

INTERNATIONAL DAY FOR THE ERADICATION OF POVERTY:
'WORKING TOGETHER OUT OF POVERTY'

Self-owned
social enterprise

ANOWARUL HAQ

FOUR years ago, Monju Rani of Rangpur Sadar was struggling to earn a livelihood as a worker in a local tobacco factory. Momtaz of Polashbari-Gaibandha had a hard time trying to ensure regular meals as a widow. Sona Rani of Chirirbandar-Dinajpur was indebted because her rickshaw mechanic husband could not earn enough to ensure their children's education. Sumantho of Rangpur Sadar was planning to work as a night guard in Rangpur town to earn money for bearing his education expense.

But now, their lives have been transformed -- they have become self-reliant. Monju is leading a group of 39 women who are involved in *shibori* (Japanese tie-die technique). Momtaz is heading an artisan's group producing *khetaor* quilts. Sona Rani is a master artisan involved in reviving famous *lohari* technique of *khetaor* quilts and Sumantho is leading indigo production in which around 400 households are involved.

They have formed the "Nijera Cottage and Village Industries" (NCVI), a workers and artisans owned social enterprise, under which around 2,000 families are working and earning their livelihoods. For them, NCVI is an inspiration to participate in the market and an opportunity to break the cycle of poverty.

It started to take shape as a social enterprise in 2008 when NCVI was formally registered as a company. The enterprise is presently run by 8 directors representing groups that are working for *khetaor* quilt, *shibori*, natural dyeing, and indigo and honey production in Rangpur, Dinajpur, Nilphamari, Lalmonirhat and Gaibandha. The directors have been elected based on their leadership and ability to inspire others, their expertise and contribution to skill development and the trust they command within their communities.

NCVI is presently working as an umbrella organisation for the groups to interact with markets. Social and Economic Transformation of the Ultra-Poor (SETU) project of CARE Bangladesh funded by Shiree is collaborating with NCVI in linking with high-end markets with their brand "Living Blue." The broader vision of NCVI is in tune with the defining features of "social economy" that aims to: drive up productivity and competitiveness; contribute to socially inclusive wealth creation; enable individuals and communities to work towards regenerating their local neighbourhoods; show new ways to include the poorest in the market; and help develop an inclusive society and active citizenship.

The brand "Living Blue" stands for high quality hand-made products meant for high-end markets. It is about fair trade where the artisans not only get a fair wage and democratically manage and run their own businesses, but also have total control over profits. The surplus generated by this contributes to the general well-being of local communities and helps create sustainable social, cultural and economic life.

It was like an "improbable dream" to brand development experts in 2008 when NCVI started to promote their brand. Using the "Living Blue" brand, this social enterprise was able to connect the artisans from "bottom of the pyramid" with the high-end market in

only 4 years. It is now collaborating with Couleur Garance (France), Sally Campbell (Australia), Plantation House (India), Maiwa (Canada) and many more. It has also been collaborating with a number of top brands of Europe that are famous for scarves. These business organisations are selling products using the "Living Blue" brand.

The sales and profit generated by NCVI have created enthusiasm amongst artisans and workers. NCVI gives bonuses to the member artisans and producer groups. A quick survey by NCVI revealed that the additional money was used by the families in many innovative ways to strengthen livelihoods -- goat, sheep and cattle purchases; money for children's school fees; repair and improvement of dwellings; buying of rickshaw vans; starting oil and rice husking businesses, etc. A number of them have invested their money in savings groups,

others paid off loans and some have invested in sharecropping.

Salma Begum, Managing Director of NCVI, is proud of her role in the company. She said: "We are the workers of the company, we are also the owners. This company is meant for profit, but the profit is for the welfare of workers and artisans. No worker and artisan in our company will remain poor. We are proud of our company." She dreams of including 5,000 artisans in her organisation in two years.

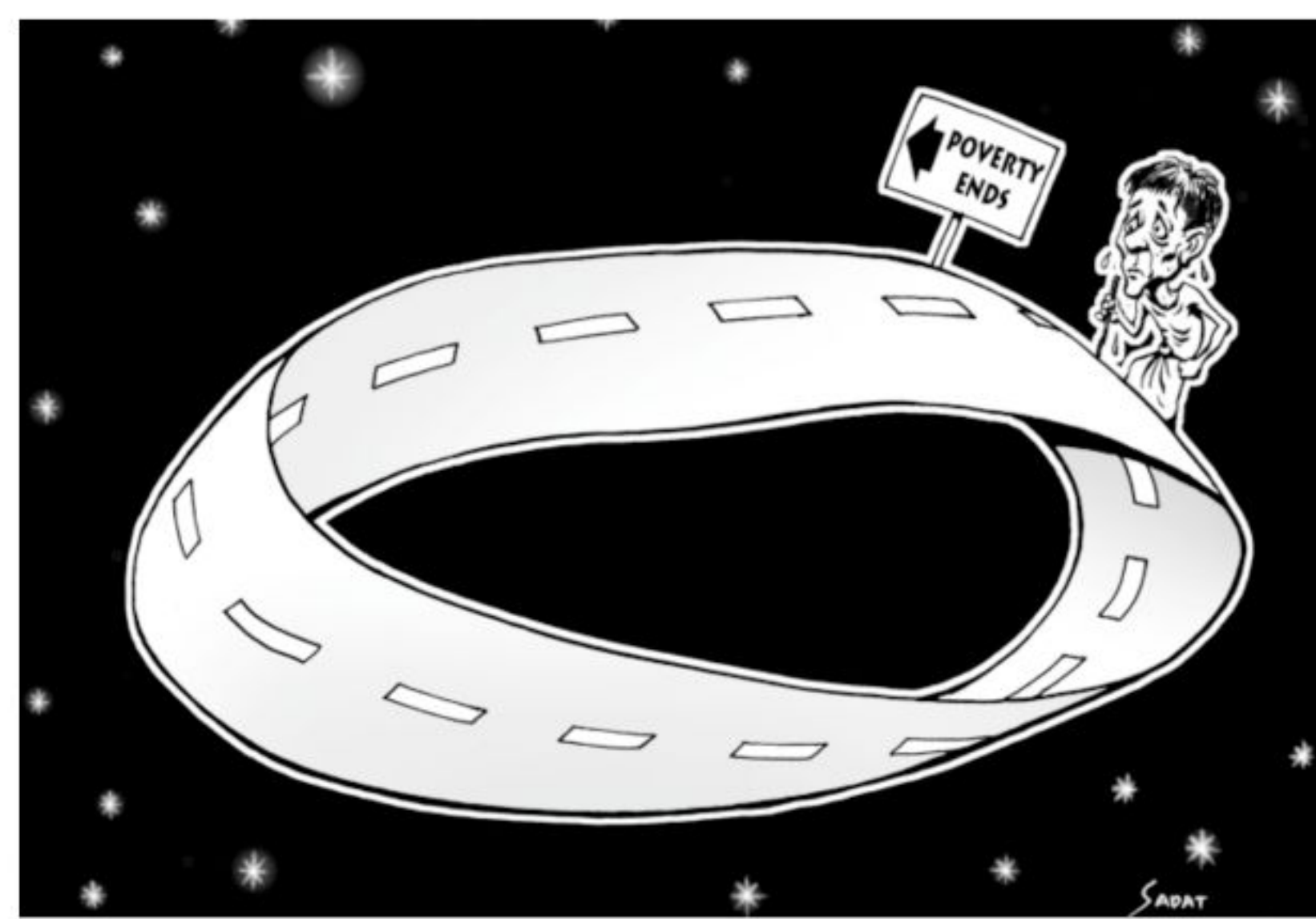
NCVI is offering a model that ensures sustainable inclusion of extremely poor in markets. It has set a unique trend for development actors that are focusing on creating economic opportunities for the poorest. Creating market opportunities for craft work is not new, but what is new is that artisans own the surplus generated from the business. This is reinvested for the business as well as socio-economic well being of the workers, thereby assisting a large number of beneficiaries to graduate out of extreme poverty. A lot of discussions and debates are taking place, saying that participation in the lowest tier of the market is not enough for the poorest households. Private sector corporations should be encouraged to provide primary producers with an equity stake in the company.

Suggestions have been made that commercial ventures run by NGOs should be restructured into microenterprises jointly owned by their supply chain. Monu Rani, Momtaz, Sona Rani, Sumantho, with others from villages of the northwest, have shown how to do this with the NCVI model -- an inspiration that shows again that poverty eradication at a large scale is possible if rural local economy is built.

The writer is Impact Statement Director, CARE Bangladesh.



Purnee and Nirmola are drying their Indigo.



The writer is Strategic Communications Specialist at BRAC.

Taking up the
challenge

SHAYAN S. KHAN

THIS year marks the 25th anniversary of the first ever International Day for the Eradication of Poverty, to give it its full, official name. One of the early markers of a new era of anti-poverty advocacy and activism, the first World Anti-Poverty Day was organized in 1987 by a group of activists in Paris, France. It followed closely on the heels of LiveAid -- a multi-venue concert organized by Bob Geldof in 1985 that eventually raised £40 million for fighting poverty in Africa -- and was adopted by UN in December 1992 through a resolution in the General Assembly that invited all States to "devote the day to presenting and promoting, as appropriate in the national context, concrete activities with regard to the eradication of poverty and destitution."

Somewhat ironically, the need to button down a specific meaning to what the day stood for is probably one of the things that have led to

a very limited understanding of what is meant by poverty in the public consciousness. But development practitioners at the frontline have always recognised its heterogeneous nature, its myriad manifestations and multi-faceted dimensions. And within them, there worked the growing conviction that although throughout the world, there was an unprecedented number of anti-poverty programmes being put into motion by governments and non-government organisations alike (and indeed lifting millions out of poverty), there remained a segment right at the bottom of the economic ladder that these programmes consistently failed to reach.

They are those living in the throes of extreme poverty, and over time, a number of different paradigms emerged to identify them in each nation's own context. In Bangladesh, they are said to be those living below the lower poverty line, that is, those whose total expenditure amounts to the cost of a basket of goods that just about allows for the consumption of 1,805Kcal per person per day.

By this measure, according to the government's latest Household Income and Expenditure Survey (HIES), held in 2010, of the total 31.5% of the population said to be living in poverty, some 19.5%, equivalent to nearly 25 million people, are living in extreme poverty.

Calorie intake per day works well as a working definition, but it falls short in terms of fulfilling one of the implicit intentions behind the commemoration of October 17 as World Anti-Poverty Day: promoting greater understanding and dialogue between poor people and their communities, and society at large.

A measure of calorie intake per day is unlikely to be a parameter

that society at large can identify with, since most of us are blissfully unaware of our own daily consumption of calories as part of our food intake.

A report developed by BRAC in collaboration with the Aga Khan Foundation Canada stated that the ultra-poor spend most of their "meager, unreliable" earnings on food, and yet "fail to fulfill the minimum calorie intake needed to stave off malnutrition." As a consequence, their health suffers and this causes a further drain on their resources. They are said to be invisible even in their own communities, often living on other people's land, and having no-one to speak up for them or assist them in ensuring their rights.

The report also voiced a concern that troubles most development practitioners: previous mainstream development programmes such as microfinance and government safety nets were not reaching "down-market" enough, leaving the ultra-poor in a chronic state of struggle. This meant that although the overall

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rate of poverty was declining, extreme poverty was declining at a slower rate, an observation that is borne out even by the latest HIES.

It necessitated the advent of a new generation of programmes built around providing an element of social protection to the ultra-poor, and involving some form of asset transfer. Today,

besides BRAC's pioneering CFPR:TUP programme, they include the Chars Livelihoods Programme run by Dfid, and the government's own Vulnerable Group Development programme and the Programmed Initiatives for Monga Eradication, or PRIME, that seeks to address the seasonal poverty that besets northern Bangladesh every year with the onset of *monga*.

The programme transfers productive assets such as livestock to the poorest households in a programme area for a period of two years, to go with intensive training and support in managing those assets, and a daily stipend until the assets start generating income. Other support provided includes subsidised health and legal services.

The essence of the model lies in the asset-transfer being time-bound, within which programme clients are expected to "graduate" out of their initial condition to one where they may become eligible for other programmes such as microfinance.

Based on surveys, research indicates that 98% of the poorest households satisfied at least six out of 10 "graduation" indicators in 2008. Independent research by a group of economists based in London and Rome, led by Robin Burgess of the LSE, also demonstrated a surge in annual earnings and per capita expenditure of the households, relative to pre-programme levels.

We find it especially prudent to draw attention to such programmes, in light of the theme for this year's Anti-Poverty Day centering extreme poverty. While that evokes the "violence" of extreme poverty to arouse a greater sense of urgency in efforts to eradicate it, we feel it is also important to recognise that it isn't a totally hopeless condition, and that with a bit of a leg-up from the rest of us who are considerably better-off, even those who are extremely poor today can climb out of their malaise, and stand on their own two feet in the not-so-distant future.

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The New York Times EXCLUSIVE

Intangible dividend of antipoverty effort: Happiness

SABRINA TAVERNISE

WHEN thousands of poor families were given federal housing subsidies in the early 1990s to move out of impoverished neighborhoods, social scientists expected the experience of living in more prosperous communities would pay off in better jobs, higher incomes and more education.

That did not happen. But more than 10 years later, the families' lives had improved in another way: They reported being much happier than a comparison group of poor families who were not offered subsidies to move, a finding that was published on Thursday in the journal Science.

And using the gold standard of social surveys -- the General Social Survey, in which researchers have questioned thousands of Americans of all income levels going back to the 1970s -- researchers even quantified how much happier the families were. The improvement was equal to the level of life satisfaction of someone whose annual income was \$13,000 more a year, said Jens Ludwig, a professor of public policy at the University of Chicago and the lead author of the study.

This vast social experiment, involving 4,600 families in Los Angeles, New York, Baltimore, Chicago and

Boston, tested a long-held theory that neighborhood is an important determinant of an individual's success.

But there was little evidence that the new neighborhoods made much of a difference in either income or education, a disappointment for social scientists, who had hoped that the experiment would lead to new ways of combating poverty.

What researchers did find were substantial improvements in the physical and mental health of the people who moved. Researchers reported last year in The New England Journal of Medicine that the participants who moved to new neighborhoods had lower rates of obesity and diabetes than those not offered the chance to move. Beyond the increase in happiness, the new study found lower levels of depression among those who moved.

"Mental health and subjective well-being are very important," said William Julius Wilson, a sociology professor at Harvard whose 1987 book "The Truly Disadvantaged" pioneered theory about concentrated poverty. "If you are not feeling well, it's going to affect everything -- your employment, relations with your family."

The researchers measured quality of life using participants' reports of their own well-being. Researchers asked: "Taken all together, how would you say things

are these days? Would you say you are very happy, pretty happy or not too happy?"

A year after they entered the program, the families who had made the move were living in neighborhoods where about a third of the residents lived in poverty. In contrast, those who were not offered the chance to move lived in neighborhoods where half of the residents lived in poverty.

Professor Wilson said it was not surprising that education levels did not change significantly because many of the children who moved remained in the same school districts. And Lawrence Katz, an economics professor at Harvard and one of the study authors, said that the preference for educated workers was so strong that changing neighborhoods did not do much to improve job options for the participants, who were mostly African-American women without college educations.

Researchers said that though they did not know why people felt happier after moving, it probably had to do with feeling safer and less stressed. Nearly three-quarters of the families who signed up for the program said they had done so to get away from violence in dangerous neighborhoods.

Moving to a neighborhood that was less poor caused families that were making \$20,000 a year to feel as

happy as families making \$33,000 a year, Professor Ludwig said.

Even more startling, researchers said, was the finding that families who moved into new neighborhoods that were just as racially segregated as the ones they came from, but were much less poor, reported much larger gains in feelings of well-being than those who moved to much more racially integrated neighborhoods that were nearly as impoverished.

That finding, Professor Katz said, is troubling for the future because economic segregation has grown steadily in the United States, since the 1970s, while racial segregation has been declining.

"The increased geographic isolation of the poor appears to have a pure adverse effect on health and well-being," he said.

Improvements in health and well-being caused by moving to areas with less concentrated poverty "is not a magic bullet to eliminate poverty itself," Professor Katz said. That would require major changes in the American economy. But he said it would improve lives for the families that experience it, and reduce the costs to taxpayers of medical care for them.