

# SEEKING EVIDENCE-BASED POLICY SOLUTIONS TO POVERTY AND MALNUTRITION IN BANGLADESH

Highlights from the Policy Research and Strategy Support Program  
2010–2014



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# Foreword

Food and nutrition security depends not only on food production and consumption but also on the policies that affect food systems, from farm to table. Since 1988, the International Food Policy Research Institute (IFPRI) has had a strong presence in Bangladesh—conducting research, providing policy support, and strengthening stakeholders’ capacity. This on-the-ground presence has allowed IFPRI to generate evidence-based research results on critical issues influencing food and nutrition security.

Since October 2010, IFPRI has scaled up its support in Bangladesh with the Policy Research and Strategy Support Program for Food Security and Agricultural Development (PRSSP), funded by the US Agency for International Development (USAID). Building on IFPRI’s previous work in the country alongside government and development partners, the program fills the need for demand-driven food and agricultural policy research in response to Bangladesh’s country investment plan for agriculture, food security, and nutrition. It aims to generate information on critical issues, strengthen analytical capacity within the country, and stimulate policy dialogue. Its main objectives are to enhance the efficiency of food production and marketing, accelerate income growth of the poor, and improve nutrition for vulnerable groups.



Minister of Agriculture Matia Chowdhury cuts the ribbon at the grand opening of the Agricultural Policy Support Unit in Dhaka, accompanied by, from left to right, former USAID/Bangladesh Mission Director Richard Greene, former Minister of Food and Disaster Management Muhammad Abdur Razzaque, and IFPRI-PRSSP Chief of Party Akhter Ahmed.

## Highlights of Major PRSSP Achievements

### Research Activities

Since October 2010, the PRSSP has made considerable contributions to Bangladesh's agenda to eliminate poverty, hunger, and malnutrition. The program's remarkable achievements in policy research are summarized below.

### ANALYZING POLICY FOR THE COUNTRY INVESTMENT PLAN

The PRSSP's first major task was to support the government's development of the Country Investment Plan (CIP) for agriculture, food security, and nutrition by providing policy analysis. In March 2011, the program released a report—*Policy Perspectives of the Country Investment Plan for Food and Nutrition Security in Bangladesh*—that identified key policy issues, barriers, and drivers for each of the CIP's 12 priority investment programs. The analysis contributed to the Bangladesh Policy Reform Agenda developed by USAID for its Feed the Future initiative.

### ESTABLISHING A BASELINE: BANGLADESH INTEGRATED HOUSEHOLD SURVEY



To develop a framework for future studies and establish a baseline for USAID's Feed the Future zone of influence in southern Bangladesh, the PRSSP conducted the Bangladesh Integrated Household Survey (BIHS) in 2011-2012.

As the most comprehensive, nationally representative household survey in the country to date the BIHS provides useful data in an integrated format to answer the varied research questions posed in different PRSSP studies. Facilitated by the Ministry of Food, the survey was carried out from October 2011 to March 2012.

Through direct policy engagement and workshops, the PRSSP has created strong stakeholder demand for evidence emerging from the BIHS data. In April 2013, USAID announced the BIHS dataset at a high-profile conference in Washington, DC, following the US government's commitments to the G8 New Alliance for Food Security and Nutrition. The BIHS dataset also provided a convincing evidence base for the World Bank to offer the government of Bangladesh a US\$500 million loan to reform its safety net system.



## WOMEN'S EMPOWERMENT: ASSESSING WOMEN'S ROLE IN AGRICULTURE



Developed in 2011 by IFPRI, the Oxford Poverty and Human Development Initiative, and USAID, the Women's Empowerment in Agriculture Index (WEAI) measures women's agency and inclusion in the agriculture sector. It aims to increase understanding of the connections between women's empowerment, food security, and agricultural growth.

The WEAI has received widespread support from developing and donor governments alike. Former US Secretary of State Hillary Rodham Clinton publicly recognized it as a tool created to integrate gender equality, and USAID Administrator Rajiv Shah stated that it can help women farmers in poor countries produce more crops and gain greater influence over the agricultural economies of their countries.

Using the Bangladesh Integrated Household Survey, WEAI data were collected nationwide; the PRSSP published two papers analyzing the results. The first publication explained that the most promising policy interventions to improve women's empowerment focus on leadership in the community and control of resources. Increasing the number of

groups that women actively participate in and their control of assets was highlighted. The other paper explained how increases in women's empowerment are positively associated with calorie availability and dietary diversity at the household level.



## SAFETY NETS: TRANSFER MODALITY RESEARCH INITIATIVE

Social safety nets augment incomes and improve food security by offering people with limited means either the food they need or the economic means to obtain the food they need.

In Bangladesh, about 12 percent of the government budget for fiscal year 2014–2015 is assigned to social safety net programs. In May 2012, PRSSP researchers (in collaboration with the World Food Programme and the Bangladesh government) set out to determine how to make the best use out of such a large investment through the Transfer Modality Research Initiative (TMRI). The study examined which intervention—(1) cash, (2) food, (3) a combination of cash and food, or (4) cash or food accompanied by a nutrition behavior change communication component—leads to the greatest benefits in social safety net programs in Bangladesh.



The study revealed that the 4,000 ultra-poor women participating in the pilot program (and their 21,600 family members) have received substantial benefits, as evidenced by statistically significant positive impacts on (1) income, (2) food expenditure, (3) non-food expenditure, (4) calorie acquisition, (5) food poverty, (6) diet quality, and (7) child stunting. The transfer methods that have led to the greatest impacts are those used in combination with a nutrition behavior change communication campaign.

### EVALUATING THE EMPLOYMENT GENERATION PROGRAM FOR THE POOREST



In response to a request from the Ministry of Disaster Management and Relief, PRSSP researchers conducted a process evaluation of Bangladesh's largest safety net program—the Employment Generation Program for the Poorest—which offers people provisions for work during the two lean periods each year. The field-based evaluation found the program to be successful throughout most of

the country, with minimal levels of leakage of resources and effective targeting of the poorest. Based on this assessment, the program—which generates employment for about 1.5 million people annually, one-third of them women—was renewed by the Bangladesh government.

### INCREASING REAL WAGES, INITIATING STRUCTURAL TRANSFORMATION?

Using data from multiple sources, PRSSP researchers show that real wages in Bangladesh, particularly for female workers, have accelerated in recent years. This is likely the result of a combination of factors: more ample nonfarm job opportunities—especially for women in the garment manufacturing sector—and a greater amount of remittances, primarily from men working overseas. As more workers shifted to the formal sector and other nonfarm jobs, labor in rural areas became scarcer, bidding up rural real wages and thereby enhancing total labor earnings. Since physical labor is the most important asset for the poor, escalation of real wages has boosted their earnings, improved their livelihoods, and helped them on the path out of poverty.



Competition for labor caused by the growing manufacturing sector can also have implications for food security. With the scarcity of rural agricultural labor raising labor costs, policies should focus on ways to improve productivity through mechanization and the adoption of high-yield crop varieties. Investing in long-term human capital improvement (through education and nutrition initiatives) may also have a high payoff. A 2013 World Bank assessment on poverty in Bangladesh used the findings from this IFPRI study to explain the accelerated rate of poverty reduction in Bangladesh in recent years.

### **STABILIZING RICE PRICES AND TRADE WITH PUBLIC STOCKS**

During the world food price crisis of 2007–2008, several rice-exporting countries restricted international trade in an effort to mitigate domestic price increases. This resulted in rice-importing countries suffering sharp price spikes and supply disruptions. Perhaps no country was more affected by these disruptions than Bangladesh.

PRSSP analysis shows that prior to the 2007–2008 crisis, when Bangladesh imported an average of nearly 1 million tons of rice per year from India, domestic wholesale prices of rice were co-integrated with import parity prices of subsidized below-poverty-line price of rice. However, when India sharply curtailed exports in mid-2007, rice prices surged in Bangladesh.

Model simulations show that a relatively small increase in private consumer stocks (equivalent to about two weeks' worth of normal consumption) could account for the large surge in domestic prices in Bangladesh. Therefore, in addition to the approximately 700,000 tons of rice distributed at that time, it is estimated that an extra 300,000 tons would have been sufficient to stabilize prices in the period of volatility between November 2007 and April 2008. The relevant PRSSP analysis shows that in spite of the uncertainty in international markets, careful planning, timely interventions, and openness to trade can substantially reduce requirements for public stock-holding.

### **SURGING ONION PRICES: A SITUATION ANALYSIS**

From early July to September 2013, the market price of onions rose dramatically in Bangladesh. Upon request from the USAID Mission, the PRSSP team conducted a situation analysis of the price surge in order to derive policy recommendations for stabilizing onion prices in the country.



The Ministry of Commerce was concerned that without knowing the actual quantity of onion demand, it would not be able to determine how much onion to import to contain the market price. In its study, the PRSSP not only estimated the aggregate demand and made projections for future demand but also identified a variety of linked factors contributing to the price hike and offered policy recommendations to manage them. The Minister of Commerce and other officials found the analysis useful in making their decisions regarding onion imports, as reported by the media.

### MARKETING AND PRICING FERTILIZER

PRSSP researchers conducted a comprehensive study of the fertilizer sector in Bangladesh to assess marketing, pricing, and quality in the present system. By examining production, imports, marketing, distribution, and the effects of fertilizer subsidies on crop productivity, the study evaluated the economic costs and benefits of subsidies, the demand from farmers, and the price elasticity of that demand. Based on the analysis, the study provides a series of policy options for improved marketing, pricing, and quality of fertilizers.

### INFORMING AND IMPROVING THE SEED SECTOR

Bangladesh's seed markets do not function well partly because seed producers lack sufficient information on the preferences of farmers and partly because policy-makers are not adequately informed about the constraints faced by seed producers.

Market liberalization and deregulation in the country have allowed the emergence of many nonstate seed producers—private firms and nonprofit organizations—and a vibrant seed market, but there is weak institutional and policy support linking seed producers to farmers.

The ongoing PRSSP seed study analyzes supply and demand, information bottlenecks, and challenges to product delivery. By combining an analysis of public policies, regulatory regimes, and de facto practices in the seed sector with empirical field evidence, this study will be a significant input into efforts to build consensus around reform options.



## STUDYING THE FISH VALUE CHAIN



With two-thirds of Bangladesh's animal protein consumption deriving from fish, aquaculture is critical to the country's food security in terms of both availability and access. Once considered subsistence-based cultivation, about 85 percent of fish are now marketed.

Despite the importance and rapid transformation of the fish-and-shrimp value chain, survey-based data are limited, highly varied, and outdated (with the last census occurring in the mid-1990s). To date, there has been no systematic survey-based study of all segments of the aquaculture value chains, including the feed, hatchery/nursery, trader, retailer, and processor segments. An ongoing PRSSP study seeks to address this knowledge gap for fish and shrimp in Bangladesh with a survey-based evaluation of all segments of the aquaculture value chains.



## POSITIONING AGRICULTURE TO IMPROVE NUTRITION AND WOMEN'S EMPOWERMENT



How can Bangladesh's agriculture policies and interventions be designed and implemented to increase positive impact on nutrition? Agriculture provides a source of food and nutrients, a broad-based source of income, and affects food prices. It also has a range of effects on women's health, nutrition, empowerment, and time allocation, which, in turn, affects the care of infants, children, and other family members. Given these links, agriculture has the potential to be a strong driver of nutrition and health for women and children. That potential, however, is not being fully realized in Bangladesh.

PRSSP researchers have designed a pilot study to identify actions and investments in agriculture that can leverage agricultural development for improved nutrition and invigorate pathways to women's empowerment. The Agricultural Policy Support Unit of the Ministry of Agriculture and the Department of Agricultural Extension will implement the project, and PRSSP researchers will evaluate the impact of the project on farmers' incomes, household food security, women's empowerment, and child and maternal nutrition. The evidence gathered will be used to inform the design of a national program.



## Capacity Strengthening Activities

Evidence-based policies can make dramatic, life-saving changes for millions of people. But research and policy alone are not enough to implement lasting change. The capacity to actually turn policies into action is critical, and IFPRI has long focused on strengthening local institutions in Bangladesh.



### GOVERNMENT CAPACITY STRENGTHENING: THE AGRICULTURAL POLICY SUPPORT UNIT

Agricultural productivity and growth largely depend on the ability of policymakers to make timely and informed decisions. To generate the high-quality empirical evidence on a consistent basis needed to achieve this, USAID supported the establishment and operation of the Agricultural Policy Support Unit (APSU) within the Ministry of Agriculture through PRSSP. The APSU—officially launched by the Minister of Agriculture in November 2012—provides timely policy recommendations in response to short-term challenges, carries out in-depth analysis to address medium- and long-term challenges, and monitors policy implementation and evaluates policy impacts. In short, the role of the APSU is to collect and analyze sector-wide data and develop policy recommendations

based on that analysis. The APSU also serves as a data source for other institutions wishing to conduct their own research.

The APSU is a major PRSSP achievement toward the goal of building long-term analytical capacity within the Ministry of Agriculture. In its initial months, a team of PRSSP research and support staff and several government officials were posted at the APSU; as many as 23 government positions within the APSU have been approved.

The PRSSP team helped APSU select and prioritize the Ministry of Agriculture's development program priorities for the next five years by classifying 246 programs and projects submitted for consideration by 16 different departments within the Ministry. The final list of projects (to be monitored by the APSU) consists of 147 projects with a total budget of US\$2.04 billion for the next five years. The Prime Minister reviewed the APSU's project report and praised its high quality. This marks an incredible opportunity for the PRSSP to promote important policy reforms that will increase incomes of smallholder farmers and develop a nutrition- and gender-sensitive agriculture sector in Bangladesh.

## Outreach Activities

The PRSSP engages in customized outreach, including interviews, publications, lectures, and face-to-face dialogue with stakeholders. It has led numerous workshops and seminars to present research findings generated by the project and received widespread coverage from leading national media.

## Looking Forward

For more than two decades IFPRI's empirical research and policy analysis have been a resource for Bangladesh. Working closely with the Ministry of Agriculture, the Ministry of Food, the Bangladesh Institute of Development Studies (BIDS), and the Bangladesh Rural Advancement Committee (BRAC) among other civil society organizations, the Institute has supported Bangladesh in its quest to achieve food security for all citizens. By building capacity while providing evidence-based research results, IFPRI's Policy Research and Strategy Support Program in Bangladesh looks forward to expanding the knowledge base, continuing to collaborate with partners, and communicating research findings and recommendations.

## STRENGTHENING LINKAGES BETWEEN RESEARCH AND POLICY

While the PRSSP research carried out to date has generated respected policy recommendations, the challenge the program now faces is how to get those research-based recommendations adopted in order to shape new policies or modify existing ones. Several factors affect the translation of policy recommendations into adoption and action. In the policymaking arena, the values, motivations, and power of different actors shape the policymaking process. That said, researchers can play a catalytic role by effectively communicating their results and relying on the credibility of their research to influence change.

Our experience suggests that creating a sense of ownership of research-based evidence by all stakeholders is a key factor for achieving policy influence. It is also noteworthy that when research is conducted with the approval and interest of stakeholders, the resulting messages are more likely to be heard and adopted. The PRSSP theory of change highlights policy change as driven primarily by decision makers in the highest policymaking circles. Consequently, strategies for influence are focused on strengthening relationships with influential people and reputable, credible organizations.

## **IMPROVING THE POLICY ENVIRONMENT THROUGH THE AGRICULTURAL POLICY SUPPORT UNIT**

The PRSSP seeks to increase the capacity for relevant policy actors within the government of Bangladesh to undertake evidence-based policy analysis. The key route to this initiative is through the Agricultural Policy Support Unit (APSU), which offers long-term analytical capacity to the Ministry of Agriculture that will endure after the PRSSP's conclusion. The APSU is designed to function as a reservoir of information, which it would summarize and present to policymakers as alternative options to facilitate evidence-based policy choices. The APSU is equipped with modern information and communications technologies that connect it to information sources at the district, national, and global levels.

To fill the existing knowledge gaps in the agricultural sector, PRSSP researchers, in collaboration with the Ministry of Agriculture's technical staff, will undertake studies to meet demands. The PRSSP will also assist the APSU to work with partners in the national agricultural research system, universities, and nongovernmental organizations (NGOs) to conduct collaborative policy research. The APSU will disseminate research results to feed into the policy processes. The research output will be published in series of policy briefs, working papers, and discussion papers.

## **SHARING RESEARCH: PRSSP OUTREACH STRATEGY**

The PRSSP reinforces its strong reputation among policymakers, academics, opinion leaders, and journalists not only through the scientific excellence of its research but also through its communication efforts. Building on our knowledge of successful communications and on-the-ground expertise, the PRSSP will intensify its communications and outreach activities by expanding networks with the government, the private sector, and other stakeholders. We will develop and implement a communications and engagement strategy involving all stakeholders, especially targeting those that can help engineer change in the political and public environments and thereby enable progress toward food security, nutrition improvement, and agricultural development in Bangladesh.



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