

# FIGHTING POVERTY

*What's the best way to do it?*



WHEN it comes to the biggest challenges facing Bangladesh, surely poverty is one of the most crucial. And there is still

much work to be done. Despite cutting the rate of extreme poverty from 34 percent in 2000 to just 13 percent today, 20 million Bangladeshis still live in conditions considered to be ultra poor. Living on less than Tk. 43 per day can be immensely difficult, and for some, it can create a trap that's almost impossible to escape.

The ultra poor generally do not own land and are caught in the low-wage activities of day labourers. They are on the brink of subsistence. And when you are struggling just to maintain your level of subsistence today, you do not have the luxury of worrying too much about—or saving for—tomorrow.

The Bangladeshi government recently committed itself to pulling six million more people out of extreme poverty by 2020. Similarly, one of the United Nations' development targets for year 2030,

the Sustainable Development Goals, is to eradicate extreme poverty entirely. Either goal would take a lot of work. How do we fight extreme poverty in the most effective way?

Our project, Bangladesh Priorities, examines a range of different possibilities for the country. Two of our economists, Munshi Sulaiman of BRAC International and Farzana Misha of Erasmus University Rotterdam, have examined three of the most important ways to tackle poverty in Bangladesh.

In recent years, cash transfers have become quite popular in countries such as Kenya and Uganda, and this was the first method our economists examined. Such programmes involve a one-time transfer to recipients, often micro-entrepreneurs, with no conditions on how the money can be used.

Why no-condition transfers? It turns out that much academic research shows that this is the most efficient method, which is one reason it has become so popular. The cash transfers we studied, however, which cost Tk18,096 (the paper reports per-household costs in USD only. I have converted this figure and all others in this op-ed using the rate: 1 USD = Tk. 78) per recipient household, did just Tk. 80 of good for every Tk. 100 spent.

One reason they weren't effective

relative to other strategies is that the impacts diminished over time—a one-time stipend for someone in extreme poverty may help for a little while, but the effect is fleeting.

The second strategy focuses what most poverty-alleviation strategies have traditionally done: give people a livelihood "boost," so that they can

efforts was merely one-to-one. Another way out of poverty, and the most promising of the three we examined, is what is called graduation. It involves helping recipients through a variety of methods and over a particular time sequence.

In graduation programmes,

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prosper on their own. So-called "livelihood programmes" might give agronomic training and growing inputs such as improved seed to farmers, for example.

Some of the livelihood interventions our researchers studied were more promising than others, and the costs for one such programme were cheap—less than Tk. 7,800 per household. But the return on spending devoted to these

participants first receive a small gift of cash or food, which eases the stress of daily survival and allows them to start saving. After that, they receive an asset, maybe a cow or a goat, along with basic financial and technical education. This component often involves animal-husbandry training delivered by a veterinarian. Many graduation programmes also provide healthcare support so that participants will not be forced to sell

assets in the event of an emergency. Finally, participants get a confidence boost through social training - an important factor for escaping poverty that is often overlooked.

The assistance in the form of money, assets, and financial and social support allows participants to "graduate" out of extreme poverty over a set timeframe.

Our analysis shows that the cost of such a programme would be relatively expensive, approximately

| PROGRAMME      | TAKA OF TOTAL BENEFITS PER TAKA SPENT |
|----------------|---------------------------------------|
| Cash transfers | 0.8                                   |
| Livelihood     | 1                                     |
| Graduation     | 2                                     |

Tk. 23,400 per household. But the benefits would be substantial too. Graduation programmes would increase recipients' incomes by at least one-third. And it's likely that household benefits are somewhat understated, because the analysis has only estimated the income benefit but not the improved nutrition status of children.

In total, each taka spent on graduation programmes in Bangladesh could do Tk. 2 of social good, allowing participants to save for the future and, ultimately, escape extreme poverty.

Much of the gains come from beneficiaries shifting occupations, progressing out of casual day labour and into self-employment. And importantly, we found evidence that the positive graduation effects can last for years after the programmes end, meaning that participants have the potential to pull themselves out of poverty for the long term.

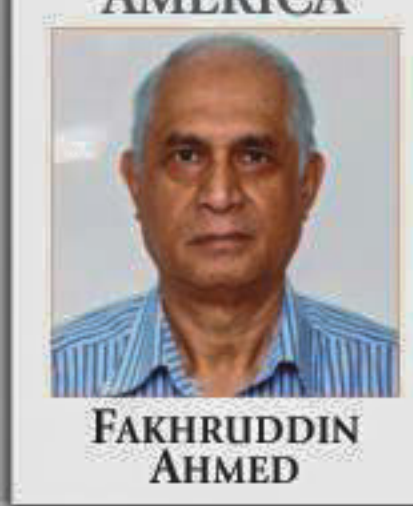
This is a respectable return when it comes to helping the ultra poor. Our experts believe that there should be more study of the long-term impacts of livelihood and cash transfer programmes in Bangladesh. But based on our research, graduation seems the most promising of these three strategies.

In forthcoming articles, Bangladesh Priorities will look at what else we can do with foreign and national development money. These poverty policies are only three of 78 policies that the country could focus on. What do you think? Are these some of the best investments for Bangladesh? Let your voice be heard on facebook.com/dailystarnews. Let's start the conversation about where Bangladesh can do the most good.

The writer is president of the Copenhagen Consensus Center, ranking the smartest solutions to the world's biggest problems by cost-benefit. He was ranked one of the world's 100 most influential people by Time magazine.

# Improving the Dhaka airport experience

LETTER FROM AMERICA



FAKHRUDDIN AHMED

As the plane taxis toward the terminal, the first impression of a visitor to Bangladesh is unfavourable. Airport grounds are an eyesore, with yawning ditches and

dread landing at Dhaka airport. I put in a prayer just before landing because I know that regardless of the carrier I am travelling on, the landing is going to be rough. Our national airport has only one runway. Why can't we maintain it better?

love. Before deplaning, I make sure that I won't have to use the bathroom facilities for the one to two hours that I will spend in the terminal building. The stench of the bathrooms is overpowering! One shudders to think of the reaction of foreigners. Is it too much to ask for the bathrooms to be maintained properly so that it is useable? As I entered the terminal building after a long flight in the morning of December 10, 2010 (the same day Shah Rukh Khan came to perform in a concert), I was greeted by a swarm of mosquitoes. They not only feasted on my blood, they also injected something into my blood stream, which I was to find

Instead, I told him: *Apne to amaar pechhone chhilen!* (You were behind me!) He was ready with the perfect retort *Na, amra ek shathe chhilam!* (No, we were side by side!) I was thinking that if this resourceful young man had utilised his talents properly, he could have been somebody. Unfortunately, things did not end well for him. As he approached the counter, the immigration officer scolded him: *Ekhane keno ashechen? Bangladesh counter-e jaan!* ("Why are you here? Go to the Bangladesh counter!")

Luggage handling is still primitive at Dhaka airport. After a long flight, the last thing passengers want is an interminable

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December/January, everyone congratulated me for covering the 10 miles from the airport to my wife's residence in Dhanmondi in just over an hour - the same time it took me to cover the 70 miles from our residence to JFK airport in New York!

Seven days after mosquitoes bit me at Dhaka airport on December 10, 2010, I came down with high fever (104 degrees F) and bone pain. As a marathoner, I have tremendous tolerance for pain. I took Tylenol to bring down the temperature, but did not complain about the pain. After three days, the fever and the pain suddenly went away. I am cured, I thought. That's when the hemorrhaging began! Blood began seeping from the pores in my hands, chest and legs. There was a golf-ball size lump of blood inside my cheeks! I was rushed to Square Hospital and diagnosed with Hemorrhagic Dengue.

It took me a year to fully recover. Since dengue mosquitoes are active only during the morning, these days I make sure that I reach Dhaka airport in the evening!

There is only one security checking station for departing passengers entering the terminal building, resulting in waiting for 30 to 45

minutes. There should be more stations. As I was waiting to board the plane, the personnel at the final security checking were complaining about too many mosquitoes in the terminal. I asked one of them why they didn't spray the terminal building with mosquito-killers. His answer was revealing: *Boro shahebra to ekhane ashen na. Onara VIP jaiga diye jaan. Okhane moshai nai* (The big shots don't come this way. There are no mosquitoes in the VIP area where they go!).

Here are my suggestions for improving the Dhaka airport experience: Once a month, late at night, spray the whole terminal building with mosquito-killers, and after an hour, pump out the contaminated air; install at least three security checking stations for passengers entering the terminal; install modern equipment to expedite luggage handling; authorise some officials to handle traffic in the immigration area; maintain the bathrooms so that they don't stink; remove the welcome sign in Arabic; beautify the grounds around the taxiways; maintain the runway so that the landings are smooth.

The writer is a Rhodes Scholar.



PHOTO: AIRWAYSNEWS

unkempt grounds. Can't we spend some money making the grounds a little aesthetic?

As one approaches the terminal building, three signs welcome the visitor to "Hazrat Shahjalal Airport" - in Bangla, English and Arabic. Bangla and English are understandable, but what is the Arabic sign doing there? I have tremendous respect for Arabic-speakers, but no one speaks Arabic in Bangladesh, and therefore, that sign does not belong there. Arabic language must not be conflated with Islam, which many of us

out seven days later.

The immigration area is a mess, with no one directing traffic. People make a beeline for the line they think is the shortest, regardless of whether the line is meant for them. There is little appreciation for the etiquette of queuing. One year, as I stood in line, a restless young man stood behind me. I noticed that he was gradually attempting to overtake me. Eventually, he did! I had the muscle power to shove him back, but that is not who I am.

delay in gathering their luggage. On one occasion, after about 45 minutes of waiting, I asked a luggage attendant when our luggage would come. He enquired where I was coming from. On learning that we came from New York, he replied in a spiteful tone, *Shob sheshe ashbe!* (Will come out last!)

As we depart the airport, I always wonder why so many people are milling around the terminal. Don't they have anything to do? During my last visit to Bangladesh, this

**QUOTABLE Quote**

**SAMUEL BECKETT**

*You're on earth. There's no cure for that.*

**CROSSWORD BY THOMAS JOSEPH**

|                         |                           |
|-------------------------|---------------------------|
| <b>ACROSS</b>           | <b>DOWN</b>               |
| 1 Tempo                 | 1 Peach parts             |
| 5 Intensifies           | 2 District                |
| 11 Pressing need        | 3 Hidden                  |
| 12 Illinois city        | 4 Snare                   |
| 13 Campout sight        | 5 Writer Martin           |
| 14 Lined up             | 6 Calendar pages          |
| 15 Priest's prep room   | 7 Do half heartedly       |
| 17 Mom's command        | 8 Army address            |
| 18 Bad writers          | 9 First numero            |
| 22 Trades               | 10 Chapel sight           |
| 24 Sculpting medium     | 16 "- been real!"         |
| 25 Bud                  | 19 Hardened               |
| 26 Original             | 20 Dandling spot          |
| 27 Turn away            | 21 Puts in stitches       |
| 30 Is furious           | 22 Ship pole              |
| 32 Winona of films      | 23 Undulating             |
| 33 Vein yield           | 28 Second shot            |
| 34 South American lake  | 29 Hot dish holder        |
| 38 California desert    | 30 King of France         |
| 41 Shepard in space     | 31 Five-time Derby winner |
| 42 Come to              | 35 Addition column        |
| 43 Tony-winning musical | 36 Walking aid            |
| 44 Beliefs              | 37 Crumb carriers         |
| 45 Pindar poems         | 38 Small rug              |
|                         | 39 Have debts             |
|                         | 40 Painter Vermeer        |

**YESTERDAY'S ANSWER**

|   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|
| W | A | G | S | C | A | V | E | R | N |   |
| E | U | R | O | A | V | E | N | E |   |   |
| S | T | U | D | B | O | N | D | E | D |   |
| T | O | M | S | L | I | T |   |   |   |   |
|   | B | R | E | E | D | G | O | D |   |   |
| J | U | L | I | A | S | A | R | G | E |   |
| E | L | I | S |   |   | D | A | L | E |   |
| A | N | N | E | S | T | A | M | E | R |   |
| N | A | G |   | C | R | U | M | B |   |   |
|   | C | O | A | X | L | A | B |   |   |   |
| S | A | T | U | R | N | S | I | L | O |   |
| A | D | O | R | E | D |   | U | N | T | O |
| G | E | N | T | R | Y | E | G | O | S |   |

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