INSIGHTS

InM Newsletter

■ Volume: 04 ■ Issue: 03 ■ December 2019

EXTREME POVERTY AND LEAVING NO ONE BEHIND

The SDGs pledge to 'end extreme poverty' and 'leave no one behind' which means that the progress towards the goals and targets will have to be faster among the disadvantaged social groups and lagging regions. Without quicker improvements among those who are lagging behind, the existing disparities will not narrow down and these groups/regions will continue to be left behind.

In this context, the first challenge for Bangladesh is to identify the social/population groups and regions that are left behind in different aspects, including inequalities in development, asset ownership, opportunities, social network, and participation. The need is to identify who is being left behind and from what. The policies should examine group-based inequalities, with the focus on the disadvantages faced by women, youth, older persons, persons with disabilities, racial and ethnic minorities, and other marginal groups.



Institute for Inclusive Finance and Development (InM)
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In reality, population and deprivation dynamics is inherently complex in Bangladesh; and changes in population size, structure and spatial distribution have a profound impact on economic, social and environmental aspects of sustainable development. Poverty is influenced by – and influences – population dynamics, including population growth, age structure, and rural-urban distribution.

With its central pledge to leave no one behind, SDGs recognise that development will only be sustainable if it is inclusive. Promoting inclusion is fundamental to achieving a socially, economically and environmentally sustainable future. No single set of policies or strategies is applicable in all contexts to tackle exclusion and promote inclusion. Instead, the government will have to apply a strong equity lens to policy making to address the structural causes of exclusion and social injustice.

In Bangladesh, discrimination is one of the key drivers of social exclusion. Discriminatory norms and behaviours are widespread and continue to drive social exclusion especially for women. Although formal institutional barriers faced by marginalised groups are relatively easy to identify, informal barriers are more subtle and difficult to measure. As agglomeration economies become a dominant force in Bangladesh's development--leading to the concentration of economic activities around growth poles--the issues of balanced regional development also become complex.



The official poverty measure in Bangladesh uses money-metric poverty or poverty measured on the basis of a money value of expenditure, adopting the more commonly used headcount ratio (the number of the poor as a proportion of the population), which are derived from a poverty line approach that we are more familiar with. Bangladesh's poverty line is anchored in a 'nutritional norm'; it is based on notions of what is a basic minimum of nutrition an individual must obtain every day in order not to be considered undernourished.

However, when we speak of income poverty per se, there seems to be a case for viewing income not as a means to an end, but as an end in itself; that is, to see the attainment of command over some satisfactory level of income as a desired human functioning. If we wish to speak of poverty lines, then we must see income as a means (for achieving the end of some level of satisfactory human functioning), and this will entail avoiding the logical lapse of seeking invariance of the poverty line in the space of resources rather than functionings. This, in turn, raises the question of why we should not, instead, measure poverty directly in the space of human functionings with the help of multidimensional measures of deprivation. The problem would not arise if we thought of money-metric poverty as a matter of avoiding low incomes, as such. The measurement of deprivation requires a more human engagement with poverty.

Poverty and economic well-being is multidimensional, although in practice this multidimensional character is summarised into a single monetary measure by employing money metric approaches to measure well-being, favouring in particular income and expenditure measures, seen as an adequate proxy for poverty. These measures are cardinal, allowing one to make direct comparisons and quantitative analysis and are straightforward to interpret. However, there is a clear difference between definitions of poverty which are restricted to income (or consumption) and those which incorporate such factors as autonomy, self-esteem or participation, and human dignity.

Only by understanding the causes can the designing, implementing and evaluating interventions for attacking poverty begin. In designing poverty programmes, it is important to incorporate the perception of poverty as articulated by the poor people themselves. This may lead to begin by implementing income generation measures in some cases; but in the case of others, this may lead to begin by reducing the variability of income, or strengthening women's autonomy, or improving the quality of services the poor receive at the health centres. In practice, it is multidimensional poverty that matters for policy.

The macro perspectives on poverty, taken together, no doubt give useful information on the socioeconomic situation of the larger sections of the country's people. But what we miss in these statistics are the ground realities experienced by the people. We also miss the insights of local people themselves who have a clear understanding of their developmental problems and the way out.

For ending extreme poverty, a sustainable graduation approach is needed that blends together both macro and micro perspectives on poverty covering elements of livelihoods, social protection, financial inclusion, and social integration. For the extreme poor, multi-dimensional support should address both immediate needs of participants using grants, interest-free loans, and asset transfers, as well as long term investments in life skills and technical skills training, enterprise development, positive behaviour change, savings, and financial planning.

Ongoing Research

Development of the Detailed Implementation Plan with M & E Framework and Resource Plan for NFIS-B

The Research Division has developed a detailed implementation plan with M & E framework and resource plan for National Financial Inclusion Strategy of Bangladesh (NFIS-B) under the BFP-B of DFID/UKAid. Under the project, InM has developed a detailed year-wise implementation plan for NFIS-B along with an accompanying M&E framework and activity-wise resource plan (2020-2024) with sources of resources for the successful implementation of NFIS-B. To share the draft report and obtain feedback from relevant stakeholders, a dissemination seminar was conducted on 13 November 2019 at the Conference Room of Bangladesh Institute of Capital Market (BICM), BGIC Tower, Dhaka. The meeting was chaired by Mr. Md. Ashadul Islam, Senior Secretary, Financial Institutions Division, Ministry of Finance.

Baseline Study on Scaling WaterCredit in Bangladesh

For evaluating the impacts on the borrower households, InM has conducted a baseline study to gather information on household level outcomes. This project, funded by Water.org, designs affordable financial products to sustain supply of safe drinking water and sanitation based on an analysis of local market demand and promoting these through MFIs and local organisations for the base of the pyramid (BOP). Sustainable financial products include WaterCredit for the construction of water improvements and/or toilets within their homes. Under the Water.org's innovative and holistic approach to address the country's problem of sanitation and safe drinking water, supports are also provided to the local organisations for conducting education campaigns and building awareness on critical hygiene practices, enabling sustainable improvements in community health and well-being. As a part of the project activities, a total of 3,200 households have been successfully interviewed and field work completion report has been submitted. Some of the important findings are:

- Around 68 per cent households have access to safe drinking water.
- 60 per cent households have sanitary latrine and less than 2 per cent of households report open defecation.
- 80 per cent households use soap after using toilet.
- Around 60 per cent WSS loan applicant households reported that the main source of drinking water is Tube well/borehole at home, which is 53.27 per cent for those households who have not yet applied for WSS loan but interested.

Transforming the Agri-food Sectors Towards a Modern, Sustainable Advanced Economy : Looking Beyond 2030 Towards Achieving Bangladesh's Vision for 2041

InM is conducting a study on transforming Bangladesh's agri-food sector towards a modern, sustainable advanced economy: looking beyond 2030 towards achieving Bangladesh's vision for 2041. The prime objective of the study is to provide a basis for informed discussion and support the development of Bangladesh's Second Perspective Plan 2021-2041 (SPP 2021-2041) and the 8th Five Year Plan 2021-2025 (EFYP 2021-2025). The study incorporates, among others, a review of current trends and challenges shaping food and agriculture in Bangladesh; identifying the vision, goals and targets for future food and agriculture sector in Bangladesh and interim targets for 2025 and 2030; implications for achieving the SDGs and the 2041 vision, transition pathways and pragmatic scenarios; and finally, developing recommendations on strategies towards achieving the SDGs and making 2041 vision a reality. The study is funded by the Food and Agriculture Organisation of the United Nations (FAO) through CIRDAP.

Improving Fiscal Decentralisation for Local Government Institutions

The study explores and identifies policy interventions for greater fiscal decentralisation for effective functioning of the local government institutions in Bangladesh. Unless fiscal decentralisation is effectively done, the local government institutions are unlikely to function towards achieving the national goals and the country's longer term vision. The government is committed to strengthening the country's local government system, which has been reiterated in different policy documents. The study examines the current fiscal transfer trends and local resource mobilisation potential to portray the future needs and address the financial constraints facing the local government institutions in delivering their mandated services. The study is funded by UNDP.

Leaving No One Behind : SDGs Implementation Context in Bangladesh

InM is conducting this study on 'Leaving No One behind (LNOB) in the context of SDGs Implementation in Bangladesh' with support from UNDP. The SDGs pledge to leave no one behind means that progress towards the goals and targets will have to be faster among the disadvantaged social groups. Without quicker improvements among those who are lagging behind, the existing disparities will not narrow down and these groups will continue to be left behind. An important step towards meeting the aspiration of leaving no one behind is to identify who is being left behind and from what. For the purpose, the need is to examine group-based inequalities, with the focus on the disadvantages faced by women, youth, older persons, persons with disabilities, racial and ethnic minorities and other marginal groups. The study targets inclusion which is fundamental to achieving a socially, economically and environmentally sustainable future. Since no single set of policies or strategies is applicable in all contexts to tackle exclusion and promote inclusion, the government will have to apply a strong equity lens to policy making to address the structural causes of exclusion and social injustice. The study, funded by UNDP, will provide policy inputs for the country's 8th Five Year Plan, 2021-2025.

Keynote paper presentation

Dr. Mustafa K Mujeri, Executive Director, InM was the key note presenter at the Bangladesh Economists' Forum (BEF) conference on 9 November 2019 held at The Westin, Gulshan, Dhaka. The findings of the study, titled 'Financial Sector Development for Upper Middle Income Bangladesh', suggest that Bangladesh, having successfully completed the journey to lower middle income country, now faces the more perilous journey to upper middle income status and then to a high income country in 2041. While the first leg of the journey provides grounds for optimism, Bangladesh must become more innovative and productive in order to successfully complete the second and the third stages, a journey in which the financial sector needs to play a more supportive role to bring higher levels of prosperity.

Dr. Mustafa K Mujeri, Executive Director, InM was the key note speaker of PKSF seminar on 16 November 2019 held at BICC, Agargaon, Dhaka on the topic, 'Employment Generation in Rural Bangladesh in the Context of Technological Advancement'. The author analysed the dynamics of the rural labour market in Bangladesh and identified the implications of the fourth industrial revolution (4IR) in terms of the unprecedented pace of technological change in the coming years, which would require high skills for the large number of unemployed people who enter the job market. While suggesting rural labour market policies for the rapidly changing Bangladesh economy, the study identifies the modernisation of the country's agriculture sector along with improvements of productivity and development of horizontal and vertical linkages with the rural and urban economy as key elements for expanding decent employment opportunities in the rural labour market.

Resource Persons Sharing Experience with Diploma Participants

Several eminent resource persons visited the 10th batch of the participants in the Diploma in Microfinance programme to share their theoretical knowledge and practical experience in the sector. Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM and PKSF shared his experience with appropriate finance on 26 October 2019. He used the broader framework of human dignity as the goal of development and related how appropriate finance can lead towards this cherished goal.

Mr. Murshed Alam Sarker, Executive Director, People Oriented Programme Implementation (POPI) and Chairman, CDF during his interaction meeting highlighted different phases of the evolution of the microfinance sector while Mr. Mosharrof Hossain, Director, BURO Bangladesh shared his knowledge on financial control technique of microfinance organisations" on 2 November 2019.



Dr. Qazi Kholiquzzaman Ahmad, Chairman, InM and PKSF sharing his ideas on human dignity and appropriate finance.



Mr. Murshed Alam Sarker, Executive Director, POPI speaking on evolution of microfinance.



Mr. Mosharrof Hossain, Director, BURO Bangladesh speaking on financial control technique of microfinance organisations.

Field Trip of Diploma Participants:

In order to get field exposure and relate the concept and theories taught in the classes, the Education Division organised a field trip for the participants of 10th batch to Society for Development Initiatives (SDI), Dhamrai, Manikganj on 21 December 2019. The participants were accompanied by the staff members of InM Education division. The group visited on-going programmes of SDI and met the higher management. During the visit the group got acquainted with the programme for improving the quality of life of the senior citizens, cultural & sports development programme, water and sanitation programme and agrosor programme under microenterprise. At the last phase of the exposure, the Diploma participants met with the senior officials of SDI where a presentation on various programmes of SDI took place followed by a question-answer session. The discussion was lively and the participants were highly impressed.



A planning meeting with official of SDI with an aim to make the field trip more worthy and result oriented.

4th Graduation Ceremony of Diploma in Microfinance

The 4th Graduation Ceremony of InM Diploma in Microfinance programme was held on 21 November 2019 at 3:00 pm at PKSF Auditorium 2, Agargaon, Dhaka. Dr. Qazi Kholiquzzaman Ahmad, Chairman InM graced the occasion as the Chief Guest and Mr. Mohammad Moinuddin Abdullah, Managing Director, PKSF was present as the Special Guest during the ceremony. The programme was presided over by the Executive Director of InM, Dr. Mustafa K Mujeri. A total of 80 participants from 7th, 8th and 9th batches were awarded the Diploma Certificate at the programme. Distinguished personnel from various organisations including MFIs, banks, development organisations and the government agencies were present on the occasion.



Successful 7th batch participants with the honourable guests

2nd Semester of 10th Batch Begins

2nd semester of the 10th batch of Diploma Programme has commenced on 28 December 2019. During the semester, three courses are being offered covering MIS of Microfinance Programme, Governance and Regulations of MFIs and Human Resources Development of MFIs.









Dr. Qazi Kholiquzzaman Ahmad, Chairman of InM, speaking as the Chief Guest.



Participants of the 8th batch with the honourable guests



Participants of the 9th batch with the honourable guests

Training for PKSF Partner Organisations (POs)

During the period, 10 batches of training titled Accounts & Financial Management, Loan Management of Microenterprise, and Software based Monitoring and Supervision were organised at the InM Training Centre jointly with PKSF for PO staff members. A total of 245 professionals received training during the period.



Newly Designed Customised Training Course for RIC

A specialised course was designed and implemented for Senior Managers of Resource Integration Centre (RIC), at InM Training Centre titled 'Advanced Risk Management and Monitoring in Microfinance Operations at Field Level'. This training highlighted the early signaling techniques to avert losses due to delinquency. A total of 16 senior microfinance operations managers of RIC joined the course.



MoU with United Trust

An MoU has recently been signed between InM and United Trust, the social welfare wing of the United Group especially for imparting training for their interest free microfinance programme staff, impact study of their poverty alleviation project and certificate course for employment creation. During the MoU signing ceremony, among others, Brig Gen A J M Fazlur Rahman, ndc, psc, Executive Director, United Trust, Mr. Abul Kalam Azad, General Manager, United Trust; and Dr. Mustafa K. Mujeri, Executive Director, InM were present.



MoU with LIUPCP, UNDP

An MoU between InM and UNDP/LIUPCP (Entrepreneurship Development under the Livelihoods Improvement of Urban Poor Communities Project) has been signed to provide training support in entrepreneurship development of women entrvvvvepreneurs in urban settlements of the country. While signing the MoU, Mr. Abdul Mannan, Joint Secretary and National Project Director, LIUPCP; Mr. Ekramul Kabir, National Project Manager, LIUPCP, UNDP; Ms. Mousumi Pervin, Coordinator, LIUPCP, UNDP; Dr. Mustafa K. Mujeri, Executive Director, InM; and Dr. Sadeque, Director, Training Division, InM were present.



InM participated in PKSF Development Fair 2019

The weeklong PKSF Development Fair, started on 14 November 2019 at Bangabandhu International Convention Centre (BICC), Sher-e-Bangla Nagar, Dhaka. Hon'ble Prime Minister Sheikh Hasina inaugurated the Fair. Finance Minister Mr AHM Mustafa Kamal, FCA, MP was present at the inaugural ceremony as the Special guest. PKSF and InM Chairman Dr Qazi Kholiquzzaman Ahmad presided over the event. A total of 125 organizations including PKSF's Partner Organizations (POs), government and non-government organizations, research and IT institutions and service providers showcased different kinds of products in 190 stalls. InM also exhibited their publications, reports, magazines and activities in the development fair. The successful fair was closed by Planning Minister Mr MA Mannan MP, who was the Chief Guest of the Closing Ceremony.





REGIONAL DIALOGUE ON '

Partnerships Against Extreme Poverty: Putting the Financial Needs of the Extreme Poor First'

REGIONAL DIALOGUE on 'Partnerships Against Extreme Poverty: Putting the Financial Needs of the Extreme Poor First' was held on 27 November 2019 at 10:00 am at Conference Room of DC Office, Kurigram. Renowned economist and development specialist of Bangladesh, Dr. Qazi Kholiquzzaman Ahmad graced the occasion as Chief Guest and Mst. Sultana Parvin, Deputy Commissioner, Kurigram was present as special Guest at the dialogue. The programme was presided over by Executive Director of InM, Dr. Mustafa K Mujeri. 150 participants from FIN-B Members, PKSF POs, government organisations, local academicians and other stakeholders were present at the programme. FIN-B, in collaboration with Concern Worldwide Bangladesh, organised this important programme.





Publications

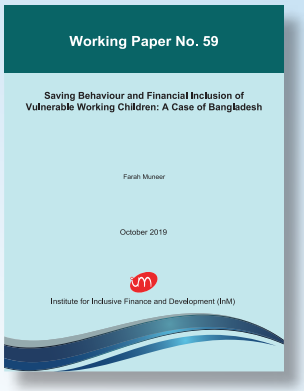
Working Paper 59

Saving Behaviour and Financial Inclusion of Vulnerable Working Children: A Case Study of Bangladesh

Farah Muneer, Senior Research Associate, InM

Published in October 2019

While there are many programmes and campaigns to stop child labour, the fact remains that they still continue to work. This is a common phenomenon especially in the developing world including Bangladesh. As such, savings initiatives for vulnerable street and working children are garnering policy attention so that they can be brought under financial services. This paper addresses few key issues regarding the saving behaviour of working street children, including the key socioeconomic characteristics of the children who save; factors influencing the saving performance of children in terms of utilisation of savings, and the policy challenges for providing access for the working children to financial services. The result shows that income and financial strength of the family plays an important role in influencing the working children to save. It is also observed that female savers utilise their savings more effectively than male savers.







Meetings

- **The 53rd Governing Body Meeting- 31 October 2019**
- **The 54th Governing Body Meeting- 23 December 2019**
- **The 14th Annual General Body Meeting (AGM)- 23 December 2019**



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Electronic version: http://inm.org.bd/newsletter/

Published By

Knowledge Management, InM

December 2019