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The Opinion Pages | OP-ED COLUMNIST

The Power of Hope Is Real

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An awkward truth for bleeding hearts like myself is that there has never been much rigorous evidence that outside aid can sustainably lift people out of poverty.

Sure, evidence is overwhelming that aid can overcome disease, boost literacy and save lives. But raising incomes is trickier — and the evidence in that arena has been squishier.

Now that's changing. A vast randomized trial — the gold standard of evidence — involving 21,000 people in six countries suggests that a particular aid package called the graduation program (because it aims to graduate people from poverty) gives very poor families a significant boost that continues after the program ends. Indeed, it's an investment. In India, the economic return was a remarkable 433 percent.

The heart of this aid package? A cow. Or a few goats. Even bees.

Why would a cow have such an impact? This gets interesting: There's some indication that one mechanism is hope. Whether in America or India, families that are stressed and impoverished — trapped in cycles of poverty — can feel a hopelessness that becomes self-fulfilling. Give people reason to hope that they can achieve a better life, and that, too, can be self-fulfilling.

In the graduation program, recipients of livestock were inspired to work more hours, even in areas unrelated to the livestock. They took more odd jobs. Their savings rose. Their mental health improved.

“Poverty is not just poverty of money or income,” noted Sir Fazle Abed, founder of a Bangladeshi aid group called BRAC that developed the graduation program. “We also see a poverty of self-esteem, hope, opportunity and freedom. People trapped in a cycle of destitution often don’t realize their lives can be changed for the better through their own activities. Once they understand that, it’s like a light gets turned on.”

Esther Duflo, an economist at the Massachusetts Institute of Technology and a co-author of the study, believes that’s right. “The mental health part is absolutely critical,” she said. “Poverty causes stress and depression and lack of hope, and stress and depression and lack of hope, in turn, cause poverty.”

Could hopelessness and stress create a “poverty trap” — abroad or here in the U.S. — in which people surrender to a kind of whirlpool of despair? Some economists and psychologists are finding evidence to support that theory, and experiments are underway to see if raising spirits can lift economic outcomes.

One study found that Ethiopians randomly assigned to watch an hourlong inspirational video ended up saving more and spending more on their children’s education, compared with participants randomly assigned to watch an hour of comedy television. The forward-leaning behaviors persisted in a six-month follow-up.

Researchers are now studying whether exposure to religion might have a similar effect, improving economic outcomes. If so, Marx had the wrong drug in mind: religion would not be an opiate of the masses but an amphetamine.

The graduation program is a bit similar to the model of the well-known group Heifer International, which I’ve written about before and provides “gifts of hope” such as heifers, goats and chickens to impoverished families. “There was a lot of excitement — with just a hint of smugness! — at Heifer at the published results,” said Pierre Ferrari, the president of Heifer. But the graduation model includes a couple of other elements.

The graduation program starts with a cow or other animals, as well as training on how to raise them. It includes months of food or cash support, partly to reduce the need to eat or sell the animal in a financial crisis. There’s a savings account (microlending has disappointed in randomized trials, but microsaving works very

well), health education and regular coaching to reinforce skills and build confidence.

The study, which was just published in the journal *Science*, found that the graduation model was enormously successful in India, Ethiopia, Ghana and Pakistan, and somewhat less effective in Peru and in Honduras (where some animals died). A follow-up found the effects still strong three years after the donation of the animals.

Dean Karlan, a Yale economist who is co-author of the study, said that aid groups focused on very similar approaches include Trickle Up, the Boma Project, Village Enterprise and Fonkoze. Professor Karlan's students in a seminar on philanthropy were given a pool of money from a foundation and the challenge to donate it where it would do the most good; they spent the term reviewing the evidence and, in the end, voted to donate it to Trickle Up.

So bleeding hearts, rejoice!

Much of the news about global poverty is depressing, but this is fabulous: a large-scale experiment showing, with rigorous evidence, what works to lift people out of the most extreme poverty. And it's exhilarating that one of the lessons may be so simple and human: the power of hope.

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