Government of Bangladesh

Chars Livelihoods Programme

Moving out of Material Poverty? The Current Assets of CLP Core Beneficiaries

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Executive Summary

This report presents an analysis of data collected during a survey, undertaken in July and August 2009, of three groups of households who received investment capital from the Chars Livelihoods Programme (CLP). The CLP selects the poorest households, resident on island chars and provides them with access to investment capital with which they purchase income-generating assets (IGA) of choice. Fully 95% of households choose to invest in livestock, especially cattle. Data presented in this report comes from the first three annual cohorts of beneficiaries selected and assisted by the CLP. The initial cohort that entered the CLP's Asset Transfer Programme (ATP) during the 2005/06 financial year (referred to as ATP1), received assets on average 42 months prior to the survey; the second cohort (in 2006/07) or ATP2 entered the programme about 30 months before the survey and the third (2007/08) or ATP3 received their assets approximately 18 months before. The major ambition of this report is to present the findings from this most recent survey and to compare results both across phases, between cohorts, and with those from previous surveys of ATP1 and ATP2 households[1].

The information presented in this report shows that:

- Each subsequent phase of ATP household is selling its cattle earlier. For example, while only 39% of ATP1 households had sold one or both of their primary[2] cattle after 30 months, this proportion for ATP2 households is 65%. Meanwhile 50% of ATP3 households have sold at least one of their primary cattle after 18 months;
- With each subsequent phase of beneficiary, heifers are also seen to be producing calves earlier after purchase and so are generating income from milk sales more rapidly. This reflects the fact that ATP1 households, in particular, purchased smaller and younger animals; as a result of the different asset delivery mechanism used for this initial and experimental phase of ATP;
- For both ATP1 and ATP2, the majority of cattle purchased initially have now been sold with ATP1 cattle being sold, on average, after 20 months with a gross increase between the purchase and sale values of 70%. For ATP2 cattle this figure is 32%, with cattle being sold after approximately 15 months; again reflecting the larger value of animals initially purchased (average purchase price of ATP1 cattle Tk. 6,294; ATP2 cattle Tk. 11,265);
- The main reason for cattle sales by ATP2 and ATP3 households is to re-invest in more cattle (for 65% of ATP1 and over 70% of ATP2 respectively). Meanwhile the main reason for ATP1 households selling their cattle is to invest in land (from 38% of cattle sales), followed by re-investment in cattle (for 32% of sales);
- 45% of heifers originally purchased by ATP1 and ATP2 households are still owned; ATP1 heifers have seen a 114% gross increase in value while ATP2 heifers have experienced a lower gross increase of 47%;

[1] These previous surveys are written-up in; Scott, L., Islam, R. and M. Marks (2007): Asset Transfer: A Road out of Extreme Poverty? Initial Findings from the Experimental First Phase of CLP's Asset Transfer Programme. *Chars Livelihoods Programme.*
Scott, L. (2009): The CLP Asset Transfer Programme: changes in household asset values time. *Chars Livelihoods Programme, Innovation, Monitoring and Learning Division*

[2] Primary cattle: cattle that households purchased from their initial investment capital provided by the CLP

- Losses of cattle and calves, due either to death or theft remain low. Less than 3% of the cattle initially purchased by all phases of beneficiary have died, while deaths of calves from those primary cattle are around 10%;
- Overall household asset values have increased among all phases of beneficiary, with ATP3 households seeing particularly large increases in both productive and non-productive assets when compared to ATP2 households after they had been in the programme for the same amount of time. After 18 months of ownership ATP3 households saw the value of their assets increase 19-fold (or by 1796% to Tk. 35,560); in comparison to a 17-fold (1597% to a value of Tk. 28, 201) increase in ATP2 asset levels over the same time period.

1 Introduction and Background

The approach of the Chars Livelihoods Programme (CLP) is one of first geographic targeting followed by household targeting. Its operating area is the Jamuna chars; specifically island chars in Jamalpur, Sirajganj, Bogra, Gaibandha and Kurigram districts. Within this area the Programme concentrates its focus on the poorest households, identified as being landless and assetless. The CLP believes that this household-level targeting is necessary to reach and effectively help the poorest households who are the least likely to benefit from development interventions. Once identified these households then receive a package of support including the significant investment capital, social development training, a raised homestead plinth, access to a tubewell and latrine as well as homestead gardening inputs and training. In line with other work on extreme poverty, wide-ranging and intensive household support is viewed as necessary to help households who are 'not only poorer than others, but differently so' (Matin et al., 2008: 5). This report looks specifically at the transfer of investment capital to those poorest households under the Asset Transfer Programme (ATP); the centrepiece of the CLP.

To date the CLP has distributed investment capital to a total of 55,000 extreme poor households. This report focuses on the 30,270 households that received assets between January 2006 and April 2008. Households must invest the capital in productive assets; the majority opt to purchase cattle (Table 1). Along with the investment capital, households receive a monthly stipend for eighteen months, enabling them to support the assets before they generate income and also to provide a small boost to household incomes. New households have entered the programme each year and support and assets are distributed in a phased manner. Table 1 provides an overview of the three phases analysed in this report.

Table 1: An overview of the first three phases of ATP

	ATP1	ATP2	ATP3
Number of beneficiaries	3,174	8,246	18,850
Entered the programme	First half of 2006	First half of 2007	First half of 2008
Geographical Area	Sirajganj Gaibandha Kurigram	Sirajganj Gaibandha Kurigram Jamalpur Bogra	
Key targeting criteria	Assetless (owning productive assets less than Tk. 5000) Landless (including no access to agricultural land)	Not receiving asset assistance from another development programme Not a member of a credit group or having an outstanding loan with a local NGO implementing the CLP	
Level of ATP benefits	Tk. 13,000 of investment capital Monthly stipend for 18 months. This comprises Tk. 400 for the first 6 months (consisting of Tk. 300 for household expenditure and Tk. 100 to look after the asset) and declines to Tk. 300 for the final year.		Tk. 15,000 of investment capital Monthly stipend for 18 months. Tk. 500 for the first 6 months and Tk. 300 for the final year.
Distribution of investment capital	3 mechanisms tried: 1) Cash – received in 2 equal instalment of Tk. 6,500 (777 households); 2) Fixed package – comprising a heifer, 2 goats and 10 chickens (900 households); 3) Choice – selected from menu including cattle, sheep, goats, rickshaws and sewing machines (1497 households)	Beneficiaries select from a menu of; Cattle Goats/ sheep Rickshaw/ van Sewing machine Any other income generating asset to be approved by the CLP	

2 Aims of the Report

This report looks at how a sample of households from the first three phases of ATP used the investment capital, benefits (economic or otherwise) accrued as well as the current asset status of households. It also compares current results with those from previous surveys undertaken when households entered the programme as well as with ATP1 and ATP2 households that were reviewed one year ago (see methodology). The data presented look not only at current household asset status but also how they have changed over time. In so doing, the report is able to respond briefly to some of the concerns which have been raised about the CLP approach; an approach which is far from tried-and-tested. Key concerns raised that have been raised are that:

- Households will largely spend the investment capital in unproductive ways, such as on dowries, for social gatherings or consumable items;
- The approach is merely a "stop-gap", having the potential temporarily to lift people out of poverty but only leaving them vulnerable to fall back in to poverty at a later date.

It is interesting to note however that the debate surrounding the CLP approach is moving on from the first concern to the second. Previous CLP reports show how, for the first two phases of ATP, households have certainly not liquidated their assets to purchase luxury goods or spend on dowries (Scott, 2009). Nonetheless, the issue of sustainability of improvements at the household level remains to be proven. This criticism is often raised about programmes that target specific households with it being argued that they fail to address the main causes of poverty and so do "not focus on a sustainable poverty exit" (ADB, 2006: 36). In the risk-prone environment of the chars this is a particularly important area of debate.

At the time the recent survey was undertaken, ATP1 households had been in receipt of their assets for about three and a half years and had stopped receiving direct support from the programme (in terms of social development training and monthly stipends for about two years). Information collected from ATP1 households is now starting to give a picture of how households are able to manage when they no longer receive direct support from the CLP. Households, however, do not live in isolation from their surroundings and all ATP1 households live in villages where other ATP phases are currently being implemented and so there is still a CLP staff presence. This is important since the CLP can help broker discussions with landowners, provide access to a CLP health-care facility and, in some villages, to the Infrastructure Employment Programme (IEP). The same is true for ATP2 beneficiaries who stopped direct involvement with the CLP approximately one year prior to the survey but often live in villages where later phases of ATP are being implemented.

This report does indicate the sustainability of ATP but it largely does this within the context of the continuing presence of the CLP in the neighbourhood.

3 Methodology

Data were collected for this report from mid-July to mid-August 2009 and are compared to results of similar previous surveys that looked at the asset ownership of ATP beneficiaries both when they entered the programme (at registration or "baseline") and at later dates after receipt of assets. The most recent dataset was collected by questionnaire administered to a random sample of 300 Phase 1, 350 Phase 2 and 351 Phase 3 beneficiaries. Data were collected by Data Management Aid (DMA). Table 2 gives an overview of the different surveys that have looked at asset values and it should be noted that each included questions on household asset status as well as some investigating socio-demographic aspects.

Table 2: Data referred to in this report

	ATP1	ATP2	ATP3
Registration data	March 2006 Census	February-March 2007 Census	Dec 2007-March 2008 Census
Re-registration[3] June 2007	15 months[4] Census		
Re-registration July-August 2008	30 months 800 randomly selected households	18 months 1,300 randomly selected households	
Current survey July-August 2009	42 months 300 randomly selected households	30 months 350 randomly selected households	18 months 350 randomly selected households

4 Results

4.1 Basic Characteristics of ATP Households

A key correlate of poverty in rural areas is occupational status. Households where the main wage earner is an agricultural wage labourer typically being among the poorest (Kotikula, Narayan et al., 2007). This is particularly true for extreme poor households on the chars. On entering the programme over 40% of household heads work as agricultural daily wage labourers (Scott, 2009). Logic suggests therefore that over time, as households move out of poverty, it would be expected that reliance on agricultural labouring would decrease. There are however few indications that this is occurring among ATP1, ATP2 or ATP3 households. For instance, while 41% of ATP2 household heads, before joining the CLP, worked predominantly as agricultural daily wage labourers (Scott and Islam, 2007), 3 years later the proportion remains at 40%. Nonetheless, the situation is complex since the char population may have several occupations, due to necessity or choice (Ellis, 2000). It is not unknown for a

[3] Registration is a census of beneficiaries before they receive assets that collects information on household characteristics and asset ownership. Re-registration follows a sample of beneficiaries at various times after they received assets and asks comparable questions.

[4] Months used here refers to the approximate amount of time that households had been in ATP when the survey was undertaken

person to weave, work on shared land and as a labourer on someone else's land during the same day.

The predominant income-earners on the chars are men as it is difficult for women to find work outside their homestead. Most available work requires physical strength and the women are generally unable to move far from their homes for cultural reasons. For significant parts of the year (e.g. during *monga* and flooding), agriculture work is limited for both sexes. When women do work, it is generally as maids (in slightly richer char homes) or during post-harvest work with crops such as paddy and maize. It is not surprising that the average number of female income-earners in a household is significantly less than the number of male income-earners.

However, following asset receipt and therefore over time, it might be expected that the number of female income-earners would increase; with income accruing both from their livestock and homestead gardening activities. This is not currently reflected in the figures for households in any of the three phases. For instance in June 2007 there were 0.2 female income earners per ATP1 household on average and the figure remained constant two years later. This lack of change may however be due to the difficulty of defining the term "income-earner" as a common perception in rural Bangladesh is that homestead-based work is often not reported and is undervalued (Mahmud and Shamim Hamid, 1990).

4.2 The Initial Investment: Cattle

All ATP2 and ATP3 households in the sample purchased at least one cattle with their investment capital, while 96% of the ATP1 households spent a portion of their money on cattle. The remaining ATP1 households invested in land or the setting-up of a small business.

Because of a difference in capital allocation[5], the average ATP1 household bought smaller animals than later phases. Thus, at September 2009 prices after adjusting for a nominal inflation of 10% a year, the average cattle cost Tk 8,648 for phase 1 rising to Tk 14,410 for phase 2 beneficiaries. Table 3 provides more details of the type and value of cattle purchased by the different phases.

Table 3: Cattle choices by phase of ATP Beneficiary

	ATP1	ATP2	ATP3
% HH purchasing cattle	96	100	100
Average number of cattle purchased by each HH selecting cattle	1.6	1.1	1.2
Average value of cattle bought[6] (inflation adjusted)	Tk. 8,648	Tk. 14,410	Tk. 13,003
Of total cattle bought, % heifers	83	75	69
Of total cattle bought, % bulls	15	24	29

[5] Investment capital was distributed differently to ATP1 beneficiaries when compared to later phases. Some households were given Tk 13,000 in two equal cash instalments and others received a fixed package of 1 heifer, 2 goats and 10 chickens. Both methods contributed to the initial purchase of smaller animals. Fewer ATP1 households received or purchased bulls in comparison to later phases

[6] Using August 2009 equivalents to enable comparison across the phases; taking May 2006 as the purchase month for ATP1 cattle; Feb 2007 for ATP2 cattle and March 2008 for ATP3 cattle and adjusting for inflation at 10% per annum.

4.2.1 Cattle: Primary Cattle still Owned

A proportion of cattle initially purchased (or "primary cattle") are still owned. For all phases, the percentage of heifers retained is significantly higher than for bulls (table 4). This is partly because bulls tend to increase in value faster and so can be sold earlier for a greater profit; especially at the times of major religious festivals. It is also because cows must be retained longer in order to deliver calves. The few bulls still owned are those purchased when very small. Again figures show that ATP1 households tended to purchase smaller bulls and heifers than later phases. This combined with the longer periods owned, means that cattle of ATP1 households have seen greater gross percentage increases in value.

Generally, heifers still owned by ATP1 beneficiaries after 42 months of ownership have a lower market value than those owned by ATP2 and ATP3 households after only 30 and 18 months respectively. This is probably due to the relative size/age of the animals at the time of purchase. This is supported by the fact that a greater percentage of phase 1 heifers have not yet produced calves. The consequence of this is that phase 1 cows have generated less income from milk sales than cows of the two more recent phases of beneficiary. Milk sales are the main source of income from cows (note: of the animals generating an income, over 90% is from milk) with the sale of manure or income from ploughing being much less significant. Such income is mostly used to purchase livestock feed or cover household expenses.

Across all phases, bulls outstrip heifers in gross increase in value over time. However, the regular income bulls generate is minimal and comes solely from manure sales. Therefore, while the regular income generated from heifers outweighs the costs of their feed this is not the case for bulls.

Table 4: Value, income and expenditure of primary cattle still owned

	ATP1	ATP2	ATP3
Heifers			
% still owned	45	45	67
Purchase value[7] (August '09 equivalent)	8,725	14,413	14,010
Current value (at date of survey July/ August '09)	13,566	16,567	16,096
Gross increase in value	4,841 (+55%)	2,154 (+15%)	3,952 (+15%)
% generating / have generated income	61	58	59
Income from heifers still owned[8]	1,825	2,154	2,274
Expenditure on feed	1,279	1,496	1,708
Bulls			
% still owned	7	2	19
Purchase value[9] (August '09 equivalent)	6,142	7,867	6,421

[7] To show the "real" increase in value and to permit comparison across phases, the figures have been recalculated to September 2009 equivalents; taking May 2006 as the purchase month for ATP1 cattle; Feb 2007 for ATP2 cattle and March 2008 for ATP3 cattle and adjusting for inflation at a nominal rate of 10% per annum.

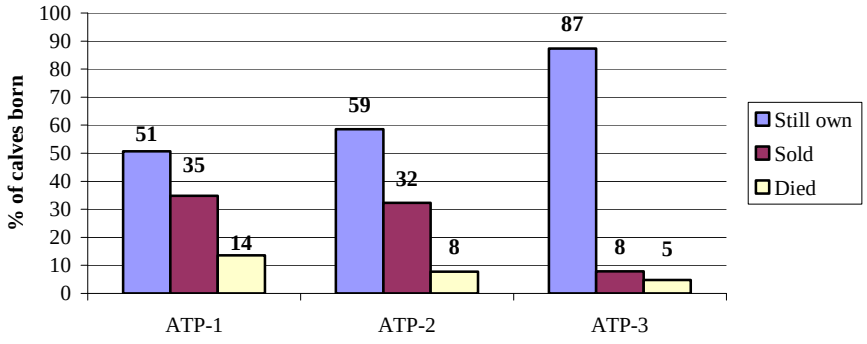
[8] The denominator used is the number of cattle still owned; not just those cattle that are generating income

Current value (at date of survey July/ August '09)	18,600	11,500	10,935
Gross increase in value	12,458 (+203%)	3,633 (+46%)	4,514 (+70%)
% generating / have generated an income	0	50[10]	9
Income from bulls still owned	0	25	23
Expenditure on feed	1,320	900	1,364

4.2.2 Cattle: Calves

Table 4 does not take into account the value of calves produced by primary cattle. The cows originally chosen by ATP1 households have given birth to, on average, more than one calf (420 calves produced by the 392 cows originally purchased); the equivalent to 0.3 calves per cow per year. This compares to 297 calves from the 284 animals purchased by ATP2 households (0.4 calves per cow per year) and 166 calves from the 308 heifers and dairy cows originally purchased by ATP3 households (0.4 calves per cow per year). Therefore, while ATP3 households have gained fewer calves from their more recently purchased animals, the figures for ATP1 and ATP2 cattle are similar. Figure 1 shows what has happened to these calves. The proportion still owned increases with phase while the proportion that have either been sold or have died is less for ATP2 than ATP1 and lowest for ATP3. Although the level of deaths of calves from ATP1 primary cattle is higher than in the other two phases, it is below 15% of calves born; equating to a mortality rate of just under 5% per annum. As a comparison, the national mortality rate for cattle was 2.3% for the financial year 2008-2009[11]. The value of calves does not vary significantly between phases. They are worth on average Tk 8,008 while the average sale price of calves is lower at Tk 5,891.

Figure 1: The status of calves born from primary cattle; July/ August '09



[9] To show the "real" increase in value and to enable comparison across phases, the figures are recalculated to September 2009 equivalents; taking May 2006 as the purchase month for ATP1 cattle; Feb 2007 for ATP2 cattle and March 2008 for ATP3 cattle and adjusting for inflation at a nominal rate of 10% per annum.

[10] Only 2 bulls are still owned by ATP2 households

[11] Figures from the Central Cattle Breeding and Dairy Farm located at Savar, Dhaka.

4.2.3 Cattle Sales: Timing

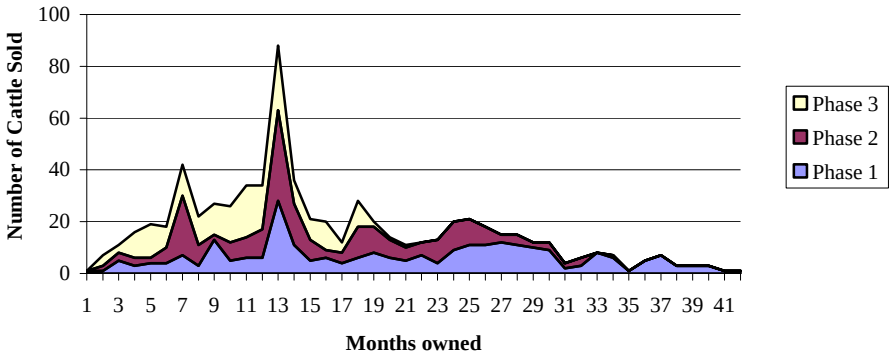
It appears that each subsequent phase of beneficiary households sell their primary cattle earlier. Table 5 uses the findings from past surveys to show the proportions of households selling their cattle by duration of ownership. For instance, during the first 30 months of asset ownership by ATP1 beneficiaries, only 39% of households originally selecting cattle had sold them. After 42 months the proportion of households selling either one or both of their primary cattle increased to 66%. Meanwhile, for ATP2 households, 34% had sold either one or both of their primary cattle after the first 18 months rising a year later to 65% of animals.

Table 5: Proportion of households[12] selling either one or both of their primary cattle

	ATP1	ATP2	ATP3
HH selling cattle after 15 months	19%		
HH selling cattle after 18 months		34%	50%
HH selling cattle after 30 months	39%	65%	
HH selling cattle after 42 months	66%		

This finding is supported by the sample of beneficiaries in the most recent survey. During the first 12 months of ownership, 34% of cattle initially purchased by ATP3 beneficiaries had been sold, compared to 29% of those purchased by ATP2 households and 19% by ATP1 beneficiaries. Meanwhile the average time to sell cattle is after 17 months of ownership for ATP1 households, 12 months for ATP2 households and 9 months for ATP3 beneficiaries. Figure 2 gives more details on the number of primary cattle sold by duration of ownership. It shows that cattle sales from all phases are greatest after 13 months of ownership with the next peak in cattle sales for both ATP2 and ATP3 after only 6 months. This second peak for the latter 2 phases coincides with the end of the asset maintenance stipend. Beneficiaries may have waited until the 6-month period to sell their animals believing that they would no longer receive this stipend if they sold their cattle before then[13]. Alternatively, after owning an animal for 6 months beneficiaries would be more aware as to whether their animal was likely to be productive or not.

Figure 2: Sales of primary cattle against months owned

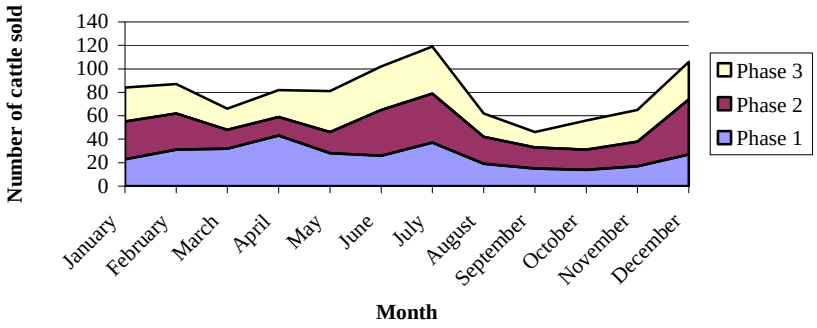


[12] Proportion of households refers just to those households who initially invested in cattle

[13] The actual CLP policy is that if households sell their cattle and reinvest in more cattle, they remain eligible for the asset support grant. If however, they invest in another type of asset then they would not continue to receive the asset support grant.

Clearly, however, just looking at cattle sales in terms of the time that cattle have been owned neglects the influence of seasonality. Figure 3 shows sales of primary cattle by month; with peaks for ATP2 and ATP3 beneficiaries during the flood season in June and July as well as over the time of Eid ul-Adha in December. These peaks in cattle sales have also been identified in reports examining the monthly income and expenditure of ATP beneficiaries (Marks and Islam, 2008; Scott, 2008).

Figure 3: Primary cattle sold during different months of the year



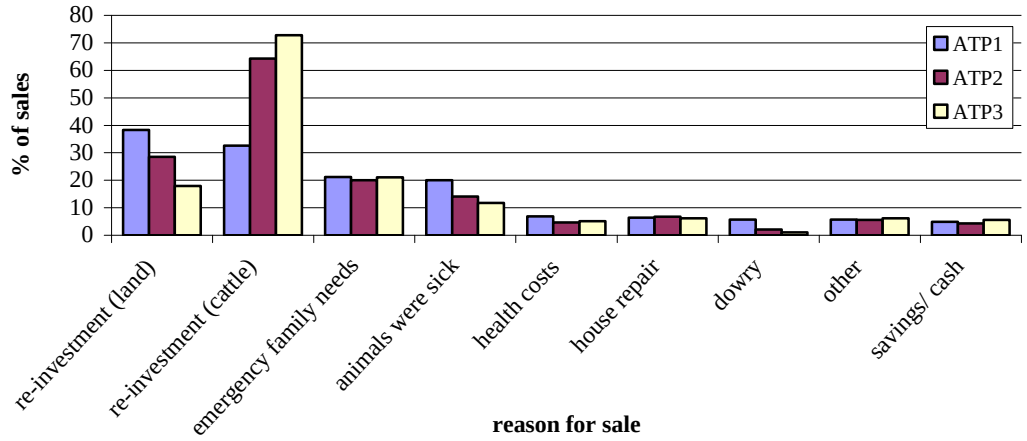
Cattle sales just before the rainy season could be for two main reasons. First as a precautionary measure as grazing is likely to be limited due to flooding or second, distress sales during periods of limited employment opportunities during the monsoon season.

4.2.4 Cattle Sales: Reasons

When people were asked for up to five main reasons for selling primary cattle, a range of responses were provided (figure 4). For ATP1 households the most common reason was to invest in land (38% of cases), followed by re-investment in cattle (32%). This differs from ATP2 and ATP3 that most commonly stated they will re-invest in more cattle (64% of ATP2 sales and 73% of ATP3). However, responses differed for phase 1 households when cattle had been retained for less than 30 months. Then, reinvestment in more cattle was the main reason: 46% of sales compared to 28% for investment in land (Scott, 2009). The switch to favouring investment in land is a phase 1 phenomenon that occurred during the one year period immediately before the survey. Such investment in land takes the form either of buying land outright or taking a mortgage in land; a system akin to pawning[14]. It would be interesting to know the location of the land; whether for example on the char or on the mainland, whether that land is homestead or agricultural land and what the economic benefits from its cultivation are.

[14] The process of land leasing and the economic benefits from it are relatively complex but has been covered in detail elsewhere by the CLP (Marks & Islam, 2008)

Figure 4: The reasons for ATP households selling their primary cattle



The main reasons for ATP households selling their secondary cattle (those purchased since joining the CLP) are the same as for primary cattle since most were sold to reinvest in further cattle. This was followed by investment in land, then for emergency needs and fourth being because the animal was sick. One of the concerns of the CLP approach is that it does not establish ownership by households over those initial animals; making it more likely that cattle would not be properly cared for or would be sold for non-productive reasons. With the main reasons for secondary cattle sales being the same as for primary cattle a preliminary view could be formed that the ownership concern is unfounded.

4.2.5 Cattle Sales: Values

Of the original 460 cattle purchased by the sample of ATP1 households, 60% were sold, compared to 66% originally purchased by ATP2 households and 47% of ATP3. Table 5 gives the mean purchase and sales price of these cattle. The gross increase in value is greatest for ATP1 households (46% increase between purchase and sale) while ATP2 and ATP3 achieved smaller increases of about 20%. The difference is likely due to the fact that ATP1 households purchased smaller animals and, on average, held them for longer. The figures in table 6 however, do not take into account the value of any calves (discussed above).

Further, fewer ATP1 cattle were sold for less than or equal to their purchase price than for the other two phases. Only 7% of ATP1 cattle were sold for a loss, supporting the results of earlier surveys giving the figures of 6% (Scott, 2009). Perhaps, of real concern is the higher proportion of cattle sold for less than or equal to their purchase price by ATP2 and ATP3 households. For ATP2 households the level had increased from 15% of sales after 18 months (Scott, 2009) to 22% after 30 months of ownership.

Table 6: Mean purchase and sale prices of primary cattle sold

	ATP1	ATP2	ATP3
Average purchase price of cattle sold (Tk.)[15]	7,339	12,812	12,228
Average sale price of cattle sold (Tk.)	10,751	15,032	14,753
Gross increase/ decrease	+46% (Tk. 3,412)	+17% (Tk. 2,220)	+21% (Tk. 2,525)
Mean period of cattle ownership	20 months	15 months	10 months
Cattle sold for less than or equal to purchase price (% of cattle sold)	7	22	18

Looking at the purchase and sale prices for cattle sold for each of the four main reasons for sales, reveals interesting findings (table 7). It is the largest cattle that are sold for emergency needs (not including health costs but rather sales for food or removal) while the animals sold to invest in land tend to be smaller than those sold to reinvest in more cattle. This does not support the hypothesis that more ATP1 households are now investing in land rather than cattle because they had to wait until they had sufficient capital to purchase the land or take a lease on the land.

Table 7: Sale and purchase[16] prices of primary cattle sold for the 4 most frequent reasons for selling

	ATP1	ATP2	ATP3
Cattle sold to invest in land			
Average purchase price (Tk.) (adjusted to the sale month)	7,016 (N=101)	12,172 (N=67)	10,659 (N=35)
Average sale price (Tk.)	9,841	14,434	12,946
Gross increase/decrease	+40% (Tk. 2,825)	+19% (Tk. 2,262)	+21% (Tk. 2,287)
Cattle sold to re-invest in cattle			
Average purchase price (Tk.) (adjusted to the sale month)	7,547 (N=86)	13,403 (N=151)	13,076 (N=142)
Average sale price (Tk.	12,222	16,772	16,030
Gross increase/decrease	+62% (Tk. 4,675)	+25% (Tk. 3,369)	+23% (Tk. 2,954)
Cattle sold for emergency family needs			
Average purchase price (Tk.) (adjusted to the sale month)	7,841 (N=22)	13,888 (N=33)	14,042 (N=28)

[15] To show the "real" increase in value, purchase figures are given for the equivalent month of sale (adjusting for inflation at a nominal 10% per annum). For instance, with the purchase month for ATP1 being around May 2006 and beneficiaries selling, on average, after 20 months (so in December 2007), both the purchase and sale prices are given for December 2007. This means that the Tk. purchase values cannot be compared across the phases as they are given for different months. The rates of increase, however, can be.

[16] See footnote 11: the purchase prices are given for the equivalent month of sale, given the average time which beneficiaries owned the cattle before selling them for that particular reason, adjusted for inflation at 10% per annum thus allowing the "real" increases/decreases to be seen.

	ATP1	ATP2	ATP3
Average sale price (Tk.)	13,745	21,135	18,914
Gross increase/ decrease	+75% (Tk. 5,904)	+52% (Tk. 7,247)	+35% (Tk. 4,872)
Cattle sold as animal sick			
Average purchase price (Tk.) (adjusted to the sale month)	7,576 (N=16)	13,454 (N=12)	12,869 (N=12)
Average sale price (Tk.)	7,838	9,700	10,749
Gross increase/ decrease	+3% (Tk. 262)	-28% (Tk. -3,754)	-16% (Tk. -2,120)

4.2.6 Cattle: Losses

Losses by death or theft of primary cattle are low. As with previous surveys, only about 2% of the cattle initially purchased by households of all phases have died except with ATP2 households where the figure is 3%. However, the mortality rate for calves from primary cattle is slightly higher. No household in the sample had had their primary cattle stolen.

4.3 The Remaining Investment: Goats and Sheep

Most households spend any money remaining after cattle purchase on goats or sheep. Previous studies show that goats in particular, sheep less so, are susceptibility to PPR (Peste des Petits Ruminants). Sadly approximately 75% of goats purchased by ATP1 households died within 15 months of purchase (Scott et al. 2007). Learning from this, the later two phases of ATP purchased fewer goats and included vaccination programmes resulting in much reduced mortality. Among ATP2 and ATP3 households, 18% and 16% respectively of purchased goats have died. Sheep now have rather higher mortality rates (33% across all the phases) with 38% mortality for ATP2 and 24% for ATP3.

No household gains a regular income from goats or sheep, while expenditure on them is minimal. Earlier surveys indicated that households tended to make small losses when selling goats and sheep although the most recent survey shows a small profit of around Tk 75 when goats are sold and break-even for sheep.

5 Beyond the Initial Investments: Current Household Asset Status

Two key criteria for selection to the ATP is that households must be assetless and landless. Asset transfer provides households with the opportunity to choose and plan their future investments. Previous reports on ATP1 and ATP2 beneficiaries show that households manage to build-up asset levels over and above the value of the increase in value of their cattle (Scott, Islam & Marks, 2007; Scott, 2009). Clearly, if households are re-investing a proportion of the sale value of their cattle into further productive assets this should be reflected in the overall asset status of the household.

5.1 Asset Status of ATP3 Households:

The main re-investment following cattle sales for ATP3 households is more cattle (figure 4); while 58% of households still own their primary cattle. Currently, 94% of ATP3 households

own cattle (either their primary cattle, offspring of primary cattle or purchased secondary cattle); almost exactly the same proportion owned by ATP1 and ATP2 households after having been ATP beneficiaries for the same amount of time (Scott, 2009). Certainly for all three phases of beneficiaries, the initial pathway adopted by households is to continue to invest in cattle.

However, changes in asset ownership of ATP3 households during the past 18 months have not only been related to cattle. Table 8 shows the changes in the identities of assets now owned by households in comparison with entry to the ATP as well as with ATP2 households after 18 months with the programme. In addition, 57% of ATP3 households reported having improved their homes over the last year by, for example, changing their straw roof to a tin one. This however, may include some tin roofs donated by either the CLP or other NGOs.

Table 8: Ownership of assets by ATP3 households

	ATP3 % owning (incl. shared arrangements)		ATP2 % owning (incl. shared)
Type of Asset	On entering ATP	18 months after receiving ATP	18 months after receiving ATP
A. Productive Assets:			
Land (owned and mortgaged-out)	0	2	5
Land (mortgaged-in)	0	19	4
Cattle	6	94	95
Goats and sheep	21 Households owning/ sharing have an average of 1.3 animals	45 Households owning/ sharing have an average of 2.7 animals	45
Chickens/ ducks and pigeons	46 Households owning/sharing poultry have an average of 2.4 birds	66 Households owning/ sharing poultry have an average of 6.4 birds	46
Rickshaw	0.4	0.3	1
Boat	0.6	3	2
Sewing machine	0.5	1	1
B. Non-productive Assets:			
Bed (both wooden and bamboo bed-frames)	87	82	83
Blanket/ warm clothes	99 On average households owned 4 blankets / pieces of warm clothing	99 On average households owned 6 blankets / pieces of warm clothing	100

	Having enough warm clothing for winter is used as an indicator for moving out of poverty[17].		
TV	0.1	0.8	0.1
Mobile	0.1	5	

Several similarities exist in asset ownership of ATP2 and ATP3 households after being in the programme for 18 months; most notably in the high ownership levels of cattle, goats and sheep. Where they differ is in the fact that fewer ATP2 households have leased char agricultural land than ATP3 households. Leases normally last a few years until the original down-payment is repaid. The average size of such land is 22 decimals (close to 500M^2).

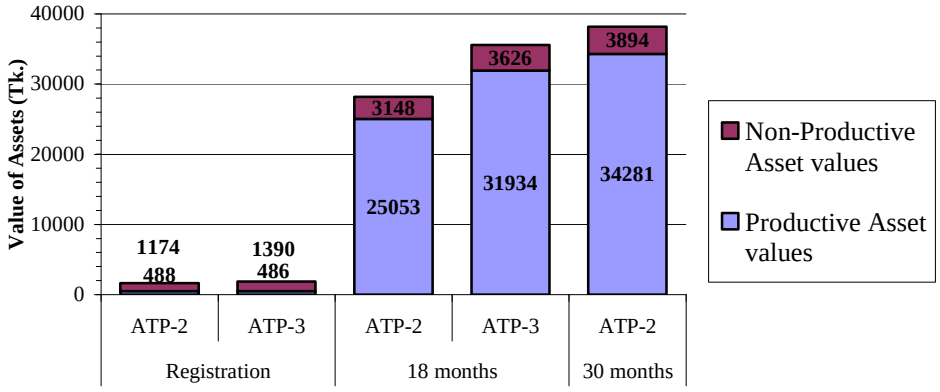
Just as the number of households owning livestock has increased over the last 18 months, so has the number of animals owned. For chickens, ducks and pigeons the number has risen from 2.4 to 6.4 birds per household. While such small livestock have low economic value, they are nonetheless important given their easy convertibility to cash. Thus they tend to be sold to meet regular consumption requirements. This is in contrast to cattle that act as savings for future investments and more expensive consumption (Dorward et al., 2001).

While a similar situation exists in the proportions of ATP2 and ATP3 households owning different types of assets 18 months after entering the programme; they do differ in the overall values of their assets. The asset value of ATP3 households increased by Tk 33,684 (a 19-fold) in 18 months (Fig. 5) which is Tk 7,145 more than the for ATP2 households after their first 18 months in the ATP (a 17-fold increase). Tk 2,600 of the difference is explained by an increase in the value of the investment capital provided and also of the monthly stipend nonetheless, this still leaves ATP3 households with an asset increase of Tk. 4,545 more than those from ATP2 after the same period of time.

It is possible that significant lessons have been learnt by the field operatives of the CLP from their work in the two previous phases of ATP and these are being passed to ATP3 households resulting in maximising returns on their investment capital. This is especially so for deciding optimum moments to buy and sell cattle and also how and where to reinvest. In addition, many ATP3 households live in villages where previous ATP cohorts also live and they have certainly learnt from their peers how to care well for their animals.

[17] Specifically, one of Grameen Bank's ten indicators to assess poverty levels is that "family members have adequate clothing for everyday use, warm clothing for winter …. and mosquito nets to protect themselves".

Figure 5: Increases in household asset values of ATP2 and ATP3 households by time as ATP beneficiaries[18]



Productive asset values: cumulative values of cattle, land, buffalo, goats / sheep, chickens, ducks, pigeons, rickshaws, fruit trees, boats, fishing nets / equipment and goods held in a shop / business either owned out-right or the value they would receive if they sold an animal which they share-rear.

Non-productive asset values: Cumulative values of beds, cots, blankets, utensils, furniture, jewellery, radio, TV, etc. owned by the household. The value of housing material is not included since government and NGOs often distribute them as a form of relief on the chars.

5.2 Asset Status of ATP2 Households:

During the last 18 months, the vast majority of ATP2 households have received no financial support from the CLP. However, they have still managed to continue to increase asset values (Fig. 5). Thus in the period from 18 to 36 months after entering the ATP, asset levels have increased by a further Tk 9,974. Table 9 provides detailed information.

Table 9: Assets owned by ATP2 households 36 months after receiving ATP

	ATP2 % owning (incl. shared arrangements)	Notes
Type of Asset	36 months after receiving ATP	
A. Productive Assets:		
Land (owned or leased-out)	3	
Land (lease taken)[19]	33	Both 33% of male-headed households and 33% of female-headed households have leased-in land

[18] At 2009 figures, adjusting for inflation at a nominal 10% p.a.

Cattle	79	Households owning/sharing cattle have on average 1.9 animals; the same as 18 months previously
Goats and sheep	36	Households owning/sharing animals have on average 2.4 animals compared to 2.2 animals 12 months previously
Chickens/ ducks and pigeons	67	Households owning/sharing birds have on average 6.7 birds compared to 4.4 birds 12 months previously
Rickshaw	0.6	1% of households owned a rickshaw 12 months previously
Boat	4	2% of households owned a boat a year ago.
Sewing machine	0.9	1 % of households owned a sewing machine 12 months previously.
B. Non-productive Assets:		
Bed (both wooden and bamboo bed-frames)	77	83% of households owned a bed 12 months previously.
Blanket/ warm clothes	98	100% of households had a blanket/ warm clothes a year ago.
TV	0.9	0.1% of households had a TV a year ago.
Mobile	6	No data from 12 months ago.

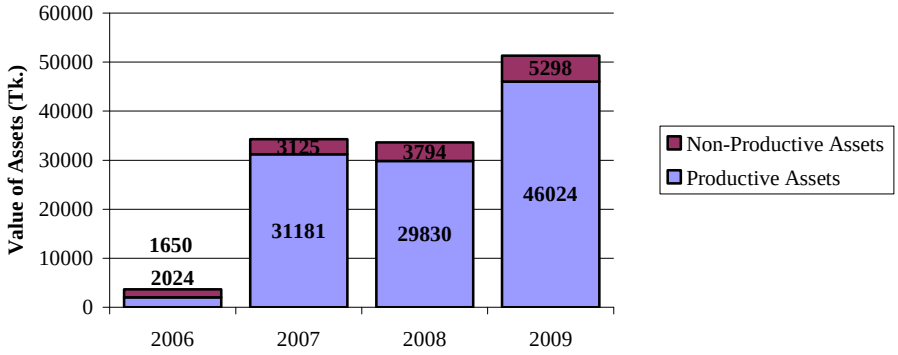
In both ATP2 and ATP3 households there are differences in the asset values of male- and female-headed households. For example, with ATP2 beneficiaries, female-headed households own only 79% of the value of assets of male-headed households. The figure is slightly higher in ATP3 households at 84%. Interestingly, the same percentage of ATP2 female-headed households have taken land leases as their male counterparts with the land being marginally lower in value (Tk 24,000 compared to Tk 29,000).

5.3 Asset Status of ATP1 Households:

As with ATP2 households, ATP1 beneficiaries have seen impressive increases in asset values over time; despite having received no cash support from the CLP for the last 2 years. Indeed, in the last year, the mean value of household assets has increased by Tk. 17,698; presumably as heifers have reached an age and size where they are calving. Certainly, between 15 and 30 months of ownership (in 2007 and 2008) households did not see such an increase in asset values. If inflation is considered, the values actually decreased in real terms. This contrasts to the experience of ATP2 households between 18 and 30 months that saw significant increases in asset values.

[19] Land leasing is a system whereby the cultivator pays the land owner a sum of money to use that land, either for a fixed period of a few years or for an indefinite period. The cultivator then pays for all the inputs and gets all the crops from that land; receiving back the initial sum of money when the land owner re-takes control of the land.

Figure 6: Asset values[20] of ATP1 households

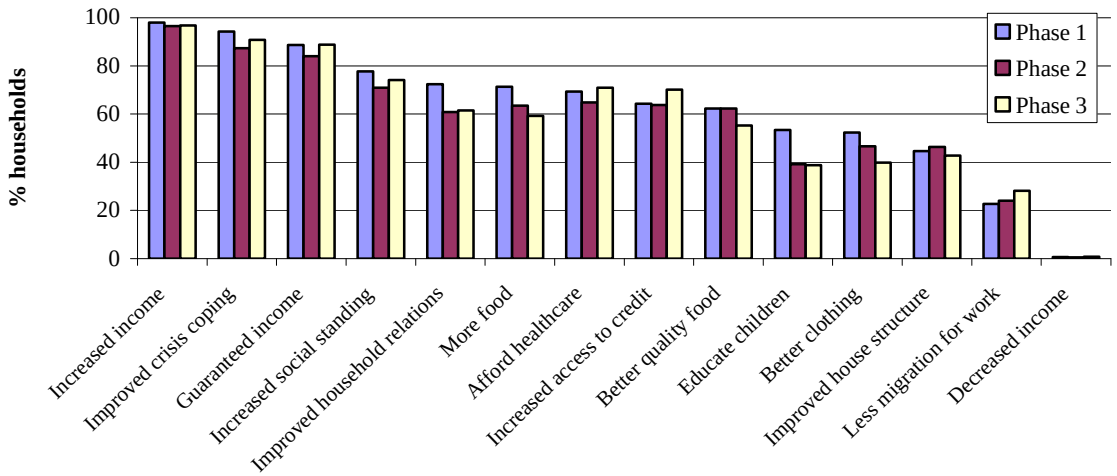


Disaggregating by female- and male-headed households shows that female-headed households possess only 62% of the value of productive assets as their male-counterparts. This is partly due to more male-headed households investing in land (8% buying land and 52% taking leases compared to 3% and 38% respectively for female headed households). Perhaps with an extra adult male labourer these households are also able to generate increased income from the land they cultivate. Certainly, the CLP should be concerned that female-headed households are progressively slipping behind their male counterparts.

6 Beyond Tangible Assets: Wider Benefits of ATP

Behind the CLP approach is the belief that the provision of investment capital, training and support services (e.g. veterinary) provides the mechanism not only to reduce income poverty but also to lead into economic and social empowerment. The virtual cycle is seen by the economic and social empowerment feeding through into further increases in per capita incomes. When households were asked the open-ended question "what difference has owning these assets made to your household?" a range of interesting answers was provided (Fig. 7).

Figure 7: Differences which owning assets has made to household



[20] Adjusted 10% p.a. for inflation; at 2009 prices

The figure shows that responses were similar across the different ATP cohorts with the most important response being the increased income that owning assets (especially cattle, goats and sheep) provides. The ability to cope better with crises was also highly appreciated as was the more guaranteed income. Certainly, one of the major challenges facing landless households is their reliance on irregular and unreliable agricultural daily wage labour so that possessing alternative income sources provides households with a real buffer against the risk. The contribution of the assets to improving peace-of-mind should not be underestimated.

ATP households also consider that their assets have changed social relations; both within the village and between members of the household. The percentage of ATP1 households with this view is greater than in the later two phases. The remaining impacts of the assets are mostly related to an increased ability to purchase food, healthcare, education and housing materials. The fact that these changes are sustained among ATP1 households that have had no direct involvement with the programme for more than two years is real evidence of sustainability.

7 Conclusions:

The information presented here provides real evidence of the ability of households to maintain and increase their asset base. Particularly important is the way in which ATP1 and ATP2 households have continued to build assets, despite having received no direct benefits from the CLP for twenty four months and one year respectively. The asset pathway being followed by all three phases is remarkably similar and is based on the growth and sale of the primary cattle followed by reinvestment in further cattle, and eventually diversification into other asset classes. Particularly, after 30 to 42 months, ATP1 beneficiaries started to diversify into land; either through outright purchase or more commonly by leasing. An interesting point found was that households tend to sell their less valuable cattle in order to invest in land.

It is unclear as to exactly what motivates the timing and decision to invest in land. Perhaps some households have attained the maximum number of cattle they can rear or perhaps they become more confident to invest in a more risky asset (crops are vulnerable to drought, flooding while the lands can be eroded by the river).

ATP2 and ATP3 households; both female-headed and male-headed, are increasing their assets at roughly equal rates; women are even investing in land. However, female-headed ATP1 households, despite managing to consolidate their asset bases, are not increasing them at the rates seen in the previous year. Possibly this is the impact of income drawdown from the assets.

ATP3 households are rapidly increasing asset levels. They are selling cattle, bought for slightly less money than ATP2 households, sooner than ATP2 households and for marginally higher percentage increases in value. Helping this is the fact that the cattle they purchased with their capital were larger than ATP1 animals and so can be sold more rapidly or produce an income stream (from milk) more quickly. About 18 months after receiving their assets, ATP3 households have increased asset bases by more than ATP2 households were able in the same timeframe.

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