

Building the Assets and Livelihoods of the Extreme Poor

The Chars Livelihoods Programme works with extremely poor households in the chars (riverine islands) of north-west Bangladesh. The extreme poor are characterised by very low incomes and expenditure, a precarious livelihood that often relies on seasonal and unpredictable agricultural labour, limited or non-existent savings and extreme vulnerability to shocks such as floods, ill health or other disasters. Such households usually do not own or have access to their own land and have few or no productive assets such as livestock.

The Asset Transfer Programme

The cornerstone of the CLP's approach to improving livelihoods and reducing vulnerability is the Asset Transfer Programme (ATP). Under this programme, each participating household¹ may choose a livelihood-generating asset worth Tk 16,500 (about £137). Participants have a choice from a wide variety of asset types, such as livestock, land leases, small businesses and sewing machines. The vast majority – about 98% – choose cattle, either bulls to fatten up for meat, or heifers to produce calves and milk for sale.

Participants generally have little experience with cattle when they join and so they are assisted to select and purchase their animals. This reduces the risk of households buying sick or poor quality cattle and helps them to get a fair price. They are also given a complete programme of cattle management training, which assists them to provide adequate housing, correct feed and to recognise and prevent diseases.

Regardless of the type of asset chosen, it is intended to be the basis of a sustainable livelihood. This is borne out by CLP research, which suggests that households diversify their income sources quickly, for example by investing in agricultural land. In addition, over 90% of households continue to maintain livestock after completing the programme. Livestock ownership by control groups is only 44% before joining CLP.



The ability to earn additional income, diversify sources of income and increase the value of productive assets and savings reduces extremely poor families' vulnerability to shocks. They are able to spend more on food and other necessities and most households reduce their dependence on unreliable day labouring as a source of income.

Broader Support: Beyond the Transfer

Cattle are not profitable immediately after purchase and require proper husbandry, feed and veterinary services, all of which come at a cost. To allow households to support their cattle and to discourage 'distress sales' (in which the cattle are sold to pay for an emergency, which is very likely among the extreme poor), participants receive a small monthly stipend for 18 months.

Veterinary services are not readily available on the chars, either through government or the private sector. Thus 'Livestock Services Providers' have been trained. They provide services as small, sustainable businesses. Households initially receive vouchers to purchase services, particularly for vaccination, deworming, artificial insemination and primary veterinary treatment.

¹ See the Brief titled "Background to the Chars Livelihoods Programme" for details of selection criteria.