Poverty Alleviation in Bangladesh
An NGO Experience

The 1997 report on Human Development in South Asia gives a vivid picture of the human development situation in the seven countries known collectively as the South Asian Association for Regional Cooperation (SAARC). While the countries—Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka—together contain 22% of the world’s population, nearly 40% of the world’s poor live there. The per capita GNP of US$309 is lower than that of any other region on Earth. Similarly, the adult illiteracy rate of 52% is the highest in the world, and two-thirds of the illiterate are female. The report goes on to say that because of greater female mortality over male, a phenomenon only seen in this part of the world, there are 74 million “missing” women in the region. Contrary to popular knowledge, the region has the highest malnutrition rate in the world. Half of the children are underweight, compared to less than a third in Sub-Saharan Africa.

However, a report of the Independent South Asian Commission on Poverty Alleviation states on an optimistic note that poverty in the region could be eradicated in a ten-year time frame if ambitious but achievable targets were set and implemented. This, the report goes on, would require an explicit political commitment and the participation of the poor in development. It would also involve a growth strategy based on labor intensive development with high productivity and human development.

Progress Amidst Disasters

Bangladesh celebrated its silver jubilee of independence two years ago with the unfortunate knowledge that political independence has yet to wholly fulfill the promise of economic development to its impoverished population. However, while Bangladesh lags behind the rest of the developing world in certain criteria, it has made impressive progress.
in some important sectors. Infant mortality, for example, has been reduced significantly. The total fertility rate has declined from over 6% in the 1970s to less than 3% in the mid-1990s, with a spectacular increase in the contraceptive prevalence rate to nearly 50%. Immunization coverage has moved up to about 70% from a low of 2% in the mid-1980s. As the South Asian Human Development Report concludes, “what is incredible is that this progress has been achieved despite a series of devastating floods, devastating cyclones, and unprecedented tidal waves.”

**Poverty Alleviation**

One of the characteristic features in Bangladesh’s checkered development history has been the growth of non-governmental organizations (NGOs). One such organization which has contributed greatly to the experience of NGO-led development is Brac, which was born in 1972 as a response to a humanitarian need in the wake of the liberation of Bangladesh when millions of refugees returned from India to the war-ravaged country. Over the years Brac has gone through a series of evolutions, and is now one of the largest NGOs in the developing world. Its twin objectives are poverty alleviation and empowerment of the poor, which it seeks to address by working particularly with the women from poorer families whose lives are dominated by extreme poverty, illiteracy, disease, and malnutrition.

Poverty is considered in a holistic sense, a view which is not controversial. Such an approach is necessary, however, because poverty is not only a lack of income or employment, but also a complex syndrome which is manifested in many different ways. Increased income, though a very important and crucial element in any poverty reduction effort, is merely a means and not an end in development. In addition to income and employment generation, Brac realizes the need for the development of institutions of the poor, awareness building, savings mobilization, children’s education, health, gender equity, training, and so on. But central to all of these important objectives is the creation of an “enabling” environment in which the poor can participate in their own development and are able to perform to their fullest potential. Thus, all of Brac’s efforts are geared to creating such an environment.

The process of social mobilization for poverty alleviation in a village starts with the identification of the poor and organizing them into groups—comprising mostly of women—which are known as Village Organizations (VOs). Two activities begin simultaneously in these VOs: a conscientization program and compulsory savings. Through the conscientization program, the women are made aware of the society around them. They analyze the reasons for the existence of socio-economic and political systems which are too often exploitative, and explore possible means of changing them to their advantage. To that end, a formal course on Human Rights and Legal Education (HRLE) is provided to the members.

Under the savings scheme, the members participate in the compulsory saving of at least Taka 5 (10 cents) per week, and are allowed to withdraw their savings only under certain conditions. These savings are considered as security for old-age. Within a
month of its formation, the VO's members are allowed to apply for loans from Brac with which they can begin the process of actively bettering their lives. Three types of collateral-free credit are disbursed: for traditional activities (such as rural trading, local transport, and rice processing), for non-traditional ventures (such as grocery shops, rural restaurants, and technology-based activity such as poultry, cattle rearing, and mechanized irrigation), or for housing loans. The repayment rate for the loans has been a remarkable 98%.

Education and Health

Another innovation that has emerged in NGO-led development is the potential success for non-formal primary education, a concept which has elicited tremendous and fractious debate within the development community. Brac began a Non-formal Primary Education (NFPE) program in 1985 with 20 schools using the model of a one room, one class, and one teacher school with a three-year school cycle. The three-year curriculum broadly covers the basic competencies of the formal school's curriculum for grades one through three. After graduation from the Brac School, the children move into formal schools at the fourth or fifth grade level; furthermore, in 1998 NFPE schools will begin an ambitious project to run for four calendar years spanning five academic terms equivalent to the entire primary school cycle. Over time, Brac schools have enjoyed phenomenal success, increasing in number from twenty to over 34,000, providing an education to over a million children of the rural poor who would otherwise have been bypassed by the formal primary school system. The benefits to these children personally and to the overall development prospects of the nation simply cannot be overstated.

As health is of fundamental importance to development, it is a major focus of NGO programs, including those of Brac. One of the early programs had been to instruct rural mothers in the treatment of diarrhea at home with oral rehydration therapy (ORT). Over the 1980s, Brac field workers visited rural homes and taught 13 million housewives how to prepare and administer ORT. The recent drop in infant and child mortality in Bangladesh is largely credited to this project. Other health-related projects have been established by Brac in areas as diverse as tuberculosis prevention, reproductive health, and nutrition. Indeed, NGOs can provide important and far-reaching contributions to the vital health sectors of developing nations, and must continue to expand their roles in this field.

Lessons Learned

The experiences that NGOs such as Brac have had in poverty alleviation in Bangladesh suggest that a holistic approach is necessary to successfully address the development needs of the poor. Therefore, there should be a greater promotion of institutions of the poor, and a greater push for awareness-building, legal and primary education, skills development, savings mobilization, gender equity, and health and the environment. After all, increased income is simply a means, not an end in and of itself.

Micro-credit is another sector in which NGO-led efforts have been particularly successful in promoting development. Last year alone, Brac disbursed nearly US$150 million to the rural poor, providing them with a des-
perately needed opportunity to take an active role in bettering their situations. However, while purely credit interventions bring impressive results in the short-run, other interventions in sectors such as education, health care, and institutional development are necessary for sustaining these improvements.

The importance of technology infusion into development programs has been another lesson learned over the past few decades. Indeed, the full potential of micro-credit in improving the lives of the poor on a sustainable basis can be offset in large measure by the lack of a concomitant promotion of technology. The profit margin with the infusion of technology is higher in such activities, resulting both in increased savings for the participants and increased national production, and thereby in increased economic growth. The importance of establishing “backward and forward” linkages in a sustainable poverty alleviation program has been of utmost importance. To that effect, Brac has been trying to establish this linkage for most of its technology-based activities such as poultry and cattle rearing, and agriculture.

A problem not always recognized in micro-credit programs is the difficulty in reaching the poorest, the “ultra poor.” An all-too-typical example has been the inability of Brac’s standard programs to reach the bottom 10% of the impoverished. In order to remedy this shortcoming, various experiments have been undertaken to bring this group under micro-credit programming, such as providing “enterprise loans” for the “poverty graduates” and for the other not-too-poor households that will generate employment for the poorest. Another major lesson that has been learned is the vital importance of women’s participation in the development process. Given the experiences of the past two decades, Brac has been promoting a new culture in the development field of Bangladesh with women on the forefront of all activities.

Pluralism in development is an important issue. In Bangladesh, many of the poverty alleviation projects are undertaken by NGOs, which—because of their special characteristics—are better able to reach and mobilize the poor. The government, however, retains a very important role, and collaboration of the government with NGOs can strengthen the poverty alleviation efforts of all. Similarly, coordination, cooperation, and, where possible, pooling of resources of NGOs may bring further success. Also, healthy and coordinated competition among them will serve to encourage greater innovation and ensure better service to the poor.

Given the wealth of experience that has thus far accumulated, the more successful development experiments of NGOs must now be scaled up in order to reap the fullest benefits that they have to offer. After all, while it may be the case that “small is beautiful,” it is also true that “large is necessary.” The notion that NGOs should restrict themselves to small-scale pilot projects and leave it to the government to replicate their more successful experiments cannot be accepted, for NGOs intend to serve as large a number of the poor in Bangladesh as they can.

The experience of the past few decades shows that NGO-sponsored poverty alleviation programs have a positive impact on the poor. There is convincing evidence which suggests that involvement with NGOs changes the lives of the participants in a number of ways. They are better off in terms of material well-being; they have more income, diverse employment, greater awareness, and greater capacity to cope. Their education levels improve, their health and nutritional status gets better, and the women enjoy important positions not only within their own families, but also in the society they live in. Thus, the role of NGOs in the development process must now continue to expand in size and broaden in scope so that they may contribute maximally to the alleviation of the plight of the world’s poorest.