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# BANGLADESH

## ROLLING UP OUR SLEEVES

### RESEARCH ON THE FRONT LINES



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## RESEARCH ON THE FRONT LINES

In Bangladesh, as in many developing countries, poverty, hunger, and malnutrition are widespread, and the struggle to achieve food security is ever present for millions of people. For the Government of Bangladesh, devising policies that can help ensure the food security of all of its people is a major concern. Since the mid-1970s the country has made substantial progress in enhancing food security by increasing production of rice and wheat, improving its infrastructure, making food delivery to the poor more efficient, and liberalizing its markets. Nonetheless, about half of the population of Bangladesh is still too poor to afford enough food to sustain a healthy and productive life.

Part of the difficulty of the task for policymakers in Bangladesh stems from the country's relative lack of trained personnel to conduct food policy research and to formulate policy advice and actions based on this research. The Food Management and Research Support Project, funded by the U.S. Agency for International Development (USAID) and implemented by the International Food Policy Research Institute (IFPRI®), was designed to provide timely and relevant policy analysis and to help develop capacity to formulate sound food policies. From August 1997 through June 2001, IFPRI collaborated with the Food Planning and Monitoring Unit (FPMU) of the Bangladesh Ministry of Food as well as three subcontractors: the Bangladesh Institute of Development Studies (BIDS), the University of Minnesota, and the



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International Science and Technology Institute.

The project consisted of three major activities:

- policy research on key issues in food management and food security and dissemination of research findings through workshops and seminars;
- provision of food policy advisory services; and
- training in food policy analysis for government officials.

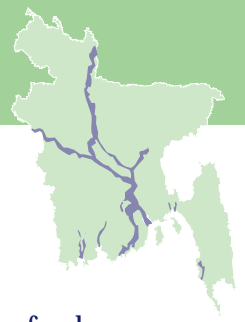
These activities were mutually supporting. Policy research and dissemination fed into policy advice to decisionmakers, who could in turn point to areas where more research was needed. Training in food policy analysis helped develop the country's long-term capacity to conduct all of these activities. These three activities formed the basis of successful long-term collaboration at the country level.

### Research

The project's research activities were designed to help increase policymakers' understanding of key food policy issues and thus provided an essential base for policy advisory services. Much of the research aimed to determine whether Bangladesh's policies for managing food and reaching the poor were working effectively and efficiently.

Like many developing countries, Bangladesh faces questions about how to increase domestic food production and rural incomes, how to ensure that even its poorest people have enough to eat, and how





to mitigate the adverse effects of natural disasters such as floods, droughts, and cyclones. Research helped find and refine solutions to these problems. Research teams carried out studies on rice procurement, rice imports, maize production and marketing, and the efficiency of targeting in programs for the poor. They also examined price stabilization, private sector trade, household food security, and developments in the livestock and poultry sector. Researchers evaluated the country's Food for Education program (see Box 1),

analyzing its effects on school attendance, educational performance, food consumption, and nutrition. In 1998 serious flooding threatened the food security of many Bangladeshis, and researchers conducted a survey on the flood's impacts (see Box 2 on page 4). They studied households' mechanisms for coping with the flood, the effectiveness of the government's targeted food distribution programs, and how well households recovered in the medium term.

### Box 1 - Food for Education

MANY CHILDREN from poor families in Bangladesh do not attend school, either because their families cannot afford tuition and other expenses or because the children contribute to their family's livelihood and cannot be spared. Under the Food for Education (FFE) program, poor families receive a free monthly ration of foodgrains in exchange for sending a child to school. The family can consume the grain, thus reducing its food budget, or it can sell the grain and use the cash to meet other expenses. Begun in 1993, this program covered 17,811 public and private primary schools by 2000, accounting for about 27 percent of all primary schools in Bangladesh. About 2 million families benefit from FFE.

IFPRI, which has worked with Bangladesh for years to design and evaluate the program, recently evaluated it to determine how much it has improved the livelihoods of poor households in Bangladesh. This evaluation revealed that FFE has been successful in increasing primary school enrollment, promoting school attendance, and reducing dropout rates. Student enrollment increased by 44 percent for girls and 28 percent for boys in schools where the program has been adopted. In fact, the program is so successful at increasing school enrollments that participating schools face serious overcrowding, which has consequences for the quality of education.

FFE also effectively targets poor households, but there is room for improvement. Households receiving FFE benefits are poorer than nonbeneficiary households with children attending primary schools, but there are still some eligible households in FFE villages that are not in the program. These households have primary school-age children who are not attending school at all.

In addition, the program has improved household food secur-

ity, significantly increasing calorie and protein consumption in beneficiary households.

Based on their findings, researchers made a number of recommendations. First, they recommended assistance to help communities build more schools, improve school facilities, hire more and better-qualified teachers, and provide teacher training.

Second, they suggested combining FFE with school feeding to achieve better results. FFE brings children to school, but it does not guarantee that their nutritional status will improve. School feeding, especially a light snack early in the day, could improve performance.

Third, targeting criteria should be improved. In Bangladesh, the official targeting criteria used for the FFE program are not capturing all of the poor. A means test, like those IFPRI has developed to measure household welfare effectively in other countries, could be used in Bangladesh.

Fourth, FFE should be broadened to include a preschool feeding program. Preschool malnutrition is associated with delayed enrollment and poor health and cognitive development. The FFE program could be adapted to help younger children by providing nutrient-dense complementary foods, as well as foodgrains, to preschool-age children in participating households.



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## Box 2 - How Disasters Affect Food Security and Household Welfare

DURING THE SECOND YEAR of the Food Management and Research Support Project, Bangladesh was devastated by the worst flood of the century. At its peak in early September 1998, the flooding covered two-thirds of Bangladesh, causing severe damage to the major rice crop and threatening the food security of tens of millions of households. The project conducted rapid appraisals and in-depth studies of 750 households over a 13-month period, focusing on how the flood affected household assets, consumption, and nutritional outcomes.

The studies showed that well-functioning private markets, suitable government policies, and interventions by government and nongovernmental organizations worked together with effective private coping strategies to prevent a major postdisaster crisis.

Private markets contributed significantly to food security following the 1998 flood. Private sector imports of rice from India supplemented domestic food supplies, stabilizing rice prices and preventing a further decline in households' purchasing power and calorie consumption. Without this private trade across borders, rice prices would likely have been at least 19 percent higher and total calorie consumption of the poor would have fallen by an additional 44 to 109 calories per person per day.

Government policy also played an important role in avoiding a major food crisis. In the short term, government policy focused on distributing public foodgrain to poor and flood-exposed households. Government transfers improved household food security and helped maintain and raise the nutritional status of children. Nonetheless, these programs were small relative to the needs of households.

In the long term, agricultural and investment policies allowed for an expansion of the winter season (*boro*) rice crop that reduced the country's dependence on the monsoon season (*aman*) rice crop, which is susceptible to floods. By investing in infrastructure and promoting private sector trade, the government helped develop efficient and competitive foodgrain markets that quickly responded to the impending production shortfall.

Although a major food crisis was averted, the poor did suffer, both in the short term through reduced consumption

and increased illness and in the medium term through increases in household debt and lingering nutritional consequences. The major coping strategy of households in the first three months after the flood was to borrow from private sector sources. Over time, however, this reliance on private sector borrowing had adverse implications for food security and economic growth. Fifteen months after the flood, the country's poorest households still labored under high levels of debt.

Eliminating borrowing following the flood would have required a transfer of approximately Taka 5,000 (about US\$100) for each of the 60 percent of households still in debt in December 1998. Nationwide, total private borrowing by households may have reached US\$1.0 to US\$1.5 billion, equivalent to 15–20 percent of total government expenditures in 1998/99.

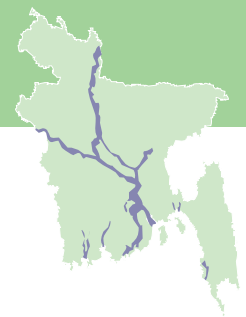
The flood also had a long-term negative impact on the nutritional status of those preschool children whose nutritional status was already very low. Medium-term policies that reduce malnutrition among children would help soften the negative impact of natural shocks like flooding. In the absence of effective policies to address chronic malnutrition, more children remain vulnerable and have a lower probability of recovering in the event of a natural disaster, with long-term consequences on the level of human capital.

Without a doubt, the Bangladesh flood illustrates the crucial role that private markets and appropriate government investments and policies can play in maintaining food availability, limiting price increases and supplementing household access to food, thereby helping to avoid a major food crisis. Yet in developing countries, government resources for avoiding the deleterious effects of disasters, as well as for reducing poverty, are severely limited. Mitigating the negative impact of natural disasters requires both effective policies and increased resources, not only at the time of disasters, but also, and perhaps more importantly, over the long term to reduce poverty and malnutrition.

**For further information, see C. del Ninno, P.A. Dorosh, L. C. Smith, and D. K. Roy, *The 1998 floods in Bangladesh: Disaster impacts, household coping strategies, and response*, Research Report 122 (Washington, D.C.: IFPRI, 2001).**



photo credit: © Panos Pictures/Trygve Bolstad



Findings showed that the country's trade liberalization of the early 1990s made a major contribution to national food security. Following poor rice harvests in late 1997 and in 1998, private sector imports, mainly by truck and rail from neighboring India, added several million metric tons to Bangladesh's rice supply. These imports helped keep down domestic rice prices in a time of shortage. The research also revealed that government transfers of food through the Gratuitous Relief program immediately following the flood were well targeted to flood-affected households. Moreover, the Vulnerable Group Feeding Program, implemented in subsequent months, was effectively targeted to poor households in flood-affected regions.

### Policy Advice

One of the government's needs was timely, practical policy analysis. Accordingly, the staff of the project, together with the Bangladesh Food Policy and Monitoring Unit, produced 53 policy advisory memos over the four years of the project. Most of these memos were written in response to direct requests for immediate analysis from the Ministry of Food. The major purpose of these memos was not to provide a comprehensive analysis of topics, but to offer ready input into current policy decisions. Many of the issues discussed in the memos became topics of subsequent research.

Dissemination activities designed to make project findings available to policymakers, international organizations, the donor community, and other stakeholders included four major project workshops, numerous seminars, presentations at Local Consultative Sub-Groups



for Food Security and Agriculture, distribution of written materials, maintenance of a project website, and other mechanisms.



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The topics of the memos depended on market conditions and the immediate issues facing the Ministry of Food. A number of memos, for example, dealt with issues related to the 1997–98 shortfall in aman rice production. Beginning in August 1998, the 1998 flood dominated the policy agenda for nearly a year (see Box 3). Memos during this period covered food aid requirements, assessments of market behavior, options for stock management, procurement and distribution, maintaining incentives for private sector imports of rice, expansion of the Vulnerable Group Feeding Program, and other flood-related issues. Later, concern shifted to low producer prices, aging stocks, and procurement issues, and policy memos reflected these concerns.

The project team also helped prepare a major report on comprehensive food security in Bangladesh and a draft of a National Food Policy in 2001. This food policy document went beyond past food policy discussions of the “food gap” and food aid requirements to include the availability of food and people’s access to it and ability to utilize it for good nutrition. The Food Policy and Monitoring Unit, the Ministry of Food, and other ministries recast the policy framework as a National Food Policy statement, which was approved by a bipartisan Parliamentary committee in 2001 but not formally adopted by the Cabinet before the Awami-led government stepped down that year.

## Training

Training was a key element of the project, designed to build skills and expertise that would serve Bangladesh for years to come. In all nearly 300 people received training in Bangladesh, and 45 people received training in overseas programs (see Table 1 next page). Each year of the project a three-week food policy course for government officials was held in Dhaka and taught by members of the project staff as well as representatives from the Ministry of Food of the

### Box 3 - Policy Advice on Responding to the 1998 Flood

DURING LATE JULY and August 1998, floods gradually covered a large part of Bangladesh, causing damage to the *aus* rice crop about to be harvested and damaging *aman* rice seedlings. In the months that followed, the project team wrote a series of policy memos on topics ranging from required levels of food aid and government commercial imports to public food distribution, rice trade with India and the behavior of market prices of rice.

In mid-September 1998, a Food Management and Research Support Project memo requested by the Secretary of Food pointed out that envisaged levels of government sales of grain would not be adequate to offset the expected 1.9 million tons shortfall in *aman* production. Thus, “a prime consideration of all government food policy in the coming months should be to maintain incentives for and help insure the flow of private sector rice imports.” To avoid spurring excess demand for government-subsidized rice that could not be met, the memo suggested that a slight increase in the government sales price be considered.

In late November 1998, another memo, requested by the State Minister for Food and Agriculture, analyzed movements in rice prices following the August/September flood and addressed concerns that prices had not dropped with the onset of the *aman* harvest. The memo presented data showing that rice prices for most of 1998 had been determined mainly by the cost of importing rice from India (the import parity price). The memo also stressed that private sector rice imports had prevented a large increase in the price of rice up to that point and it was thus essential that incentives for private sector trade be maintained.

Ultimately, the government maintained price incentives for commercial rice imports. As a result, in the approximately 10 months between the onset of the flood and the *boro* rice harvest in May 1999, the private sector imported more than 2 million tons and stabilized rice markets in Bangladesh, helping to prevent a major food crisis.

Government of Bangladesh. The course covered a broad range of topics related to food policy, including production and farmer constraints, consumption, market demand and supply, international trade, government and private storage, implications of international trade agreements, food aid, govern-



and Myanmar in the second year of the project) and two other large Asian developing countries important in international grain trade (Indonesia and China).

In addition to the Asian study tours, the project conducted three U.S. study tours. Each of these study tours included time in Washington, D.C., for discussions with staff of USAID, the World Bank, IFPRI, and other institutions, and a visit to another site in the United States. In general, government participants on U.S. study tours were of the rank of joint secretary or secretary. One private sector representative was included in each U.S. study tour.

The project included three workshops for senior government officials (see Box 4), and eight training sessions on the use of computers for food policy analysis, held throughout Bangladesh and targeted toward field-level government officials. Other computer training sessions and workshops were designed to train participants in the use of several practical tools for policy analysis developed in the course of the project.

**Box 4 - Senior Food Policy Workshops**

IFPRI and its collaborators held three senior food policy workshops during the project's duration. These workshops were designed to enable high-level government officials to learn about food policy issues and research findings and to hold policy discussions. Participants included senior government officials, as well as representatives of nongovernmental organizations and the private sector.

The workshops addressed a wide range of topics, including price stabilization and private sector imports; food availability and food security in the medium term; the food gap; the effects of food aid; foodgrain storage, age of stocks, and stock rotation; and future directions in food policy. Participants in one workshop visited the government grain silo at Chittagong port to learn about constraints in shipping and handling imported grain. Other workshops included visits to a customs office, the Port Authority office, and the office of a clearing and forwarding agent.

**Table 1 - Number of People Trained, by Organization**

	Local training	Overseas training
Ministry of Food	65	15
Food Planning and Monitoring Unit	36	5
Directorate General of Food	120	15
Project office (government)	8	0
Ministry of Planning	11	2
Ministry of Agriculture	23	1
Private sector	1	6
Other	27	1
<b>Total</b>	<b>291</b>	<b>45</b>

ment's domestic and international procurement, and monitoring of world markets.

The project also conducted three food policy courses in the United States at the University of Minnesota and the IFPRI offices in Washington, D.C. Five participants were chosen for each of these courses on the basis of their performance during that year's training course in Dhaka. The overseas courses provided an opportunity for the participants to study economic analysis in more depth than was possible in the Dhaka course. The courses were taught by faculty and staff of the University of Minnesota, supplemented by additional presentations by IFPRI staff in Washington, D.C.

Three Asian study tours were conducted by the project, in 1998, 1999, and 2000. Chosen in consultation with the Ministry of Food and the Food Policy and Monitoring Unit, study tour destinations and topics focused on key issues relevant to Bangladesh food policy. In the first study tour, for example, held in 1998, four government officials from the Ministry of Food participated in a tour of Thailand and Viet Nam, along with one private sector businessman and the study tour coordinator. During this trip, the group studied the international rice trade and rice exports from these two countries. Study tours in subsequent years covered markets, government policy, and trade with neighboring countries (India



## Conclusion

Did the project help the government of Bangladesh come any closer to its overarching goal of greater food security? It is often difficult to assess the effects of training and research activities, given the complex nature of the policy process and the long lead time often involved in policy shifts, but it seems likely that the project laid the groundwork for sound research and policy actions in the years to come. Policy impact was most evident in the project's policy advice to the Ministry of Food during the 1998 flood and other production shortfalls.

This fruitful collaboration between IFPRI, the Government of Bangladesh, and their partner institutions (see Box 5) is an instructive example of how sharing information and skills can help developing countries move closer to their policy goals and improve the lives of their people.

### Box 5 - Advisory Services and Policy Impact

"WHAT I HAVE DONE during my last 18 months in the Food Ministry is maintain a close liaison with Dr. Paul Dorosh and his team [the FMRSP-IFPRI team] and tried to equip myself with professional advice and analysis. Then I have gone over to the policymaking bodies with my professional backing and tried to present these policy options, along with their implications. Whatever policy decisions you have seen in the past come out of those policymaking bodies. My experience is that if you go professionally prepared, your viewpoints are more likely to be accepted than if you go unprepared, and that is precisely what I have tried to do."

**Mr. Mahbub Kabir, then Secretary of Food, October 1999, in *Food Policy and Food Security in Bangladesh: Moving Forward after the 1998 Flood, Proceedings of the Second Annual FMRSP Workshop Held in Dhaka, Bangladesh, October 18-19, 1999*, ed. Paul Dorosh and Quazi Shahabuddin (Dhaka: FMRSP-IFPRI, 2000), p. 81.**

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- del Ninno, C., and P.A. Dorosh. 2001. Averting a food crisis: Private imports and public targeted distribution in Bangladesh after the 1998 flood. *Agricultural Economics* 25 (3): 337–346.
- del Ninno, C., P.A. Dorosh, L. C. Smith, and D. K. Roy. 2001. *The 1998 floods in Bangladesh: Disaster impacts, household coping strategies and response*. Research Report 122. Washington, D.C.: IFPRI.
- del Ninno, C., D. K. Roy, and S. Mukherjee. Recovering from the shock of the 1998 flood: Household food security and nutritional status one year later. FMRSP Working Paper Number 23. Dhaka: FMRSP-IFPRI.
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- . 2001. *Towards comprehensive food security in Bangladesh: New research on availability, access, and nutrition*. Proceedings of the Third Annual FMRSP Workshop, held in Dhaka, Bangladesh, February 6 and 12, 2001. Dhaka: FMRSP-IFPRI.
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- Rahman, M. 2000. A review of international and local tenders for procurement of rice and wheat. FMRSP Working Paper Number 15. Dhaka: FMRSP-IFPRI.
- Shahabuddin, Q., P.A. Dorosh, A. Quasem, and N. Islam. 2001. Comparative advantage and medium-term outlook in Bangladesh agriculture. FMRSP Synthesis Paper Number 3. Dhaka: FMRSP-IFPRI.

For a full list of FMRSP working papers and reports, see [www.ifpri.org](http://www.ifpri.org).

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