

International Growth Centre (IGC) and BRAC public discussion

# Tackling Extreme Poverty through Programmes Targeting the World's Ultra-Poor

**Professor Oriana Bandiera**

*Professor of Economics,  
Director of STICERD, LSE*

**Mushtaque Chowdhury**

*Vice-Chairperson, BRAC*

**Professor Esther Duflo**

*Abdul Latif Jameel Professor of  
Poverty Alleviation and  
Development Economics, MIT*

**Anna Minj**

*Director, Targeting the Ultra Poor Programme, BRAC*

**Muhammad Musa**

*Executive Director, BRAC*

**Desmond Swayne**

*Minister of State, DFID*

**Professor Robin Burgess**

*Chair, LSE*

Hashtag for Twitter users: **#LSEultrapoor**

**LSE events**



# BRAC's Ultra-Poor Program

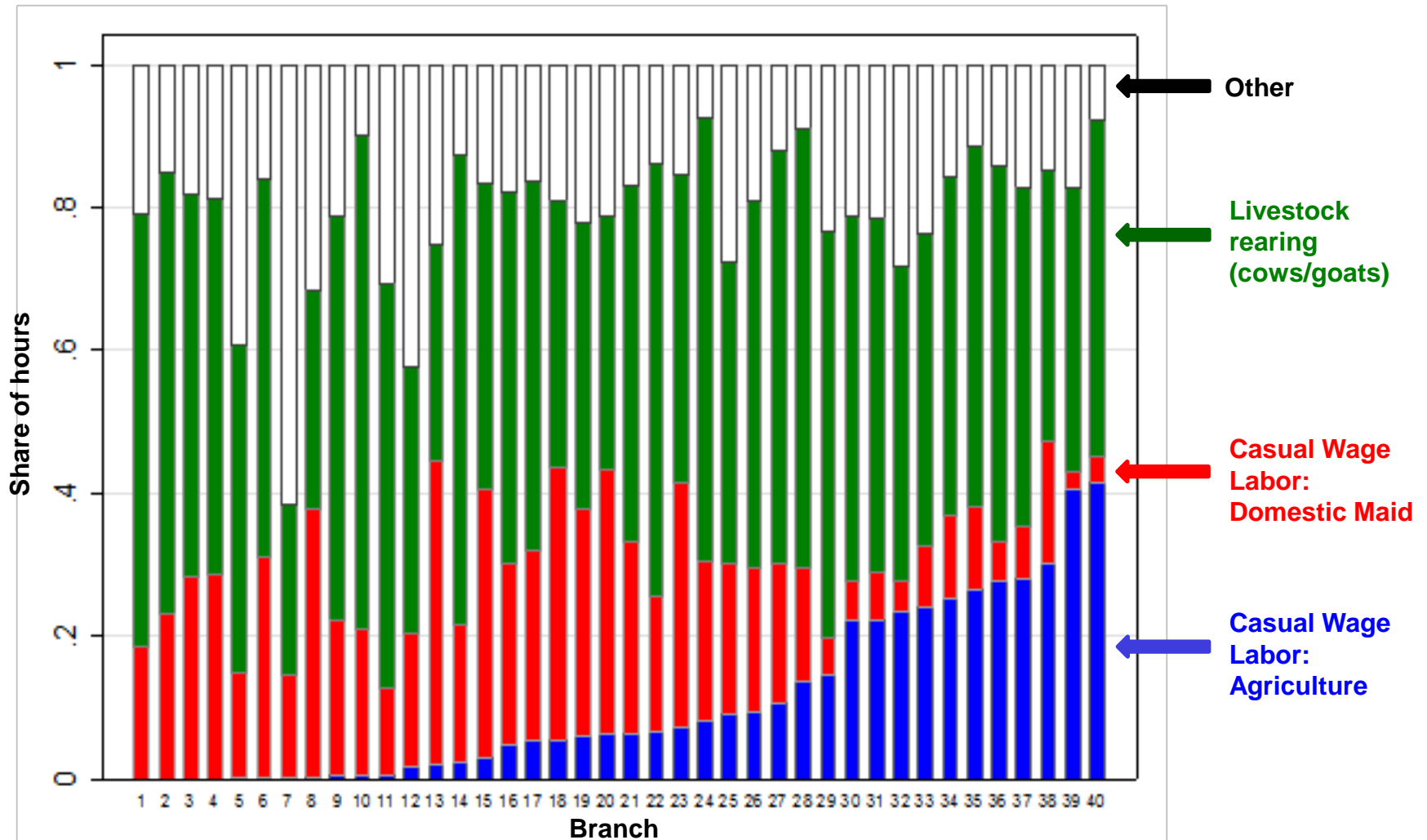
Results from a long-run evaluation in  
Bangladesh

Oriana Bandiera (LSE)

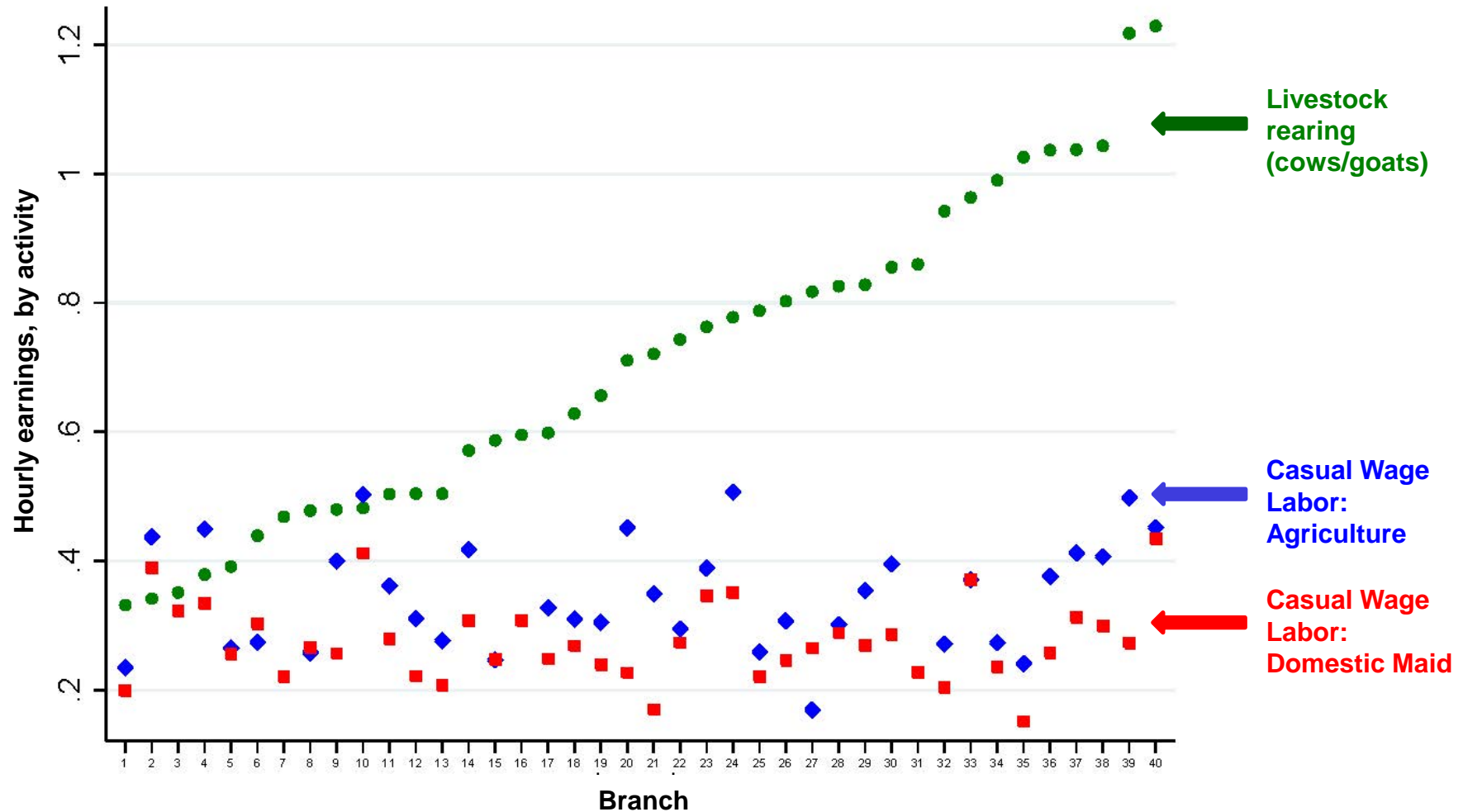
# the context

- women labor markets in Bangladeshi villages where BRAC TUP operates
  - 1309 poor villages
  - 23,000 HHs from different wealth classes

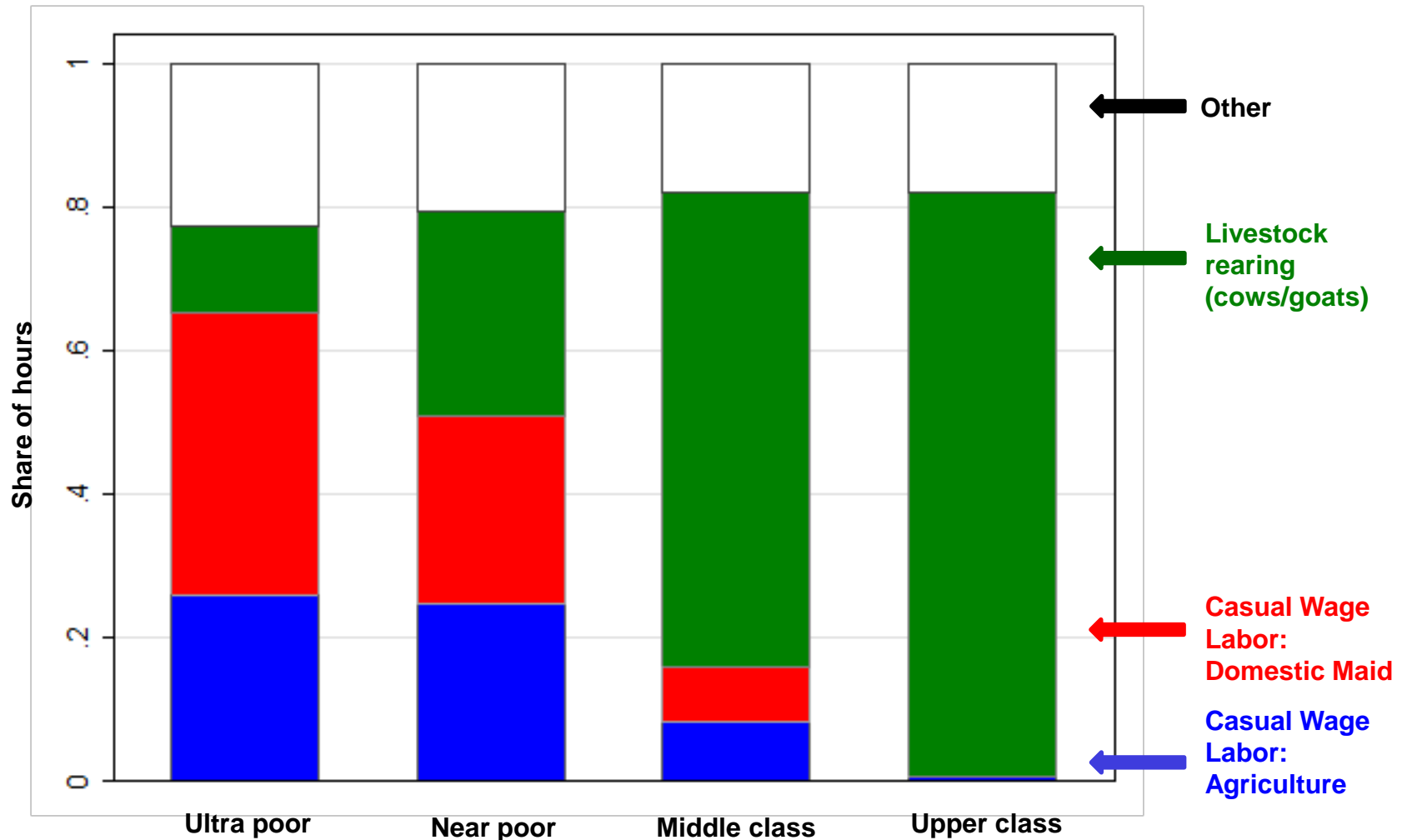
# women only do 3 jobs



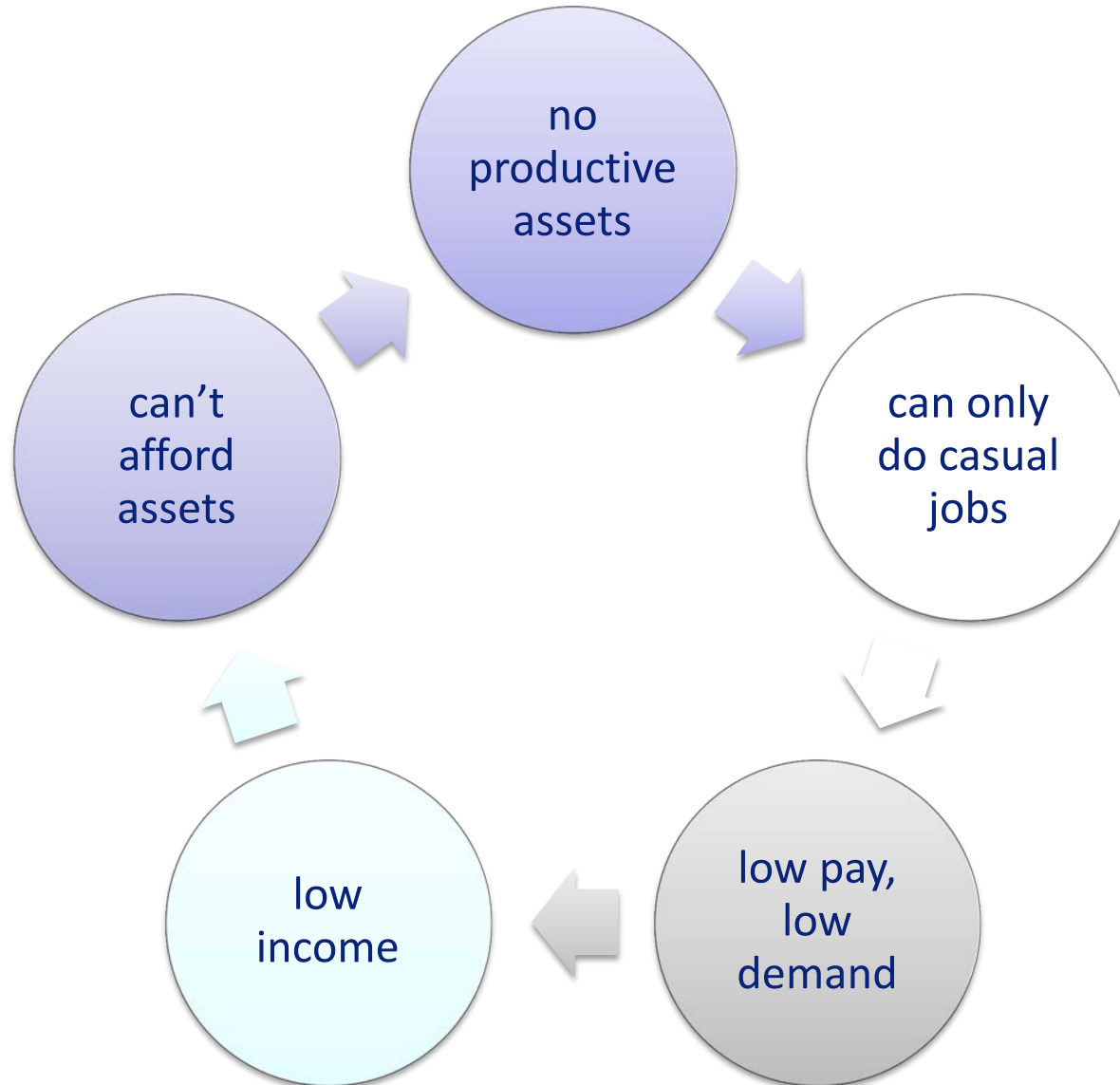
# hourly earnings are lower in casual jobs



# only the poor do casual jobs



# Poverty trap?



# BRAC's TUP aims to break the trap

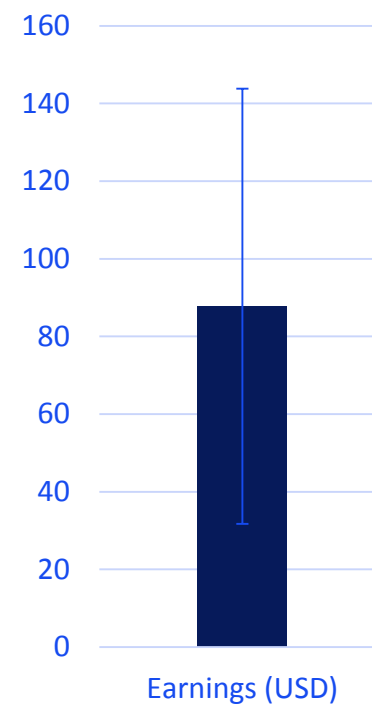
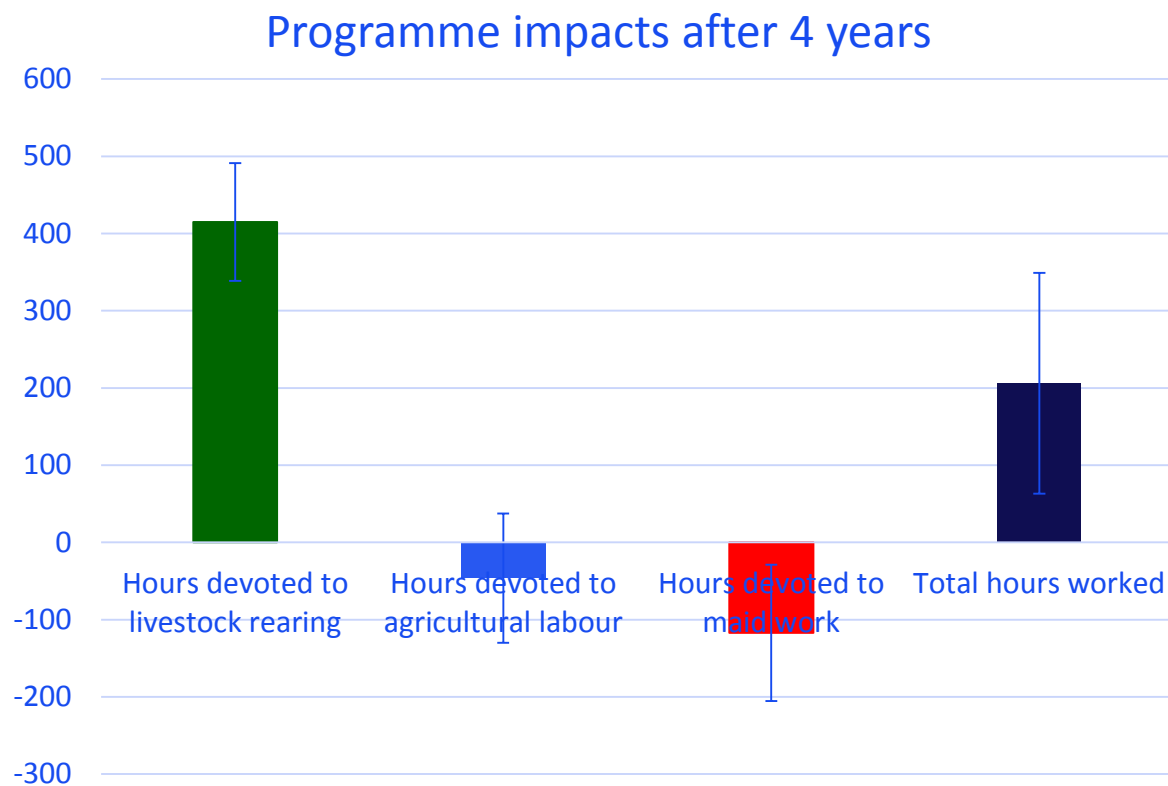
- Eligible: poor women, identified by the communities, verified by BRAC employees
  - On avge, 6 women per community (7% of HHs) are eligible
- Asset menu: livestock, small crafts, small retail..
- Almost all choose a livestock combination
- Value of transfer (9500TK= 140USD)
  - 1X yearly PCE; 2X yearly earnings; 9X savings
- Commit to retain it for 2 years, free to sell after that
- Asset specific training - intensive over first year



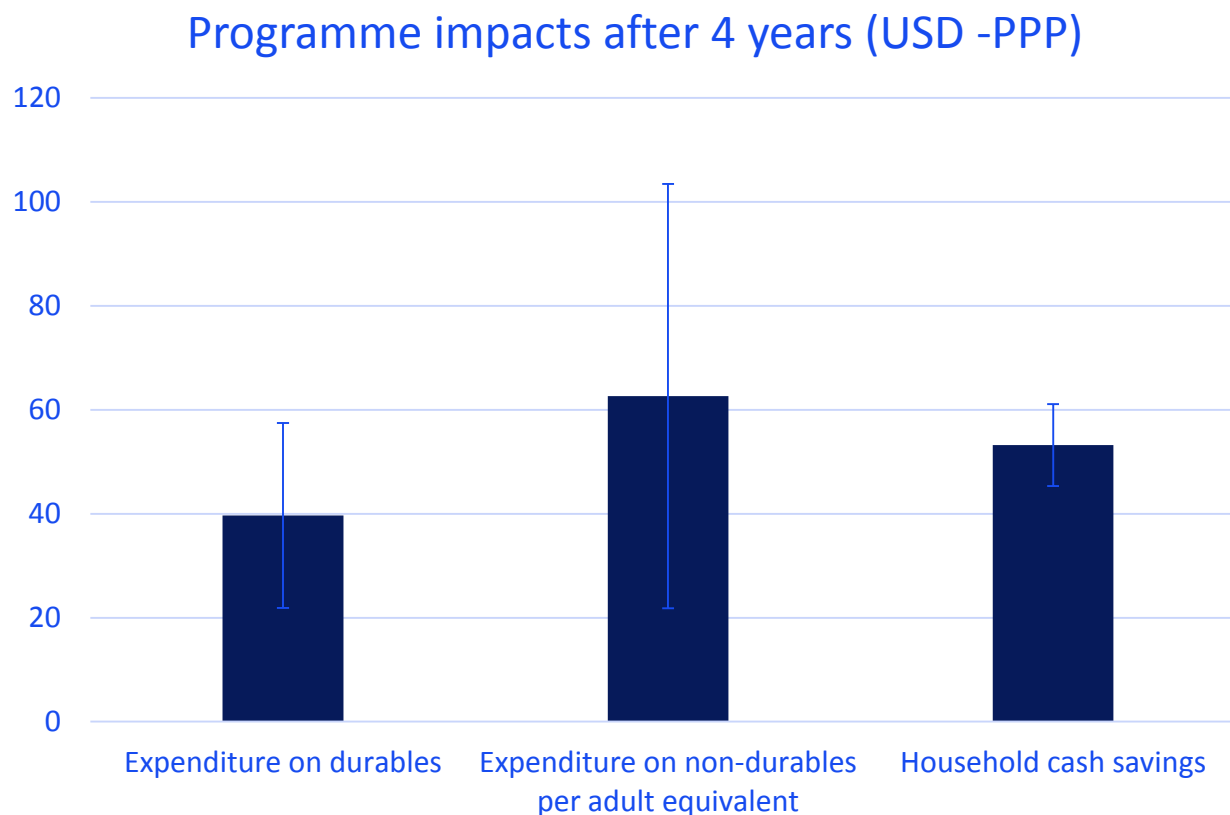
# Evaluation strategy

- Randomise the programme roll-out across 40 BRAC branch offices (1309 communities) in the poorest areas of the country
  - 20 treated in 2007, 20 in 2011
- Beneficiaries + all other poor + a sample of other wealth classes surveyed in 07,09, 11,14
- Final sample: 6732 eligible beneficiaries & 16,297 HHs from other classes

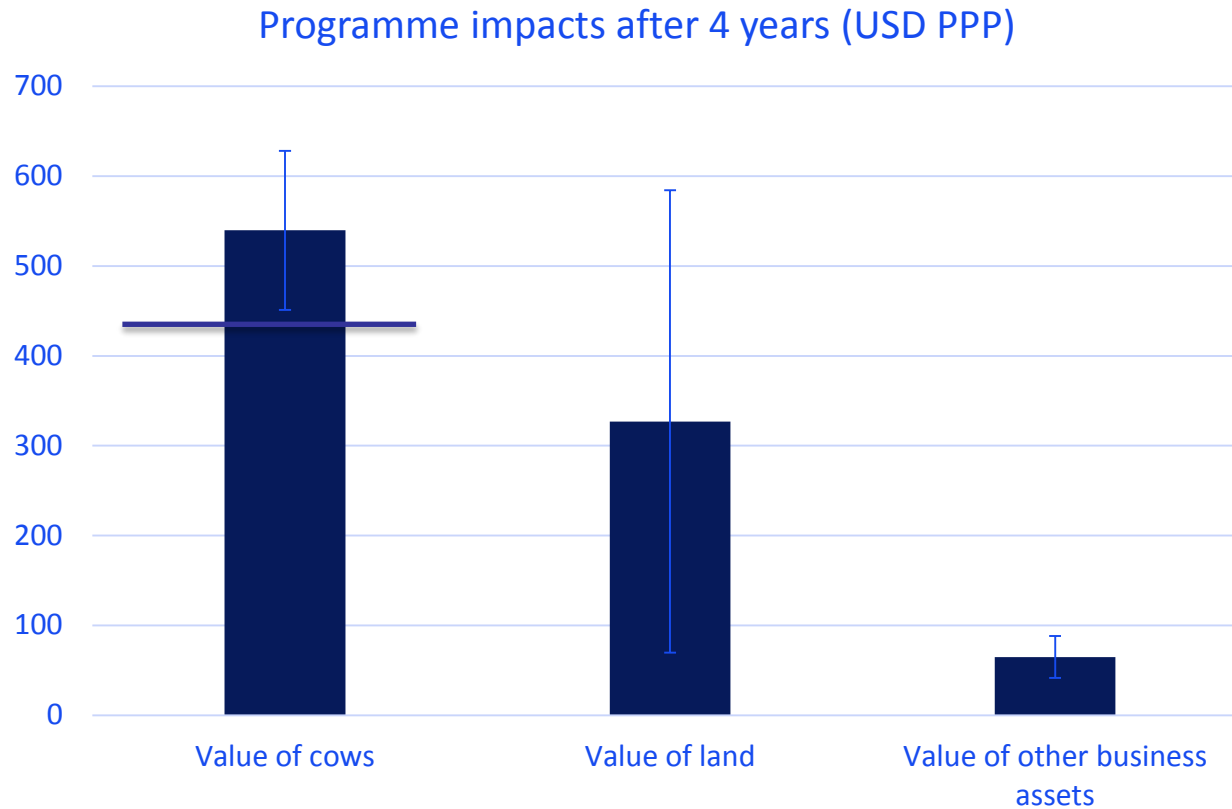
# TUP transforms job choice..



# this increases consumption & savings



# and leads to further asset accumulation



benefit/cost ratio is 5.4



# internal rate of return is high

22% on  
average

```
graph TD; A[22% on average] --> B[positive for almost all beneficiaries]; A --> C[larger than 5% for most]; A --> D[larger than 22% for a large minority];
```

positive for  
almost all  
beneficiaries

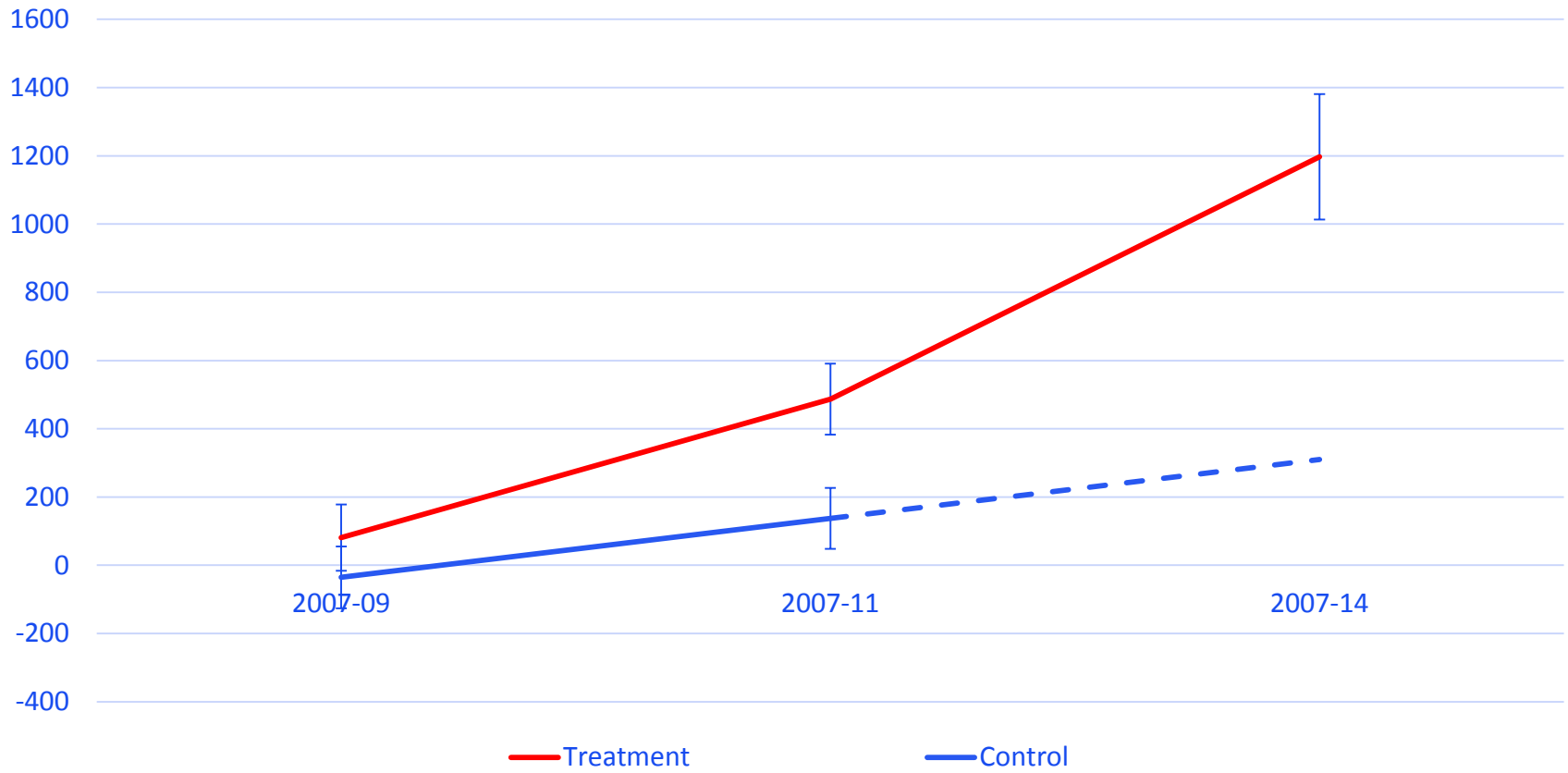
larger than 5%  
for most

larger than 22%  
for a large  
minority

Effects are sustained after 7  
years

# Expenditure on non-durables

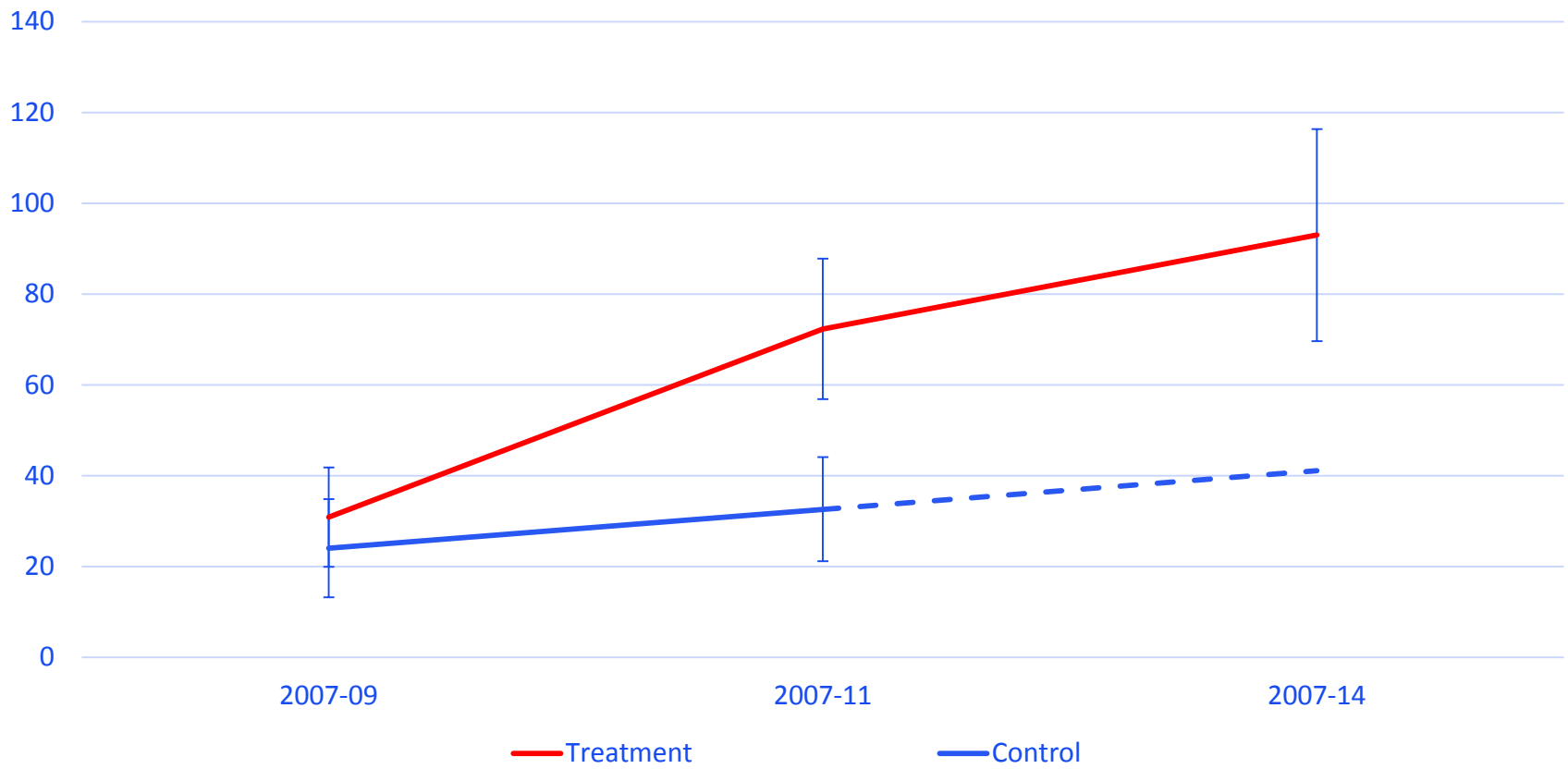
Yearly changes in expenditure on non-durables after 2, 4 and 7 years (USD)





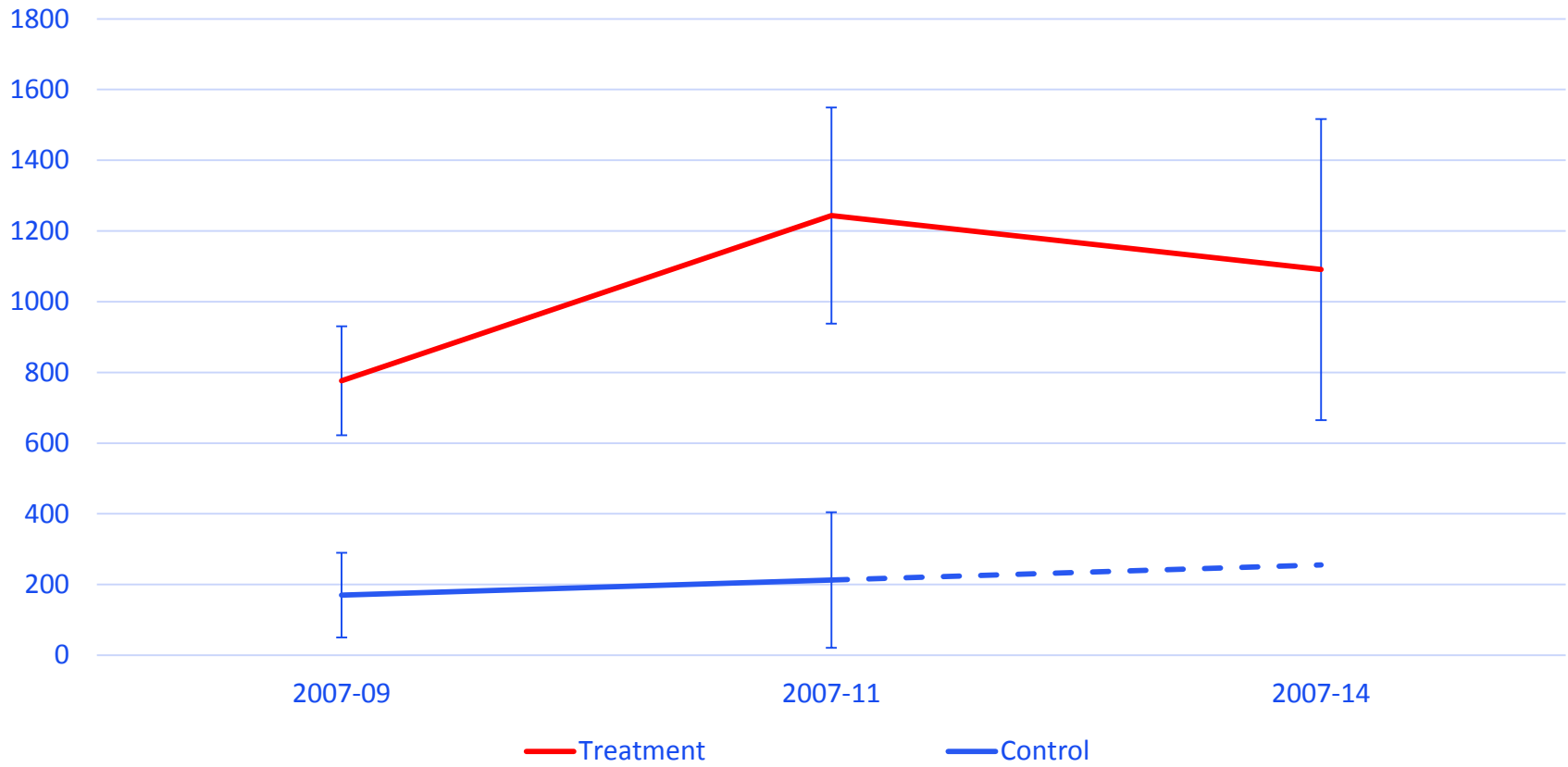
# Expenditure on durables

Yearly changes in expenditure on durables after 2, 4 and 7 years (USD)



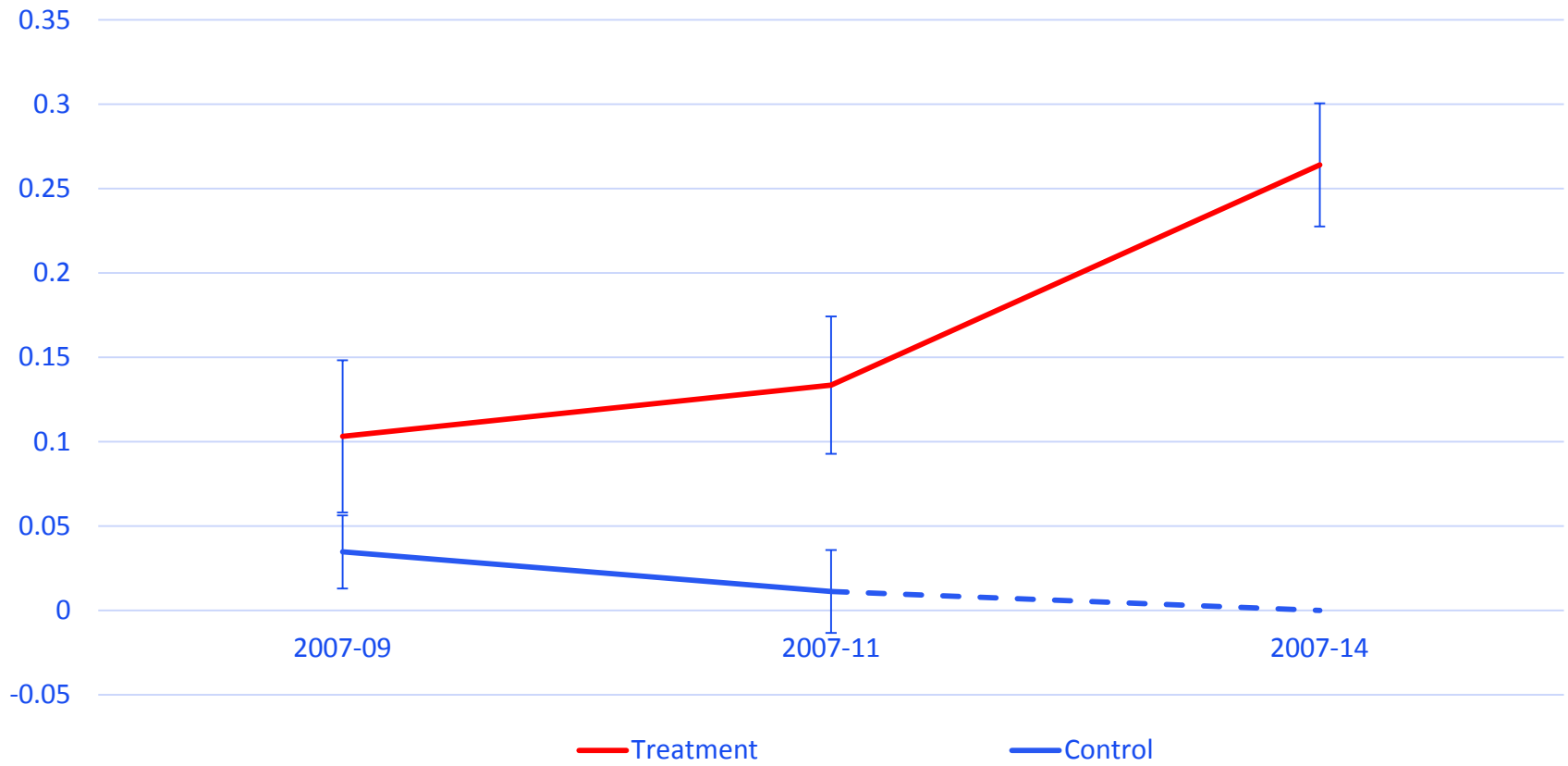
# Productive assets

Yearly changes in productive assets after 2, 4 and 7 years (USD)

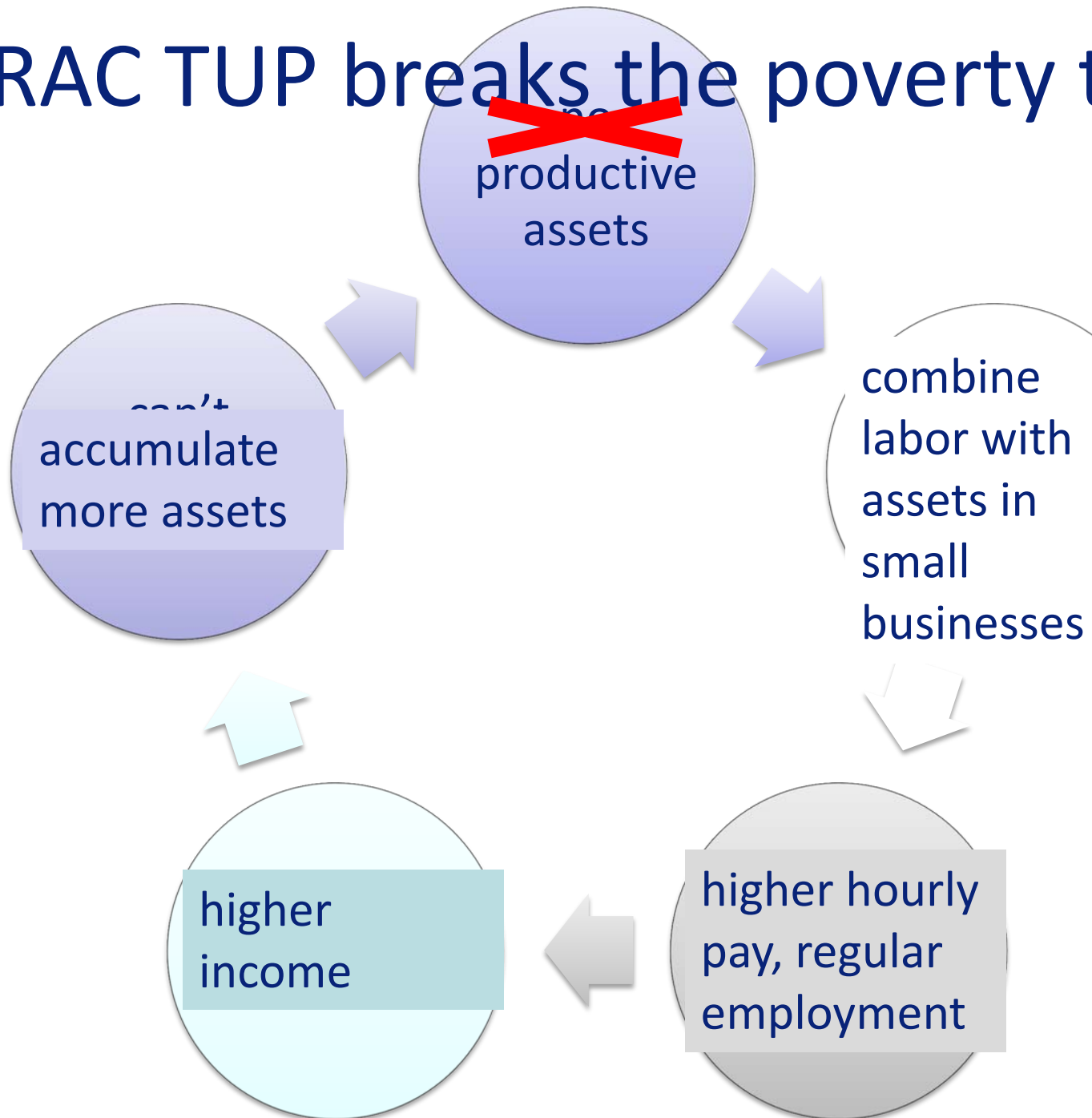


# Access to land

Yearly changes in share with access to land after 2, 4 and 7 years



# BRAC TUP breaks the poverty trap



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