Beyond the Classroom: Student Blogs About Microeconomic Development in Bangladesh

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*For information about the origin of these blogs, see the editor’s notes section. If you have any questions about these blogs, please direct your queries to fbhuiyan@carleton.edu
Editor’s Notes

This document compiles fifteen blog-style viewpoint papers written by Carleton student participants of a winter-break OCS trip titled “Microeconomics of Development” to Bangladesh during December 2017 led by me (Muhammad Faress Bhuiyan, Department of Economics, Carleton College). The students wrote these blogs as part of a graded assignment (Econ 244, Winter 2018) and this is by no means an end product that has undergone serious reviews with the opportunity for students to incorporate feedback.

The students had taken an upper level economics course, titled ”Microeconomics of Development,” the term before their two-weeks trip to Bangladesh. In addition to various peer-reviewed journal articles from economics, much of their classroom understanding of economic development was based on the following books:

- Poor Economics, Abhijit V. Banerjee and Esther Duflo, 2012
- Building Social Business, Muhammad Yunus (with Karl Weber), 2010
- The End of Poverty, Jeffrey D. Sachs, 2005
- The Elusive Quest for Growth, William Easterly, 2002
- The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It, Paul Collier, 2007
- Due Diligence: An impertinent inquiry into microfinance, David Roodman, 2012

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Throughout the Bangladesh experience, I increasingly believed Jeffrey Sachs’ claim for the necessity of ‘clinical economics’ for properly making adjustments in lower-income countries seeking to further develop. In his book, The End of Poverty, Sachs claims that in order to most effectively help nations on the path of development, individually tailored strategies must be created by people who have a deep understanding of the geography, people, and culture of a country. This necessity became especially evident in Bangladesh.

The context Professor Bhuiyan imparted to our varying interactions allowed us to glean far more information, and get an exceedingly better sense of the actual situation than we would have learned otherwise. This was made possible through his significant knowledge of the culture and economy, through both personal experience and prior research. In many cases, trends we witnessed that did not immediately make sense in terms of economics had cultural underpinnings that explained the differences. After these interactions, I firmly believe that experts with significant personal knowledge of a country and its situation are in the best position to recommend potential changes and adjustments to further economic development.

Yet a new issue with the model of country-experts determining policy changes within a country arose with the ailment of corruption. In many nations, people in relevant government positions have the best ability to enact effective change. Unfortunately, in many nations across the world, with Bangladesh being an especially relevant example, rampant corruption has the potential to render such positions ineffective at reducing poverty to the fullest extent possible.

This leaves NGOs, such as BRAC in Bangladesh, as another option to advance effective development efforts using both domestic and foreign sources of income that may be closed-off to corrupt governments, as is a majority of international donor aid. After getting a glimpse of development in Bangladesh, I firmly believe that in nations where corruption is an issue, robust NGOs with international support and the ability to hire and retain country-experts have the best chance at promoting development and moving our world closer to achieving the Sustainable Development Goals.

Still, such organizations can realize issues with corruption despite being separated from the government. As the example of Professor Yunus’ fall from the Bangladeshi government’s good graces after his failed political bid illustrated, NGOs
are still vulnerable to the influence of the state. Events during the trip furthered this sentiment, especially regarding allegations that the head of BRAC was implicated in a potential plot to undermine or overthrow the government, in the wake of an untimely death of the popular mayor of Dhaka. This further illustrated the propensity of groups that obtain more power in society, such as BRAC, to attract attempts to use them for political purposes on the part of the government. Additionally, groups such as BRAC, that engage in profit-maximizing enterprises to complement and fund their other poverty-reduction efforts, represent an additional issue with the reliance on such NGOs. As these enterprises, especially in the aforementioned example, can be significantly profitable, it is not inconceivable to imagine a future in which such firms would move away from their initial goal of development efforts in favor of becoming purely profit-seeking firms.
What makes a Successful Social Enterprise?

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At BRAC’s social enterprise garment factory near Dhaka, Bangladesh, Oishika paints the woven tops of stools for 42 cents each. Each day she goes home around 6 to a nearby village where she lives with her husband. Although Oishika works seven days a week with 2-3 days off per month, she makes it clear that she is not concerned about vacation time – she just wishes people would buy more stools. Overall, BRAC’s brand Aarong employs 65,000 artisans like Oishika who produce a high-end line of socially conscious garments, home decor and craft goods. Profits from the store go to BRAC’s other social programs such as their ultra-poor graduation program that provides social, economic and health support to help low-income people get out of poverty. I met Oishika (not her real name) on a study abroad program that studied the Microeconomics of Development. Before the trip we studied development models and learned about how social enterprises work. One thing that I didn’t realize before going to Bangladesh was how important it is for a social enterprise to provide quality goods that are high in demand – especially if they want to become financially solvent. Although social enterprises can be helpful to society whether or not they are financially sustainable, they cannot be scaled up to help more people with a strong dependence on donor money.

A comparison of two different dairy social enterprises: BRAC Dairy and Grameen Danone, illustrates the importance of demand for a product. Grameen Danone is a collaboration between Grameen and Danone Yogurt that buys milk from Bangladeshi farmers and produces nutrient-fortified yogurt. The idea was that selling the yogurt at a high price for high-income people in the cities would help subsidize cheaper prices for low-income individuals in rural areas. However, thus far Grameen Danone has not broken even. Only 5% of its revenue comes from the higher priced yogurt and it’s been difficult to convince even low-income people to buy the yogurt at its current price. Part of the problem behind these financial issues is that Grameen Danone produces American-style yogurt that seems weird compared to typical Bangladeshi yogurt. Demand for Danone’s yogurt is not high among high-income people in Bangladesh nor is a small yogurt cup an affordable meal option in rural areas.

A different company, BRAC Dairy, also buys milk from local farmers and resells it in the city. Most of its sales are in plain pasteurized milk that is commonly consumed in Bangladesh. Although there is no subsidization of the prod-
uct for low-income people or nutritional supplements, BRAC Dairy makes profits and sends them to BRAC’s social services, which then uses them to help low-income people. Overall, both BRAC Dairy and Grameen Danone provide some benefits to low-income people. However, because Grameen Danone is not financially solvent, it isn’t really a scalable plan or a replicable model without the support of Danone (a French corporation that helped pay for and set up the social enterprise). BRAC Dairy, however, is a financially solvent company that is planning on expanding its product offerings in the future.

Grameen has another social enterprise, the Eye Care Hospital, which is financially solvent. The Eye Care hospital provides excellent medical services to both high-income and low-income people and has successfully become financially sustainable. Because the medical service quality is excellent, high-income people are willing to pay for it and 32-35% of customers pay full price. Services are provided completely free to 10-20% of customers with very low income levels and at varying levels for others. Quality eye care is in high demand and the hospital performs 70-80 surgeries each day. A primary difference between this successful price subsidization model and Grameen Danone is that the profit from high-income patients (due to high quality and demand) is enough to cover the price of other surgeries. Although Aarong and BRAC Dairy don’t directly subsidize their products in this way, they also successfully make a profit from quality goods that can then be used to help low-income people.

Successful social enterprises help those they employ as well as those who they directly benefit. Oishika the stool-painter used to work at a cigarette factory making around 90 dollars per month. She quit that job to work at Aarong for 54 dollars per month because inhaling nicotine was negatively impacting her health. Aarong might not necessarily be the best financial option, but it’s a quality job in other ways – health benefits, relatively safe working conditions and close proximity to her home. Luckily for her, orders for stools will likely continue to increase because of the demand created by Aarong’s reputation for socially conscious production and quality products.
First Impressions: Effective Development Work is a Marathon, not a Sprint

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On the third day of our visit to Bangladesh we met with a group of women who had taken out microcredit loans from Grameen Bank. These were the first people we’d met who were direct participants in the development efforts we’d studied, and the meeting stands out as the earliest clear image in my mind when I think back on our trip. This could be attributed to the fact that I’d spent the previous day and much of that morning struggling to stay awake in a feverish state, but I’d like to think I was jolted to attention at that particular point because I realized how informative the meeting would be.

Our conversation with the Grameen borrowers quickly dispelled claims made to us the previous day at the Yunus Center that women consistently use loans for entrepreneurship. Almost all of the women we spoke to gave their husbands the money they received. This was in line with the suspicions of our group, and though I was troubled by the confirmation, I was struck by the women’s consensus on how helpful the loans had been for their families. One woman’s husband used the loan for his rickshaw business, another used it to buy cows which the wife cared for, another to help buy land. In all likelihood, the women had been instructed to say positive things about Grameen and thus may have somewhat magnified the positive elements, but all seemed genuine in their appreciation of the opportunities the loan afforded them. I considered, also, the words of the branch manager, who told us that when Grameen bank entered villages like this one thirty years ago, women would not talk to or even show their faces to bank representatives, let alone attend and speak at a public meeting like the one we witnessed.

That meeting didn’t change my views about development on the spot, but I think it was a point where they shifted slightly, and they did so more and more as the trip progressed. The lack of female agency was an issue for which I couldn’t envision a solution, but it didn’t mean there hadn’t been significant progress that would continue into the future. Yes, the women usually didn’t use the money themselves—a reality that BRAC would later be far more transparent about when telling us about their microfinance program—but the role of women is deeply ingrained in Bangladeshi culture. It is not something that can be changed easily, quickly, or by use of force. Grameen and BRAC have made a great deal of progress on this front by taking
gradual steps, so as not to alienate the people they aim to help. Certainly there is a long way to go. Women still don’t often have a large say in family finances, and we heard an alarming report of potential increases in domestic violence toward loan recipients that must be investigated and addressed. Still, the organizations do not let the seemingly intractable cultural position of women stop their efforts to empower them and to alleviate poverty by giving the poor access to credit. I realized that these agencies, conceived and founded in Bangladesh, are far more equipped than any outside actor could be to address obstacles as they arise in ways that work for the communities they serve.

One of our interactions with USAID particularly highlighted this idea for me. When we met with the director for Bangladesh, she told us that one of the main problems they face is earmarking of funds by government officials who know little, if anything, about the country they are ostensibly trying to aid. All the earmarks were for things I consider to be good causes, but were not necessarily the highest priorities. The problem lies in the lack of discretionary funds for allocation by people with a greater sense of what the country needs most urgently and how those needs can best be met. Programs promoting human rights, for instance, receive almost no support. Although USAID unquestionably accomplishes some worthy aims by giving grants with specific requirements to local organizations that propose way to tackle the problems, but the fact remains that the voices of people deeply familiar with Bangladesh are absent from the higher-level decision making.

Of course, not every project undertaken by Bangladeshi organizations can be a success. Grameen’s partnership with Dannon yogurt, for instance, doesn’t seem likely to take off. On the other end of the spectrum we learned about oral rehydration solution, developed by icddr,b to treat dehydration caused by diarrheal disease, which has since saved countless lives worldwide. Overall, despite things we might have changed if we were in charge, the group agreed that Bangladesh is better off as a result of these institutions. Seeing the many organizations and ideas originating in Bangladesh helped me realize that ideas don’t need to be perfect at their inception. Development is a slow process, requiring a great deal of patience—admittedly not my strongest suit—and a deep understanding of the underlying forces at work in a country.

By the time I left Bangladesh, I was more hopeful about development work than when I arrived. While learning about development models I never fully envisioned what actual development efforts within a country would look like. I suppose I figured there was some link I was missing to bridge the gap between beautiful ideas and practical implementation which would, perhaps, fall into place during our trip. Instead I observed something that was ultimately more encouraging: organizations with an understanding of the needs and complexities of Bangladesh, that are addressing the obstacles to real-world implementation with innovative and evolving solutions. None of the organizations we encountered were by any means perfect, but almost all were making progress toward a better future!
They Are Not Supposed to Carry Money

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Here at Carleton it is easy to compartmentalize our learning. Although advertised as a liberal art college providing a holistic approach to education, often the courses themselves are extremely focused. Econ 240, The Microeconomics of Development, was no exception. While I did gain an in depth understanding of various microeconomic models it wasn’t until I arrived in Bangladesh that I realized how much more there was to know.

It’s all interwoven. You cannot walk into a country and expect to exclusively study one aspect of it, such as the economy. Gender relations, the political landscape and the region’s history together influence policy and culture. It became evident that if we wanted to discuss economic policies, such as why NGOs are targeting women as microloan borrowers, we couldn’t ignore the extreme gender inequality ingrained in the culture. This realization has impacted how I now view and approach studying development.

I am not implying that one can just walk into a country and change the culture, or that they should. Rather I believe in the importance of acknowledging the culture and ongoing tensions within a country when interpreting and applying the models learned in a classroom. By having broader conversations and background knowledge one can gain a clearer picture of the ongoing development in a country and what factors are at play.

Learning about the contrasts between the textbook fiction and the severe reality is not an easy task. When interviewing women factory workers in Bangladesh about wages one could walk away feeling content if they simply surveyed various employees asking what they earned on their latest paycheck. In contrast if one went further to and made a purpose of surveying both men and women, a harsher but more complete understanding would be gained. It could become apparent the extreme wage gap between males and female workers and lack of upward mobility within a company for women workers.

This holds true again when one pushes further during interviews with the female microfinance borrowers. While organizations such as BRAC and Grameen Bank claim their programs are empowering millions of women across Bangladesh the reality is different. While there is no denying women are making major strides in Bangladesh compared to a only a decade ago, over two-thirds of women I met admitted to having to hand their loans over to their husbands upon arrival home. Additionally multiple courageous women admitted to having suffered through an average
of eight months of domestic violence as a result of their attempt to become more financially independent.

When trying to discover more about a women’s role in household finances in Bangladesh I was told “a women’s sari has no pockets for a reason, they are not supposed to carry money”. This quote resonated with me as it speaks to the challenges that stand in the way of development. However it also emphasizes the importance of acknowledging, understanding, and respecting every country’s unique way of life. While we shouldn’t remain silent about the sharp correlation between microfinance loans and domestic violence, we should investigate where the problem is stemming from. It is then when we can improve ongoing development projects and continue adapting to a society as it changes overtime. There is no such thing as a fits all economic development model. There is excellent logic and knowledge contained in many models, but in order to have the largest impact they must be evaluated and applied in context of individual countries’ obstacles.
The Realities of Development Organizations

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A major takeaway from our studies in Bangladesh was that, while all development organizations are accomplishing something, few fully tackle every issue they set out to fix. The second, and perhaps more important, lesson I learned was that it’s ok, and doesn’t mean there is anything wrong with the program.

I noticed more and more over our stay that there was a disconnect between the marketing of development programs and their actual accomplishments; Grameen Bank was well aware of the fact that many of their loans did not go towards job creation, despite their claims otherwise; some borrowers used their loans for consumption, while others used them to repay other loans or to support an old business. The Yunus Center knew that the social enterprises they supported weren’t truly focused on being environmentally sustainable, despite that being a prominent tagline of their presentations. Both BRAC and Grameen put emphasis on how their loans empowered women to make their own businesses independently, when in reality many women we talked to played a smaller role in their businesses than their husbands did.

Many of these projects weren’t living up to their promotional pamphlets, but they weren’t bad programs. From the outside, it was easy to pick out program shortcomings, such as women not having control of the loans they take out. Upon noticing these discrepancies, my knee-jerk reaction was to blame the institutions. Along with others in the class, I suspected that these organizations were simply not doing enough to address the issues we saw. The more we delved into the realities of implementing these programs on the ground — logistical issues, cultural norms, and financial constraints — the more I began to realize that many of these problems couldn’t feasibly be solved by development organizations alone, no matter how well-run. A micro-lending institution cannot walk into a borrower’s shop and force a woman to take control of the business from her husband. In fact, from our conversations with the borrowers, many of these women didn’t want to take full responsibility for their business, both because of time constraints and a lack of confidence in handling finances. Addressing this issue would require widespread cultural changes in the role of women in a household’s finances before anything could be done. Some of these issues had less to do with cultural norms and more to do with budgetary issues. Social businesses like Grameen Danone struggled just to become self-sustaining, and lacked the resources to be completely en-
vironmentally friendly. This didn’t negate the good they did, like creating vendor and factory jobs for villagers, as well educating our class on the intricacies of yogurt making, but it did make the environmental part of Yunus Center’s mission statement seem irrelevant.

I think the unsolvable nature of some of the problems we brought up led presenters to gloss over them. It would be easy to accuse the organizations of being dishonest, but I think their simplification of how their programs help was not only helpful for funding, but also truthful in their own way. Donors often lack the cultural understanding necessary to know what is and is not achievable for a development organization, as well as what counts as progress. Cultural norms are powerful forces, and they alter the way in which an organization must operate. Unfortunately, they are also very difficult to explain to outsiders. Had we not spoken to borrowers themselves, I personally wouldn’t have believed a BRAC official if they told me that their borrowers rarely ask for or want their loans to be protected from their husbands. I also wouldn’t have understood that simply being involved in household financial decisions counts as progress for women in Bangladesh. Because of this lack of cultural understanding, I would not have been able to fully appreciate BRAC’s loan program had its true implementation been described to me. If it were described to me instead as an organization helping women starting their own independent businesses, I would have a better sense of BRAC’s positive effect. While foreign aid providers want to do what is best for a receiving country, they also have to follow the specifications of what the foreign government sees as important goals. We saw this with USAID, where 95% of their funds were earmarked by people who had never even been to Bangladesh. For programs to attain this funding, they have to make their program goals palatable to foreign investors, even when that means stretching the truth.

To end this, I’ll give some advice to future Bangladesh OCS participants: It’s easy to find flaws in a program, but a lot harder to find solutions to those flaws. Keep in mind that the PowerPoint you see are probably geared towards investors, so just because a problem is glossed over doesn’t mean they haven’t noticed the problem or are actively denying it. Most of all, have fun, take lots of pictures, and learn to love the van.
Non-governmental organizations (NGOs) are often held to a high standard. We think of them as glowing non-profits driven by the selflessness of their employees and donors. They tackle some of the most difficult issues of our time in order to benefit the lives of others. With these high standards in mind, we were quick to notice any imperfections when we visited various NGOs in Bangladesh. So, it begs the question: how “perfect” should NGOs be? What standard should we be holding them to? The reality is, many of the services these NGOs provide do contribute good to Bangladesh. So maybe perfection is not that standard.

As students researching these NGOs, one of the most annoying parts about visiting them — especially in the field — was that their employees would try to skew our view of what they were doing, or be downright rude to their clientele. When interviewing the people these NGOs serve, it was not uncommon for employees of the NGOs to butt in and “correct” the interviewee. Often times this came directly as a result of the interviewees critiquing the work of the NGO. This not only impeded our research, but also tarnished our views of the NGOs. Their actions made it seem like they had something to hide from us. Furthermore, the fact that it was almost always male NGO employees interrupting almost exclusively female interviewees contribute to many of us being concerned about the NGOs’ commitment to gender equity. At a health clinic, Smiling Sun, there was a particularly awkward moment in which the male NGO employee brought us into a room with a woman in labor and proceeded to repeatedly call her poor and make a show of her. This rude and somewhat misogynistic behavior was not uncommon among the employees of the NGOs.

Each NGO also had its unique quirks that gave us pause. In the case of the Yunus Center it was the cult of personality that Muhammad Yunus had developed within the organization. While it is true that Yunus deserves much of the praise he has received, it was also a bit uncomfortable to walk around a building covered in pictures of him. More importantly, there are tangible practical issues to having an organization based on one man. First, we are highly concerned what will happen when he passes. The assumption is that the Yunus Center’s executive director, Lamiya Morshed, would take over fully. While she would be extremely competent based on our conversation with her, it is unclear whether or not the Yunus Center would be able to maintain its donor base and reputa-
tion without its public face. Furthermore, all of the Yunus Centers’ activities seemed to revolve around Yunus’ own ideology. This led to them appearing too stubborn to change some of their practices. For example, empirical evidence cited in David Roodman’s Due Diligence: An Impertinent Inquiry Into Microfinance shows both that borrowers often lie about the purposes of their loans and that there is not difference in rates of repayment for those that use microloans for consumption and those that use them for entrepreneurship. However, Yunus is adamant that promoting entrepreneurship is the best way to achieve development, so Grameen Bank (the microfinance institution associated with the Yunus Center) still only gives out loans for the purpose of entrepreneurship. Yunus was also adamant in his support for Grameen Danone, a social business with a noble cause (giving nutrients to children), but seemed unable to grasp that Grameen Danone had failed the market test.

We also had concerns with BRAC’s model. BRAC has been described by The Economist as “one of the most businesslike [NGOs in the world].” That rang particularly true in our experience with BRAC, and it didn’t always seem like a good thing. Their Bangladeshi headquarters take up an entire skyscraper, their offices are nice, and their in-house restaurant which featured one of the most expensive meals of the trip. It wasn’t just the aesthetics of their headquarters that read more as “business” than “NGO.” BRAC also runs the retail chain Aarong and the dairy produce Aarong Dairy, among other ventures. These ventures essentially function as profit-maximizing businesses. They treat their workers similarly to how any other company would treat their workers in Bangladesh (this was especially disappointing when we realized that garment workers for Aarong were exposed to chemicals that might have made them sick). They also targeted their products at the middle-upper class of Bangladesh, rather than the poor they claim to serve. Between the fancy headquarters and the profit-maximizing businesses they ran, BRAC sometimes just felt like a business under the guise of being an NGO. This would be okay if BRAC was a business, but it is a problem when the organization receives funds from foreign governments and organizations such as the Bill and Melinda Gates Foundation.

However, for all of the faults of these NGOs, in discussions we always concluded that we would rather have them there than not. In the case of BRAC, we still had to laud them for running an extremely effective microfinance institution and impressive programs that target the ultra-poor, while being self-sustainable. Grameen Bank has been successful in offering financial services to those who otherwise might not receive them. Moreover, while it has yet to be seen how well Yunus’ social business model will work, it is undeniable that it is currently changing lives for some people (in the case of education and healthcare programs they assist). When we look at our poor experiences with some NGO employees, many of the experiences probably came down to cultural (and language) differences, atypical scenarios, and the fact that the employees had a vested interest in making themselves look good. The doctor from Smiling Sun was being, from our perspective, inappropriate, but he may have assumed that we expected to interact with patients (even those in labor), and we must consider that Bangladesh remains a classist society where his behavior in not uncommon. Furthermore, Smiling Sun’s actual work is incredible, when you consider that they are providing maternal and early-childhood healthcare that is both safe and often free. So, do these NGOs have areas where they can improve? Yes, but they are also vital to Bangladesh.
What The Textbook Can’t Tell You About Development: My Experiences in Bangladesh

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The numbers can be very overwhelming: millions living in poverty, billions who are illiterate, and disease running rampant across the world. Shear statistics evokes both action and inaction. How can the world ever solve its poverty problem? But at the same time, how can we not? When I signed up to take Development Economics, I wanted to learn what causes wealth disparities observed in the world—what drives the economy of one country to great heights while others flounder? How do economists look at the challenges of development and try to tackle them? As part of the class, I had the opportunity to go into the field and visit Bangladesh. It was in Bangladesh where I began to understand that solutions to observed inequities are more complicated than wealth redistribution or sending aid to charities and NGO’s. This essay highlights the challenges development economists face based on my own experiences in Bangladesh. First, governance—especially bad institutions or corruption—can hinder development. Second, social norms must be considered, and a focus on micro solutions may take more time but can yield better results. Finally, data collection is A LOT harder than one may think.

Bad governance, not surprisingly, leads to bad economic outcomes. The World Bank cites that eliminating bad governance and corruption is necessary to overcome world poverty (Indrawati). Simply, corruption and bad institutions limit what can be done to address poverty. Aid can be ineffective because it can end up in the hands of corrupt individuals. Or, as we observed during a meeting with the head of USAID, development money is also wasted on monitoring and “consultants” who will track aid-money performance measures. These costs are no small drop in the bucket either; in 2015 an international consulting firm Chemonics received a “$9.5 billion” contract from USAID (Orlina). Another problem with bad institutions is that local governments cannot do much to help solve poverty, as they are either corrupt and have no incentive to help people or do not have the taxing capability to generate revenue and help their poor. Foreign NGO’s and foreign government aid groups can try to help, but they face challenges such as not fully understanding the situation because they are outsiders, language barriers, cultural barriers, funding challenges, and red tape or “earmarks” that comes with accepting funds from donors or government entities.
Jeffrey Sachs advocates for a solution that involves writing a large check and spending our way out of poverty; but writing a large check that barely reaches the poor because of bad institutions will not go very far. Bangladesh is relatively well off when it comes to institutions and governance, but our group had many instances that reminded us that Bangladesh has a ways to go. During our Democracy International meeting with Bangladesh’s up and coming politicians, I had the opportunity to Facebook friend one of the individuals who belonged to the BNP. His first message to me sums up political corruption in Bangladesh: “It was great meeting with your group! I look forward to staying in touch, though, I may not respond for long periods of time. I am not dead, I am probably just in jail. The Awami League will throw me in jail sometimes.”

Social norms are also a huge hurdle to development. Bangladesh, when considering Muslim-majority countries, is a relatively liberal place. Women had jobs, were in government, and did not have to cover up in all situations; however there is still a long way to go. Microfinance organizations Grameen and BRAC would tout how women were not allowed to look men in the eyes when their organizations started and now hold political office. I hate to keep beating Sachs and others who advocate that money can solve poverty, but just throwing money at a problem is not going to fix it in the long term. It took decades to see progress in changing social norm in Bangladesh—and they still have a long way to go. To begin to make inroads at the poverty problems across the world, it takes very careful consideration of norms, balancing poverty alleviation with the current norms and the changing of those norms to norms that are more conducive to poverty alleviation. This is why dealing with poverty on a smaller scale—starting with a village, and slowly expanding, such as we saw with microfinance—is the best way to make progress. This process will be very frustrating, as it will take time to improve; but it will be worth it when solutions yield dividends over time.

Finally, the lesson that I became intimately aware of in Bangladesh, it is very hard to get accurate data. We were given the opportunity to go into the field and be development economists. During the Development Economics class, lessons such as the Kuznets curve are laughable at times. How could someone use crappy data and win a Nobel Prize? But, when doing microeconomic research, and trying to get good information on how someone actually uses a microloan, for example, can be tough. First, there is a language barrier. Even with a translator, the linguistics of the two languages may not match up well, so a question can be hard to translate or misinterpreted during translation. Next, there is the fact that the villagers or individuals being interviewed may be biased by other members in a group (if you are interviewing with a group), biased by pressure from the organization that sets up an interview (individuals may be told ahead of time that a group is coming and that they should answer questions a certain way), or know that it is in their best interest to answer a question a certain way (whether that be because they don’t want to disclose certain information or because they believe that the interviewer may want to hear a certain answer). Because of these challenges, testing theory or using economics as a tool to solve poverty can be very tricky. Gaining experience in the field and learning how to ask questions is important. When reading the textbook or looking at journal articles as students, we don’t often realize the amount of work put into collecting data. Running a regression is not really that hard to do, but getting a workable data set can be a nightmare—especially in development economics.

Government, norms, and data collection are the challenges. As I stated in the beginning, the numbers on poverty may seem insurmountable. But, I also saw how numerous individuals were working hard to make life better for the poor; and the numbers show that billions of lives are being impacted by development work. If we continue to find ways to take on these challenges, and keep putting in the necessary work, I am confident that we will reap more dividends in the future. Being aware of these challenges is the first step to us overcoming them.
Bangladesh is Not Brazil

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Last December I went to an academic program in Bangladesh about Microeconomics of Development. Even though I had already taken a course on that topic, witnessing in person the works of development organizations and talking to their beneficiaries changed the some of my beliefs. In this post, I will describe some of my beliefs that changed after the trip.

The first thing I realized when I got to Bangladesh is that it was not Brazil! Being raised in Brazil, my idea of what it means to be a developing country was very narrow. I just assumed that all developing countries would be alike. Some of the differences are visible to anyone who visits the country. For instance, while I was used to seeing women walking around by themselves and wearing shorts. However, in Bangladesh it is much rarer to find women walking alone and exposing their body. This observation may seem silly, but it is a result of a deeply rooted understanding of the role of women in society. This belief actually has a big impact on how policies and programs work, as I will share later in this post.

Some differences between Brazil and Bangladesh, like their political situation, are harder to see and require some research. For instance, talking to political leaders of the opposition, I learned that their public demonstrations and campaigning are often violently shut down by the police. Furthermore, the USAID director in Bangladesh explained that it is risky to vocalize support for LGBT rights. One of the most famous LGBT activists was murdered by ISIS supporters a couple of years ago. Therefore, I realized that freedom of speech is under serious threat in Bangladesh. While Brazil still faces many social issues involving concentration of media ownership and LGBT rights, its situation is nowhere near Bangladesh's. This example made me realize that, because developing countries are so different, a policy that works in one developing country does not necessarily work in all other developing countries.

One other lesson that I got from the trip is that people will often sell idealized versions of the projects they run. For instance, the fact that the vast majority of microcredit borrowers are women is widely advertised. When a student in Econ 240 reads such statistic, they may assume that women freely spend that money on their own projects. However, when talking to villagers, the most common answer to the question “how do you spend your money?”
was “I hand it over to my husband.” The misinformation to students and the Western society, in general, happens because people running microfinance institutions can be more focused on selling their business or idea than on being honest. So my advice to any 240 students is to be skeptical of programs that sound too good to be true.

In sum, the trip to Bangladesh taught me that reality there is not only different from what I was used to back home, but also different from what I read in the books. If I had to give an advice to students who are taking 240 but not going to Bangladesh, I would tell them two things. First, try not to think like a Carleton student. When studying developing countries, you have to think like people from those countries. Study different cultural norms and political systems, and think how they may shape incentives and impact policies and social projects. Second, keep in mind that you are a Carleton student. Therefore, you will not understand on a very deep level what is going on in a different part of the world. And that’s fine! Just don’t be stuck up about what you think you know.
The Morality of Development

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Prior to our trip to Bangladesh, the pros and cons of economic development seemed rather predictable. The government, or an organization, in Bangladesh would promote an idea, which would in turn help the economic and social well being of the country. The micro loans from Grameen and Brac seemed like a perfect, and positive, way to aid development. Women in low-income families received the loan so that they could start some income generating service that not only helped their family, but also helped empower them. The downside to loans was that people defaulted on the loans and that could then deter development. But other than defaulting, micro loans had taken off in Bangladesh and were advancing development with no real consequences.

However, my view of economic development changed when I saw micro loans in action in Bangladesh. Through all the people we met and talked to in Bangladesh, I was able to collect a very complete view of the strengths, and weaknesses, of loans. Before jumping into the weaknesses of development, there are strengths to micro loans that foster development. While I previously thought that defaulting on loans would be a problem for individuals, executives at Grameen and Brac told us that very few, if any, women default on their loans. Women need and want these loans and they will try as hard as they can to not default, including getting money from friends and family. Since the problem of defaulting was out of the way, micro loans had the potential to be a perfect idea for economic development. The loans do provide low-income families with a means of income that they would not have had otherwise. They allow families to not only stop living from meal to meal, but also to create a steady income that can then turn into savings and help boost the family out of poverty. And, by helping the individual families in poverty, the economy as a whole is developing.

Unfortunately, along with the positive aspects of loans, there were also troubling things that I learned. The first is that these loans are meant for women, but once the women receives the loan she gives the money directly to her husband who then spends the money to generate income. Second, Brac executives claimed that the loans increased domestic violence in households because the husbands do not understand the value of the loans and do not like the fact that their wives have more power. These deeply concerning consequences of micro loans cannot be ignored.

I understand that the culture of Bangladesh is very different from that of the US and the is-
sue of domestic violence and female suppression are much more prevalent and commonplace in Bangladesh. Further, these loans are not meant to change the cultural norms of Bangladesh; however, even if they do not change the cultural norms, they are knowingly contributing to the systemic culture of high rates of domestic violence and gender inequality. Lenders are knowingly sending women into an unsafe situation because of the money that the lenders are giving out. If the lenders are well aware of the consequences of these loans, is it ethical and morally right to keep distributing these loans?

From my perspective, this is morally and ethically wrong. Promoting domestic violence, even unintentionally, violates the definition of development, which is to improve human well-being. Personally, I believe it is unethical to promote economic development at the expense of women. Unfortunately, I do not have a solution to this and I understand that there is no easy solution. However, this morality issue of micro loans needs to be brought into question. Is it moral and ethical to forgo the safety of women to help a lower-middle-income country develop? In addition, these loans are not empowering these women, even without the domestic violence, women are not independent and free, they are still very much controlled and suppressed by their husbands. These loans just propagate the already misogynistic system.

Again, there is no easy solution, or possibly no solution at all. But I think it is important to recognize that economic development is not always good, it does not always have the best interest of everyone at heart, and it does not always promote social well-being for all. It is not as straightforward as it seems; there are moral and ethical dilemmas with development that need to be recognized and addressed in order to fully understand economic development.
Women’s Issue and Development: A long way to go

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Out of all our experiences in Bangladesh, the time we spent with women in rural villages stands out the most to me. I particularly loved to see how eager women were to share their stories with us. While we only met women from a few villages, more than 70 million females live in Bangladesh. For economists, it’s obvious that strategies to increase development need to target women, as they are underprivileged and under-represented in almost all sectors of life in Bangladesh. Before leaving for Bangladesh, I thought I understood enough about gender disparities in the country. However, after spending two weeks there, I realized how much I had to learn.

My time in Bangladesh gave me so much insight into the depth and severity of the issues that women face every single day. While I am grateful for the experience to see this reality, I feel much more frustrated and discouraged about the field of development economics than I was before this experience. It is absolutely critical to continue to push women forward as the primary aspect of economic development, but it seems increasingly difficult to effectively do that in today’s world. Most NGOs and programs focused on development in Bangladesh target women. The Yunus Centre told us that more than 97% of their borrowers are female, a statistic I found remarkable in September. But spending time in Bangladesh made me realize that development working towards gender equity is much slower and much more difficult than it appears on paper.

Based on my experience interviewing borrowers, most women take the loan and give the money directly to their husbands. While I understand that small steps need to be taken towards reaching gender equity, I can’t help but feel that the Yunus Centre and BRAC are grossly exaggerating the impact they have on women. An overwhelming majority of the women I spoke with did not have any more power in household financial decisions after taking the loan. From BRAC, we also learned that some women suffer increased domestic violence because of these loans, which should lead us to ask if these loans are even ethical.

I’m not claiming that microfinance institutions who target women as borrowers are useless in terms of development. However, I believe the Yunus Centre and BRAC overstate their positive impacts on women, which can cause misconceptions. These organizations don’t empower women in the way I thought they did. They empower women to a certain degree, by providing
them with a community of women and some financial responsibility, but they are also putting them at risk for increased domestic abuse and push back from their husbands. Only when you interact with these women in can you understand this reality, which makes it difficult for foreign development workers to understand and work with women in Bangladesh.

This inherent inequality between males and females is embedded in the NGOs that strive to empower women. Both BRAC and the Yunus Centre are led by males, as is Grameen Danone, the Eye Care Hospital, and the Smiling Sun Centre. I am frustrated by this apparent male domination in Bangladesh, yet this is also a large issue in developed countries, so it is difficult to believe that development can ameliorate the situation of women in Bangladesh anytime soon.

The difficulties of women’s issues are only heightened by the fact that it is often socially unacceptable for men to bring up specific women’s issues. Sanitary hygiene products and birth control are both important aspects of women’s development in Bangladesh; however, it is not culturally appropriate for men to discuss these things. Since men typically lead NGOs and development programs in Bangladesh, it is easy for these issues to go unaddressed or mishandled. For example, when we visited the Smiling Sun Centre, we learned about the red flags they provide to pregnant women to place above their homes. This “flagship” solution to prenatal health is not something women are comfortable with, so it is ineffective. Also, men design these programs and typically are not willing to give women full-fledged freedom. BRAC’s loans, given primarily to women, require the signature of a husband or a male family member. While these loans help women tiptoe towards gender equity, they don’t really give them any independence. Until more women can be promoted to leadership positions, it will be difficult for Bangladesh to achieve effective solutions to women’s issues.
Learning about development in Bangladesh

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“Who goes to Bangladesh to study Economics?!” asked the officer stationed at the terminal 4 U.S customs desk at J.F.K airport.

“We visited several development agencies, to better understand what kind of work they do, and how they go about doing it.”

“But you said you’re studying economics.”

“Yeah, economics from a development perspective.”

“Are there big banks over there?”

“Yes, they give small loans to people, to help them start their business. One of the goals of this trip was to understand how they operate, and analyze the effectiveness of their policies.”

“So you spent the last two weeks giving policy advice to banks in Bangladesh.”

“um..., yeah, something like that.”

It was two a.m, my 15 hour flight from Dubai had arrived two hours late, my next flight was leaving in 20 minutes, and I still had to get my boarding pass and go through security, so I didn’t bother to correct him on what exactly I had been doing in Bangladesh for the past two weeks. He was puzzled at first, but when he heard the words, “Economics”, “bank”, and “loans”, he quickly lost interest, and let me through.

So, what do you learn from observing development work in Bangladesh, that you don’t learn just from studying it in the U.S?

1.) You learn what makes a person relatively poor, versus ultra poor, in a developing country.

In the west, a typical poor person would be someone working for minimum wage, in the service industries or manufacturing. In Bangladesh these people with formal jobs tend to be better off, and not the main group development agencies are targeting. Typically the poor are those working in the informal sector, by running really small business, or doing odd jobs. Anyone who is earning more than $2 is technically not ultra poor, but it’s hard to distinguish the difference of quality of life at these lower wages. The quality of life for agricultural workers in the rural sector, are comparable to low wage workers, however, owning land makes someone poor instead of ultra poor. Eradicating poverty at the ultra poor level is the stated goal of many development agencies, however, their services tend to best work for those who are operating above this level.

2.) The role the people play in their own development is much greater than their government.

Development agencies in Bangladesh operate
by having workers regularly visit their clients in community meetings when providing their services. This community based approach gives the people a role and control over their own development, and therefore the development of Bangladesh. These development agencies can only continue to operate as long they maintain a good reputation, forcing them to be more transparent, and responsive to the people’s needs, than a similar program run by the government would be. Attitude plays a great role in success or failure. People here are not disillusioned by their current circumstances, but have a defiant spirit to succeed, and are willing to hustle in any and every way they can to improve their circumstances. They are not waiting for a government program to give them jobs, but taking control of their own fate, by taking loans and starting a business. Development workers also display a sincere passion and enthusiasm for their work, whether that is teaching English, running a social business, or working at large understaffed hospital. The only thing government is really bringing to the table is money. Government officials who are responsible for development, tend to have gotten their position due to cronyism. Lucky they tend to surround themselves with qualified advisers, so the less decision they have to make, the better.

3.) When a development agency sets out to solve a problem, the initial form of the program it creates will probably be designed to show quick improvements, and might not doing everything as it advertises.

When analyzing the pros and cons of the work an agency is doing, a main criticism that tends to come up a lot is that it’s not effectively doing something it claims it does. This comes when you realize that social enterprise tend not to target the ultra-poor, or banks give loans exclusively to women to empower them, however, they also face a higher social stigma if they default. The idea of a social business is to create a product that solves some problem, and charge wealthier people in the city a higher price to offset the cost, however, if the product is not something people in that culture consume, it doesn’t sell well. This hinders the scalability of that business, making unable to sell enough of that product to solve the problem it was designed to solve. In the end, however, these agencies are helping a lot of people who continue to voluntarily seek out their help. The consensus that is usually reached by critics, however, is that the people of Bangladesh are better off with having these development agencies.

4.) Doing development work in a foreign developing countries is hard, but rewarding. You’ll have to give up the comforts of living in a western country.

Being on the ground, interacting with locals, gathering data, and creating your own programs and policies, however, in the end seems much more interesting than sitting in a room on the other side of the world and reading about it. The rules tend to be more relaxed, so while that means you might get sick from the water, or get hit by the crazy traffic, it also means that if you have the credential and right connections, you have a lot more autonomy to do the kind of work you believe in. If you do choose to pursue development work, you should definitely do your research in what you living condition can turn out to be in the worst case. Finding yourself sick and cramped in a hot place, with insects continually biting you, will erode the strongest will to continue this line of work. If discomfort doesn’t faze you, then you’ll find working in an interesting environment with passionate people doing meaningful work, and Bangladesh is a perfect place to do your work in the fascinating field of development economics. If I had to choose between studying development in the U.S, v.s doing development work in Bangladesh, based on this trip I would always choose the latter.
“DING!” The shrill shriek of a bell pierces through the musty air of a conference room; a servant walks in balancing a tray flush with oranges – a welcome sight for a ravenous group of Carleton students. The person wielding the bell (whose name will remain anonymous) was the chief official of the Bangladeshi government’s fight against tuberculosis, which affects around 4% of children in Bangladesh. Sadly, her graciousness as a host did little to mask her inexperience as a bureaucrat: she provided little insight and often contradicted herself, relying on the man hovering to her left for oft-incorrect facts and statistics on the issue. In a nutshell, the enigmatic government lady sums up the challenges associated with development work.

Going to Bangladesh has greatly changed my outlook on development. Specifically, my experiences have made me cognisant of the need for an individualized approach to development, the consequences of poor governance, the ability for even the most-intentioned policies to go awry, and the importance of celebrating modest gains rather than look for a cure-all solution.

Jeffrey Sachs champions the idea of “clinical economics,” or examining countries on a case-by-case basis. While I take issue with many of Sachs’ claims, I can get behind this one. BRAC, a Bangladeshi NGO, has expanded its microcredit operation to eleven countries across Asia and Africa, where they’ve had very different experiences. In Bangladesh, loans given to women often end up in the hands of their husband, however, according to the director of BRAC’s microfinance division they see little evidence of this in Tanzania. And while the BRAC/Grameen approach of sending officials to weekly collection meetings suffices in densely populated Bangladesh, a different tactic is necessary to reach the rural poor in sub-Saharan Africa. We have to be careful when trusting development models, as they almost certainly need to be tweaked to the country of interest.

“DING!” The bell rings again. This time the servant enters with biscuits. We direct our questions to her numbers-guy, as government lady needs to eat her snack. The state of governance in a country changes everything: it can make or break your development effort. In Bangladesh we saw much of the latter. Be it our bell-ringing friend at the TB office, or the corrupt members of the ruling Awami League who forced Prof. Yunus out of the Grameen bank, it is very difficult to get good policy through in a poor environment. Daron Acemoglu and James Robinson argue that economic outcomes are dependent on
the “de facto political power,” which is possessed by groups as a result of their wealth, weapons, etc. They observe a pattern of ‘captured democracy,’ whereby democratic institutions may survive but end up creating economic institutions in line with the interests of the elite, not the poor. Acemoglu and Robinson’s predictions are in line with what I observed in Bangladesh – it is very difficult to spark serious development without good governance.

Even with full government support (not the case in Bangladesh), the nature of development economics makes it such that well-intentioned policies often fail. In Bangladesh, the chief culprit is conservative and binding social norms. One of the main goals of microfinance is to empower women, who are highly marginalized in Bangladesh. However, BRAC requires women to bring their husbands when signing their loan agreement. This is highly problematic as it does little to change the power dynamic, and sure enough we observed that the majority of loans were promptly given to the husband for use in their business. Many of the women we interviewed responded that they have little desire to start a business, as they are plenty busy as a housewife. Clearly this is not the intended result. But what’s the alternative? If BRAC were to remove this rule, they would likely be forced out of the village. This is also undesirable – microcredit appears to have made real improvements to the standard of living in rural Bangladesh, and would be sorely missed. Then what? Perhaps the current model of giving women primary ownership of the loan will gradually cause men to recognize the importance of women in the labour market. Or maybe the government will have to aggressively preach this idea over the airwaves, as they previously did with regard to family planning. Regardless, microfinance won’t achieve its intended goal until men start accepting women, and a change in social norms won’t happen overnight. The moral of the story here is that development is far more complicated than one might think, and every policy has its highs and its lows.

“DING!” The bell tolls one last time. Tea is served. The meeting comes to a close and we leave exasperated and exhausted. Poverty is far from over, yet in villages all across Bangladesh families have access to credit, running water, electricity, schools, and are no longer at risk of starvation. Yunus started Grameen Bank as a research project by giving a mere $27 USD to 42 families. Grameen Bank now covers close to 9 million families in villages across Bangladesh, and boasts a 99.6% repayment rate. We still have a ways to go, but rather than expect an instant cure to appear, if we focus on changes on the margin, real improvements can occur.
Lessons Learned in Bangladesh

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Another important lesson that I learned was that economic indicators have their limitations. When we had the opportunity to talk with the villagers, we would ask them questions such as their household income or the amount that they borrowed. Sometimes the answers to these questions seemed inaccurate, and this was later confirmed by talking with their employer or loan lender. Economic indicators are constructed in the same fashion, with people traveling to villages and taking surveys of each household. I also learned that the prices in rural areas are cheaper than prices in urban areas in Bangladesh. This is important to keep in mind when looking and comparing economic indicators in different countries.

Having the firsthand experience of traveling to Dhaka gave me a better understanding the informal sector in cities. When we were learning about the Harris-Todaro model, I didn’t have a complete understanding of the jobs that were being performed in the informal sector. Examples of these jobs including driving a CNG, pulling a rickshaw, and selling food or drinks on the street. Street vendors even sell food to people in cars while they are stuck in traffic in Dhaka. We also saw drivers get out of their cars to buy food while stuck in traffic.

Meeting with the two main microfinance institutions, BRAC and Grameen, gave me a new viewpoint on the efficient model of credit. The model we learned in class had a fixed loan size in each of the periods. After talking with the microfinance institutions, we learned that the microfinance institutions increase the loan size after each loan is successfully paid back. Also, in some of the circumstances, people can receive another loan even if they default on one of their
loans. This is unlike the economic model, as we assumed that if a person defaulted on their loan they would not be able to receive another one in any period.

When we were learning about development in the classroom, I assumed that many of these programs were trying to target the most poor and the most vulnerable people in society. We learned in Bangladesh that most of the programs are actually targeting the poor or lower middle class. This is because it is very hard to specifically target and come up with programs for the ultra-poor. Many of these programs do target women and children, specifically with microloans for women and health and education for children.

Before traveling to Bangladesh, I had thought that development was a slow process. After meeting with the villagers, I saw that it could take only one generation to go from poor to middle class with the correct programs. It has only taken about forty years for Bangladesh to start to emerge as a middle income country. All of the lessons learned on this trip could not have been learned in a classroom and I am glad to have had this experience. It was reassuring to see how many lives could be impacted by these development programs. Seeing all of the villagers we met excited to talk to us about how the programs have impacted them positively encouraged me to consider working in development economics in the future.
When I arrived in Bangladesh I was very excited to be abroad and have the chance to observe the country’s development projects first hand. Prior to this trip, everyone in our group choose a book to read that related to economic development. I’d heard the term microfinance used a lot but didn’t really know what it meant, so I choose to learn more about the microfinance movement.

I read David Roodman’s Due Diligence: An Impertinent Inquiry Into Microfinance. Roodman’s main argument is that microfinance provides useful services to the poor, but those services, particularly microcredit, don’t live up to the hype that microfinance will end poverty. In fact, Roodman cites several randomized control trials that found that microcredit had no significant effect on alleviating poverty. Instead, Roodman sides with the conventional view that creating industries and fostering development are the keys to ending poverty.

During the trip, we visited the two largest microfinance institutions, BRAC and Grameen. Having read Due Diligence beforehand, I came into our tours with a healthy dose of cynicism about microfinance as a panacea for poverty. When the development workers at both of these institutions professed how amazing microfinance was, I took their claims with a grain of salt.

As part of these visits, we got the chance to talk to the borrowers themselves, who were all women. I was pleased to learn that many of them said that they were very happy with their loans, but I also made sure to ask them if they had any difficulty with repayment. While none of the women I talked to were experiencing financial trouble, some of the Grameen borrowers I spoke with told me they knew women in the village who had sold the roofing on their house in order to repay their loan. This fact was particularly interesting because we also got to meet with the leader of Grameen’s microfinance operation. She told us under no uncertain terms that it is Grameen’s policy to forgive such loans, rather than force the borrowers to sell their roofing or even their house itself. For me, this disconnect between Grameen management’s values and what was actually happening in the rural villages illustrates how challenging it is to run a large non-profit in a developing country like Bangladesh. That the ideals and plans of even very successful organizations like Grameen can be muddled when they’re actually implemented on a massive scale.

When we visited BRAC, I was very intrigued by their business model. In essence, BRAC runs
a multitude of for profit enterprises and then gives their profits to other segments of their institution that operate at net losses. For example, BRAC runs Aarong, a boutique business that employs poor Bangladeshis to make high quality handmade goods that sell for significant profit in the country’s urban areas. The returns from this business are then given to operations like BRAC’s Targeting the Ultra Poor program (TUP), which gives asset transfers to help people start small businesses and exit extreme poverty. BRAC’s model really helped convince me of the benefits of microfinance. Though BRAC made it clear that many of their loans are issued to individuals above the poverty line, their microfinance program is still indirectly reducing poverty by subsidizing programs like TUP.

Overall, my trip to Bangladesh shaped my rather critical, Roodman influenced view of microfinance into the belief that microfinance is definitely a good movement overall and really benefits a lot of people. Though I saw firsthand how even organizations like Grameen struggle with the challenges of properly managing millions of rural borrowers from their Dhaka headquarters, my talks with the borrowers themselves along with seeing BRAC’s incredibly well run organization helped convince me of microfinance’s power.
Lessons in Bangladesh

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“Really, that’s very different from what we learned in class” is the thought that kept popping up in my head during the two-week experience in Bangladesh. Almost everything in the real world is partially, if not completely, different from what I thought it should be. This trip is very worthwhile. If you only take the class but do not go on the trip, you definitely miss out an eye-opening adventure. However, do not be so sad or jealous. Here are some of my experiences that will help you get a better picture of what development economics looks like in the real world.

There is more to development economics than just economics

After finishing the final exam in the class, you might think that you have already mastered all the concepts and models in this field. However, you are wrong. There are many more aspects that you should learn. One striking example is Tuberculosis, a disease that I have a very vague knowledge about. Apparently, this illness is very prevalent among poor Bangladeshi people. It is contagious and severely affects a wide range of people who do not have knowledge about preventive methods and proper treatments. An organization called Challenge TB tackles this problem in many ways. We spent almost an entire day listening to their lectures and visiting hospitals to get a feel for how dangerous this disease is. After the visit, I thought to myself that if we want to help poor people out of poverty, we need to understand every aspect of their lives, not just only the economics side of it.

Getting valuable information is harder than getting an A

In Bangladesh, we got quite a few golden opportunities to talk with the villagers who receive microfinance from Grameen Bank or work in a factory of BRAC. One difficulty that arose right away is language barrier. Without the help from our lovely translators, we would never be able to get any information to begin with. Another more subtle burden is the managers who are in charge of these programs. Their presence puts a lot of pressure on villagers, making them afraid to speak the truth. Moreover, when villagers were asked questions, they seemed to be more honest with our female friends than the male ones—the gender matters too. These hurdles made me realize that it is not easy at all for an economist to go on a field trip and get some useful data out of it.

A development economist has to be strong and patient

This trip made me think that not everyone can
become a development economist. A smart brain might help you in the classroom, but patience will help you in the field. In Bangladesh, traffic is always unpredictable. The distance of 50 meters might take you more than 50 minutes in the van. Moreover, your stomach has to be strong because you will never get a meal on time. On average, we had lunch around 2 to 3 p.m. If it happened to be earlier, that day was a good day. These examples are just a preview of what working in developing countries looks like. You might be smart and hardworking in the classroom, but you need more than that if you want to become a development economist who works with the real people.

**Culture is a sensitive issue**

We barely, if at all, talked in class about how culture can affect the way people behave. This trip, however, highlights the fact that an economist should consider different cultural norms and traditions as well as the economic models. As an illustration, there is a reality that we can only give microfinance to Bangladeshi women who have at least one prominent male figure in the family. The reason is that in the past females in Bangladesh were normally shy to make an eye contact with a male in their first meeting. When the working officers, who are mostly male, go to the villages, they need a male person to talk to first. Although the theory says that we should give loans to mostly women, we cannot practically implement that because of this cultural issue.

**Bonding is the best part of the trip**

Because we spent a significant amount of time in the van, many things happened during that time. We had some deep conversations, shared music playlists, laughed together, and became more intimate friends. Outside the van, we had an exercise period where everyone walked up and down the stairs together. We checked in and took care of each other when someone was sick. For me, these interactions made the trip rewarding and unforgettable because I would not be able to have these wonderful memories if I had only stayed in the classroom.