CHARS LIVELIHOODS PROGRAMME

Chars Livelihoods Programme

Reducing Extreme Poverty on the Riverine Islands of North West Bangladesh

Asset Values: Why Are Some Households Doing Better Than Others?

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Innovation, Monitoring and Learning Division

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Contents

Acronyms

CPHH	Core Participant Households
CLP	Chars Livelihoods Programme
CLP1	Chars Livelihoods Programme cohort one (2004-2010)
FGD	Focus Group Discussion
LSP	Livestock Service Provider

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Executive Summary

Research has shown that there exist two outlier groups among previous participants of the Chars Livelihoods Programme. One group has built up significant assets while the other group has not, and, in some cases, has fallen back to being assetless. This study analyses the causes for such different outcomes.

Members of each outlier group were identified and then a survey carried out with members of the two groups. They were asked to show diagrammatically the history of their assets since leaving the CLP. To complement the survey, Focus Group Discussions were also held with randomly selected previous participants of the CLP. During the FGD, these participants were asked what they thought were the key reasons enabling households to either be successful or to face greater challenges in building up their asset base.

Managing cattle correctly combined with investment in land is considered the most significant route to success; over 70% of those interviewed cited good cattle management, while over 40% cited the combination of both cattle and land investments as important. Other forms of investment diversification also have positive impacts such as investing in grocery shops or starting a tailoring business. The main reasons for difficulty can be placed in two categories: natural and person-centred. Natural causes are due to shocks from outside the control of the participant household that cause a loss of assets, such as flooding or river erosion. Person-centred causes were where it was the participant's decisions that caused the loss of their assets. These decisions include investing poorly, for example in businesses in which the participant had little knowledge, or paying dowries.

The results of the study show that diversification of assets provides substantial resilience to shocks and stresses that commonly affect char households. When a disaster struck a successful household and destroyed an asset, they had productive assets in other forms. Households with low asset values had often invested only in land, meaning that when flooding destroyed it, they had no other assets to use to restore their asset base. Some participants also made poor cost-benefit analyses leading to poor reinvestment decisions. Both the 'high asset value' and the 'low asset value' groups mentioned the impact of dowry, although the impact was significantly greater in the low-asset value households.

A portion of households interviewed that were classified in the low-asset group in the last survey turned out, in this study, to have productive assets worth greater than 7,500 taka. The changes in asset values were possibly caused partly by households under-reporting assets, but also through households growing their asset base. It is important to remember that household livelihoods are dynamic. These research studies take a snapshot of the situation at the time of the survey, so it is expected that asset values would change over time. Some errors occurred during data collection and entry, possibly caused by staff and management personnel changes around the time of the survey. Quality control mechanisms have been reviewed by the IML Division and improvements introduced.

The following recommendations could improve the CLP model:

- Review and revise the curriculum for the Social Development Project to promote livelihoods diversification.
- Review and revise the curriculum for the Social Development Project to raise awareness of the negative impacts of dowry.

- Review and revise the curriculum for the Social Development Project on how to manage assets in particular the running of businesses and performing cost benefit analysis.
- More research is needed into looking at creating greater inclusivity of males in the programme.
- Investigation is needed into current and novel solutions to make land more resistant to erosion.
- Research into the impact of LSPs on the chars and investigate which areas LSPs are working well and which areas are needing more support.

1. Background

The Chars Livelihoods Programme (CLP) works with extreme poor households living on island *chars* in North West Bangladesh. It aims to improve the livelihoods, incomes and food security of at least one million poor and vulnerable women, children and men living on the *char*s. The CLP provides a comprehensive package of interventions to its core participant households (CPHHs). A number of interventions also benefit the wider community. The main objectives of the programme are to improve social and economic assets, reduce environmental and economic risk and increase access to markets and services.

1.1 Introduction

The Asset Transfer Project is the cornerstone of the CLP's model of poverty reduction. The programme rests on the assumption that the support package provided to core participant households is sufficient to help graduate households out of extreme poverty. The transfer of assets to the extreme poor, supported by other components of the programme, allows households to increase their incomes and build their asset base. The initial 'primary' asset transferred to the participant through the asset transfer project is conceived as the starting point for a continuous process of asset growth.

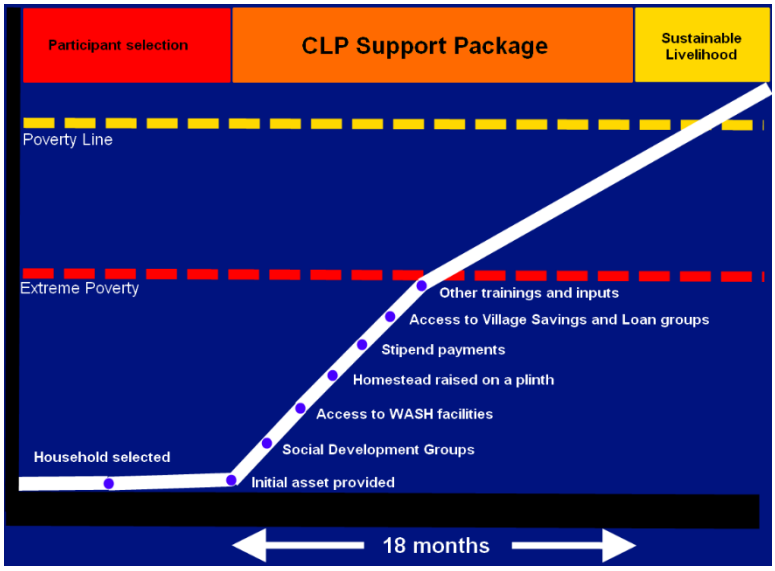

Figure 1. CLP model of poverty reduction (adapted from Hashemi & Umaira, 2010)

The programme is now entering its ninth year. The impact of the CLP on the assets and incomes of participants has been subject to a high degree of scrutiny since the beginning of the programme. A number of pieces of research, conducted throughout the project, have sought to understand this impact.

1.2 Rationale

Enough time has passed since the inception of the programme to begin to assess the sustainability of its impacts. As participants from the first phase of the project left the CLP from three to seven years previously, it is possible to understand medium-term changes.

Two recent reports have looked at participant household assets and incomes following quantitative analyses (Blackie and Alam 2012a, Blackie and Alam 2012b). These have raised some important questions. For example, 28% of households from the first phase of the programme (CLP-1), all of whom have now spent a significant length of time without CLP support, have assets valued at less than 10,000 taka including savings. Contrary to expectations, these households are not only failing to increase their asset bases but the value of their assets (including those provided by the CLP) has decreased.

In the meantime, 18% of the same cohorts of participants now possess in excess of 70,000 taka in assets. For these participants, the programme has been very effective.

1.3 Research questions

To understand how participants have come to enter one of other of the two extreme groups is the principle driver of this research. Considering that all participants had very similar socio-economic status prior to participating in the programme, why has the CLP impact been so different? Why do some participants either stagnate or show decreasing asset values, while others show dramatic rises?

1.4 Structure of report

This report used a number of sources of information to answer the research questions. The CLP's existing literature was briefly reviewed. Analysis of 150 in-depth interviews was carried out with participants from both low-asset and high-asset value groups, as well as a small number of focus group discussions with CLP-1 participants. The results are then analysed with key themes extracted. These are then discussed and recommendations made.

2. Literature Review

The impact of CLP's asset transfer project has been the focus of a considerable amount of research. The programme has thus far published a total of 11 reports that directly address the success of the programme in terms of assets and incomes. This review focuses on that part of the literature which looks at the process of asset accumulation.

2.1 Asset Accumulation

There is strong evidence that the programme is successful in helping participants build assets (Blackie & Alam 2012a, Scott et al 2007). However, there is some inequality in the amount of productive assets that former participants possess (figure 2.).

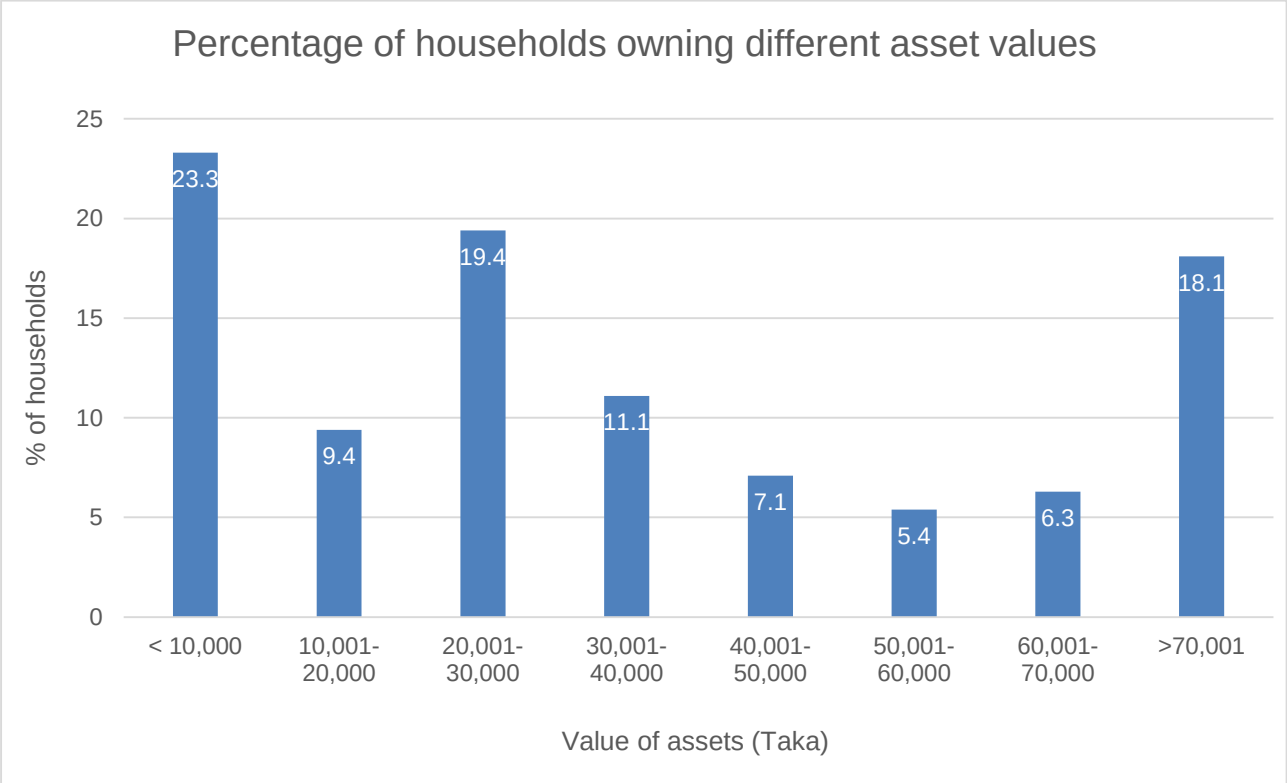

Figure 2. Proportion of Households Holding Different Values of Productive Assets, by Cohort as of Oct 2012 (Adapted from Blackie and Alam 2012a)

A productive asset is defined as livestock, land, savings or valuables that are able to contribute to income (Blackie & Alam 2012a). As can be seen from Figure 2, within CLP-1 households there are two outlier groups. Over 20% of the CLP-1 households have less than 10,000 taka of assets while a quite similar percentage have in excess of 70,000 taka in productive assets. These group sizes are substantial and so cannot be seen as random outliers.

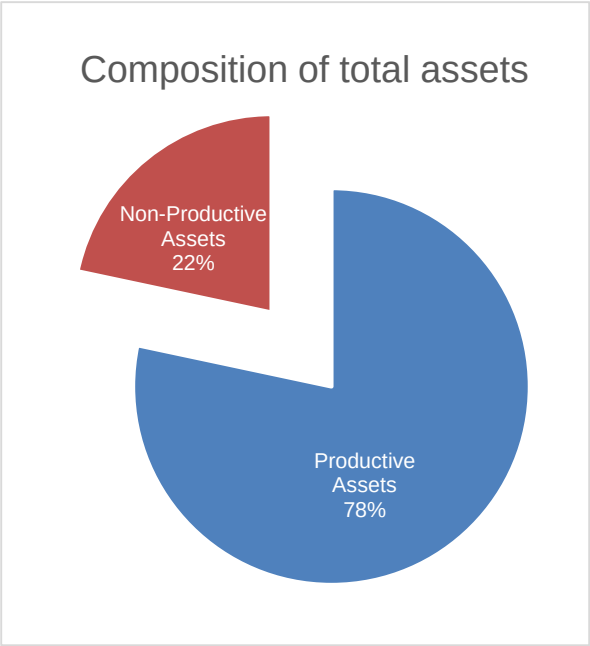

Figure 3. Composition of total assets of CLP1 participants as of October 2012(Adapted from Blackie and Alam 2012a)

The high levels of productive, as opposed to non-productive assets (figure 3) show that participants do not simply draw down on their assets to fuel luxury consumption but carry on investing in productive assets (Blackie & Alam 2012a). There is a widely observed trend towards households purchasing land leases with accumulated capital, rather than seeking to develop larger herds of cattle (see, for example, Marks & Sultana 2009). This diversification has the advantage of spreading risk across the asset portfolio (and in the case of livestock and land, generating synergy between asset classes).

2.2 Causes of High Asset Values

Participants who select cattle as their primary assets are able to choose either heifers or bulls. There is evidence that there is no significant difference in the asset bases of participants who select heifers and those who select bulls (Marks 2007; Marks & Sualtana 2009).

However, there is evidence that rearing crossbred cattle is considerably more profitable than rearing local breed cattle, though not often practiced by CLP participants (Gisby 2010, Kahn 2011). The selection of crossbred cattle as a primary asset, or the subsequent purchase of crossbred cattle, is therefore one potential factor underlying the success of some participants.

Research found that nominal increases in monthly asset value for crossbred cows and bulls are roughly double those accruing to local breeds. For cows, net monthly incomes from crossbred cattle are roughly double those of local breeds, as income from milk sales outweighs the increased input costs necessary for larger crossbred animals. Crossbred cattle, especially cows, appear to be a highly effective method of increasing both the assets and livelihoods of participants. Maintenance costs are, however, substantially higher.

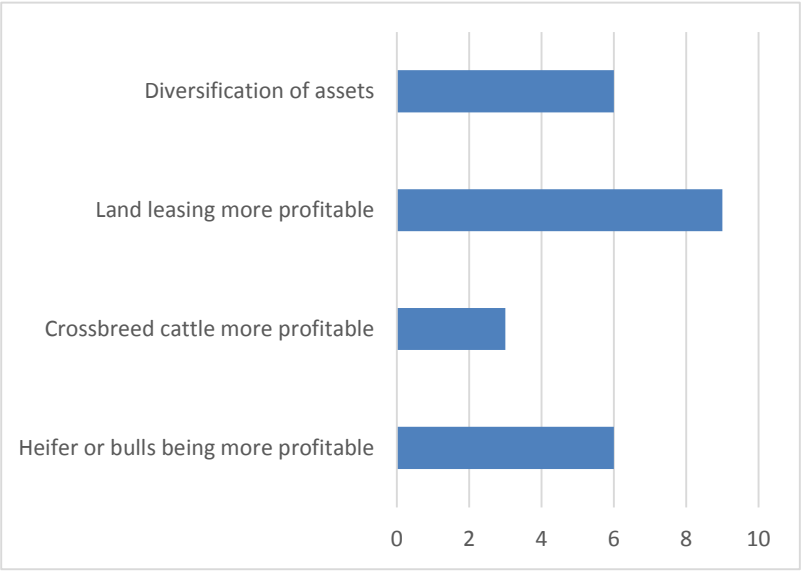

Figure 4. Mentions for reasons of high asset values in the CLP literature

Two studies show that land leasing by participants can by very profitable, with an average return of investment of over 100% (Marks & Scott 2007, Marks & Scott 2008). Though the land itself is not owned by the participant, and thus does not appreciate in value itself, the crops produced on it can turn significant profit. Though there is the need for some more up-to-date research on crop profitability, it does seem that investment in land could be a pathway to success for CLP participants.

2.3 Causes of Low Asset Values

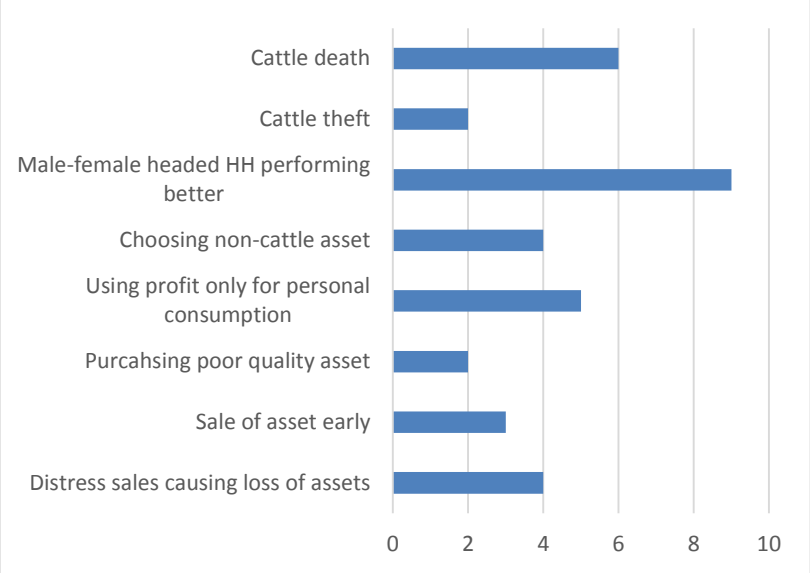

Figure 5. Frequency of mentions: reasons for remaining or returning to low asset values in the CLP literature

One possible cause of remaining at or returning to low asset values is the sale of assets by participants, either as distress sales or in order to fund personal consumption e.g. dowry payments, luxury goods.

A survey carried out with the 1.2 cohort (2006/07) households (Scott 2009) found that 34% of households sell their asset within the first 18 months of entering the programme. Average purchase price of their original cattle was Tk 11,100 and mean sale price was 31% higher at Tk 14,600; giving a gross increase of Tk 3,500. Of the capital received from this, 62% was used for reinvestment in more cattle, and 19% was used to purchase land leases or to buy land outright. Other capital was used for dowry, funeral and healthcare costs.

In the 2009 study, the authors found 15% of cattle were sold for less than cost price. Of 96 cattle involved in the survey, only three appeared to be stress sales. Scott suggests that these sales may have been made because the cattle were not performing as well as anticipated, so the participants were trading their cattle in with the hope of performing better with the next animal. Some income was also spent on non-productive assets (improving home building materials, warm clothes, blankets, beds).

There is no major pattern of selling assets to fuel personal consumption. Month-by-month data (Marks & Islam 2008) taken for cohort 1.2 households across their first 12 months in the programme, suggests that for at least this cohort, and for this length of time, participants do not sell their asset in order to fund personal consumption. From the income from assets sold, 70% is reinvested in land or cattle, while the remaining 30% is used to pay down loans or to save as cash.

Though the vast majority of CLP participants select cattle as their primary asset (98%), participants are also able to choose other income generating assets. Marks (2007a) assessed the impact of the relatively few participants who selected rickshaws and sewing machines. This research was conducted in 2007, and thus was only able to assess CLP 1.1 (the experimental cohort) and 1.2, and then only the early indications of households grouping into low or high asset value groups.

Those selecting rickshaws saw substantial increases in income (as of July 2007). However, though it was too early to measure at the time of the survey, the report notes that, unlike livestock assets, a rickshaw's value inevitably depreciates over time. This effect could be offset by saving for a replacement, but there is as yet no research on this. Those selecting sewing machines also saw increases in incomes, soon after the receipt of the asset. Again, sewing machines do depreciate over time.

Scott (2009) suggest that there is some difference between the assets of male- and female-headed households in cohorts 1.2 and 1.3 (2007/08). In cohort 1.2 after being supported by CLP for 18 months, female-headed households have only 79% of the total assets of male-headed households. This suggests that female headed households may be at some disadvantage in building an asset base, though the lack of labour work available for them and having to remain at home to look after the children.

Scott & Islam (2010) find that levels of cattle theft are almost non-existent on the Chars, eliminating this as a potential cause for loss of assets or value. Their findings also suggest that cattle death seems to be an issue for only a small proportion of households. Around 2 to 3% of primary cattle belonging to participants from cohorts 1.1, 1.2 and 1.3 died as of 2010.

3. Methodology

This paper uses data from two sources: a household survey and focus group discussions (FGDs).

3.1 Household Survey

A small survey was conducted, with a total sample size of 150. The dataset from the October 2012 survey, used by Blackie & Alam (2012a, 2012b), was further analysed in order to identify households with assets of less than 7,500 taka and households with assets in excess of 70,000 taka. The lower threshold of 7,500 taka was selected as it represents half of the original value of the primary asset provided by the CLP; and thus shows a significant decline in value over time.

A household with assets of less than 7,500 taka in productive assets has not successfully used the primary asset in order to grow an asset base, and has not succeeded in maintaining the original value of that asset. Assets were typically worth between Tk15,000 and 16,500 at the point of transfer, depending from which cohort the participant was drawn. Households in the top 9th decile of asset values were selected as the 'high-asset' group, hence the 70,000 taka threshold. Within these strata, samples were selected on a cluster basis.

This work does not consider CLP 1.1 households as they are not considered representative. The CLP 1.1 model was experimental and though similar to later cohorts, there were significant differences between the package received by cohort 1.1 households and all subsequent cohorts. The current research therefore excludes CLP 1.1 households from the analysis. This allows the research to more accurately assess not only the present impact of the CLP, but to predict the impact of activities on subsequent cohorts in CLP-2.

Data collection used a structured qualitative methodology. Due to the small size of the sample, it was possible to conduct in-depth interviews with each respondent. These interviews discussed the participant's asset history from the transfer of the primary asset to the present. The enumerators recorded their history with structured diagrams and text (example of survey see annex 1). The research team (researchers and enumerators) then discussed the interviews individually at a two-day closing workshop. Key themes, dynamics, and pathways to the high-asset or low-asset groups were established.

Case studies

High Asset Value Household

Before being part of the Chars Livelihoods Programme, Shirin had to migrate each monsoon season often staying with family or friends. Now on her raised plinth she is the one that people go to when the water levels rise.

Shirin prepares for future flooding by stocking up on food and putting money into her savings. Her house has increased in size since leaving CLP and this has been from money gained through her assets.

Shirin initially started with a heifer worth 15,000 Taka. This cow then gave birth to a male calf which she was able to nurture to a bull. Both the cow and the bull were sold for 40,000 taka. It was at this point that Shirin decided to rent part of the river port and mortgaged a small amount of land.

She spent two years running the port as well growing crops. She then invested in two buffalo calves for 25,000. After a year these now grown to full size, are with calves themselves and are worth over 100,000 taka.

When asked what her plans were for the future she answered:

"I don't believe in land investment as erosion is a constant risk. Instead I will invest more in livestock as they are resistant to floods"

As well as investing in livestock she also wishes to invest in the future of her children through education

Low Asset Value Household

Shahida is the mother of two daughters and one son. Before becoming part of the Chars Livelihoods Programme she was unable to work as she had to look after her husband who was very ill.

CLP provided her with a heifer as her asset. From this she earned money from milk sales as well as the CLP stipend. She sold her cow and with her savings was able to mortgage 1 bigha (about 0.3 acres) of land. She grew rice on this land for two years growing 10 mon of rice.

In 2007 her land was eroded by the river leaving her with no productive assets.

Fortunately Shahida still had enough money from her savings to invest in a fishing net and a share cattle.

With the skills that she learnt during the CLP social development groups, she intends to nurture her cattle and invest in more cattle allowing her to rebuild her assets. The resilience gained from CLP through her knowledge of cattle rearing is allowing her to bounce back from her unfortunate circumstances.

3.2 Focus Group Discussions

Char residents also participated in FGDs. A facilitator led with a list of key questions guiding the discussions (Annex 2). Using a variety of techniques, facilitators drew out the perceptions of people in the community regarding households which were succeeding and others that were less successful.

Four of the Groups sampled were made up of CLP participants (all female) and two groups contained the husbands of CLP participants to give a less biased result.

4. Results

4.1 Reasons for High Asset Values

During the workshop with the enumerators, analysis of the surveys gave the following reasons to why a household was able to acquire assets greater than 70,000 taka:

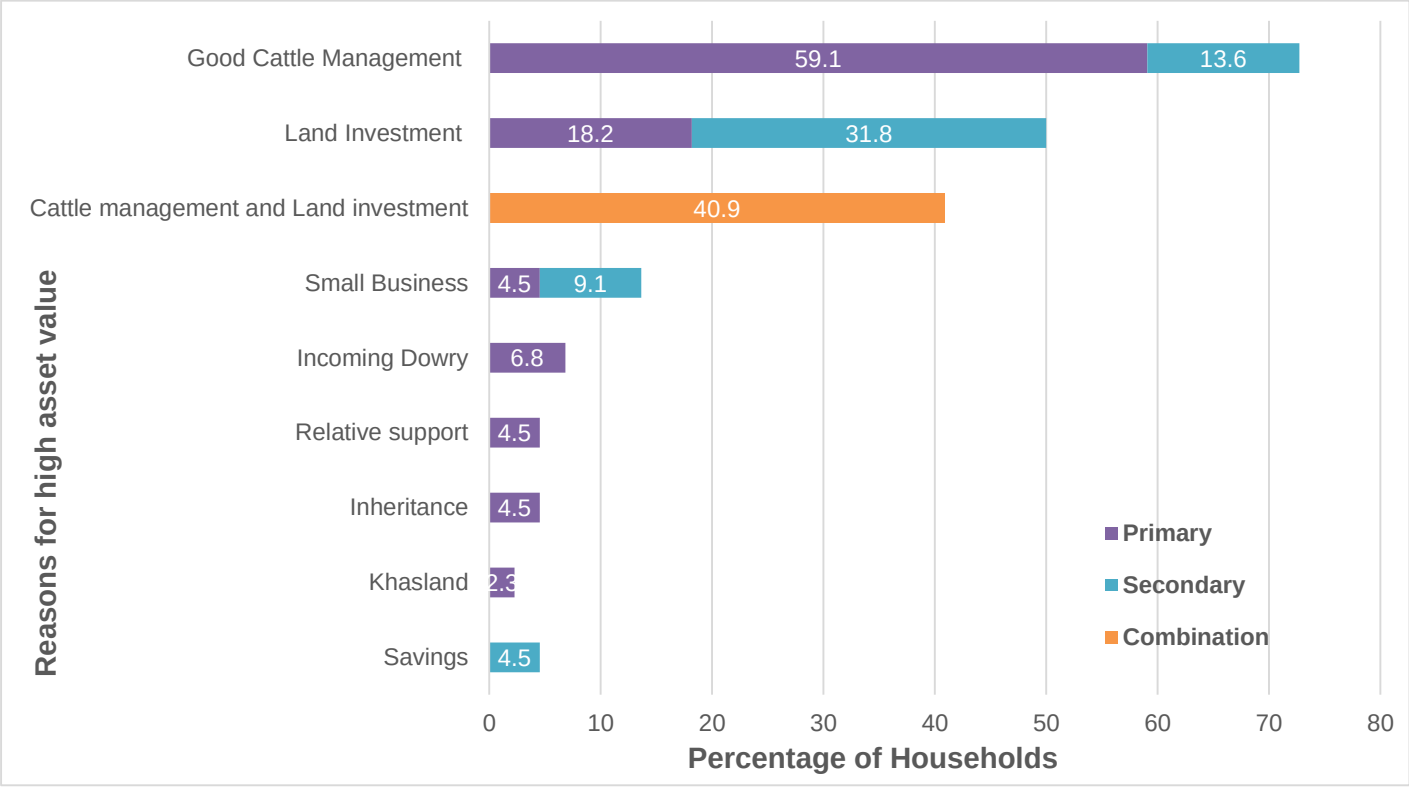

Figure 6 Reasons for households accumulating assets greater than 70,000 taka

Figure 4 shows the two most significant reasons for a household to achieve high asset values were through good cattle management and investing in land. The orange bar shows where the reason for was a combination of good cattle management supported with land investment, either as a primary or a secondary reason.

Good Cattle Management

Over 70% of households surveyed stated that they were able to accumulate assets through good cattle management. This is both through rearing cattle in a manner where it grows in size and is healthy, but also in selling the cattle for a profitable price and, when reinvesting in cattle, buying at a good purchase price.

CLP participants see both bulls and heifers as very profitable. Heifers are able to produce milk as well as produce calves. On the other hand, bull calves are very cheap to purchase and rear while, after fattening, they can be sold for meat at a considerable profit. Neither was seen as significantly more profitable than the other.

The best way to maximise profit from cows is: feed them with high quality food; vaccinate for diseases; and promptly call the vet when the animal is sick. A common problem found with FGD participants were that the vet was often not quickly available, as they often lived far from the char.

Cattle that were well-managed were able to produce young more regularly. More young means greater profits gained from the cow, improving the household livelihood.

Land Investment

Land investment brings significant rewards when used for crops and / or planting trees. This comes in the form of income from selling the crops and also, if the land is bought outright, through increases in the value of the land. Land investment was the second most common reason in the survey of high asset value households.

Combination

Within figure 1, there is one bar labelled "Cattle Management and Land Investment". This bar shows the number of participants whose reasons for accumulating wealth were a combination of both good cattle management AND land investment. Over 40% surveyed showed that both these reasons affected their accumulation of wealth.

Small Business

Sometimes participants were able to gain wealth through diversifying their assets into other ventures. Investing in a small business, such as an irrigation pump or the running of a small boat service, allowed wealth to be accumulated. This was generally more of a secondary reason complementing their other assets of land or cattle.

Grocery shops are seen as very profitable businesses. However, they need to be managed by people with enough discipline not to consume the shops' supplies. They also need to be able to do minimum accounting, which is not a very common skill on the chars.

Those char dwellers that were interviewed do not see fishing and boat businesses as good investments. They are seen as profitable only in the monsoon seasons when the water level is at its highest. The rest of the year, it is difficult to break even and boats are sometimes stolen.

Female	Male
1. Cattle and land	1. Cattle and land
2. Cattle	2. Cattle
3. Land	3. Land
4. Small business	4. Small business
5. Inheritance	5. Savings
6. Savings	6. Inheritance
7. Khas land	7. Khas land
8. Dowry	8. Dowry
9. Relative assistance	9. Relative assistance

Figure 7 Ranking of reasons for success from FGDs

Dowry

A few participants received dowry money through a wedding that increased their assets dramatically. This cannot be seen as a success from CLP's viewpoint, given that the programme promotes the vision of a dowry-free society. When a household gains a dowry there is always a household that has to pay it, as will be demonstrated in the low-asset-value section of the results.

Support from relatives and inheritance

Relatives occasionally supported participants through donations, loans and inheritance. This is not counted as a CLP success.

Khasland

Khasland is land owned by the government which can be given to persons applying for it. Some participants received land which improved their productive asset value. If the distribution of Khasland

could be fully harnessed, char dwellers could make significant gains. The programme is currently in the preliminary stages of piloting access to Khasland into the CLP package

Table 1. Quotes of FGD participants regarding main reasons for high asset values

Reason for High Asset Values	Female quote	Male quote
Cattle and Land	"Land is complementary to cattle; you need both for balance."	"Owners of land can cultivate crop for cattle feed."
Cattle	"With good cattle management, cattle grow quickly and can be sold for a high price"	"Cattle is the most important asset because it gives more profit than land"
Land	"Cattle death is final but land will come back after water recedes"	"They are investing money in land because their food availability for all month of the year."
Small business	"Investing in a small business such as sewing or weaving can have great profit".	"investing in a grocery shop can help but you need to work hard and be capable of counting"

Savings

With the right savings strategy, some participants were able to accumulate wealth. This was sometimes through investing money into the CLP Village Savings and Loans groups. This shows an improvement in households' ability to plan for the future and will make them more resilient to future disasters.

Lack of Cattle Cross-Breeding

In the initial literature review, cross-bred cattle appeared to be a potential reason for the successful household group. However, within both surveys and FGDs, it was never acknowledged.

4.2 Reasons for Remaining At or Returning to Low Asset Values

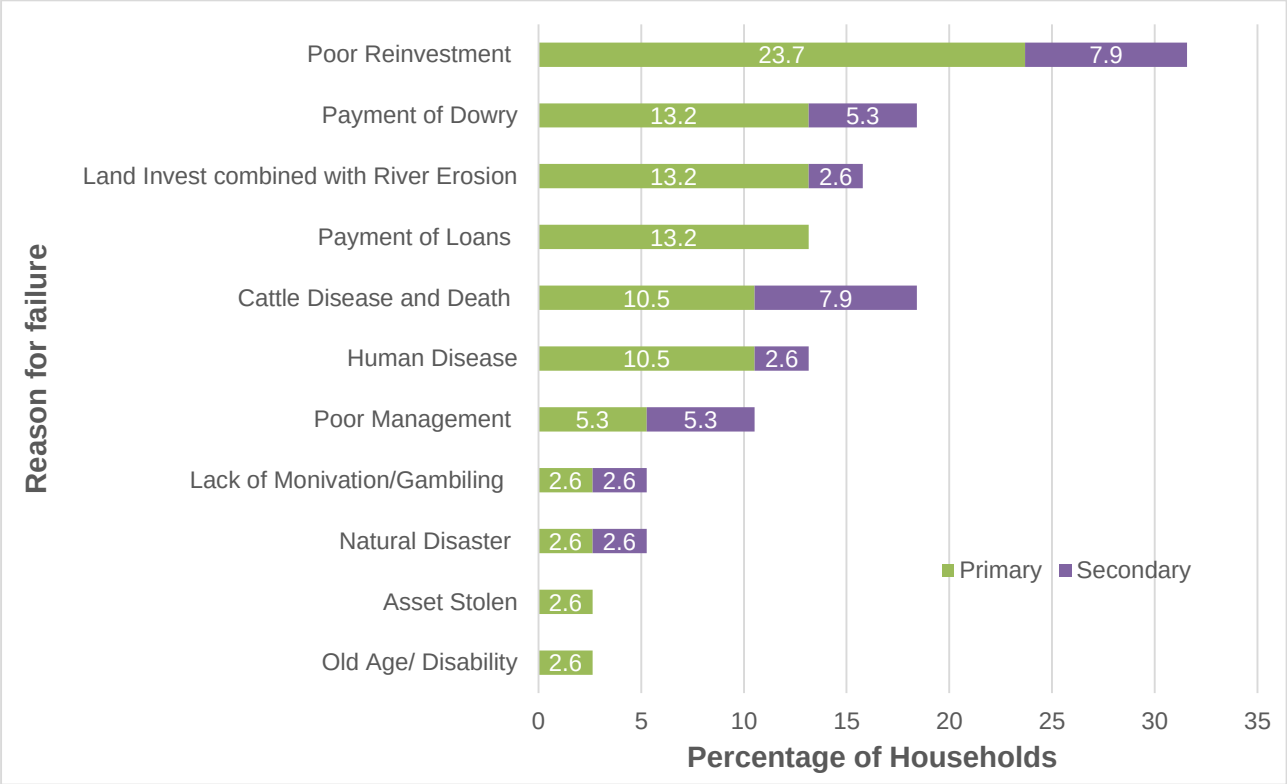

Figure 8. Reasons for Households with assets less than 7,500 Taka

From the results for the low asset value group, two different categories of reasons arose – Natural and Person-centred. Natural reasons were where unanticipated shocks and stresses, outside of the control of the participants, occurred reducing the value of their productive assets. Person-centred were due to decisions that caused assets to decrease in value.

4.2.1 Natural

Land Investment combined with river erosion

A number of participants accumulated significant assets in the form of cattle and then sold them to reinvest in land. After purchasing, their land became flooded in the monsoon season. The water receded but as it did, it eroded the field and covered the remaining part with sand. This reduction in land quality caused a direct loss in productive assets. The covering of sand lessened the fertility of the land, reducing its productivity and therefore its value. Of the participants that lost land through erosion, 80% completely lost their land.

Cattle disease and death

Once the CLP package is completed, diseases such as foot and mouth or anthrax infect some households' cattle. This can cause panic-selling of the cattle for meat, dramatically reducing the selling price of the cattle.

Disease occurs partly because participants have not vaccinated their cattle. Also, if cattle are not managed correctly and are weak through malnutrition, they may be more susceptible to disease.

Char dwellers need vets once the cow or bull is sick. People surveyed and FGD participants both highlighted the problem that vets are generally on the mainland and so can take days to find and

bring back. By this time the cow's condition has worsened. Also, if a vet is not present at the birth of new calves, delivery complications can cause death of the cow and/or the calf.

Human Disease

Living on the chars exposes households to a variety of different diseases. To afford medicine, participants have to sell their assets to allow them to buy expensive drugs. Apart from no longer producing profit through their assets, illness stops them being able to perform physical labour.

Natural disaster

Other natural disasters (other than floods), such as fires and hail, often cause significant damage to the shelter of the household. This means that productive assets are sold and the money invested in rebuilding the house.

Old age/disability

Households are sometimes headed by the elderly or disabled. Once they have finished with the programme they often do not have the capacity to keep their assets productive.

Asset stolen

This can be in the form of someone physically stealing the assets, but also not being repaid money that has been loaned out. With no insurance or assets in other forms, households can lose their entire livelihood.

4.2.2 Person-centred

Poor Reinvestment

This category covers participants who sell assets and then reinvest them non-productively, such as building a house or buying food. Such poor reinvestment shows a poor cost-benefit analysis which likely comes from the participant not having enough knowledge to make the best decision.

Payment of Dowry

Low asset value households often built significant assets, but then sold them to pay large dowries when their daughters married. In some cases, loans were taken out at the same time, financially crippling the household. Dowry remains a cultural issue within the chars. It was made unlawful in the 1980s, but when asked about it at FGDs, participants usually responded by saying that all marriages had to have a dowry payment. This deeply-held cultural tradition remains strong, despite CLP's Social Development activities, which continually educate participants on the negative impacts of dowry on both the community and individual households.

Payment of loans

To pay off dowries or meet commitments from failing businesses, households may take out loans. When households are forced to pay off their loans, they sometimes have to sell all their productive assets. This loss of productive assets can cause households to take out further loans to allow them to basic necessities. Payment of loans is another example of poor judgement as often these loans occur together with a failing business, creating more debt for the participant. Households need to have a better understanding of the risks involved in taking out loans as well as the management required.

Lack of management/information

Sometimes after the participants have left the programme, they will sell cattle and then reinvest into another business. Without knowing how to properly run the business, it fails, causing the household to lose all productive assets. Lack of management is an area which covers many issues but generally

comes down to a participant failing to understand how to handle particular situations. Often this is through lack of knowledge. One example of this was where a participant built up assets using cattle. She then sold them and reinvested in a cloth business and a loan business. Both of these were very poorly run as the participant did not have the capacity to run them. This meant that both failed and the participant ended up with no productive assets.

Lack of motivation or gambling

Lack of motivation was ranked the highest reasons among men in the FGD as shown is figure 8. This was described by participants as being where male-headed households decided not to use the assets accumulated during the 18-month CLP support package on more productive assets. Instead they used the money for gambling or non-profitable goods.

Female	Male
1. River erosion	1. Lack of motivation
2. Cattle disease/death	2. Asset stealing
3. Lack of motivation	3. River erosion
4. Natural disaster	4. Paying Dowry
5. Paying Dowry	5. Cattle disease/death
6. Human disease	6. Natural disaster
7. Asset stealing	7. Human disease
8. Repaying loan	8. Repaying loan
9. Lack of management	9. Lack of management
10. Old age	10. Bad Investment
11. Bad Investment	11. Old age

Figure 9. Ranking of reasons for low asset values

Related to this was how households make decisions. There is a suggestion that men prefer to invest in land whereas women see livestock as a better investment. This may be because the women have been through the CLP and have better knowledge on cattle management, but men see land as a way to improve their standing in the community. The genders also may prefer the investment that they have more control over

It is also thought that if the relationship between the man and the woman is strong and they both work to provide for the family then these families are more successful.

Table 2. Quotes of FGD participants regarding main reasons for low asset values

Reason for low asset values	Female quote	Male quote
River erosion	River erosion is the most common reason of damaged crops and land	Because of river erosion the crops and land are often lost.
Cattle disease/death	“Two disease foot and mouth as well as anthrax, a problem. Vet is not always available”	“The more important problem is various disease of cattle in chars area”
Lack of motivation	“If any man is lazy, gambles or takes drugs then he can’t support his family and so sells his assets.	“Bad gambling can cause asset sale”
Natural Disaster	“Flood brings Salt onto the land destroying crops. Hail too can cause great losses in crop”	“Insects is the another reason of damage crops. Storm is the another reason of damage crops and house”
Paying Dowry	“Father of daughter fall in economic crises. They sell cattle, land and other things for dowry”	“To protect/save her life in husband house that’s why they pay dowry. Asset should be sold to get good son-in-law.”
Human Disease	“Assets are lost because of illness of any family members. Assets are sold to pay for treatment”.	“If any family member suffering disease than sale of assets occurs for treatments”
Asset stealing	“Large cows are vulnerable to stealing”	“Cattle stealing is a problem with investment in cattle.”

Family Size

One theme brought up regularly in the FGDs was family size. Households that were small, two children or less, were less expensive to run and so profit from assets could be reinvested in productive assets. Larger families had a greater consumption rate and so productive assets were often sold to meet the requirements. Family planning is already part of the Social Development groups and this awareness by participants is a testimony to the impact that it is having.

4.3 Data inconsistency and error

Almost 20% of households interviewed, which were classified in the lower asset value group in the last survey, had productive assets worth greater than 7,500 taka. This meant they could no longer be categorised as a lower asset value household and so were not considered in this study. The change in asset values was caused through households growing their asset base but also through error in data collection and entry. It is important to note that household livelihoods are dynamic and these research studies merely take a snapshot of the current situation so it is expected that asset values would change.

Households responding differently to the original survey accounted for 45% of the data inconsistency, representing nearly 10% of the households interviewed. Data entry errors caused around 6% of households to be mis-classified, while around 4% of HHs were mis-classified due to data collection errors. The data entry and collection errors were probably due to changes in IML Division personnel and management at the time of the study. These probably caused an inconsistent approach to collection and entry quality control. The IML Division has since reviewed its quality control mechanisms and requirements, introducing modifications and training to ensure such inconsistencies do not recur.

5. Conclusion

5.1 Key findings

As can be seen from the results, the reasons for household's having high or low asset values are complex.

High asset value households were generally households who had more than one type of asset and had invested shrewdly. Having cattle was the central way to accumulate assets initially but once building up enough assets, investing in land complemented cattle rearing as the food produced on the land could be used to feed the family, feed the livestock and also to sell for extra income.

Low asset value households often had either invested poorly and were unable to maintain their asset, or they had been impacted by a shock of such magnitude that they were unable to bounce back to their original asset value. This inability to bounce back shows a vulnerability that needs to be strengthened to create resilience.

Routes to High asset values

CLP participants commonly start with one productive asset in the form of a cow. The most common routes to success are: (i) to develop the cow into a herd; (ii) invest in land to farm, either by outright purchase or lease; and / or (iii) invest in a small business. These routes are easier when given financial support in the form of savings; cash from dowry (although this is not considered a good thing by CLP, which supports a dowry-free society); cash from inheritance; and / or support from relatives.

Livelihood diversification

Investing in land on the chars has the potential for serious gains but also substantial losses. Land is used for growing of crops including chillies, fruit, vegetables and grain and is an important resource for income. It is not possible for char dwellers to only rear cattle as this would decrease the value of cattle. However land investment carries the risk of erosion, flooding or having a poor yield of crop. A solution to this problem is in livelihood diversification. This means not investing entirely in one form of asset. Investing in multiple forms of productive assets means that the household can withstand different forms of shocks and stresses.

Households that diversified their assets with a combination of cattle and land were often able to bounce back best after a shock. Land eroding was a common problem with both high and low asset value households. However, the difference with high asset value households was they still had productive assets in other forms. Low asset value households often invested purely in land, meaning that when flooding destroyed their land, they had no other assets to use to build back up their asset base.

Cost benefit analysis

With the most frequent cause of low asset values being poor reinvestments, this shows a lack of judgement and risk analysis. This can only be changed through an increase in knowledge of the costs, benefits and risks. Households who reinvest in unproductive assets need to know the potential gains that they are missing out on as well as knowledge of costs that certain non-productive possessions will have on the household.

Dowry

Dowry is a reason mentioned in both High and low asset value households. When comparing the frequency that it is mentioned in the surveys, it is very commonly a reason for having low asset values but an insignificant one for high asset value households. This supports the reason for CLP's work in stopping the practice of dowry.

Cattle death

It was surprising to see that cattle death was in the top five of the reasons for having low asset values given by households during both the survey and the focus groups considering the investment in Livestock Service Providers (LSPs) by CLP. The distance of vets on the mainland to the chars means that it is taking too long for them to assist in time. It may be that basic veterinary skills could be taught to specific persons in the villages to address this problem.

Causes of Low Asset Values

For some households, the routes to success can encounter roadblocks that cause failure. Disease and poor cattle management can mean that the asset does not grow in value; it may even lose value. If the participant does grow her one cow to a herd, or invest in land or a small business, there are still hazards. Disease, erosion and/or bad business management can, alone or in combination, cause asset values to plummet. Poor decisions in managing assets, such as investing in non-productive assets or paying dowries, is another route to losing all productive assets.

Inclusivity of men

This potentially occurs because of the focus on women in the CLP. Men may feel disempowered by the programme and, once it ends, may wish to reassert control of decisions regarding assets. As they will have had no CLP training, they will potentially make worse decisions.

5.2 Recommendations

The following recommendations could improve the CLP model:

- Review and revise the curriculum for the Social Development Project to promote livelihoods diversification.
- Review and revise the curriculum for the Social Development Project to raise awareness of the negative impacts of dowry.
- Review and revise the curriculum for the Social Development Project on how to manage assets in particular the running of businesses and performing cost benefit analysis.
- More research is needed into looking at creating greater inclusivity of males in the programme.
- Investigation is needed into current and novel solutions to make land more resistant to erosion.
- Research into the impact of LSPs on the chars and investigate which areas LSPs are working well and which areas are needing more support.

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Annex 1: English version of survey

Chars Livelihoods Programme-2

Assets Follow-Up Questionnaire

DATE: ____ ____/ ____ ____/ ____ ____ ____ ____

DD MM YYYY

CLP Phase		1=CLP1 2=CLP2 3= Control

ATP Phase:		1, 2, 3, 4

	NAME	CODE		
DISTRICT:				
UNION:				
IMO:				

	NAME	CODE		
UPAZILA:				
VILLAGE:				
HH HEAD:				

BENEFICIARY NAME:		SPOUSE PRESENT:		*(**1** = Yes, **2** = No, **3** = NA)*	Religion:		*1=Islam, 2=Hindu, 3=Buddhist, 4=Christian, 5=Others*

PLEASE ASK THE PERMISSION OF THE RESPONDENT TO ASK A SERIES OF QUESTIONS RELATED TO THEIR HOUSEHOLD. INFORM THAT AT ANY TIME THEY CAN REFUSE TO ANSWER A QUESTION IF THEY WISH.

It is the responsibility of the Enumerator to treat all respondents with respect and to complete this questionnaire faithfully and accurately. Permission should be sought from the respondents to ask the following questions and to enter the household (if appropriate). If deemed necessary, the Enumerator must revisit any household if the data collected is considered incomplete. At no time should the Enumerator accept anything from any household. Non-compliance with these conditions will be considered gross mis-conduct.

It is the responsibility of the Field Supervisor to ensure the quality of the Enumerators work and conduct. This should be achieved by both spot check visits during interviews and by thoroughly checking every questionnaire submitted by the Enumerators they are responsible for. At no time should the Field Supervisor accept anything from any household. Non-compliance with these conditions will be considered gross mis-conduct.

It is the responsibility of the Data Entry Clerk to ensure accurate and high quality data entry.

Enumerator	Field Supervision Check	Data Entry Check
Name:	**Name:**	**Name:**
Date:	**Date:**	**Date:**

Participant is in the:

Low Assets Group	High Assets Group

Enumerators to briefly describe in text the story of the participant's assets since joining the CLP.

-
-
-
-

On the *following two pages*, enumerators to please draw a simple diagram which shows the change in the respondent's assets since initial asset transfer. Use extra sheets of paper if necessary.

Decreases in Assets	**Initial Asset**	*Increases in Assets*

1. If the participant is in the 'low assets' group, which of the following best describes the **primary reason** for the participant's present low level of assets?

Loan Repayments	**Social and Cultural Reasons**	**Erosion and Flooding**
Death or Sickness of Cattle	**Household Health**	**Other**

2. If the participants is in the high assets group, which of the following best describes the **primary reason** for the participant's present high level of assets?

Investment in cross-bred cattle	**Successful Cattle Management**	**Small Business Investment**
Successful Agricultural Management	**Other**	**Other**

Annex 2: Focus Group Discussion Questions

High asset value households

Engagement questions

What do you think is the best way to accumulate productive assets?
What do you see as the main difference between succeeding households and others?

Exploration questions

What is your opinion on land investment?
What is your opinion on cattle management?
What do you think is more important land or cattle?
Is investing in small businesses an effective way to build up productive assets?

Exit questions

Are there any other reasons why households were successful?
List nine/ten reasons for success, then vote on which reason is most important.

Low asset value households

Engagement questions

What do you think is the most common way to lose productive assets?
What do you see as the main difference between failing households and others?

Exploration questions

What types of reinvestment is best on the *Chars*?
What type of problems come up with cattle management?
What do you think is more important land or cattle?
Is Dowry payment an issue on the *Chars*?

Exit questions

Are there any other reasons that households had low asset values?
List nine/ten reasons for low asset values, then vote on which reason is most important.