 2-months old when given). The yield starts registering a decline after the birds are 12 months old and by the time they are 15-16 months old, they ought to be sold off.

Table 8: The Assumptions behind the 'Expecteds'

Stage	Expected	Assumption
Egg selling	Sale will be enough to return surplus after meeting feed buying and other costs	Enough yield[14]. This in turn depends on: Adequate and timely feeding Age-specific poultry mortality rate Adequate knowledge retention and its application Poultry housing condition Market prices remain stable
Asset replacement	Old birds will be sold to buy a new set	Mortality rate Market price and access New birds availability and quality
Feed buying until yield begins	Savings generated from earlier cycle will allow this critical investment	See 'egg selling stage'

Figure 7: Yield and Feeding Behaviour



The second part of the Figure 7 shows feed buying pattern for these 30 households over time where the vertical axis is the monetary value of the feed in taka. We have drawn this from the 6th month onward as free feed was given until the birds were 5 months old. The solid line is the feed cost if recommended feed is bought assuming that there is no mortality. The light dotted trend line is the recommended feed cost taking into account the average poultry mortality we obtain from the data. The gap between the two lines is purely due to poultry mortality over time, which increases gradually but shows a sharp increase towards the end of the cycle.

The last trend line shows the actual feed buying pattern of the 30 poultry beneficiaries. We see a gap between the second and the third line which remains more or less constant

[14] The yield assumption as reported in the project report attached as an annex (annex 4) of the CFPR/TUP proposal is on average 70%, i.e. 12.6 eggs per day).

until the 14th month and registers a sharp increase in the following months. Yield drops towards the end of the cycle, as we saw in the first part of the figure above, while feed cost remains more or less constant. There is a natural tendency to reduce feed during the last 1-2 months of the cycle. Combine this with the increase in mortality we observe during the same period. Assuming that this is genuine mortality and not loss due to consumption purpose, it could be conjectured that there exists some degree of negative relationship between poultry mortality rate and variance in feeding from what is recommended. This could operate through de-motivation and subsequent loss of interest. This issue needs further exploration, as it hypothesis a relationship between poultry mortality and profitability that works *not only* through the direct economic loss, but also through negative externalities via socio-psychological routes adversely affecting 'asset caring'. Such a conjecture makes the issue of controlling poultry mortality of even greater importance for the success of the project.

We can get some rough estimates on returns based on backward calculation and the MB30 data source. If poultry beneficiaries are to be 'self sustaining' as cage poultry rarers, then they should have enough net surplus to be able to replace the asset unit and manage feed cost during the first 3 months, which is the crucially important 'waiting' period of the project.

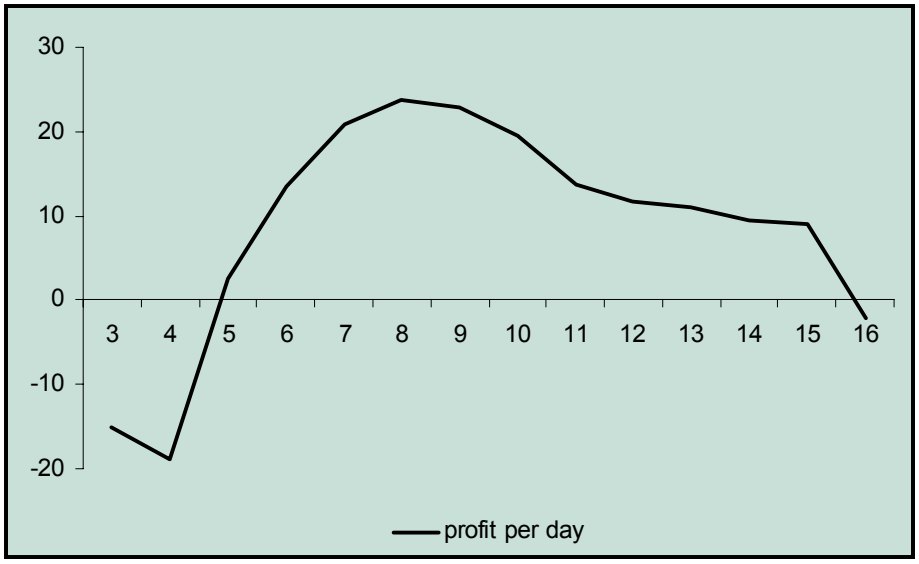
The cost of 18 two-month old Nera breed chicks is taka 900. Let us assume that the sale price of the previous batch is taka 65 per bird. Then, a minimum of about 14 birds from the previous batch have to be sold at the end of the cycle for asset replacement[15]. Further, there is the initial 3 month feed cost when the yield is negligible (it is nil for the first 2.5 months). The cost of feed for the first 2.5 months, according to the recommended feeding chart is roughly taka 1,000 assuming a mortality rate of zero. This amount will have to come from the retained profit from the previous round.

We again take recourse to the MB30 data to get some basis for best case profit scenario that accrues to the beneficiaries. As feed is given free for the first three months in the first round of the project, we exclude that cost when calculating the first round profit. Besides feed cost, we include cost of kerosene, medicine and transportation. For transportation cost, we rely on our survey data which collected information on average feed buying frequency from households. The most predominant frequency was once a week. Our data suggests that on average each return trip costs about taka 5 making a transportation cost of about taka 20 per month.

With all these adjustments, we obtain a per day profit of about taka 14 in the first round from the MB30 data, if we exclude the first 2.5 months of negative profit which is absorbed by the project. This again, is the 'best case' scenario. In the project document, a more conservative figure of taka 7.5 per day is quoted, which probably includes the cost of free food given during the first round. A more realistic figure would probably be around taka 10 per day in the first round excluding the free feed cost. If we assume that the mortality rate and market price of birds is such that the proceeds from the first period birds sold will be enough to replace with a new set of poultry, then, the implied average propensity to save out of profit that will be required to buy feed during the 'waiting' period of about 2.5 months is 27% (1000/3650).

[15] If mortality rate is such that 14 birds are not available, then, supplementary fund would have to be provided by the beneficiary household.

Figure 8: Profit per Day over Time



Most studies argue that the extreme poor households have negative savings propensity and any additional inflow into the household has a very high chance of being consumed. From this vantage point, it is indeed questionable whether such a project is a right one for the extreme poor. However, the propensity to save, in this case actually reinvest, is also a matter of choice. From our data, as mentioned in Section VI above, we see for instance that about 34% households reported using the additional income from asset use mainly for direct consumption purposes—the rest used it mainly for acquiring new assets and home improvement. This gives us some indication that probably the fear that all the additional income will all be consumed is exaggerated.

Let us consider the problem from another perspective. The surplus generated by the project is enough for the household to use a significant part of it for whatever way it chooses and reinvest towards the next cycle. The household would have to save on average taka 3 per day to be able to do the subsequent round reinvestment. The real challenges here are three: (1) to work intensively on motivating the beneficiaries to move from a one-shot, short time horizon to a longer planning one; (2) ensuring technical support to maintain a low mortality; and (3) to develop some financial intermediation mechanism that allows them to save up.

The first is extremely important and our discussions with field staff of this project makes its pivotal role in achieving the objectives of the project amply clear . Ensuring the 'material conditions', such as yield, controlling mortality, etc. is just one part of the problem of this transformation. The other, often ignored yet vitally important dimension in this, is playing an active supportive role in motivating and working out with the beneficiaries a longer term vision. We noted from the various focus-group discussions we had, that the community and environment within the extreme poor live, act as a hunger-insurance system (Platteau, 1998), but not as one that is encouraging of their attempts to exit from it. Acts such as thinking and planning for the future, reinvestments, etc are

seen extremely skeptically, which can have a de-motivating effect on the beneficiary households[16].

The third challenge, though not officially thought about sufficiently, has been innovated (the challenge has been innovated?) at the field level. In Madargonj, where we focused more in doing the qualitative aspects of this study, every poultry member is required to save taka 50 per month. On the one hand, there is a strong need of discipline and compulsory savings provides that. There are two reasons for thais The first, has been eluded to above: the fact that for extreme poor households there is a strong tendency to think very short term and this may work against saving up for reinvestment. In such an environment, forced savings can actually work very well. However, it should also be noted that, on the other hand, the cash flow of the project and the extremely low consumption-asset base of the group of households in this project, may mean that the compulsory element of the savings product will need to be designed very carefully. This will typically have to balance the need for a 'commitment device' and flexibility. Further action research leading to pilot tests will have to be considered in developing this concretely.

In our survey, we collected data on problems faced and ranked them. The list of problems that could be potentially faced by the beneficiary households for each asset was arrived at through intensive discussion with project staff and beneficiary households. We developed the following scoring method based on the responses to the list of problems. For each problem listed, we asked the beneficiary to score it into three categories--extremely important, important, and not important. For each problem, we gave a *mark* of 2 for 'extremely important', and 1 for 'important' as a response. The maximum possible mark for any problem is by definition the number of households times 2—i.e. when all relevant households rank a particular problem as being very important. The *score* for each problem was then derived as a proportion of this maximum. The maximum possible score for any problem is thus 1 and the minimum is 0. We got the following scores calculated in this manner.

Table 9: Poultry Problem Scores

Problem	Madargonj	Islampur	All (weighted)
Poultry death	.60	.72	.66
Money for feed	.40	.45	.40
Poultry disease	.33	.32	.32
Not expected yield	.14	.23	.18
Late eggs	.04	.17	.10
Egg marketing	.08	.01	.05
Remembering food qty	.05	.03	.04

The ranking of the problems by importance is similar for the two. However, there are differences in magnitudes. We will come to that later. For the time being we note from above that poultry mortality and disease is a key problem reported by the beneficiary households and the project will do to address this extremely seriously. We collected data on the number of birds that the beneficiary had lost by the end of the first cycle. The

[16] This calls for serious thinking on the social development front of projects working with the extreme poor, which has not been serious on the JFRP/ECHO programmatic thinking.

average figure for Madargonj was 5.61 and 6.88 for Islampur. These are very high figures and can jeopardize the core idea behind the project. As we argued before in this section, poultry mortality not only has direct economic effects by lowering profitability but may cause negative externalities on the remaining stock. It is not only average mortality, but age specific mortality figures that will be needed to be better able to understand the causal linkages, effects on profitability and developing action. The existing network and quality of poultry disease related services available does not appear to be serving the needs of the poultry beneficiaries well, reflected in the quite high score we obtain on the problem of poultry diseases. This may of course have direct effects on poultry mortality. Serious examination of these aspects with the help of social and poultry scientists is urgently needed.

Our discussions with the field staff on this issue revealed one important reason that is worth mentioning here. Due to project cycle pressures and planning problems, a number of activities were going on at the same time, such as training, assets purchase, their transportation and distribution, and all these with a severe staff shortage. This resulted in not having enough time to assess and obtain quality Nera chicks as required. According to the Hendrix Poultry Breeders website, the breeders of Bovans Nera poultry breed, 'the performance of the Bovans Nera in the laying period is based on the quality of the management during the growing period'. Thus to ensure good yield in the laying period it is absolutely vital that the pullets are obtained from quality sources. Adequate attention was also not given to transportation leading to a weak stock being transferred. This resulted in a significant number of poultry deaths right at the beginning of the cycle. In our survey, 66% of the poultry beneficiaries reported to have experienced poultry death right at the beginning of the cycle. These aspects of logistics, planning and managing the larger project cycle pressures will have to be given careful consideration.

Managing money for feed buying has also been reported to be a very important problem by the beneficiary households. This is obviously related to the overall profitability of the project. As the beneficiaries were less strong in their complaints about yield (see Table 9 above), we can infer that much of the source of the problem of 'money for feed buying' lies in the problems of poultry mortality and diseases faced. Another reason could be the sheer frequency at which beneficiaries had to buy feed, which according to our survey turns out to be predominantly once a week. Such frequent feed buying incurs other costs such as commuting. This is essentially a financial intermediation problem related to the cash flow of the poultry project. Suitable designed savings products that allow the households to save up could be helpful in bringing down this cost. More accessible feed retail centres in addition to BRAC area office could also contribute positively in this respect.

Yield related problems; such as 'not getting expected yield' and 'late egg-laying' constitute the second problem area. There is also a large difference in this area between the two survey upazillas. We do not have data to explore this concretely. However, based on the discussions with project staff in the two upazillas we felt that the quality of staff, their motivation and systematic approach to the work, is much stronger in Madargonj compared to Islampur. For instance, the staff had much more detailed information about the beneficiaris in Madargonj The concept of 'spot meetings' was developed by a Madargonj project staff. The compulsory savings element was also conceived and implemented by him. Chances of getting information in a systematic way were also higher in Madargonj. In addition to the staff quality issues, there could be other factors underlying the differences, such as quality of initial chicks, environment within which the

poultry is housed and raised, etc. Exploring the reasons and dynamics behind such regional differences in all variables of interest could provide very useful inputs for project focus and further refinements.

Egg marketing was a relatively minor problem reported, though it was more intensely felt by the Madargonj beneficiaries. This is most probably related to the scattered outreach factor that we discussed previously and project target pressures that did not allow sufficient time for the project staff to assess a suitable matching of asset-type with the characteristics and capabilities of the households and the surrounding environment.

Potentially, remembering a non-linear feeding schedule could have been difficult for the kind of households that this project targeted—however this did not seem to be a major problem. Here is a story of the many 'silent innovations' that take place in the field. When project staff found out that a numerical representation of the feeding chart is of almost no use for these mostly illiterate beneficiaries, they came out with a pictorial representation. Another related problem was that measurements such as grams and kilograms are difficult to follow as these households do not have weighing tools. The project staff came up with an idea: they used the tin of a condensed milk, which is easily available, as the unit and converted the required feeding quantities accordingly. For fractions-of-a-tin measurements, they used one fistful as the unit. In this way, they managed to communicate effectively quite complex yet vital information.

In summary, the poultry component of the JFRP/ECHO project is full of potentials and pitfalls. On the one hand, the importance of a relatively regular flow of income in the lives of the extreme poor cannot be overemphasized. Short of creating wage employment, this component does that. On the other hand, much depends on a combination of technical and socio-psychological interventions, which if the project can get right, holds great promise. The record so far is too early and noisy to come to any conclusion on this. Analysis of the performance of the second round can yield more reliable results. Serious work on better understanding these factors, their interaction and dynamics, will be thus extremely important, some of which have been highlighted in the discussion here.

VIII.2.3 Cows and Goats

Cows ware reportedly a very popular choice and almost everyone wanted a cow. However, when we look at the percentage of households who reported positively to Q1, the figure is the lowest for this asset (52%). The corresponding figure for poultry and goat beneficiaries is 77% and 69% respectively. The perceived 'largeness' of the asset and the social prestige associated with owing a cow is probably what drove the immediate preference for the asset, which probably many did not find immediate gains from. The reason for getting a relatively low positive response from those who got cow from the project is due to the longer gestation period that is needed for returns to materialize in the case of cow, relative to poultry and goats. Our data shows that of all cow-asset beneficiaries, about 64% reported getting milk. Of these, 94% responded positively to the question mentioned above. Goats reproduce quickly making this asset fast expanding. However, unlike poultry the money comes in irregular lumps and is less predictable. In terms of the problems reported by the beneficiaries who got cow and goats, we get the following. In deriving the scores we use the methodology described in Section VIII.2.1 above.

Table 9: Problem Scores: Cow and Goats

	Cow			Goats		
Problem	Madargonj	Islampur	Total (weighted)	Madargonj	Islampur	Total (weighted)
Housing	.63	.50	.57	.33	.31	.32
Grazing	.45	.24	.42	.35	.29	.33
Treatment	.12	.24	.14	.27	.47	.38

As we saw from our discussion on targeting in Section IV, a large section of those targeted do not even own the homestead land in which they live. The condition of their housing structure tends to be extremely vulnerable, something we get a sense of from the finding that 37% of the households who responded positively to Q1, reported investing in home improvements. It is no wonder then that sheltering of a substantial asset such as a cow and a fast expanding fleet of goats will be reported as an important problem. As cow-theft is quite common in rural areas of Bangladesh, it is not safe to leave these animals out in the open. Thus, for those who cannot afford to have a separate cow-shed, which is the case for almost all of the JFRP/ECHO beneficiaries, the cow has to be kept inside the very space where they sleep.

Housing of cows and goats was expected to be an important issue. That grazing would be such an important problem was somewhat a surprise and calls for some programmatic rethinking. Indeed it reflects in a big part, the lack of attention that was paid to factors beyond household characteristics (not sure what you meant here but it wasn't very clear) that impact on the appropriateness of any asset. It should also be noted that providing food for cows is a labour-intensive task—even if grass is available, it can take several hours each day to gather enough grass.. Grazing of goats is also quite labour-intensive. The management of this additional labour time depends on household demographic resources--- for women who do not have helping hands, it may be quite difficult. The importance of grazing as a problem is much stronger in Madargonj, which could be simply due to variation in grass and common property livestock fodder availability between the two upazillas.

Treatment is another important problem reported by the respondents, especially for goats. Upazilla Livestock Office (ULO) is the only place where affordable treatment may be available for the livestock of these poor women. Madargonj, being an area which has an on-going Participatory Livestock Development Project (PLDP), a partnership between BRAC and the Government of Bangladesh funded by DANIDA, had existing linkages with the ULO. This linkage was used by the project staff in Madargonj to develop informal support services for the beneficiaries. This could be the reason behind the lower score obtained for Madargonj in terms of treatment as a reported problem.

We can see the adverse effect of 'treatment' as a problem from our survey data. The median number of goats at the time of survey was four. Three goats were given as the JFRP/ECHO asset. This suggests a high rate of mortality and/or sale. The median value for the number of goats that died was two. The percentage of goat asset beneficiaries who sold some was about 61%. The average number of goats sold per household for those who reported sale comes to 3.2. When we analyse the reasons for which goats had to be sold, we notice two equally important ones: for home improvement and diseased goat what they sold the diseased goats?—each constituting 38% of the sale. The average price when sold for investment was taka 1,055 and when the trigger for selling was that

the goat was diseased, it was taka 582. So, the real cost of lack of treatment for goats has to be seen in the lower price at which they are forced to sell the diseased goats, which jeopardizes the return to the beneficiary.

IX. Conclusion

The greatest success of the JFRP/ECHO is managing to target the extreme poor very well despite staff shortages. This in itself proves the innate knowledge that BRAC field staff have on who the poor are in their area of work and within the framework of a right type of project; they can use that knowledge very effectively. The problem with scattered targeting could actually be an outcome of the spatial distribution of the extreme poor in the area. We do not have data to test this, but we know from discussions with the field staff that in Islampur sadar union, where we see a concentration of the project outreach, many households have been affected by river erosion. Nevertheless, in future projects of this type, where a whole process of inclusion of the extreme poor into a myriad of development projects is the idea, attention to minimizing scattered outreach must be paid. What also need to celebrated are the many silent innovations that have taken place in the field to address a range of challenges. More often than not, these remain hidden and invisible. Yet, these are the real strengths of any development project. We see glimpses of that throughout this paper.

The big idea behind this project is to provide a critical push that would enable the extreme poor to be able to live a more capable life through direct asset transfer and other supporting inputs and processes. The material and economic soundness of the assets and their suitability for the extreme poor given their immediate and wider socio-economic environment is, of course, extremely important and the project will need to do some serious work on that front. These have been quite extensively discussed in the paper.

However, what is also crucially important is the challenge of creating new agency --- the ability to define and articulate priorities and to act upon them. It is more fundamental than the ability to act--- it is about meaning, motivation and purpose that individuals bring to their activity (Kabeer, 2002). It is about transforming the time horizon and setting within which the extreme poor imagine and plan their lives. More often than not, the constraints to the creation of new agencies lie at levels beyond the individual and expand to deeper (structural constraints such as class, gender, etc.) and intermediate levels (institutional rules, norms and practices). The overall challenge of an asset based strategy to attacking extreme poverty is much more than the technical/economic challenge of ensuring a healthy yield. The socio-psychological challenge of developing a sense of agency is also extremely important and demands serious attention from programme designers and implementers.

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