

## Delivering results in the fight against poverty

*The story of Sir Fazle Hasan Abed and BRAC — and why it matters today*

In a recent interview, Sir Fazle Hasan Abed remarked that BRAC, the development organization he founded in Bangladesh in 1972, “has not done much” to help the poor compared to what the poor have done for themselves.<sup>1</sup> Some might dismiss the remark as overly modest. BRAC, after all, “has probably done more than any single body to upend the traditions of misery and poverty in Bangladesh,” according to *The Economist*,<sup>2</sup> while Bill Clinton says Abed has “revolutionised” the way the world thinks about development.



Abed is not merely deflecting praise for the sake of humility. The conviction that the poor are agents of their own change accounts for much of BRAC’s success. The organisation runs such a diverse set of programs, each directed at one or more of poverty’s many dimensions, that some find it difficult to sum up its overall approach in a few words. Its activities include microfinance, women’s and girls’ empowerment, healthcare, education, agriculture training, human and legal rights, profit-making social enterprises—even a bank, a university, and the world’s largest mobile money platform. Yet each of BRAC’s interventions adheres to a set of core convictions: The world’s poor have vast untapped potential, and the task of development is to create the conditions that enable them to live on their own terms, with the choices, freedom and dignity that others take for granted.

The fact Abed’s greatest achievements took place in post-independence Bangladesh, where lawlessness, famine and flooding were the norm, is all the more remarkable. Many have written of the “Bangladesh conundrum.” How could a country so poor, with such dysfunctional governance, achieve so much in terms of development? The eighth largest country on earth by population, Bangladesh has seen some of the fastest improvements in living conditions in history. Maternal mortality has decreased by 75%

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<sup>1</sup> “[Sir Fazle Hasan Abed: Up Close and Personal](#).” BRAC. 20 July 2016.

<sup>2</sup> “[BRAC in Business](#).” *The Economist*. 18 February 2010.

since 1980, infant mortality has more than halved since 1990, and life expectancy now exceeds 70 years, higher than in neighbouring India and Pakistan. In education, Bangladesh has not only reached but exceeded gender parity, meaning there are now more girls in school than boys.<sup>3</sup>

Many say BRAC was a large part of the answer. Other organizations, governments, multilaterals and social enterprises around the world are increasingly using the approaches it pioneered to deliver results in the fight against poverty. Its ultra-poor graduation approach, for example, is a multi-pronged effort that draws on decades of BRAC's experience in multiple sectors, designed to "graduate" the poorest out of extreme poverty into a sustainable livelihood. The approach is successfully used by others on several continents, with some even describing it as "a universal method to help the very poor."<sup>4</sup>

It is an important time to share BRAC's methodologies and the lessons it has learned more widely. For the first time in history, it no longer seems far-fetched to think we can

### **BRAC at a glance**

BRAC is known for cost-effective, evidence-based poverty innovations in extremely poor, conflict-prone and post-disaster settings. In 2016, it employed more than 110,000 people in 11 countries, with annual expenditure of \$900 million and an estimated reach of about 130 million people.

A pioneer of social enterprise, BRAC is also unique among the world's major nonprofits in that its overall budget is majority self-financed. In Bangladesh, it financed 76% of its \$682 million average annual budget for the years 2011 to 2015 from its own surplus-generating activities. These include microfinance, related social enterprises, and investments in financial service companies, including bKash, the world's largest provider of mobile banking services. However, much of BRAC's most important work—including its schools, healthcare, the ultra-poor program, and most of its international work—remained heavily reliant on outside donors.

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<sup>3</sup> "[The Path Through the Fields.](#)" *The Economist*. 3 November 2012.

<sup>4</sup> "[Graduating From Destitution.](#)" *The Economist*. 1 August 2015.

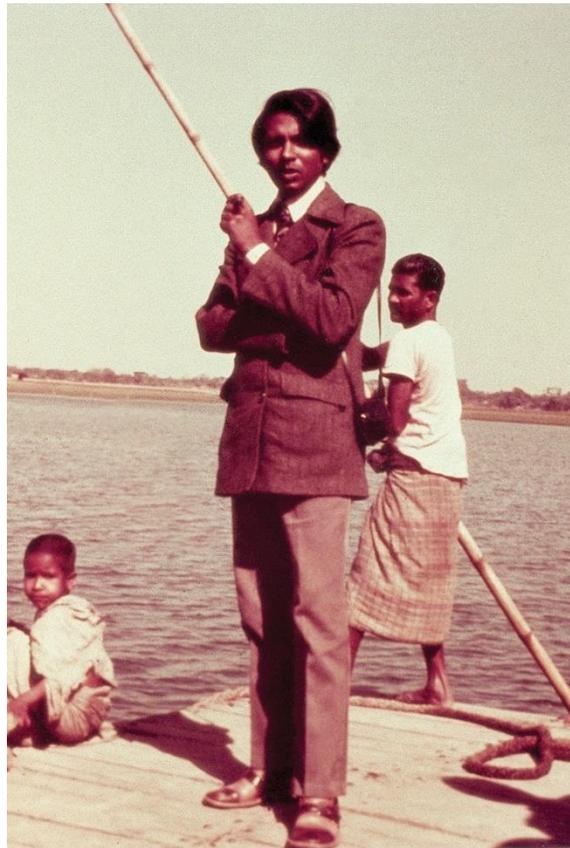
eradicate extreme poverty from the face of the earth. Challenges such as civil wars, terrorism, epidemics and climate change are daunting, but BRAC has confronted such conditions and succeeded in spite of them. It has done so by empowering the poor to bring about change on their own terms.

### **Abed's journey**

The story of BRAC is largely that of a man who confronted a problem that seemed too big to solve—human poverty—and, despite the odds, found ways to solve it.

In December 1971, Bangladesh emerged from a brutal war for independence with Pakistan. Fearing for their lives, millions of civilians had fled the fighting, including a 35-year-old Bangladeshi accountant named Fazle Abed. When the war ended, millions streamed back across the border from refugee camps in India, most of them on foot. They returned to find a country in ruins. Many came home to find everything they had left behind looted or destroyed—huts, farm tools, livestock, even cooking utensils.

Abed was moved to help. Though he came from the country's privileged classes, he was not independently wealthy. His start-up capital was little more than a few thousand British pounds from the recent sale of his London apartment. Oxfam soon assisted with a larger grant. Abed hired a small staff to help returning refugees in the remote north of the country, an area accessible only by boat for much of the year. "My family and friends thought I was crazy," he recalled, years later. The Bangladesh Rehabilitation Assistance Committee, as it was initially named in March 1972, focused on immediate needs—distributing bamboo and corrugated tin to reconstruct thousands of destroyed homes, plus seeds, farm tools and nylon twine for fishing nets to help people regain their livelihoods.



The poverty Abed encountered was grinding, and the work affected him deeply. He began to ask himself difficult questions. People had fought and died for the nation's freedom. But what could the promise of liberation mean to people who would spend their lives trapped in destitution, barely surviving on the land's meagre harvests? Even with their homes repaired, the people would suffer as they had for centuries—susceptible to disease, illiterate, and unable to access basic services like water, healthcare, electricity and irrigation. The life expectancy of the average Bangladeshi was only 47. One in four children would not live to the age of 5. Abed was facing not just a poverty of means, but a poverty of freedom, opportunity, and self-worth—and in the face of it, his modest relief project almost seemed futile.

He resolved to change the equation completely, even if it took a lifetime or longer. For too long, he thought, people like him had tacitly accepted the dehumanising conditions in which the poor lived their lives. Using skills learned in his previous job in the finance department at Shell Oil, Abed set about looking for permanent, workable solutions to poverty that could be scaled up to reach millions. The “committee” he founded soon changed to Bangladesh Rural Advancement Committee—and later, simply BRAC.

BRAC has now grown to become, by most measures, the world's largest nongovernmental organization. It reaches far beyond Bangladesh with its direct work in 11 countries and an indirect influence on many more. Now 80, Abed still chairs the governing body of BRAC, though he has begun stepping back from the day-to-day running of the organization, which is now led by a management team with decades of experience in the development sector.

### **What others say about Abed and BRAC**

“BRAC in Bangladesh is the best aid group you've never heard of.”

—Nicholas Kristof, *The New York Times* columnist

“You've revolutionised the way we all think about development. You have been a profound inspiration to me and to so many others.”

—Bill Clinton, in his 80th birthday message to Abed

“Sir Fazle Hasan Abed is, in my mind, one of the greatest role models of servant-leadership I have ever witnessed.”

—Jim Yong Kim, president of the World Bank

In recognition of his services to humanity, Fazle Hasan Abed was appointed Knight Commander of the Order of St Michael and St George (KCMG) by Queen Elizabeth II in 2010.

## Early encounters

In the early 1970s, Abed encountered a widespread mindset of fatalism among the poor of Bangladesh. They themselves did not believe their lives could ever be different. No matter how hard they worked, something or someone would always stand in their way—landowners, moneylenders, corrupt authorities, and sometimes even the poor themselves, exploiting other poor people. As one participant told a BRAC interviewer after a particularly brutal famine: “We see nothing but darkness in front.”<sup>5</sup>

Changing the mindset of fatalism would not solve the problem outright, but it would be a crucial first step. By 1974, BRAC had already encountered huge challenges with its first attempt at building rural community centres for the teaching of literacy and numeracy. The project had been a sobering failure, as Abed describes it. “The idea came from me,” he said. “I wanted to have some place in the village where people could congregate under one roof. [But] after a hard days’ work who wants to go to a community centre to read and write? Something that will never come to any use for them.”<sup>6</sup>

In BRAC’s first major course correction, Abed and his colleagues shifted tactics and began experimenting with the discussion-based teaching methodology of Paulo Freire, a Brazilian educator who emphasised the importance of individual empowerment over rote teaching methods. The Freirean methodology taught literacy in small-group discussions in which learners explored their day-to-day problems amongst themselves, without an outside “expert” telling them what to do. (See story, page 19: “Can a Tiger Build a House?”)

Within these groups, in addition to reading and writing skills, BRAC began introducing topics of real-world significance, like family planning, health, nutrition, cooking, sanitation, and agricultural practices. Before long, the groups began launching their own enterprises. BRAC invested in these enterprises with loans and training—the beginnings of what later became known as microfinance.

Decades later, the essence of this methodology—cultivating a mindset of empowerment in small groups settings—remains the bedrock of BRAC’s approach. “People trapped in a cycle of destitution often don’t realise their lives can be changed for the better through

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<sup>5</sup> “[Peasant Perceptions: Famine](#).” Rural Study Series, Bangladesh Rural Advancement Committee. July 1979.

<sup>6</sup> MacMillan S. “[Glorious Failure: The Joy of Learning from Your Mistakes](#).” *The Guardian*. 30 March 2015.

their own activities,” Abed told *The New York Times* in 2015. “Once they understand that, it’s like a light gets turned on.”<sup>7</sup>

### **Research, learning and efficiency**

BRAC soon began breaking with orthodox models of community development. The history of South Asia was already replete with failed initiatives to help the poor. Without a strong research team, it would be difficult to gauge which interventions were truly effective, so BRAC set up a Research and Evaluation Division to assess its own programs in 1975. It hired anthropologists, sociologists, and economists to study life in the villages to gain an in-depth understanding of the dynamics of rural poverty, including the complex networks of local corruption that diverted aid intended for the poor to village elites. It began evaluating results by monitoring treatment areas in terms of vital indicators like school enrolment, immunization rates and wages. BRAC thus became one of the earliest examples of a “learning organization.”

Today, BRAC’s research division remains one of its most active units. The organization discards methods shown to have failed, even at the risk of disappointing donors. For programs that show signs of success, it strives for maximum effectiveness and efficiency by eliminating unnecessary tasks, routinizing essential ones, and then replicating these to cover large populations while continuing to monitor results. Studies, often conducted in collaboration with universities and other independent research institutions, have shown many of BRAC’s core interventions to have had positive impact using rigorous methods such as randomised controlled trials. Selected findings are summarised in the sections that follow.

### **Historic milestones in health**

In 1979, seven years after it began, BRAC launched its first project that was truly massive in scale—an effort to reduce childhood death and thus rein in Bangladesh’s out-of-control population growth.

Even though free contraception was widely available, BRAC’s work with rural women showed that most continued to have large families by choice. The average woman bore more than six children, in part because she had little confidence her children would live to adulthood. The under-5 mortality rate was still more than 200 per 1,000 live births,

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<sup>7</sup> Kristof N. [“The Power of Hope is Real.”](#) *The New York Times*. 21 May 2015.

the greatest killer being diarrhoea caused by water-borne bacteria. The death of one or several of one's children often seemed inevitable.

In a campaign that is still seen as a case study in mass behaviour change, BRAC taught millions of mothers, most of whom were illiterate, that their children's death was not inevitable—and that they themselves had the power to save them. Scientists at Dhaka's Cholera Research Lab had proven in 1968 that children suffering from diarrheal dehydration would respond to the proper oral administration of a precise solution of water, sugar, and salt. But the science had never been applied to large populations.

In his own kitchen, Abed began experimenting with recipes for oral rehydration solution that he thought anyone could learn by heart, measuring the sugar and salt by fingers and knuckles. Teams of BRAC trainers then combed the countryside in mobile camps, teaching the recipe, marking common household containers to indicate a half litre, and evaluating the results.

As Atul Gawande writes in *The New Yorker*:

It started with a pilot project that set out to reach some sixty thousand women in six hundred villages. The logistics were daunting. Who, for instance, would do the teaching? How were those workers going to travel? How was their security to be assured? The BRAC leaders planned the best they could and then made adjustments on the fly.

They recruited teams of fourteen young women, a cook, and a male supervisor, figuring that the supervisor would protect them from others as they travelled, and the women's numbers would protect them from the supervisor. They travelled on foot, pitched camp near each village, fanned out door to door, and stayed until they had talked to women in every hut. They worked long days, six days a week. Each night after dinner, they held a meeting to discuss what went well and what didn't and to share ideas on how to do better. Leaders periodically debriefed them, as well.<sup>8</sup>

The World Health Organization objected to this campaign initially, arguing it could be dangerous to try to teach illiterate mothers to make the solution themselves, as they might get the proportions wrong. But after much trial and error, BRAC perfected a

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<sup>8</sup> Gawande A. "[Slow Ideas](#)." *The New Yorker*. 29 July 2013.

technique that taught women how to mix oral rehydration solution correctly close to 100% of the time, and to know when, and how often, to give it to a sick child.

Over ten years, BRAC reached 14 million mothers—nearly every household in the country—through person-to-person training. Bangladesh now has the highest usage rate for oral rehydration therapy (ORT) in the world, with government surveys showing 70% of families in Bangladesh using it. The intervention is thought to have helped reduce children's deaths from diarrhoea by 80% nationwide.<sup>9</sup>

The knock-on effects were tremendous. BRAC had been trying to get women to adopt family planning for years, and in its intervention areas it had raised usage rates from single digits to about 20%. But it had hit a ceiling there. After the introduction of ORT, women began adopting family planning more widely, in part because they became more confident in their ability to care for their children. The contraceptive prevalence rate rose steadily in the years that followed, reaching 61 per cent in 2011. The under-5 mortality rate has fallen to less than 40 per 1,000 live births. Bangladesh's fertility rate has dropped to replacement level, one of the steepest declines in history. Women, no longer encumbered by large families, have entered the workforce in huge numbers, often aided by micro-lending, leading to higher productivity and economic growth.

BRAC's child survival campaign proved that even people with no formal schooling and zero literacy could retain life-saving health information. Confident in this knowledge and its own ability to run programs on a nationwide scale, BRAC now runs health programs in seven countries, keeping more than 115,000 community health workers (or health promoters) trained and deployed to provide a range of basic preventative and curative services to their neighbours on a self-employed basis.

In villages and slums, the attention has turned to reducing maternal mortality. In addition to training community health workers, BRAC has set up networks of maternity and delivery centres in urban slums, where women give birth in the presence of trained personnel. A 2011 study of this program showed a reduction in delays associated with emergency care for life-threatening labour complications.<sup>10</sup> For the period of 2007 to 2010, monitoring of these urban intervention areas showed a reduction in home delivery from 86% to 25%. Mothers who delivered at home were twice as likely to

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<sup>9</sup> Chowdhury AMR and Cash RA. *A Simple Solution: Teaching Millions to Treat Diarrhoea at Home*. University Press Ltd, Dhaka, 1996; Chowdhury AMR. "[The Mantra of Delivery](#)." *Stanford Social Innovation Review*. Nov. 26, 2014.

<sup>10</sup> Nahar et al. "[Women-focused Development Intervention Reduces Delays in Accessing Emergency Obstetric Care in Urban Slums in Bangladesh: a Cross-sectional Study](#)." *BMC Pregnancy and Childbirth*, 11:11. 30 January 2011.

deliver a stillborn baby than those who delivered a BRAC delivery centre. The maternal mortality rate in these areas decreased to 141 per 100,000 live births, compared with the national rate of 194 and less than the Millennium Development Goal of 143.<sup>11</sup> More recent internal reports from programme staff have suggested a near elimination of home births in certain slum intervention areas. BRAC also runs intensive campaigns in sanitation<sup>12</sup>, tuberculosis<sup>13</sup>, nutrition<sup>14</sup>, and other health issues that mainly affect the poor.

“BRAC has done what few others have,” said Bill Gates, co-founder of the Bill & Melinda Gates Foundation, on granting the Gates Award for Global Health to BRAC in 2004. “They have achieved success on a massive scale, bringing life-saving health programs to millions of the world's poorest people.”<sup>15</sup>

### **Breaking the inter-generational cycle of poverty**

Bangladesh has not only reached but exceeded gender parity in education, a feat accomplished in no small part due to BRAC’s direct provision of quality schooling to millions of children from poor families. In the mid-1980s, having empowered adults and saved the lives of children, BRAC turned its attention to children’s education for the first time. The quality of most schooling in Bangladesh was abysmal. Breaking the inter-generational cycle of poverty would mean providing primary schooling for the children of the poor, and BRAC recognised that it could not expect the government school system to be able to reach every child.

Ensuring quality was paramount. First-generation learners needed the best education they could get, since parents were often illiterate and would be unable to help them study at home. BRAC recruited pedagogical experts from around the world to help craft a curriculum that encouraged children to think creatively, with lessons and school hours tailored to students from poor backgrounds. To teach in these schools and to serve as role models for young girls, BRAC recruited and trained local women, many of

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<sup>11</sup> Afsana K and Rodhe JE. “[Decline in Neonatal Mortality in Large Poor Populations.](#)” *The Lancet*, Volume 377, Issue 9784. 25 June 2011. Also Nasreen H and Afsana K. “Maternal, Neonatal, and Child Health,” in Hossain, Kairy and Bayes, ed. *Driving Development: A Story of BRAC’s Evolution and Effectiveness*. University Press Limited, Dhaka. 2016.

<sup>12</sup> “Achievements of BRAC Water, Sanitation and Hygiene Programme: Towards Millennium Development Goals and Beyond.” BRAC Research and Evaluation Division. May 2013

<sup>13</sup> Islam A et al. “Making Tuberculosis History: Community-based Solutions for Millions.” University Press Ltd, Dhaka, 2011.

<sup>14</sup> Abed FH. “[A Road Map Toward Achieving Nutrition for All.](#)” *Dhaka Tribune*. 22 April 2013.

<sup>15</sup> “[Bangladeshi Organization Receives Gates Award for Global Health.](#)” Bill & Melinda Gates Foundation. June 2004.

whom did not have a high school education themselves. The village school model thus kept costs below the per-pupil cost of government schooling while maintaining an atmosphere of “joyful learning.”

In 1988, three years after the first BRAC primary schools were launched, a World Bank evaluation showed that despite the low per-pupil spending, the students were performing remarkably well. Despite coming from a lower socioeconomic class, they performed as well as students from government schools on reading and writing tests, although they initially lagged in mathematics and social studies.<sup>16</sup> The schools also saw 94% attendance and completion rates—well above the national average, which remained below 60% as late as 2000.<sup>17</sup> Observing that the students lagged in some subjects, BRAC continued to improve the teaching methods and curriculum. Its success soon drew international attention. In the 1990s, it began scaling up massively in Bangladesh while others replicated the model elsewhere in South Asia and in sub-Saharan Africa.

In the years since, numerous studies have shown that students from BRAC schools consistently perform better on standardised tests than students from government schools. An assessment of basic competencies in 1999 showed BRAC student performing 42 percentage points better (69% versus 27%) on a standardised assessment.<sup>18</sup> According to a July 2011 study, “BRAC schools, in spite of their meagre facilities, performed better in terms of internal efficiency—dropout and repetition rates being lower and completion rates higher than other types of school. This is mainly because of intensive monitoring of teachers, better teacher input and the teaching process suited to the children from poor families.”<sup>19</sup>

The BRAC education program now operates in six countries and has educated more than 10 million children. Girls form the majority in each classroom. With 1.45 million students currently enrolled in 48,000 primary and pre-primary schools in 2015, BRAC is likely the world’s largest private, secular education provider.

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<sup>16</sup> “Evaluation of BRAC’s Primary Education Programme.” The World Bank. 1988. Cited in Hossain, Kairy and Bayes, ed. *ibid.*

<sup>17</sup> DeStefano J et al. “[Reaching the Underserved: Complementary Models of Effective Schooling.](#)” USAid and Equip2. December 2007.

<sup>18</sup> DeStafano *ibid.* See also Chabbott, Collete. “[Meeting EFA: Bangladesh Rural Advancement Committee \(BRAC\) Primary Schools.](#)” Equip2, 2006.

<sup>19</sup> Ahmad A and Haque I. “[Economic and Social Analysis of Primary Education in Bangladesh: A Study of BRAC Interventions and Mainstream Schools.](#)” BRAC Research and Evaluation Division. July 2011.

## Empowering women with microfinance and more

By the late 1980s, BRAC “village organizations” had emerged throughout Bangladesh. In thousands of villages, a group of 20 to 30 landless women would roll out a woven mat in a dirt patch, gather in their saris, and sit themselves down to discuss investments, pay instalments of their loans, and offer support to their neighbours. Thanks to the growth of microfinance, BRAC, along with ASA and Grameen Bank, two other Bangladeshi microcredit providers, became three of the world’s largest providers of credit to the poor. After observing that women were more likely than men to invest additional income in health, education, and other long-term development investments, BRAC began offering its smallest loans almost exclusively to women.

“Many of the women we worked with had a hand-to-mouth existence,” recalled Sir Fazle after receiving the World Food Prize in 2015. “They could only dream of having 2,000 Bangladeshi taka in their hands—at that time it was a hundred dollars—to buy a cow. And we created borrower groups in each village, thus removing two of the biggest constraints on poor people, so villagers could take control of their lives—a lack of resources and a lack of solidarity among themselves.”<sup>20</sup> Microfinance became one of BRAC’s largest and most successful programs, achieving sufficient economies of scale to make it self-sustaining by the year 2000. Credit proved to be an effective tool when combined with training, savings accounts, healthcare, education, and services that helped the poor bring their goods to market.

Evidence has shown that participation in BRAC’s microfinance program reduces women’s economic dependence on husbands and male relatives. According to a 2001 paper published in the *Journal of International Women’s Studies*, women participating in these programs in Bangladesh “reported that they now have an independent source of income. They no longer need to rely solely on their husbands for the purchase of personal and household items. Women have also reported an improvement in their relationships with their husbands, primarily because they provide them with capital for investment purposes.”<sup>21</sup> A 2013 impact evaluation in Uganda noted “significant positive benefits to taking a BRAC microfinance loan, namely an increase in total savings and

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<sup>20</sup> Abed, FH. [Address to the 2015 Borlaug Dialogue International Symposium](#). World Food Prize. 16 October 2016.

<sup>21</sup> Banu et al. “[Empowering Women in Rural Bangladesh: Impact of Bangladesh Rural Advancement Committee’s \(BRAC’s\) Programme](#).” *Journal of International Women’s Studies*. Vol 2, Issue 3. June 2001.

assets, greater consumption in the form of more expensive and nutritious food, and the resources and incentives to start a household business.”<sup>22</sup>

From the outset, however, BRAC argued that credit alone would not lift people out of poverty. The poor also required supplementary interventions such as livelihood training and other services. Numerous studies have since offered complex and sometimes conflicting assessments of the impact of microfinance alone. In BRAC’s experience, the widespread availability of microfinance in Bangladesh has enabled poor households to borrow and save more securely and efficiently than they would be able to through informal methods, thus improving household welfare over the long term.<sup>23</sup> In the most recent major study, published in 2015, large randomised evaluations of non-BRAC microcredit programs in six other countries showed “a consistent pattern of modestly positive, but not transformative, effects,” which is consistent with BRAC’s experience.<sup>24</sup>

### **Building enterprises from the ground up**

To augment the positive effects of microcredit, BRAC began offering economic support services to its borrowers. By the 1990s, for instance, it became clear that many women who had taken loans to buy cows had difficulty getting their milk to market before it spoiled. Women were also producing quality handicrafts and textiles, but had few places to sell them. To help women get fairer prices for these products, BRAC launched its own enterprises, including a dairy company, BRAC Dairy (now Aarong Dairy), which collected, processed and distributed milk. BRAC expanded its textile retailer, Aarong, to sell the goods made by the women participating in BRAC programs; the company is now one of the largest retailers in Bangladesh. BRAC also launched BRAC Seed, an enterprise to distribute quality seeds to farmers to help raise their yields. BRAC Seed’s introduction of hybrid maize transformed the Bangladesh poultry feed sector and established maize as a viable crop. The enterprise now markets 12 varieties of hybrid rice in Bangladesh, including four developed at its own research centre.

In the years 2011 to 2015, businesses such as these—BRAC now runs 16 social enterprises—generated a combined annual surplus of about \$17 million, with half

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<sup>22</sup> McClatchy M. “[An Impact Evaluation of BRAC’s Microfinance Program in Uganda.](#)” The Sanford School of Public Policy, Duke University. 19 April 2013.

<sup>23</sup> Khandker SR and Samad HA. “[Dynamic Effects of Microcredit in Bangladesh.](#)” World Bank. March 2014.

<sup>24</sup> Banerjee et al. “[Six Randomized Evaluations of Microcredit: Introduction and Further Steps.](#)” *American Economic Journal: Applied Economics*, 7(1): 1-21. January 2015.

reinvested in the enterprises themselves and the remainder used to subsidise other development programs, such as schools, healthcare and the ultra-poor graduation initiative. Microfinance also generates a large surplus, netting \$74 million on average from 2011 to 2014. Additionally, BRAC has invested in companies such as BRAC Bank, the majority owner of bKash, which became the world's largest provider of mobile financial services in 2016 in terms of number of customers and transactions. BRAC continues to take in substantial donor funding to run some of its largest programs, such as education and healthcare, and to expand internationally.

With exception of microfinance, the development of BRAC's own social enterprises outside Bangladesh remains nascent as of 2016. It is growing in Uganda, where it runs a seed enterprise, and in Liberia, where it has a feedmill and chick hatchery. Wherever it operates, the development and strengthening of its clients' own micro-enterprises remains a core activity. With agriculture programs in seven countries, for instance, BRAC has trained hundreds of thousands of smallholder and tenant farmers in improved planting and harvesting practices, while also training thousands of "community agriculture promoters" to distribute high-quality inputs, such as seeds and fertiliser, on a self-employed basis. These micro-entrepreneurs earn their money from the margins on the sale of these vital commodities. Combined, these training and business services lead to higher yields for farmers and new jobs for rural communities. One study of Ugandan farmers' retention of BRAC training found that after one year, 68% of farmers retained new knowledge on planting methods, and that 75% used improved seeds versus 48% in a control sample.<sup>25</sup>

### **Empowerment of adolescent girls**

Investments are necessary throughout the life cycle of the poor, with adolescence forming an especially critical period in which young people require tools to navigate their way to a healthy future free of poverty. Adolescent girls are particularly vulnerable, often dropping out of school due to early marriage, pregnancy or the need to work. BRAC sees the "youth bulge" facing most developing countries as a demographic window of opportunity, as investing in young people enables them to become the driving force for progress in their societies.

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<sup>25</sup> Barua P. "[Assessment of the Short-Run Impact of BRAC's Agriculture and Livestock Programme in Uganda.](#)" Research and Evaluation Unit, BRAC Uganda. September 2011.

Reaching young people with effective interventions requires constant innovation. In sub-Saharan Africa, BRAC has developed a groundbreaking girls' empowerment program called Empowerment and Livelihood for Adolescents (ELA), in which peer mentors lead empowerment trainings in a "safe space" located within walking distance of girls' homes. In these ELA clubs, outside the pressures of the home and male-centric society, the girls gain confidence in themselves, learn crucial life skills, and receive training in sexual and reproductive health.

For girls 15 and over, ELA clubs also offer training in specific livelihoods such as tailoring, trading and farming. These are coupled with microloans, which the girls can use to start their own enterprises. With proper coaching, mentorship, financial literacy and livelihood training, ELA has shown that microfinance can be an effective tool for allowing teen girls to gain control over their own lives and bodies.

In a randomised controlled trial of this program in Uganda, where the clubs are already 70,000 members strong, independent researchers from London School of Economics, University College London and the World Bank have recorded a significant decline in risky behaviours and negative outcomes among participants in ELA clubs. According to the study, the program "significantly improves control over the body," with the share of girls reporting sex against their will dropping from 14% to almost half that level over two years. Self-reported condom usage increased by 26% over baseline levels, teen pregnancy fell by 26%, and early entry into marriage or cohabitation fell by 58%.

The study also recorded positive economic outcomes attributable to the ELA intervention. Relative to adolescents in control communities, the intervention raised the likelihood that girls engage in income generating activities by 72%, while expenditure on private consumption goods increased by 38% versus the control group.<sup>26</sup>

### **Graduating the ultra-poor into a sustainable livelihood**

Among BRAC's most promising innovations is its graduation program for the ultra-poor, which targets women from the poorest segment of the population. The program has transformed the lives of more than 1.6 million participants in Bangladesh since its launch in 2002. Other implementing organizations, meanwhile, have tested the approach outside Bangladesh. Randomised controlled trials of these graduation

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<sup>26</sup> Bandiera et al. "[Women's Empowerment in Action: Evidence from a Randomized Control Trial in Africa](#)." London School of Economics. June 2015.

programs, both in Bangladesh and elsewhere, have shown positive results, leading some to even suggest it represents “a universal method” for lifting people out of states of extreme destitution.<sup>27</sup> BRAC recognizes that the graduation approach is not a panacea but an important part of the equation to end extreme poverty.

The story of BRAC’s ultra-poor approach goes back to the 1990s, when BRAC launched many of its most successful social enterprises and grew its microfinance practice rapidly. BRAC’s own studies and donor evaluations showed that despite its scale and apparent success, the poorest 10% of the population were not benefiting from microfinance or any other market-based intervention. There were women so destitute, unskilled, and lacking in confidence that few people, including the women themselves, thought it likely they would ever be able to repay a loan. *The Economist* explains:

One reason the poorest were not borrowing, Sir Fazle says, was that other villagers viewed them as hopeless cases.

BRAC came up with a scheme to help the ultra-poor. It gives them a small stipend for food, followed by an asset such as a cow or a few goats, which they are expected to manage. Field workers visit weekly for the next two years, teaching recipients, for example, how to tell when a cow is in heat and how to get it inseminated. The aim is to help women “graduate” from extreme poverty to the normal kind—as Sir Fazle puts it, “to help them back into the mainstream of poor people.”<sup>28</sup>

The graduation approach combines multiple interventions in a single, intense effort to give ultra-poor women the boost they need to escape the poverty trap within two years. Field workers encourage the women to adopt savings habits, make sure they are eating properly, and get them to a clinic if they are sick. During the weekly “hand-holding” visits, they coach the women in the basics of financial management and help them through any unexpected problems they may encounter. BRAC involves others in the village to make sure the women are no longer socially ostracized. It also sees that their children are going to school.

From the outset, the program included a significant research component—and before long, it began to show signs of remarkable success. A study showed that among ultra-

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<sup>27</sup> [“Graduating From Destitution.”](#) *Ibid.*

<sup>28</sup> [“Leaving It Behind.”](#) *The Economist*. 12 December 2015.

poor participants that entered the two-year program in 2002, more than 95% of households satisfied at least six out of 10 indicators of graduating from ultra-poverty—things like having at least two meals a day, a solid roof, and multiple income sources—even four years after the program ended.<sup>29</sup>

In 2013, a randomised controlled trial showed that self-employment, self-reported happiness and livestock ownership all continued to rise in relation to a control group, long after the period of direct intervention ended.<sup>30</sup> A follow-up study released in 2015 showed even seven years after entering the program—five years after the support ends—women continue to benefit. Women’s annual earnings had risen 37% at the four-year mark; this and other indicators continued to improve even at the seven-year mark, with changes equal to or larger than those seen after both two and four years.<sup>31</sup> The studies revealed an ongoing upward trajectory driven primarily by the women’s continued accumulation and diversification of their assets.

Graduation is not a success story limited to Bangladesh. The Consultative Group to Assist the Poor and the Ford Foundation began testing the replicability of the model in 2006, piloting it in countries like India, Pakistan, Ethiopia, Ghana, Honduras, and Peru. In 2015, the results of a massive randomised evaluation of these pilots showed definitive success. In a variety of cultural contexts, even with other organizations using the same approach, treatment households witnessed significant improvements across a range of indicators that continued beyond the end of their programs.<sup>32</sup>

The graduation approach has now been replicated or adapted in at least 37 countries. Innovations continue on ways to make it more effective. Like each of the interventions described in this paper, graduation is but one part of an equation to end extreme poverty—an equation that must also include government health and education systems, macroeconomic growth and stability, employment opportunities, infrastructure, functioning markets, and safety net programs.

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<sup>29</sup> Das and Misha. “[Addressing Extreme Poverty in a Sustainable Manner: Evidence from CFPR Programme.](#)” BRAC Research and Evaluation Division. June 2010.

<sup>30</sup> Bandiera et al. “[Can Basic Entrepreneurship Transform the Economic Lives of the Poor?](#)” International Growth Centre, London School of Economics. April 2013.

<sup>31</sup> Balboni et al. “[Transforming the Economic Lives of the Ultra-Poor.](#)” International Growth Centre, London School of Economics. December 2015.

<sup>32</sup> Banerjee et al. “[A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence From Six Countries.](#)” *Science*. Vol. 438, Issue 6236. 15 May 2015.

## Conclusion: a historic shift

In the 1970s, Bangladesh was known as the “test case for development.”<sup>33</sup> By most measures it has passed the test. As Amartya Sen, the Nobel Prize-winning economist, wrote in *The Lancet* in 2013, “Self-assured commentators who saw Bangladesh as a ‘basket case’ not many years ago could not have expected that the country would jump out of the basket and start sprinting ahead even as expressions of sympathy and pity were pouring in.”<sup>34</sup>

In the world at large, a historic shift has taken place in people’s understanding of poverty, thanks largely to the advances of the 20th century, such as the Green Revolution and the eradication of smallpox. Though malnutrition and extreme poverty persist, famine, for example, is largely a thing of the past, save where it is man-made. People rarely die of starvation in large numbers except in cases of war, anarchy, or heinous abuses or neglect by the government. It is likely that the same will be one day be said of extreme poverty.

If the story of BRAC has but one lesson for the world, it is that development, no matter how well-intentioned, can never successfully be imposed from the outside. An end to poverty will come from the poor themselves—or it will not come at all. The great task of the 21st century will be putting that understanding into action. The story of Abed and BRAC offers hope that even in the most adverse circumstances, poverty can be eradicated through the effective delivery of tools and services that empower the poor to take control of their own destinies.

“We have called into question the fatalistic belief, prevalent throughout history, that widespread human misery is an immutable part of nature,” Sir Fazle Hasan Abed said upon receiving the World Food Prize in 2015. “We understand, finally, that things once considered an inevitable aspect of the human experience, often thought to be ordained by a higher power—things like hunger, poverty, seasonal famine, the oppression of women, and the marginalization of great portions of society—are in fact changeable through the power of human activity. And we understand that even the poorest among us can be the agents of this change.”<sup>35</sup>

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<sup>33</sup> Faaland J and Parkinson JR. *Bangladesh: The Test Case for Development*. Westview Press. 1976.

<sup>34</sup> Sen A. “[What's Happening in Bangladesh?](#)” *The Lancet*. Volume 382, No. 9909, p1966–1968, 14 December 2013.

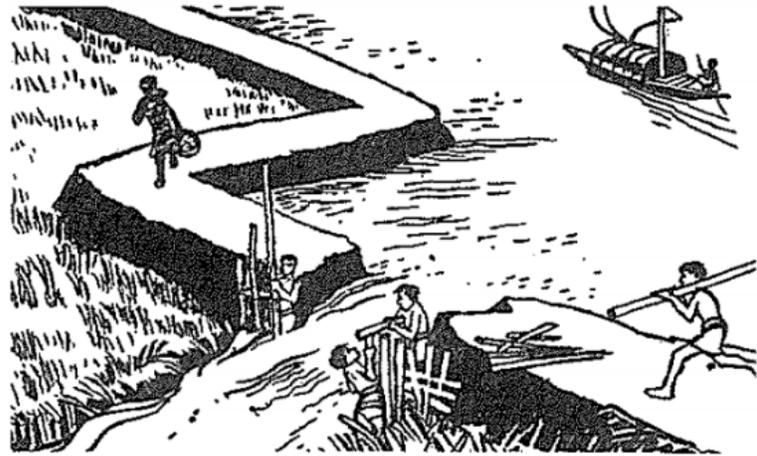
<sup>35</sup> Abed *ibid*.

*Scott MacMillan*  
*October 2016*

## “Can a tiger build a house?”

*Lessons from BRAC’s first experiments with outreach*

It is the early 1970s in northern Bangladesh, and a group of men and women are sitting on the ground in a dry patch near their homes of mud and thatch, in a village surrounded by flooded rice paddies. Having tried and failed to teach literacy the old-fashioned way, BRAC is experimenting with an innovative discussion-based approach.



The first lesson is based on the word “home,” *bari* in Bengali. “Why is the home important?” the teacher asks, pointing to an image of a hut.

The word *bari* means more than just a dwelling, the villagers point out. It includes children, spouses, livestock, and the patch of land surrounding the hut. “Some people’s homes are better than others,” one person offers. “During stormy nights, it rains right through my roof!”

“Why don’t you fix it?” the teacher asked.

“Because I am poor,” the man says. “I can’t afford to.”

Next comes *bagh*, the word for “tiger.” Every Bengali recognises an image of a tiger. The group agrees that it represents fierceness, wildness, the untamed state of nature. The teacher, now acting more like a facilitator, asks, “Can a tiger build a house?”

Everyone agrees a tiger could never build a house. If it rains, he runs under a tree. “Can you build a house?” the facilitator then asks.

Of course, the villagers reply. We can all build homes, but only if we the tools and the material.

“You are therefore different from the tiger, because you can adapt nature to suit your needs, whereas the tiger can only adapt himself to nature,” the teacher would say. “We don’t wander in search of food, but plant seeds and till the soil so we can stay put. That is our choice.”

This process of using our creative activity to change nature is, in fact, the very process of civilization, the teacher suggests—and it is humans alone who engage in it. In the words of Paulo Freire, the Brazilian educator on whose methodology these lessons are based, an animal exists in an “overwhelming present” —with no history, no development, and little concept of today or tomorrow. A hundred tigers cooperating could not build a house, but men and women acting together can do many things.

“Can each of you share what creative activities you have done today?” the facilitator asks.

One says he has just finished planting rice seeds. Another may have repaired the thatch on the roof. Perhaps somebody worked on a floodwall to direct the flow of water to irrigate the fields. The discussion starts to get animated. Now the point becomes clear. The people have already contributed a great deal to the building of civilised life. Society is theirs to own and to shape, not something given to them, and acting collectively, they could do many more things.

The effect of these lessons on the villagers is remarkable. People had stopped attending the old literacy classes because they had gained nothing. They saw no point to learning how to read and write.

But these lessons are different. They begin to question their situation, gain strength, imagine a better future, and think constructively about how they could work together to bring it about.

This approach—empowering the poor on their own terms, so they can bring about change themselves—has informed everything BRAC has done since.

### **“I’ve built everything here”**

*One of the first participants in BRAC’s graduation program recounts the drama of a gift of goats*

My name is Shahida, and I’m from the village of Jele Para near Badarganj in Bangladesh. When I first came to this village, its condition wasn’t as good as good as it is now. It was in shambles. People barely had roofs over their heads or walls to keep them safe. My household was a dinky makeshift straw thatch hut, measuring approximately eight yards by ten yards.



I remember walking to the nearby brickfield to work, not having had anything to eat for three days. I dug mud and carried it back to the brick factory in a bowl balanced on my head, half a mile away, all day long, for 20 taka [about 40 US cents at the time], a day. We hardly had time to take a break to eat.

One day in 2002, I didn’t go to the brickfield. BRAC came to our village that day and did a long and tedious survey, selecting eight very poor individuals, including me. I was scared of them. My neighbors said BRAC might send me off to a different country—a very scary thought. My life was already miserable. I didn’t want any added trouble.

But our *matabor* [village leader] encouraged us to participate. I decided to give it a chance.

I received a three-day training. I was asked which I wanted—a cow, goats, or chickens? I chose a native breed of goats, because they sell for a good price, are easy to take care of, and their meat is tastier than other breeds. I took them to a neighbor with male goats, and in no time, all my goats were pregnant.

This was around August 2002. By December, I had 13 baby goats.

By now it was winter. I couldn’t leave the baby goats outside, you know. They would die if they got cold. So I kept them inside my hut with me. The babies slept on my bed. I covered them with my blanket and kept them warm. When I got up to go use the

washroom, the goats would get up, too. When I got back to my bed, they would jump in and take their spots again. They were so well-mannered.

One day, around 3pm, when my goats were playing on the courtyard, I heard them goats screaming and ran outside. A fox was dragging my baby goat away! My neighbors chased it with me. We beat the fox! How dare he! But I couldn't save my baby goat.

I couldn't stop crying. Everyone tried to console me, "Don't cry like this over a goat! It's only a goat!" But any damage to my goats damages me. It would still break my heart if I lost a goat. I love my goats.

Yes, it's true what I said earlier — that I chose this local breed because I like the taste of goat meat. But I would never harm my own goats. If I have to eat goat meat, I will go to the market and buy it. If I sell a goat and the buyer eats it, it's their business.

I've been rearing goats for 14 years now. I also have three cows, and BRAC Dairy collects the milk for for 40 taka [about 50 US cents] per liter. I've also bought a freight tricycle with my savings, which I rent it out to my neighbors. I pay installments to BRAC with the money I make selling milk, and I save the rest.

This room we are sitting in right now — this is my new house. I built it myself.

I know I am poor. Still, when I wake up in the morning, I silently pray to God. I seek God's guidance to carry me through the day. In my head, I plan what I have to do — what to cook, what needs to be done to repair my house, which land to plough, and which crops needs fertiliser or pesticides. I consider what my cows and goats will need. I have to think about so many things. It's critical to have a good plan.

This is my life now. This is my home. I've built everything here.