

MOVING OUT OF LOW PRODUCTIVITY TRAP: INVESTING AT THE BOTTOM OF THE PYRAMID

Dr. Md. Shahid Uz Zaman, Executive Director, ESDO

Introduction

In spite of many upheavals in its history, Bangladesh has made tremendous progresses in different sectors. The country has achieved some of the largest reductions in early deaths of infants, children and women in childbirth in the world. However, in spite of many remarkable achievements in human development, women empowerment, education and employment, Bangladesh still faces many hurdles in ensuring sustainable socio-economic development for its vast population. Many of the disadvantaged and marginal groups including women and children, ethnic minorities, people with disability, landless and destitute people, need constant support for breaking the shackles of poverty and rising above the poverty line. The country has one of the largest concentrations of NGOs and CBOs in the world, and these organizations also need greater coordination among themselves and more support from the government and international partners, if they are to play a more prominent role in ensuring sustainable socio-economic development of the disadvantaged. Recent trends in pro-poor development activities indicate that, in the near future, the country must put adequate emphasis on areas like agriculture, health, human resource development through technical and education, food security, environmental conservation and women and child rights for creating a just and equitable society. Both government and non-government organizations, therefore, have an important role to play in this regard.

Definition of Productivity

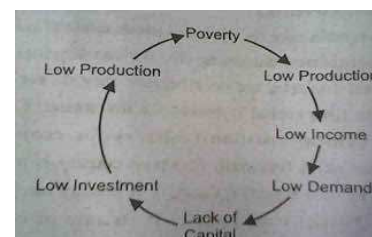
Productivity is defined as the relationship between output and inputs. Partial productivity indicators may be defined in terms of output per unit of labour, per unit of capital, per unit of land, and per unit of raw materials or intermediate goods. Total factor productivity growth is defined as output growth in relation to a weighted average of the growth of inputs (usually labour and capital) where the weights are the income shares of the factors of production. In this paper, the productivity measure that will be used is labour productivity, as labour productivity is much more closely related to potential increases in real income and living standards than total factor productivity growth. (*Centre for the Study of Living Standards, Productivity Growth and Poverty Reduction in Developing Countries, September 29, 2003*)

Vicious Circle of Poverty and productivity trap:

The people in the less developed countries have low per capita income. Having low income their rate of savings is low. When savings are small in a country, investment will also be low. Low investment leads to low productivity. With low productivity level, the income is bound to be low. People as such remain poor. In this way vicious circle of poverty completes. Summing up, we can say that less developed countries are poor because they do not have sufficient capital resources for investment. Capital has a central position for economic development. A financially poor country is trapped in its own poverty. A country can get rid of poverty if its rate of capital formation increases than the rate of population growth. So capital formation is the key to economic development by demand and supply of capital.

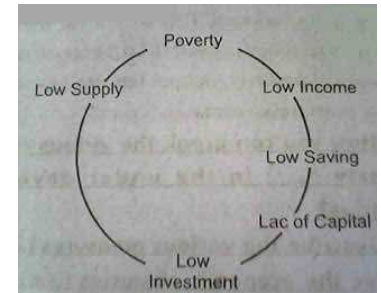
Demand Side of Capital:

The production of the poor country is low. The low production causes low per capita income and low purchasing power. The low purchasing power reduces the demand for products. Due to low demand, market will be limited. The small size of market discourages the investment. The low production reduces the productivity per worker. When the output per worker is low, the per capita income is bound to be low. So vicious circle of poverty is complete on the demand side of capital formation.



Supply Side of Capital:

In the developed countries due to low production, per capita income is low. The low level of income means the capacity to save is low. The low level of savings leads to low investment. The low rate of investment reduces the productivity per worker. It leads to low per capita income. The vicious circle is thus complete on the supply side of capital formation.



Low Productivity Trap

Low Productivity has many dimensions; it is not just about income. Low Productivity is directly linked with

- Rapid population growth
- Low per capita income
- Low consumption
- Limited market
- Low savings
- Lack of capital
- Low investment
- Low production
- Nutrition
- Basic health
- Education
- Housing / shelter
- Information
- Freedom from discrimination

Reasons of Low Productivity

Reasons of Productivity		
Lack of Employment opportunities in non-agricultural sector	Poor crop-diversity and intensity	Inflation and price-hike
Low wage rate	Advance sale of crop and Labor	Exportation of food grains
Landlessness	Scarcity of cash money	Inadequate role of NGOs
Flood and River- erosion	Inadequate access to institutional credit	Non-co-operational local elites
Drought	Less marketing opportunity	Deprivation by political decision

Poverty

Poverty is the lack of basic necessities that all human beings must have: food and water, shelter, education, medical care, security, etc. A multi-dimensional issue, poverty exceeds all social, economic, and political boundaries. As such, efforts to alleviate poverty must be informed of a variety of different factors.

In the less developed countries people are mostly unskilled and technologically backward. They are illiterate and lack the entrepreneurial ability. So the natural resources are not used properly, output remains low and poor country remains poor because it is poor.

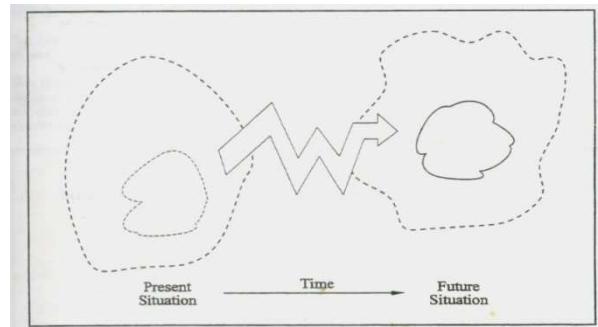
Development: Understanding on Practitioners View

Generally development means a process of change that involves the whole society--its economic, social-cultural, political and physical structure, as well as the value system and way of life of the people (Alexander, 1994: 8).

Development is a process of change. Change processes have some common features:

- A broader **context** in which we act;
- A problem **area** or present situation which we want to change;
- An **objective**, or a vision of the future, that we want to achieve;
- **Choices** about where and how we intend to move, through time;

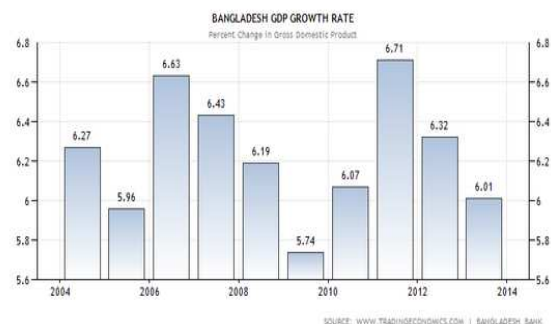
Actions we want to be implemented.



Bangladesh: Some Success indicator on Moving out of Low Productivity

The Gross Domestic Product (GDP) in Bangladesh

The Gross Domestic Product (GDP) in Bangladesh expanded 6.01 percent in 2013 from the previous year. GDP Growth Rate in Bangladesh averaged 5.62 Percent from 1994 until 2013, reaching an all time high of 6.71 Percent in 2011 and a record low of 4.08 Percent in 1994. GDP Growth Rate in Bangladesh is reported by the Bangladesh Bank.



Non-farm activities constitute the dominant component of the economy: Economic census 2001 & 2003 recorded 37.1 million economic units with an employment of nearly 12.4 million. The preliminary report of economic census 2013 has estimated the number of economic units to be 80.8 million. The preliminary report did not use the employment data recorded in the census. However, if we use the average employment size recorded in the economic census 2001 & 2003, the total employment recorded under economic census 2013 is likely to be nearly 28 million. This implies that more than half of the labor force in Bangladesh is engaged in economic activities outside the farm sector. This underscores the growing importance of the sector in supporting faster growth of the overall economy.

There has been rapid growth in total economic units during the past decade: During the inter-census period of 2001 & 2003 and 2013, total economic units increased at an annual compound rate of nearly 8.1 percent, which is faster than the growth rate of 3.1 percent recorded for the previous inter-census period 1986 to 2001 & 2003. This evidence appears consistent with the faster growth of the overall economy observed during the decade of 2000s compared to the decade of 1990s. It also implies that rapid growth in non-farm activities played a key role in accelerating the pace of overall growth of the economy.

Informal sector has been an important component of this growth dynamics: Like the previous economic censuses, economic census 2013 reported permanent establishment as the dominant category accounting for 56.2 percent of all economic units. However, the share of permanent establishment seems to have declined while that of temporary establishments and economic households has increased during the inter-census period. Since temporary establishments and household economic units often involve informal activities, the increase in the share of these types of economic units in total economic units suggests that the informal sector has expanded quite rapidly during this period. This, points towards the need for formulating supportive policy measures for this component of the non-farm sector.

Rangpur and Rajshahi divisions have recorded highest increase in total economic units: This is a significant finding given the fact that during the early years of the last decade, these two divisions suffered from acute seasonal unemployment in the form of *Monga*. This happened during the agricultural lean month of *Kartik* due to lack of alternative non-farm employment opportunities. However, targeted public investment and special credit programme facilitated growth of non-farm activities in these areas, which has eased the problem of *Monga* quite significantly in recent years. Thus, targeted policy for expansion of non-farm activities appears as an effective tool for fighting seasonal unemployment.

Base of Bangladesh Economy is Getting Stronger and Moving towards Formalization

It is noted that permanent establishments in Bangladesh have been increasing over the period. The number of permanent establishment was 1561949 in 1986 which has risen to 2991238 in 2001 & 03 and to 4534616 in 2013. It shows that the growth in number (1543378) over the last ten years is higher than that (1429289) occurred even of the seventeen years (1986 to 2001 & 03). It implies that the Bangladesh economy is getting sustainable and moving towards formalization.

Household Based Economic Activities are in Rapid Expansion

The findings of the Economic Census 2013 reveal that household based economic activities have expanded tremendously over the last decade. The number of economic households is 3039398 in 2013 which was 381055 in 2001 & 03 and 545429 in 1986. The extended definition of economic households may have partly contributed to this expansion.

Rural Economy has boosted up with Higher Growth in Northern Bangladesh

Economic Census 2013 depicts that the growth in 2013 over 2001 & 03 in rural areas is significantly higher(150.6%) compared to urban areas (62.9%).It is encouraging to mention that once poverty prone Rangpur Division has experienced substantial growth at micro level economic activities. The total number of economic units in this division was 208135 in 1986 which has increased to 405583 in 2001 & 03 and further increased to 1088255 in 2013.

Service Sector Plays Dominating Role in Growth of Economic Units

The results of Economic Census 2013 reveal that the service sector activities like *wholesale and retail trade including repair of motor vehicles and motorcycles* occupies the highest share of 45.91% and transportation occupies *and storage*13.65%. On the other hand *manufacturing* 11.76% and *other service activities* 8.48%. The share of most of the activities has been less than 5%; some activities even have less than 1% share.

Why Bangladesh needed to Invest at the Bottom of the Pyramid

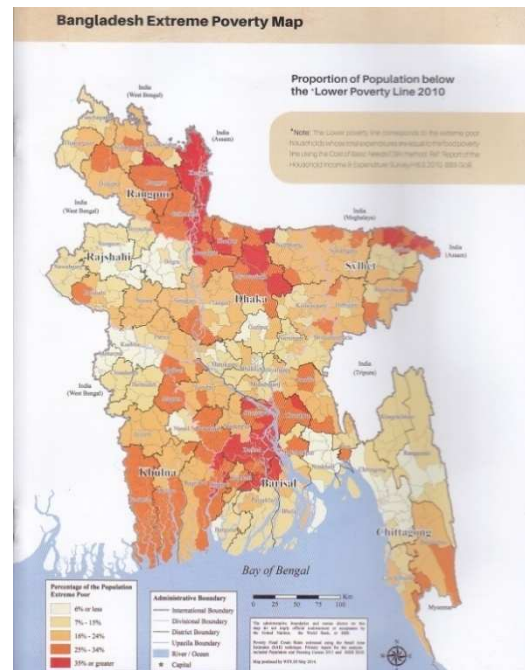
Head count poverty ratio has declined sharply from close to 60% in the early 1990s to 40% in 2005 and to 31.5% in 2010 and is well on track for achieving the MDG target of 29% by 2015. However, the number of poor people is still large, which is around 50 million. The hard core poor account for about 17.6% of the total population as of 2010, down from 25% in 2005. These people need assistance for sustenance. The Government implements a wide range of safety net programmes to

assist these people. A large number of CBOs and NGOs have also been contributing, through various programmes, a supportive role to the governmental efforts in poverty reduction. (Bangladesh, Rio+20: National Report on Sustainable Development May, 2012)

According to the latest 2010 HIES based estimates, Extreme Poverty Incidence in Bangladesh is still now a major concern and directly linked with low productivity trap.

Investing at the Bottom of the Pyramid: A Short Outline on Practitioners View

The overarching mission of investing at the bottom of the Pyramid is to reduction in income poverty and human poverty envisioning towards creating an equitable society free from all discriminations. To achieve the vision and mission, should be a set of programming goal to improve the quality of life of the poor and vulnerable people (especially women and children) under taken. The programming goal sets five strategic priorities towards developing pathways for ending poverty and promoting shared prosperity in a sustainable manner. This includes:



Strategic Objective # 1: To develop quality human resources targeting children, women and vulnerable people

Strategies:

- Continued capacity building and skill development of the change agents,
- Develop and implement innovative programs based on learning from current and past activities,
- Encouraging the development of locally relevant technologies and contents,
- Active engagement with grassroots people, especially social activists, teachers and students, civil society representatives and community leaders.
- Networking with relevant and like-minded individuals and organizations for improving the quality of services,
- Effective coordination between local government bodies, GOs and NGOs;
- Integration with ongoing GO-NGO activities in different regions, and
- Follow a bottom-up approach for ensuring more inclusive and socially responsible program interventions.

This would require:

- Collection and analysis of monitoring data and impact assessment on a regular basis,
- Intensive coordination and collaboration with stakeholders,
- More research and development activities by staff members and network partners, especially on local needs and priorities,
- Proper management of organizational knowledge through knowledge sharing, retention of skilled staff members, replication of best practices, job rotation, development of communities of interests, etc

Strategic Objective # 2: To improve knowledge and capability of the poor and vulnerable (especially women and indigenous people) to adapt with the emerging social, economic and environmental shocks.

Strategies

- Active engagement with GOs and NGOs, especially local government bodies for ensuring increased participation and inclusion of the most vulnerable communities in their program activities.
- More research and documentation on climate shocks and the impacts of natural calamities with a strong local focus.
- Knowledge sharing on resilient livelihood and sensitization for sustainable use of natural resources.
- Encouraging local level innovation and replication of best practices for increasing agricultural and economic productivity of vulnerable households.
- Extensive sharing of information at all levels to bridge information and communication gaps for ensuring food security, improved livelihood practices and better management of disasters and climate shocks.
- Networking and advocacy with GOs and NGOs, local government bodies and community forums on developing resilient pathway for vulnerable communities.
- Develop and implement innovative programs based on learning from current and past activities,

This would require:

- Collection and analysis of monitoring data and impact assessment on a regular basis,
- Training and skill development of change agents on emerging techniques and technologies,
- Free flow of information among staff members, network partners and beneficiaries,
- Documentation of indigenous best practices, translation and sharing of relevant best practices from other parts of the world.

Strategic Objective # 3: To improve the quality of basic services (health, education, agriculture and financial) for the poor and vulnerable people.

Strategies

- Development of voluntarism and leadership among community people to take up more community-run, self-managed programs.
- Collection of reliable, up-to-date baseline data and community information on various indicators like health, nutrition, education, agriculture, human rights, etc. and proper documentation and reflection on those data.
- More linkage creation with GO-NGO level service providing agencies to include larger number of vulnerable people under social safety nets.
- Research and innovation on locally relevant techniques and technologies for increasing productivity and crop diversity.
- Advocacy and policy lobbying with GOs-NGOs for undertaking more people-friendly services and activities.
- More intensive networking and collaboration activities with network partners and other stakeholders for addressing the most urgent needs of the disadvantaged people.

This would require:

- Staff with the correct skill-mix to engage more actively with the local people.
- Rethinking and refocusing of programmatic approaches to bring fundamental changes in program design and implementation.
- More widespread use of ICT in data collection, analysis, communication and collaboration.

Strategic Objective # 4: To promote human rights of children and marginalized people.

Strategies

- Consolidating and strengthening the community networks for raising concerns about human rights at the grassroots level; integrating them with the existing networks.

- Sensitization of local government bodies and civil society groups for implementing pro-poor human rights campaigns.
- Capacity building of network partners and stakeholders for carrying out pro-women and pro-children program interventions.
- Advocacy and policy lobbying at local, regional, national and international level for the protection of human rights, especially children and women rights.
- Social awareness rising on human rights issues among targeted groups of people through volunteers and opinion leaders targeting unfavorable social values and customs.
- Strengthening mass media, community information centers and local forums for highlighting locally relevant human rights issues and integrating them with the mainstream human rights campaigns.
- Coordinating advisory and consultation services to vulnerable people and consolidating existing linkages between them and legal service providers.

This would require:

- Strong and reliable information support systems for assisting human rights campaigns.
- Networks of issue-based volunteers for acting expeditiously for preventing all kinds of human rights abuse.
- Greater coordination with law enforcers and civil society leaders at all levels.

Strategic Objective # 5: To enhance organizational capacity for programming excellence.

Strategies:

- Reorganize organizational structure as per sectors of programming and more focused initiative for developing and retaining of quality staff;
- Establishment of an organization-wide knowledge management system with effective use of KM practices like knowledge audit and knowledge mapping, storytelling, mentoring and apprenticeship, etc.
- Continued research and development for enhancing organizational learning and providing intellectual inputs to the staff members, network partners and other stakeholders.
- Encouraging innovative practices like job rotation and quality circles to bolster employee confidence and promote wider knowledge sharing in every stratum of the organization.
- Establishment of mechanisms for assessing the effectiveness of communication channels between vulnerable people and employers, market leaders and service providers.
- Strengthening of networking and collaboration activities with partner organizations and other stakeholders to identify emerging concepts and act together to face new challenges.
- Continued adoption of ICT tools and techniques at every level of organizational activities for ensuring effectiveness, transparency and accountability.

This would require:

- a) Reliable ICT infrastructure and a competent workforce with correct skill-mix.
- b) Proper application of organizational learning and promotion of best practices.
- c) Reconciliation of the planning, organization, implementation, monitoring, and measurement of key processes and results with the organization's vision and mission.
- d) Promote an environment that enables all resources to be put to their best use.
- e) Foster an atmosphere that promotes creative thinking for program development and problem-solving.
- f) Establish sound financial and operational information systems.
- g) Strengthen organizational structures, systems, policies, procedures, and techniques.
- h) Building a learning/teamwork environment within the organization and delegating and empowering staff, while demonstrating integrity, enthusiasm, and self-confidence.

Cross-Cutting Issues

1. **Free flow of information:** Free and unhindered flow of information is an important prerequisite for transforming an organization into a learning organization, encourage creativity and constrictive leadership and make it capable of working in a progressive manner.
2. **Gender:** Because of the presence of long-held superstitious beliefs in the society, women face many problems in realizing even their basic human rights. They are routinely subjected to many kinds of discriminations and injustice. Gender will continue to play a crucial role in the planning and implementation of any development program activities.
3. **Utilization of ICT:** Unprecedented advances in the fields of Information and Communications Technologies (ICTs) have fundamentally changed the ways in which we perform various tasks. ICTs have tremendously increased productivity while bringing effectiveness and ease of use to different activities
4. **Local ownership of projects and programs:** Sustainability of any program or endeavor depends largely on the active participation and involvement of the beneficiaries and local populace.
5. **Research and documentation:** Without continued research and development, no new ideas or techniques could be brought forth and implemented.
6. **Social accountability:** This sense of social good and social accountability will always be given highest priority because the importance of involving people from larger cross-sections of the society to program activities by following an inclusive and holistic program approach.

Moving out the low productivity trap: Investing at the Bottom of the Pyramid: Case Studies from PKSF funded and ESDO operated two selected projects:

Palli Karma-Sahayak Foundation (PKSF) was established in 1990 by the Government of Bangladesh as a 'not-for-profit' company, registered under the Companies Act 1913/1994. The principal objective of PKSF is to provide funds to various organizations for their microcredit programme with a view to help the poor who have no land or any credible material possession. Funds enable them to gain access to resources that lead to employment opportunities and enhancement of their livelihood. PKSF provides assistance to the poor through different non-government, semi-government and government organizations; voluntary agencies and societies; local government bodies; institutions; groups and individuals. These organizations and institutions are largely called as Partner Organization (POs). PKSF is the leading apex microcredit and capacity development organization in Bangladesh.

Eco-Social Development Organization (ESDO) started its journey in 1988 with a noble vision to stand in solidarity with the poor and marginalized. Being a peoples' centered organization, ESDO envisioned for a society which will be free from inequality and injustice, a society where no child will cry from hunger and no life will be ruined by poverty. Over two decades of relentless efforts to make this happen, ESDO has embraced new grounds and opened up new horizons to help the disadvantaged and vulnerable people to bring meaningful and lasting changes in their lives. During this long span, ESDO has adapted with the changing situation and provided the most time-bound services especially for the poor and disadvantaged. A community focused and people centered approach has been adapted by ESDO while consideration was given to the national policy and millennium development Goal (MDG) as its guiding principle. ESDO -a Partner Organization (PO) of PKSF has been implementing its development interventions across 103 upazilas under 23 districts of Bangladesh covering over 6.5 million poor and vulnerable people.

Moving out the low productivity trap: Investing at the Bottom of the Pyramid: Case Study -1: Programmed Initiatives for Monga Eradication (PRIME)

PKSF introduced a unique livelihood project titled Programmed Initiatives for Monga Eradication (PRIME) in the year 2006 to fight against the extreme consequences of monga and monga-like

situations. Monga is a pre-harvest seasonal famine triggered by reduced availability of agriculture related work. The primary focus of PRIME is to create wage employment and self-employment opportunities for the monga-affected people to ensure sustainable income throughout the year. It delivers holistic package of financial and non-financial services. In continuation of the successful implementation in the north, PRIME has gradually expanded its activities in the south-western and north-eastern regions of Bangladesh to generate sustainable livelihoods of the vulnerable poor nationwide.

Objective of PRIME

The objective of PRIME is to prevent negative consequences of Monga in the North and Monga-like situations in the south of Bangladesh, and to ease economic hardships faced by the ultra poor in the short term while alleviating poverty in the long term.

The Main objectives of the program area

- Creating year-long employment opportunities
- Providing flexible microcredit
- Providing emergency loans
- Creating temporary wage employment when regular income source is hindered due to seasonal joblessness
- Providing technical and skill development training as well as support of off-farm and on-farm IGA farming and livestock rearing
- Providing vocational training
- Providing extended primary healthcare service

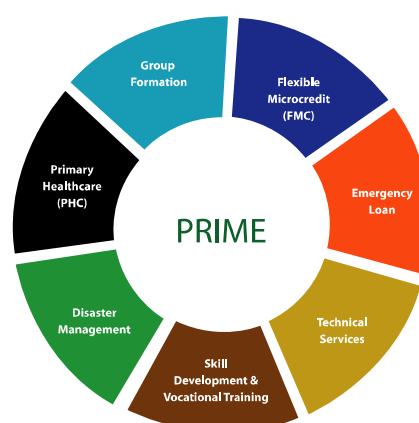
Target Beneficiaries of PRIME:

- Women headed household with special priority for widows and female divorcee.
- Person holding very limited assets
- Old aged or disabled
- Beggars
- Households facing malnourishment
- Day laborers
- Seasonal migrated workers

PRIME consists of 7 components

Components of PRIME:

- ✓ Group formation.
- ✓ Flexible loan disbursement.
- ✓ Emergency loan distribution during *Monga* period.
- ✓ Primary health care service.
- ✓ Vocational training for the *Monga* Victim.
- ✓ Skill development training.
- ✓ Assistance to technical service.
- ✓ Disaster Management.



Information on ESDO-PRIME as on June, 2014.

Categories	Nos
Total district coverage	04
Total upazila coverage	08
Total union coverage	43
Current Member	52643

Current Borrower	42032
Emergency Loan Disbursement Cumulative (Tk)	18249700
Loan Disbursement Cumulative (Tk)	1875277000
Loan Outstanding Cumulative	1478356800
Loan Outstanding Cumulative	277197373
Savings Outstanding Cumulative	97793425
Agriculture input support	9981
Livestock, Poultry and Fisheries	63796
Off-farm support	58723

ESDO-Prime: Health Support Information as on June, 2014.

Satellite clinic	2407
Household visits by CHP	52400
Health Sessions (CHP)	48537
Number of the participants in health session	392522
Number of patients Referred	2035
Health camp (general)	225
Health vamp (special)	9
camp-Eye	6
Health care services for general patients	151452
Health care services for newborns	3185
Trained Birth Attendant (TBA)	702
Institutional delivery	985
Malnutrition detection	1817
Types of medicine distributed	18

ESDO-Prime: Agricultural Support Information as on June, 2014.

Categories	Unit
Agriculture (Batch)	152
Agriculture (Person)	3800
Livestock (Batch)	758
Livestock (Person)	18950
Off-farm (Batch)	37
Off- farm (Person)	925
Vocational (Batch)	3
Vocational (Person)	135
Total (Batch)	950
Total (Person)	23810

Output:

- Total 52643 Monga HHs have been organized
- A amount of 1875277000 taka for Flexible Micro Credit (FMC) & 18249700 taka for Emergency Loan (EL) disbursement
- A total of 23,810 trainings has been conducted
- 205048 persons have received Primary Health Care (PHC) support
- 135363 people have received various seed, 128105 animals come under vaccination and total 75400 cows and goat is come under dew arming as Technical support.

Outcome:

- The average HHs income has increased from 1500taka/month at start in 2007 to 7000 taka/month by 2014.

- 90% of the targeted people are now self employed in their various initiatives like goat, poultry, duck rearing, beef fattening, varmi-compost, carchopi works, tailoring and commercially vegetable cultivation.
- Earning members from each HHs is now increased since the volume of initiatives is comparatively big.
- Income of input supplier, buyers and some transported persons has been remarkably increased.

Impact:

- Food and Nutritional Security significantly increased as a result severe malnourished scenario has decreased (In both pregnant, lactating mother and Child)
- The traditional practice of food consumption has changed and tried to maintain the ideal food consumption as a result they are less affected from diseases and become healthy.
- Advance labor sale, skipping of food on lean season has reduced and rarely happened.
- Social status and dignity of the targeted beneficiaries has been increased.
- Beneficiaries are now more skilled on taking their initiatives and gain more knowledge on communication.

Major Success/Achievements of PRIME

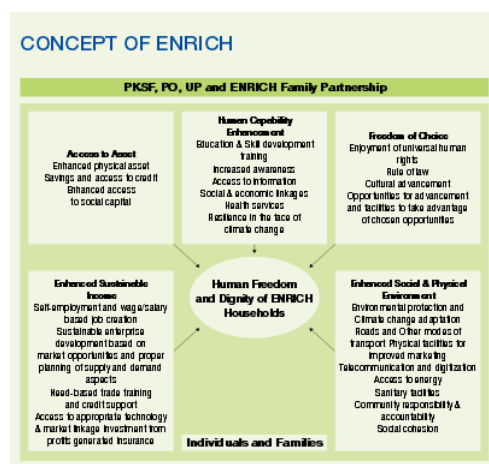
- Model IGAs have been successfully continuing through 9380 program participants.
- Out of 52084 members under the PRIME, almost 80% have upgraded themselves through integrated PRIME interventions (In terms of economical and social indicators)
- Level of empowerment of the targeted ultra-poor exposed to Monga increased significantly in terms of access to basic services. Their opinion at family level is respected while social acceptance noticed.
- Level of confidence tremendously improved (We must be able instead of my bad luck what can I do)
- Food and Nutritional Status significantly increased as a result severe malnourished scenario has decreased (In both pregnant and lactating mother and child.
- Improved social bondage and family peace.
- A group of capable staff has already developed for appropriately addressed ultra-poor segment of the society.
- Migration has significantly reduced due to creation of diversified employment opportunity through PRIME.
- Student's enrolment has remarkably increased.
- Advance labor sale, skipping of food on lean season has reduced and rarely happened.
- Significantly reduced asset erosion on lean period.
- Strong local level alliance has developed for appropriate service delivery mechanism (vaccination for poultry & livestock, quality seed & fertilizer etc.)
- Participants have gained confidence and now and capable to operate their own business.
- Improved trainer's technical knowhow and appropriately use this e.g. management of goat/poultry/duck/beef farming/varmi- compost.

Moving out the low productivity trap: Investing at the Bottom of the Pyramid: Case Study -2: ENRICH: A Holistic Approach to Household-focused Poverty Eradication

Conceptualized and encouraged by the current Chairman of the PKSF, Dr Qazi Kholiquzzaman Ahmad, the Governing Body decided on 28 February 2010 to pilot an integrated approach to poverty eradication and beyond poverty sustainable development in 21 unions in different parts of the country, focusing on households and their circumstances, under the title "Enhancing Resources and Increasing Capacities of Poor Households towards Elimination of their Poverty (or ENRICH)". One selected PO was given the responsibility of one selected union so that, in terms of responsibility for implementation on the ground, the programme also came to be known as "One Union One PO".

Under this new approach, the integrated action programme includes the key components of education, skill training, technology, information, health services, food security and nutrition, awareness raising, asset creation, social capital formation, infrastructure, climate change adaptation, insurance services, market linkages and so on, along with appropriate levels of funding to implement their agreed socio-economic activities by the participants in ENRICH. As a matter of fact, education and health services are essential elements of all PKSF supported programmes, in addition to ENRICH.

The main thrust is to provide integrated support to each poor family to ensure the best possible utilization of their existing resources and capacities and also to appropriately enhance their resources and capacities. The Enrich intervention includes a support package in which credit is one of the components



The specific objectives of the ENRICH are to:

1. Attain total development of each household as well as the whole community participating in ENRICH;
2. Ensure freedom from all ‘un-freedoms’ and human dignity for all members of all households under ENRICH;
3. Empower the poor households so that they can pursue a pathway that would lead them towards the goal of human freedom and dignity;
4. Ensure access of all participants in ENRICH to all capacity enhancing activities such as education, skill training, and health services; essential institutional facilities; appropriate financing for their chosen economic undertakings; necessary market and other information; appropriate technologies; and so on

The Key Elements Of ENRICH

- Best possible utilization of available resources and capabilities at the household level;
- Increasing the capabilities of the household members; and
- Enhancing the resource base of the households



Information on ESDO-ENRICH as on June, 2014.

Categories	Nos
Total district coverage	01
Total upazila coverage	01
Total union coverage	01
Total Household Coverage	6070
Total number of primary education centre	32
Total number of student	960
Total number of sanitary latrine installation	1912
Total number of tube well installation	24
Total number of culvert installation	21
Total number of community based latrine	26

Total number of Basok sapling	73800
Total basok leaf sale	575 kg.
Youth employment through job fair	371
Beggar rehabilitation	05
Total number of loanee	232
Loan Outstanding Cumulative	4811169.00
Savings Outstanding Cumulative	1468827.00
Agriculture seed distribution	1000
Education stipend	05
Special support for ethnic minority community	60

ESDO-Enrich: Health Support Information as on June, 2014.

Total Health Service Coverage	6070
Total number of satellite clinic	355
Support received from satellite clinic	13650
Health camp (general)	10
Health vamp (special)	04
Camp-Eye	1
Health care services for general patients	6016

Output:

- Whole community of Auliapur Union has covered under this program.
- Union Parishad led and people centered planning and implementation model is on-going
- The destitute women have involved and created employment through basak leaf initiatives.
- All households have received Primary Health Care (PHC) support
- Wage employment ensured for 371 un-employed youth through job fare.
- Auliapur union declared by Government as a 100% sanitation union.
- Beggar Rehabilitation program is treated as one of the unique model.

Outcome:

- The average HHs income has increased.
- Union parishad treated as the local level responsible and pro-poor institution.
- Wage employment for un-employed youth is created enabling sustainable mechanism for the households.
- 100% eligible children enrolled in school without any dropout.
- Targeted households are now self employed in their various initiatives like goat, poultry, duck rearing, beef fettering, varmi-compost, carchopi works, tailoring and commercially vegetable cultivation.
- Tremendous achievement on mother and child health has observed.



Impact:

- Food and Nutritional Security significantly increased as a result severe malnourished scenario has decreased (In both pregnant, lactating mother and Child)
- Mother and Child Health Scenario has significantly improved and through the Satellite clinic, community clinic and health camps the health status has remarkably improved.
- The enrolment of children in primary school is one of the best example and quality education also improved.
- Due to 100% sanitized union water borne diseases has reduced and people are aware on personal health and hygiene practice.
- Trough the micro credit and technical support, self employment increase and Advance labor sale, skipping of food on lean season has reduced and rarely happened.
- Social status and dignity of the targeted beneficiaries has been increased.
- Beneficiaries are now more skilled on taking their initiatives and gain more knowledge on communication.

Investing at the Bottom of the Pyramid: Suggestions from the Grassroots

In the light of experience, the bottom level people have given various suggestions and recommendations for Moving out the low productivity trap. Some of the important suggestions and recommendations are given bellow:

Short term strategies

- Special OMS / subsidized rationing program during *lean* period;
- Expansion of food safety-net program;
- Expansion of elder allowance program;
- Ensuring good governance in connection with food safety-net program;
- Increase in number of widow allowance;
- Setting up of food bank for *monga*-affected people;
- Distribution of consumption loan without interest;
- Using every homestead and all fallow land for vegetable-cultivation;
- Activating disaster management committees and
- Ensuring good coordination in-between government, NGOs and private sector regarding *monga* reduction activities;

Midterm strategies

- Reducing commodity-price or increase wages;
- Land reform and distributing agricultural land among real farmers;
- Proper and fair distribution of *khas* land;
- Soft loan for agro-based small and medium farms;
- Establishing good cooperative and involvement of more people for employment through cooperative-based industries;
- Ensuring agricultural inputs subsidy (fertilizer, irrigation, seed, etc.) properly and fairly;
- Ensuring marketing facilities for ensuring fair price of agricultural products;
- Creating vocational training centers for the unemployed youth;
- Establishing cottage industries based on local raw materials, expanding skill-training, providing loan and ensuring marketing facilities for products;
- Expanding dairy and poultry chain for *monga* affected people;
- Technology-transfer to small and marginal farmers for HYV technologies and new agricultural technologies;
- Expanding employment opportunities for women;

- Ensuring good coordination in-between government, NGOs and private sector regarding *monga* reduction activities;

Long term strategies

- Ensuring employment opportunities;
- Setting-up of export-oriented industries for permanent employment opportunities;
- Protection from and restriction of dowry;
- Improved road infrastructure and electricity connection;
- Dredging of rivers and construction of barrages for protection from flood;
- taking up of long-term programs for mitigation of *monga*;
- Expanding foreign employment opportunities;
- Establishing labor-intensive industry;
- Reducing corruption;
- Ensuring good coordination in-between government, NGOs and private sector regarding *monga* reduction activities;

Investing at the Bottom of the Pyramid: Recommendation on Practitioner’s View

Targeting

Government and NGOs are to implement an improved targeting strategy to ensure the inclusion of the poorest and most food-insecure households. Although geographic targeting identifies appropriate and accurate targeting at the *poverty prone* areas, safety-net programs currently reach a disproportionate number of vulnerable and ‘on the edge’ households. The invisible poor have frequently been bypassed. Targeted households do not get sufficient skill, livelihood resource or social capital.

Tracking Vulnerability

Vulnerability monitoring systems need to be established to track changes in the *poverty prone* areas’ food-security status. Information generated from such systems would then be available to inform resource-allocation through safety-net programs, and whether resources should be scaled up or scaled down.

Promotion of Rural Non-Farm Activities

A very popular and effective medium to long-term approach may be promotion of rural non-farm economic activities consisting of rural industries, livestock, trade, services, construction etc. for creating income-generating employment opportunities especially for the *poverty prone* areas.

Overseas Employment

Studies have shown that household assets and remittances received by households from abroad have statistically significant positive influence on its expenditure level. In the above perspective, the government is thinking of formulating a mechanism that would ensure equal number of workers from *poverty prone* districts of the country migrating abroad. The government should give special focus on the northwestern region for eradication of poverty.

Location Dispersion of Industries and Creation of Regional Growth Centers

Locational dispersion of industries and creation of regional growth centers is also an approach towards mitigating *poverty in* the northwestern region. The under-employment situation in the labor market of Bangladesh makes it clear that the prevailing magnitude of surplus labor is such that the formal sector may not be able to attract a large supply of laborers from the rural areas. An expansion of sub-contracting system can utilize the entrepreneurial ability of small enterprises in these areas and can provide a useful substitute for a wage-labor-based industrialization.

Training and Skill Generation

The deficiencies of skill and inadequacies of educational attainment are major factors behind under-employment and low earnings in *poverty prone* area. Well-designed policies to improve the quality of labor force and policies to create matching employment opportunities can provide effective stimulus for a skill-based growth of secondary and tertiary sectors.

Diversifying Incomes

Enhancing livelihood resilience and reducing vulnerability of households from *poverty prone* area will require greater diversification of household income sources. The invisible poor cited income diversity as the most crucial variable of potential income increase. The donors and Government should consider supporting targeted vocational training in communities identified through a participatory appraisal process. The support should also include entrepreneurial and micro-business financial management training.

Expansion of Flexible Micro-Credit

Expansion of flexible micro-credit, especially consumption loan and flexible loan has proven protection weapon for asset erosion of disaster-affected families. NGOs should draw their attention to expansion-flexible micro-credit in *poverty prone* areas in ensuring proper timing.

Marketing

Marketing is a very important issue in *poverty prone* areas. Many problems observed in *poverty prone* -areas in marketing products, it would have been better if presence of marketing linkage, storage and transportation facilities, backward-forward linkage through progressive entrepreneur for successful marketing of products could be ensured. If needed, joint initiatives can be taken. A good example in the neighboring country of India, 'Amul' is an excellent initiative of proper marketing and good benefiting to the ultra-poor.

Effective Coordination in between Poverty Reduction Programs

In *poverty prone* -areas, there are many GO and NGO activities to combat *poverty* but unfortunately, there's no coordination and communication in-between the programs. Such types of problem have been creating instability and loss of resources. Data bank is one of the good options for successful coordination in-between different programs for combating *poverty*.

Conclusions

Low productivity is a broad horizon encompassing a large number of agro-economic, infrastructure and social issues in addition to health and nutrition issues. Due to lack of information disaggregated in *poverty prone* region, it is sometimes difficult for policy makers to target the neediest. Low productivity is more complex than it seems. It is a phenomenon created by various factors that are partly man-made and partly determined by nature. It is the temporal coincidence of different problems which have a big negative impact on the livelihoods of the poor.

The deprivation of female-headed households and their vulnerability are different from and greater than male-headed households. Poverty prone area is a difference considering the nature and political deprivation. Flood and river erosion is one of the major sources of crisis for poverty prone *area*.

The present paper only provides practice based experience on moving out of low productivity and as we have become increasingly aware, there is also scope to make significant improvements to people's lives. Finally, it remains a scope for further studies on the issue of field based experience on low productivity trap and effective way to investment for the grassroots that seems to be one of the opportunities of targeting and improving the life situation of extremely poor people in Bangladesh.

References:

- Alexander, K.C. *The Process of Development of Societies*, Sage Publication, New Delhi; 1994.
- Bangladesh Bureau of Statistics (BBS), *Preliminary Report on Economic Census 2013*, Dhaka. November, 2013
- Bangladesh, *Rio+20: National Report on Sustainable Development*, May, 2012
- Center for Policy Dialogue (CPD), *Bangladesh, Bangladesh Economy in FY 2014: Three Months after the Budget, Three Months before the Elections*, Dhaka, 22 October, 2013
- Centre for the Study of Living Standards, *Productivity Growth and Poverty Reduction in Developing Countries*, September 29, 2003
- DANIDA, *The Danish NGO Impact Study: A Review of Danish NGO Activities in Developing Countries*, Bangladesh Country Study, Copenhagen, Denmark, 1999
- Eco Social Development Organization (ESDO): *Special Publication on PRIME*, Dhaka, October 2014
- Eco Social Development Organization (ESDO): *Strategic Plan 2013/2017*, Dhaka, 2013
- [http:// www.bangladesh-bank.org/pub/fortnightly/](http://www.bangladesh-bank.org/pub/fortnightly/)
- Palli Karma-Sahayak Foundation (PKSF): *ENRICH : A Holistic Approach to Household-focused Poverty Eradication*, Dhaka, September, 2014
- Zaman Shahid, *Development through Participatory Approach: A Study on some selected Agro based Approach* (An un published M.Phil Report), University of Dhaka, 2005
- Zaman Shahid, *Monga Hunger Grips the Northwestern Bangladesh* (An un published PhD Thesis), University of Dhaka, August 2010