



# Rural poverty alleviation through NGO interventions in Bangladesh: how far is the achievement?

Rural poverty  
alleviation

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## Abstract

**Purpose** – This paper seeks to analyse the current poverty situation and poverty alleviation efforts of the NGOs in Bangladesh with emphasis on the impacts of two NGO programmes in two villages of Barisal district.

**Design/methodology/approach** – This research has employed both qualitative and quantitative approaches. The research has primarily used first-hand empirical data. In order to substantiate primary data, relevant secondary information has also been used. Data were collected through household survey by applying both open- and closed-ended questionnaires. With a view to analysing data, inferential as well as descriptive statistics have been applied.

**Findings** – The findings revealed that the economic condition of the poor in the study areas has not improved much when judged against some selected indicators, namely, income, food and non-food expenditure, productive and non-productive asset, food security, and employment creation. The Foster Greer Thorbecke index shows that the majority of the NGO beneficiaries remained below the poverty line in terms of income and the overwhelming majority of them remained below the underemployment line (less than 260 days of work in a year). The regression analysis shows that the income of the households is determined by landholding size, family labour, days suffered from morbidities and employment opportunity. The qualitative data on the perception of beneficiaries on the causes of poverty endorse this finding.

**Originality/value** – Controversies over the issue of widespread poverty in Bangladesh have been revolving among the government, NGOs and the donor agencies as well. NGOs have been claiming the entire success of the economic wellbeing made to the rural poor. However, this study has directly challenged their claims by casting an empirical lens on the impact of their interventions. This study has detected the paucities of the NGO interventions and gaps between their objectives and their achievement.

**Keywords** Bangladesh, Poverty, Rural regions, Government agencies

**Paper type** Research paper

## Introduction

The concept of poverty is divergent in terms of its dynamics, intricacies, and definitions. Varied indicators are required to deal effectively with different dimensions of poverty and well-being comes to the forefront as one of the common factors (Hye, 1996). Poverty, the inability to attain a minimal standard of living, refers to forms of economic, social and psychological deprivation occurring among people



lacking sufficient ownership, control over or access to resources to maintain or provide individual or collective minimum levels of living. Poverty, narrowly, is measured by the percentage of population having incomes below the minimum expenditure required for meeting the basic subsistence. Poverty has social and cultural ramifications of inadequate income having causal links with many other forms of deprivations.

A fundamental aspect of rural poverty in Bangladesh is unemployment and/or under-employment. Opportunities outside agriculture sector are extremely limited and increasing at a much slower pace than demand. The oversupply of labour results from rapid population growth. In 1991, the top 10 per cent of landowners owned 60 per cent of the land compared with 36 per cent in 1960. The bottom 60 per cent of landowners had only 1.0 per cent of the land (compared to 25 per cent in 1960). A substantial proportion (between 50 and 60 per cent) of rural households is, therefore, functionally landless. The BIDS' (1995) study indicates that landowners are also gaining disproportionate access to the benefits of non-crop activities in rural areas. Since, the poor are likely to be perpetually unemployed or under-employed, the labour force advantage of an extended family is minimized and there appears to be a trend towards smaller family units (Manji, 1999). Since, 1989, income from such activities as livestock and fisheries has been mainly obtained by the higher income categories. This is explained by their better access to capital, credit and education, all of which help in pursuing such business opportunities. The major area in which the poor show some relative gain is in trading, in which they have become increasingly active in recent years. BIDS attributes this improvement to the growth of governmental, private and NGO programmes which provide the poor to access to credit is for self-employment. Much of this credit is known to be used for small-scale trading activities.

Therefore, a large number of NGOs have been working in Bangladesh since the last three decades with the aim to alleviate poverty of the mass population of rural Bangladesh. The largest NGOs in Bangladesh have been able to cover only a fraction of population under its programmes. NGO like BRAC prefers slightly better off clients among the poorest 50 per cent who are the target population, as the less poor are more likely to pay off their loans on time than the less-well-endowed and assetless (Ahmed, 2000). It is estimated that the big NGOs reach only 10-20 per cent of the landless households (Zaman, 1996).

There are more than 20,000 NGOs have been operating in Bangladesh with two major aims of alleviating rural poverty and empowerment of the women. However, the incidence of poverty in Bangladesh is much higher compared to the East Asian countries and the South Asian neighbours. In addition, in 1985/1986, 54.7 per cent of the rural population lived below the poverty line. In 1989/1990, the rate reduced slightly to 47.8 per cent but after the lapse of seven years the situation remained almost unchanged, i.e. 47.1 per cent population lived below poverty line (Siddiqui, 2000; Hye, 1996; Lovell, 1996). At the same time the major NGOs claim greater success in reducing poverty from the rural areas. Therefore, questions generally might emerge what services do the NGOs provide and how much does it help in alleviating rural poverty? This paper answers these questions.

### **The dynamics of poverty in rural Bangladesh**

The population of Bangladesh in 2001 is 129.2 million, of whom 80 per cent live in rural areas. These areas are characterized by extremely unequal access to land, which is the

critical productive resource (BBS, 2001). As already mentioned, between 50 and 60 per cent of the rural population are functionally landless (i.e. they own too little land to support their households from it). The small class of substantial landowners has developed a broad range of roles in rural society, as land-leasers, moneylenders, merchants, legal authorities and village leaders (Siddiqui, 1996). They, therefore, have a substantial degree of control over rural areas and their population, which they exert for their own benefit in response to development initiatives from outside parties. Since, poverty is persistent in Bangladesh, the great majority of the poor are landless, and there is relatively few formal sector employment opportunities in rural areas, poverty alleviation strategies of NGOs have focused particularly on the possibilities for income generation (Edwards and Hulme, 1992). According to human poverty index ranking for developing countries Bangladesh ranks 67, 12th from the bottom among 78 developing countries (Human Development Report, 2002), while Human Development Index ranks 123 among 146 countries (Human Development Report, 2002). Very similar picture is reflected in the World Bank new system of measuring the real wealth of nations, Bangladesh ranking 12 from the bottom among 192 countries. The wealth endowment of the country is estimated at only 3.6 per cent of the global average with 79 per cent of the country's wealth being attributed to human resources.

As per the Cost of Basic Needs method, the level of rural absolute poverty was assessed at 71 per cent in 1973/1974. It declined to 53 per cent in 1991/1992. According to the Direct Calorie Intake method, the matched figure dropped from as high as 93 per cent in 1973/1974 to 46 per cent in 1995/1996 (BBS, 2001; World Bank, 1996). The proportion of underweight children dropped by only five percentage points during the first half of the 1990s. Infant mortality has gone down from 111 in 1981 to 77 in 1996; maternal mortality has also dropped *albeit* at a slow pace from 650 in 1986 to 440 in 1995. Compared to the levels prevailing in the early 1970s, both rural and urban poverty increased in the mid 1970s (possibly a reflection of the continued effects of the 1974 famine). In the early 1990s, the estimated poverty was higher than the level observed for 1985/1986 in both rural and urban areas. The head count measure of rural poverty had slightly gone down during the first half of the 1990s: from 53 per cent in 1991/1992 to 51 per cent in 1995/1996. Over the entire period between 1983/1984 and 1995/1996, the rural head count declined by only 2.7 percentage points. Relative consumption inequality has increased considerably in both rural and urban areas. The urban Gini index went up to 37 per cent in 1995/1996 from 32 per cent in 1991/1992. Similarly, the rural Gini index rose to 29 per cent from 26 per cent during the same period (Siddiqui, 2000; Huq, 1998).

### Measuring poverty

As regards to poverty measurement, the paper adopts operationally convenient definitions of poverty. For one individual, the depth of poverty is the proportion by which that individual is below the poverty line (it has a value of 0 for all individuals above the poverty line). The widely used method for estimating poverty is the head-count ratio ( $H$ ) defined as the proportion that happens to be identified as poor, i.e. the proportion falling below the poverty line expenditure or income (Gordon, 1972). But poverty gap (PG) is the best measure, which is based on aggregate poverty deficit of the poor relative to the poverty line giving a good indication of the depth of poverty in that it depends on the distance of the poor below the poverty line. PG, some times,

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called the average income shortfall of the poor, can be expressed in absolute terms or as a proportion of the poverty line (Gordon, 1972; World Bank, 2001). This shadows the distance between the consumption level of the poor and the poverty line; the greater the distance the higher is the PG.

### **The emergence of NGOs in Bangladesh**

The war of liberation in 1971 took a heavy toll of human lives and rendered millions of people homeless. With the shattered economy caused by the war, other millions were left on the brink of starvation; the NGOs came forward to help the war-ravaged people with the task of relief and rehabilitation. Later, they switched over their operations to sustainable development activities aimed at raising the socio-economic condition of the disadvantaged population, especially for the women. The great majority of indigenous NGOs is engaged in activities falling under the “welfare” category and is registered under the Voluntary Social Welfare Agencies. Developmental NGOs wishing to receive foreign funding should be registered with the NGO Affairs Bureau and they should then comply with the provisions of a series of ordinances passed in 1978 and 1982.

With the level of poverty on increase and high population growth, number of NGOs has proliferated horrendously in Bangladesh. While the number of NGOs working in Bangladesh has not remained uncontested, more than 20,000 NGOs have been registered under different welfare agencies of the government. One of the major reasons for the increasing use of NGOs in developmental activities is to find an alternative and better channel for development aid in the third world countries (Edwards and Hulme, 1992). Thus, disappointment and criticism about public sector performance, in both donor and recipient countries, have had an important impact on this development. From a more general perspective the issue is also related to the continuously declining environment of the third world development, characterized by recurrent financial crisis, population growth, environmental degradation, poor agricultural and industrial production, rampant corruption, bureaucratic complexities, inadequate policies, ineffective democracy in the politics (Huq, 1998). Since, poverty at a high level is still persisting in Bangladesh, the development efforts undertaken in this country focus on poverty alleviation. Almost all foreign donations came in this country for poverty alleviation. All the NGOs work with two basic missions, to alleviate poverty and empowering the poor, especially women (Lovell, 1996; BRAC, 2000) by organizing them into small groups at the village level, arranging adult literacy programmes, providing necessary training and regular discussions on particular issues.

The interventions now cover almost all the villages in all 64 districts. They have, so far, organized nearly 80 million poor people into groups. Credit is disbursed among the members of these groups to develop their income generating capacities. Nearly, 60 million of the population of Bangladesh has been brought under different health programmes of NGOs. These programmes aimed at reducing childhood and maternal morbidity and mortality; and increasing awareness about sexual health. NGO’s non-formal primary education programme has covered about three million children from poor families. The majority of the children are girls. Non-formal primary education programme of the BRAC is regarded as the world’s biggest private sector educational system and is being replicated in other countries of the world as well (BRAC, 2000; Proshika, 2001).

With this background, the objectives of the paper are to make a review of the existing situation of the rural poverty situation and related NGO activities in

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Bangladesh; to assess the contribution and consequences of economic interventions of the NGOs; and to explore how much the NGO beneficiaries achieved economic sufficiency due to the involvement with NGO activities.

### Methodology

The data collection exercises aimed at gathering information on the impacts of poverty-focused interventions of NGOs by investigating pre- and post-NGO situation of the NGO beneficiary households. Pre-NGO period refers to the situation “before” joining NGO and post-NGO period refers to the situation “after” joining NGO. Poverty situation “before” joining NGOs has been identified against each poverty indicator and the “after” situation was also measured accordingly. In this context, the research was designed with a blend of economic, institutional and social analysis to comprise diverse issues of poverty and NGO activities. The two study villages in Babuganj Thana of Barisal district were selected since:

- these villages have almost all major NGO activities;
- the sample NGOs (BRAC and Proshika) have been working in this district for about the last 15 years;
- the poverty characteristics of the district are homogenous in terms of income, household consumption, health situation, etc. except literacy (BBS, 2001);
- sampled two NGOs have interventions focusing on poverty reduction; and
- the range of activities and programmes of these two NGOs in the sample villages are almost same as in other areas (BRAC, 2000).

The two NGOs – BRAC and Proshika – have been selected purposively. A total of 96 sample households were determined based on a standard method to ensure that the sample is representative to the population ( $N$ ). Using random sampling method the respondents were selected.

This paper is based on both primary and secondary data sources. Information on “before” joining NGOs has basically been collected from baseline survey data to compare with the “after” situation. Interviews with the NGO beneficiaries were conducted using both open and structured questionnaire, while a semi-structured checklist were used to collect data on qualitative aspects. Foster Greer Thorbecke (FGT) has been employed to determine the beneficiaries below and above poverty line. The  $t$ -test was applied to see the difference of food expenditure, amount of land holding, major items of productive assets, and agricultural productivity between pre- and post-NGO periods. Chi-square ( $\chi^2$ ) has been applied to test the difference of improvement in empowerment indicators, borrowing credit from institutional sources between pre- and post-NGO period. Multiple regression analysis was applied for analysing the determinants of income of the beneficiaries. The outcome of the analysis enables us to determine the relationships between dependant and independent variables and the level of significance of each variable. However, the field work was carried out from October 2001 to March 2002.

### Economic impact on the rural poor

#### *Income generation*

Income sources have been splitted up broadly into two factors to isolate NGO impact from other sources. Income generating activities of NGOs are most pronounced

programme in the development discourse. Income is the principal determinant of the economic condition of a household. In this paper, total yearly income (income from NGO related activities and income from other activities) has been taken into account. The contribution of NGO related activities to the total income of the beneficiaries were worked out. Data, however, show that income from NGO related activities are significantly lower than income from other sources ( $P < 0.000$ ). Further, about one-third of the households (30 per cent) have annual income of less than Tk 20,000 and around 51 per cent have income between Tk 20,001 and 40,000. Only about 15 per cent of the households have yearly income from Tk 60,001 to 80,000 and around 3 per cent have yearly income from 60,001 to 80,000, and only one household had income of Tk 80,001 – 100,000. Clearly, about 97 per cent of the households earned Tk < 20,000 per year from NGO related activities, whilst about 3.0 per cent had yearly income between Tk 20,001 and 40,000. Nearly, 61 per cent of the households had yearly income Tk < 20,000 from other sources, while about 32 per cent had yearly income between Tk 20,001 and 40,000. Only 2.0 per cent had yearly income between Tk 40,001 and 60,000 and around 3.0 per cent had from Tk 60,001 to 80,000, while only 1.0 per cent was of the highest income category (Tk 80,001-100,000). Evidently, households had earned significantly less amount from NGO related activities as compared to other sources of income. Data reinforce that NGOs have not been able over the years to help their beneficiaries that much recover their financial crises as has been claimed. Any substantial role in economic crises recovery of the poor has not been evidenced and the FGT analysis reinforces the argument by figuring out the member households below and above the poverty line.

The sample households have been categorized in terms of their total yearly income constituted by income by using the FGT index, where poverty line ( $z$ ) is taken as Tk 6,896 (Husain, 1998), population ( $N$ ) as total number of household members and  $x$  as the average annual per capita income. Clearly, as the income exceeds the poverty line, the value of  $1-X/Z$  becomes negative and squared poverty gap (SPG) has been computed for those income benefits also, which is greater than the poverty line as the value gives an idea of intensity of poverty or how significant is the income with respect to the poverty line. Around 73 per cent of the NGO member households remained below the poverty line, which was much higher compared to the government and the World Bank estimates, which were 47 and 51 per cent, respectively. Of the total households below the poverty line, about 71 per cent were identified as very poor, while only about 7 per cent were considered as poor. Only six (6.25 per cent) households were identified as moderate and the rest 15 (15.63 per cent) as good.

Among 70 households below the poverty line, 66 have SPG value greater than 0, which means that the income levels of these households are significantly below the poverty line. The remaining two households of the poor group and other five households with higher income have 0 value of SPG showing that the income of these seven households do not differ much from the poverty line. In other words, the households with 0 value of SPG are more vulnerable to poverty and can fall within the poverty line or rise above poverty line if there is slight change in the income sources. These findings help to group the 96 households in four categories in terms of their extent of poverty:

- (1) *Desperate poor (Tk 1,134-6,199)*. Those households, whose income is less than poverty line and have value of SPG is more than 0. It is clear that 70.83 per cent of the household still fall in this group.
- (2) *Poor (Tk 6,600-7,399)*. Those households, whose income slightly varies from poverty line up or down and the value of SPG is 0. About 7.29 per cent of the total households fall in this category.
- (3) *Moderate (Tk 7,925-8,880)*. Those households, whose average annual per capita income is higher than the poverty line and falls around the average income (BDT 5,763) of the household, 6.25 per cent households fall in this category.
- (4) *Good (Tk 9,600-21,000)*. Those households, whose average annual income is much higher than the average income of the households, and 15.63 per cent of the households fall in this category.

### Income determinants: a regression analysis

Variables influencing income have been determined by applying multiple regression analysis. Here, the dependent variable is the net income of the beneficiary households. The variables were taken as assuming that they have influence on household income. In order to work out variables having high relationship with dependent variable correlation analysis was employed and the variables having correlation coefficient smaller than 0.3 or  $R^2 < 0.09$  were removed out of the model to maximize the relationship. The other variables having correlation coefficient more than 0.3 were entered into a stepwise multiple regression analysis maximizes the level of explanation. Only four variables truly compose the model. All the variables are significant at 99 per cent confidence level. The independent variables are:  $f_1$ , land holding size;  $f_2$ , total yearly employment;  $f_3$ , amount of loan taken from NGOs;  $f_4$ , days suffered from morbidities;  $f_5$ , number of times loan taken from NGOs;  $f_6$ , family labour;  $f_7$ , length of membership in NGOs and  $f_8$ , length of training:

$$Y = -912.042 + 0.291 \times f_1 + 0.285 \times f_2 + -2.397 \times f_4 + 3.248 \times f_6$$

$$R^2 = 0.821$$

The  $R^2$  value of 0.821 indicates that this model is useful in analysing the factors, which influence the household income. It means the income of the NGO beneficiaries is impacted positively by three variables such as family labour, the days worked in year and land holding size, while the factor days suffered from morbidities impacted negatively. This implies that if these independent variables are improved the income of the beneficiary households would enhance. The regression analysis suggests that NGO membership length, times, and loan taken has no impact on their income rather increase in amount of land asset, employment, family labour and reducing morbidities enhance family income. Again, this finding tarnish NGOs' claim in success cases of economic development of the poor.

Household expenditure, both food and non-food, depends basically on how much is the household income. However, data show that food expenditure has not increased significantly in post-NGO period ( $P < 0.578$ ). Non-food expenditure includes dress/cloths, expense on education, paying loan instalment, payment of savings, transportation cost and other social work. The pair  $t$ -test shows that expenditure on all

the items had increased between pre- and post-NGO periods. This could be explained by the fact that paying the loan instalment and for savings were not required before joining NGOs. However, due to involvement in NGOs, mobility of the members has increased significantly which has a negative aspect either. When mobility increased, transport expenses also went high. Therefore, mobility put additional stress on their income. Majority of the households (61 per cent) spent (monthly) for food below Tk 1,300, while about 32 per cent in pre NGO period had expenditure from Tk 1,301 to 1,700 and only about 7 per cent from Tk 1,701 to 2,100. Again, about 31 per cent of the households had monthly food expenditure from Tk 500 to 900 in post-NGO period, while about 35 per cent belong to expenditure group of Tk 901-1,300. About 33 per cent had monthly food expenditure from Tk 1,301 to 1,700.

The rural poor are always vulnerable to some sort of crises, either monetary or else are encouraged to save some cash or non-cash materials to cope crisis, and weekly savings is made mandatory for the NGO members to activate their membership with a view to developing a habit of savings among the poor. Apart from the mandatory savings, personal savings and loan in different forms in rural Bangladesh is a common practice either. Savings include cash and non-cash savings. Non-cash savings include paddy seeds, *mushtir chaal* (handful of rice saved by cutting food consumption), jute, potato, etc. Data revealed that 76 per cent had monetary savings, while 9.0 per cent had non-monetary savings, but around 15 per cent saved in terms of ornaments (jewellery) as assets to cope severe financial crisis. In case of monetary savings, most of them had saved with their respective NGOs, while very few saved with their relatives or neighbours. About 80 per cent of the respondents had savings less than Tk 2,000. Around 17 per cent of the respondents had savings from Tk 2,001 to 4,000. Only two (2.1 per cent) had savings in the range of Tk 4,001-6,000, while only one had savings between Tk 6,001 and 8,000. Here, a transformation is evident in the saving behaviour of the rural poor. Preferences in institutional savings are on the rise and therefore the recognition should go to NGO efforts. Institutional savings accumulate interest with the principal. A shift from non-monetary to monetary savings received impetus after NGO interventions.

### **Asset building: do NGO interventions matter?**

Asset holding determines the socio-economic status of the rural households. The asset variable has been bifurcated in this paper: productive and non-productive asset. This paper takes only the major assets into account such as landholding. Amount of landholding plays an important role in bringing change in the well-being of the poor. Amount of landholding is an important variable indicating the status of a household in the society. In addition, possession of a certain amount of land is used as a basic criterion by the NGOs for including in their programmes. The households with larger landholding are more capable of utilizing resources efficiently. They as a result generate more assets and savings. Increase in the amount of landholding as investment in the land market is the safest option for the rural people. Accumulation of land holding is the most important component of NGOs' asset building endeavours for the poor. Land is of additional importance because it is the only determinant of their agricultural produce, which contributes more to their total income. The study shows that around 10 per cent of the respondents purchased land, while other 86 (about 90 per cent) could not. Only two households purchased >7 decimals of land.



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This might be explained by the fact that their income or capital was not sufficient to purchase land.

The data further shows that nearly 75.0 and 76 per cent of the households in pre- and post-NGO periods, respectively, had average land asset amounting <25 decimals. Around 14 and 13 per cent of them in pre- and post-NGO periods, respectively, had land asset amount ranges from 26 to 50 decimals. The majority of the respondents had land asset <50 decimals. Only one household had land asset ranges from 101 to 125 and 126 to 150 decimals in pre- and post-NGO periods, respectively. There has been no significant increase in land holding size between pre- and post-NGO periods ( $P < 0.063$ ). It indicates that the amount of land holding size of the households in post-NGO period remained almost same as it was in pre NGO period. An overwhelming majority of the households are land-poor (those possess <25 decimals of land are land-poor) and those fail to meet their food demand for six months from their existing land are functionally landless. Out of the total sample beneficiaries 72 (75 per cent) are land-poor, while 68 beneficiaries are income-poor. This finding shows a close relation of income of the household with landholding size.

Major items of productive asset of the NGO beneficiary member households have not increased between pre- and post-NGO periods. To determine the present market value of the asset, the inflation rate was considered. It was expected that beneficiary households at least would own significantly higher amount of poultry and livestock asset than before. Respondents used to rear poultry and local variety of livestock in their homestead even before joining NGOs. However, the poultry birds they rear had been very much disease prone and die on and off. Asset say, fishing net has increased significantly in the post-NGO period ( $P < 0.041$ ) indicating a propensity among the households to involve in fishing. Regarding non-productive assets, the majority (55 per cent) of the beneficiaries had bedstead and about 22 per cent have radio sets, while about 2.0 per cent have cassette players and none had television set. Regarding wooden furniture, about 13 per cent had almirah, 28 per cent had table and 36 per cent have chairs. About 2.0 per cent use electric fans, while about 41 per cent had access to rural electricity. An overwhelming majority of the beneficiaries had no access to non-productive luxury asset ownership.

### **Employment generation**

Scarce employment opportunity is one key element in chain of causation of impoverishment of the people of Bangladesh. Employment provides income, which determines one's access to the basic needs. Thus, it is an instrument in the struggle for the attainment of minimum income and alleviation of poverty and hence NGOs endeavour to create employment opportunities for the rural poor. To create employment opportunity during slack seasons, the government has been carrying out public works programme with food aid, intended to build and maintain low cost rural infrastructure. With poverty on the increase, however, women are being forced more and more to venture into male domains. Their visible presence in road construction and similar work sectors is a sign of great poverty and desperation – otherwise women would not take on such jobs (Hye, 1996). NGOs' aims have been to engage these women in income generating activities to contribute to the aggregate employment.

Data show that only 7 (7.3 per cent) of the respondents managed employment of less than three months in one year, while around 47 per cent had employment

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between 3 and 6 months and about 38 per cent from 6 to 9 months. Clearly, the majority of the respondents managed employment less than six months in a year. About 98 per cent of the respondents managed employment in NGO related activities for less than three months, while other 2.0 per cent worked from 3 to 6 months. Majority of the respondents remain unemployed about half of the year. The mean difference in employment created through NGO related activities and from all other fields is significantly high ( $P < 0.000$ ). Underemployment refers to the state of willingness to work more but not getting work due to scarcity of opportunity. If one has employment less than 260 days per year is taken as a cut-off point for measuring underemployment. If one has less than 150 days in a year, is taken as indicator of severe underemployment (Gordon, 1972). Accordingly, the underemployment and severe underemployment had been measured. The data show that 74 (77.1 per cent) NGO beneficiary households remained below the underemployment line of whom, 20 (20.83 per cent) were below the severe underemployment level. The overwhelming majority of the beneficiary households (77 per cent) had remained below the under-employment line. About 20 (21 per cent) beneficiaries are remaining in severe under-employment, while only 22 (23 per cent) of them remained above the under-employment line.

### Conclusions

The study has clearly quashed the many claims of the NGOs in contributing significantly to the economic development of the poor. Interventions by the two major NGOs in Bangladesh, particularly in two study villages have not created significant impact on the indicators of economic well-being of the beneficiary households. The majority of them remained below the poverty line which is much higher than the national average. Amount of savings increased from the pre-NGO period, however, it is not purely because of the NGO involvement. Productive and non-productive assets including landholding had not increased in the post-NGO period. Majority of the beneficiaries suffered from chronic food deficit. The overwhelming majority of the NGO beneficiaries remained below the underemployment line. The NGO beneficiaries had additional income in the post-NGO period but their income from NGO related activities was not substantial to meet their food.

Clearly that NGOs' role in making significant contribution to the development has remained rhetoric and far from the trumpets they have been making since their emergence. While the study does not claim to have grasped the whole gamut of NGO interventions it suggests based on the empirical data that family labour, employment and land holding size having positive correlation with family income and hence should receive more attention to enhance their income level, while morbidities negatively affected their income as they experienced work day loss, thus poverty may be reduced.

It raises concerns that why no tangible change in the poverty reduction index is visible despite the involvement of the beneficiary for even 15 years with the NGOs. This merits reviewing and scrutinizing the activities and operational modalities of the NGOs in order to identify the gaps and mechanism to enhance their performances. The current need is to involve GO and NGO as partners of poverty alleviation process, is not only to counter balance the situation but also to ensure higher and visible outputs.

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