BRAC’s Ultra-Poor Program

Results from a long-run evaluation in Bangladesh

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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

Casual Wage Labor:
- Domestic Maid
- Livestock rearing (cows/goats)
- Agriculture

Other
hourly earnings are lower in casual jobs
only the poor do casual jobs

- Livestock rearing (cows/goats)
- Casual Wage Labor: Domestic Maid
- Casual Wage Labor: Agriculture

Share of hours

Ultra poor | Near poor | Middle class | Upper class

Other
Poverty trap?

- No productive assets
- Can only do casual jobs
- Can’t afford assets
- Low pay, low demand
- Low income
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
• 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..

Programme impacts after 4 years

- Hours devoted to livestock rearing: 
- Hours devoted to agricultural labour: 
- Hours devoted to maid work: 
- Total hours worked: 

Earnings (USD)
this increases consumption & savings

Programme impacts after 4 years (USD -PPP)

Expenditure on durables
Expenditure on non-durables per adult equivalent
Household cash savings
and leads to further asset accumulation
benefit/cost ratio is 5.4

benefits: 7360

costs: 1363
internal rate of return is high

22% on average

- 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)

- Treatment
- Control
Productive assets

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

- Treatment
- Control
Access to land

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

- Treatment
- Control
BRAC TUP breaks the poverty trap

- can’t accumulate more assets
- productive assets
- combine labor with assets in small businesses
- higher hourly pay, regular employment
- higher income
- can only do casual jobs
- low pay, low demand
- can’t afford assets