

NGOs and Village Impacts: A Case Study of Perceptions

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1. Introduction

The NGO sector in Bangladesh today is one of the densest in the world. With an estimated 1200 NGOs operating in the country of approximately 130 million people, almost one NGO exists per hundred thousand people.¹ The need for such a large NGO sector has surely arisen in response various factors, some of which are the extreme nature of poverty in Bangladesh, the government's seeming inability to meaningfully address poverty, and the disaster-prone character of the country. Income per capita in Bangladesh is estimated to be between \$220 to \$360 depending on sources, and has not grown more than 4% in the last twenty years.² One of the relevant questions arising in the wake of this booming growth in the NGO sector, a question which has implications for development practices elsewhere, is how effective NGOs have been in promoting sustainable poverty alleviation and development.

An abundance of research has reviewed the targeting, effectiveness and sustainability of these NGO programs in the last decade. The bulk of this research has naturally focused on how particular programs are successful in achieving tangible improvements in the lives of NGO members -the evidence indicating that NGOs have a palpable impact on vulnerability to crisis, although evidence is more ambiguous with respect to poverty

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¹ The estimate of 1200 microfinance NGOs is taken from Chowdhury (2000). A 1998 World Bank study, based on its projections from the 1991 census from the Bureau of Bangladesh statistics, estimates that the 1998 population was approximately 125 million and growing at a rate of < 2%.

² GDP growth rates were 4% in the 1980's and 5% in the 1990s. However, population growth rates of about 2% and low inflation have minimized its impact on GDP per capita. World Bank (1997), BBS Statistical Pocketbook (1995) and UNDP (1999).

reduction.³ An oft-overlooked aspect of NGO impact analysis however, is how villages *as a whole* are affected by the presence of NGO programs. The most obvious difference between “village impact” (where little research exists) and “member impact” (where a plethora of data and research exists) is that nonmembers are included in the former and not in the latter.

Most research and evaluation of NGO work has focused specifically on impacts on NGO members by controlling against nonmembers. NGO programs however, may also be affecting nonparticipating households in NGO villages through externalities of either a positive or negative nature. Income levels, asset accumulation, attitudes, behavioral outcomes, and social norms are just some of the constructs which could be influenced at a village. There may therefore be a difference between impacts on members and impacts on villages, the operative influence being these externalities, or spillover effects. This paper hopes to push the understanding of development towards a more holistic view of NGO impacts by more closely analyzing NGO impacts at the village level effects. This case study is thus an exploration of how both nonmembers and members perceive their environment to be changing as a result of a long-standing NGO presence.

2. Objectives

In seeking to better understand the impacts of NGOs on the Bangladeshi countryside, a pilot study was undertaken to assess how village economic and social constructs are responding to the establishment of NGOs in villages across Bangladesh.⁴ In the study, answers were sought to answer several key questions: Who are nonmembers and members? Are there social divisions between members and nonmembers? Are nonmembers aware of and benefiting from the services provided by NGOs in their villages? Is equity perceived to be affected by the presence of NGOs? What do villagers believe are their most important village needs? Are there differences in perceptions of

³ Khandker's (1998) work indicates that poverty is reduced by NGO provision of credit for example while others [Morduch (1998)] do not agree. However, a wider consensus Morduch (1998) and Mustafa et al (1995) indicates that vulnerability is reduced.

needs between members and nonmembers? Are NGOs adequately addressing these needs? In a limited case study, member/nonmember dynamics and whether their interplay has any significance for village-level development are analyzed. This paper will also attempt to identify further areas for research in understanding village-level NGO impacts.

3. Regional Background

The Badhai union in the Tanore upazilla of the Rajshahi district was chosen for the study because of its remote location and its relatively low NGO penetration, which meant that the issues of NGO influences were more likely to be studied in isolation. The region is almost exclusively focused on large-scale agricultural rice production while smaller scale economic activity includes other agricultural production such as fisheries, potato, wheat and vegetable cultivation, poultry and livestock care, as well as services such as rickshaw and van driving. The regional BRAC manager reported that the regional economy is severely depressed and that its people are quite poor, even when compared to the rest of the country.⁵ Despite the failures of some BRAC programs however, he nonetheless believes that the economy is more productive today than it was half a decade ago when BRAC launched its Rural Development Programme.

Regional illiteracy has been steadily falling, but remains astonishingly high at 72%.⁶ BRAC has been operating in the area for the last six years and has introduced several BRAC Non-Formal Primary Education (NFPE) schools, which the area manager believes has had the most discernible impact on development. BRAC has also been responsible for introducing fishery programs and vegetable production, which have been marginally successful. Other BRAC programs such as livestock and poultry care have not been

⁴ BRAC for instance, operates in about 70% (or 50,000 of the 86,000) of the villages in Bangladesh. See BRAC (1998). This case study may or may not be representative of the general trend.

⁵ Indeed, in the quantitative study in the same region (Tudor & Mallick, 2000), the average income for the region was approximately 6010 taka. This contrasts with a current market price per capita GDP of 10,050 for Rajshahi division. Although this latter figure makes no distinction between rural and urban areas, even discounting for the urban-rural differential would still render the area below average per capita GDP for the region and for Bangladesh. See BBS (1998).

⁶ See Bangladesh Bureau of Statistics (1995).

successful in the area, and the area manager reports that BRAC is considering abandoning these programs.

Other NGOs (ASA, Carritas, etc) and Grameen Bank have also been operating in Rajshahi for the same time period, approximately five years.⁷ Despite the longstanding BRAC presence however, the little progress in human and economic development has been long fought for and precariously maintained, primarily as a result of the poor infrastructure in terms of electrification and roads. The red earth which comprises most of the area's soil turns into a sticky clay for the months of monsoon (May through October) and on days of heavy rain, as a result of which a vast majority of the region's villages is inaccessible for six months of the year. Although projects are reported to be underway to bring electrification to some villages in the next year, neither of the studied villages had access to electricity, which is indicative of the entire region's generally poor infrastructure.

4. Methodology

Two villages in the Tanore upazilla of the Rajshahi district, Tetna para and Sibrampur, were chosen for the study on the basis of BRAC programs which had been operating for three or more years. Although BRAC operations are naturally not representative of all NGO work, BRAC is the only NGO with sufficient depth and breadth to serve as a good proxy. Therefore, BRAC, for the purposes of this pilot study will be assumed to be representative. A series of twelve interviews, six with members of three years or longer and six with nonmembers, was undertaken in each of the two villages for a total of twenty-four interviews.

In each location, a small group of available villagers was assembled, and Rural Rapid Appraisal (RRA) methods were employed to map the locations of village households. Households were then randomly selected and separated into three village-defined wealth

⁷ BRAC Area Manager maintains that BRAC has been in Tanore for longer than any other NGO, but this was not verified.

categories. Since both villages are overwhelmingly dependent on agricultural production, villagers defined wealth exclusively by landholding status. The three categories were 1)the landless; 2)those who owned under 100 decimals of land;⁸ and 3)those who owned greater than 100 decimals of land.

During the initial village discussion groups, households were randomly selected within each category such that each of the three wealth categories was equally represented. During the actual survey however, households pinpointed by village discussion group as wealthier households turned out to fall into middle or poorer categories. As a result, actual data places a heavier emphasis upon poorer households. Interviews of approximately 1.5 hours each were conducted focusing on the following areas: 1)general village impacts; 2)client attraction; 3)member/nonmember interactions; and 4)wealth and inequality.

Since the NGO members were exclusively comprised of women, the nonmember surveys were also limited to interviews with either the female household head or the closest female relative of the household head (in this survey, these were all wives of the household head). Each of the respondents was asked to respond the questions alone, and family members were specifically requested to refrain from answering. The confidentiality of the survey was emphasized at the commencement of the interview, and non-familial villagers were asked to respect the privacy of the interview by staying out of earshot. This was done to ensure the frankness of answers, which may otherwise have been compromised by the presence of other villagers.⁹

5. Findings and Discussion

⁸ 100 decimals of land is equivalent to 1 acre.

⁹A quick note on the Bangla-English translation may be in order. The English-language survey was designed and translated into Bangla at BRAC headquarters in Dhaka. In field, a translator asked questions and translated response into English after each question. The author recorded each response and particulars on survey in English. Although every precaution (including pilot testing) was undertaken to

5.1 Sample Characteristics

Due to post-interview findings that one of the nonmembers was a dropout and that one of the members had belonged to the NGO for only a year, that data was dropped bringing the ultimate sample size to 22. The typical respondent was between the ages of 35 and 49, had lived in the village for over ten years, had a family of six members, and was illiterate. Detailed characteristics of the sample are given in Figures 1-5.

Half of the respondents had lived in the village for all their lives, and the vast majority had been there for over ten years. One respondent had lived in her village for under 5 years, and two had been there between 6 to 9 years. A great majority of respondents had thus lived in the village for a sufficient length of time to judge how the NGO presence in their village has changed their environs.

Half of the respondents were landless, and only four of them owned more than 100 decimals of land. The mean age was 35-39, and age distribution was normal. The median family size was 6, and the mode family size was 5. 63% of the respondents were illiterate, 9% had 1 to 3 years of education, 18% had 4 to 6 years of education, and 9% had 7 to 10 years of education. None of the respondents were educated above 10 years.

5.2 Perceptions of General Village Impacts¹⁰

77% of all respondents felt that the presence of NGOs had a perceptibly positive influence on both their well being and that of the community. All members except for one discussed the ways in which their lives had positively changed since joining BRAC - citing examples of cows, livestock or tin roofs bought, of businesses established with loans, and of increased consumption levels. Only one member reported that BRAC membership had no impact on either her life or that of the community.

ensure the clarity and accuracy of the survey, some misinterpretation of both questions and answers inevitably occurred.

¹⁰ See Figures 6 and 7. For a clearer understanding of the data in this section, the three response categories of 'positive', 'negative' and 'none' were merged into 'positive' and 'negative or none'. Some may dispute this grouping, since it obscures the finer differentiations between a lack of impact and a negative impact. I would argue however, that a lack of progress during five years of NGO presence in major areas of NGO (or at least BRAC) work constitutes a failure to achieve stated goals, and that the grouping thus actually

Interestingly, all the member respondents equated the positive NGO impact on their own life with a positive impact on the village. They explained this by pointing out that as they prospered financially, this naturally meant that the village prospered. This may have been true, but need not necessarily be if nonmembers are not accruing any benefits from the NGO presence and are comparatively worse off.

As expected, nonmembers were more equivocal in their support for NGO impacts on village – 6 members felt NGOs had positively contributed towards development in their communities, although 2 of them pointed out that this difference was ever so slight. 4 members felt that there was no impact on their life or village life whatsoever (although one of these respondents felt that there were positive feedbacks for the village), while 1 member felt that the presence of NGOs in the village had actually negatively affected her life. She was a landless BRAC member whose loan repayment requirements had been a constant source of stress. Those nonmembers who observed a positive difference for themselves and the community since NGOs were established cited the good examples that member savings, entrepreneurship, and businesses were setting (3 respondents), the education system that BRAC had set up and encouraged (1 respondent) and secondary lending (2 respondents), that takes place between members and nonmembers, which in effect, gives credit access to large portions of the community.

This secondary lending which one member and one nonmember mentioned in the course of their interview constitutes an important finding. If informal lending among friends and neighbors occurred regularly prior to NGO establishment, one concern was that an NGO presence would have displaced such lending and in the process, aggravated the lack of financial services for some villagers. To the extent that members were engaging in secondary lending however, that is re-lending a portion of their loan out to nonmembers, this potential downside would be mitigated. Since the incidence of informal lending was not an explicit question in the pilot questionnaire, one is not able to ascertain to what

serves to highlight progress or lack thereof. Furthermore, for the purposes of a pilot study, a more general understanding of trends is initially needed in order to identify further areas of research.

degree it is taking place and how important it is for the recipients. Nonetheless, this may be an interesting area of additional research.

The differences between member and nonmember perceptions of influences in the community was to be expected. One interesting finding however, is that all those nonmembers who mentioned that the NGO had no or negative impacts on their lives and on village livelihood were in the poorest category of wealth. Those individuals who are poorer off seem less likely to feel the positive impacts of the NGO operations. One possible explanation for this is that those individuals are also less likely to be socially integrated in the community to begin with. If this is so, then this finding may indicate a dynamic which NGO programs looking to attract "hard-core poor" should pay especial attention to: there can be a feedback effect between inclusion in NGO social support relationships and inclusion in the more general social community structures. If indeed, poorer segments of the community tend to be socially isolated anyhow, then NGO programs need to ensure that their programs do not enforce or perpetuate these divisions. Though the vast majority of respondents felt that NGOs had a positive impact on their individual life, the quarter of respondents who felt their sense of community had been either negatively or not influenced by NGO presence were all (but one) from the poorest wealth category and were evenly distributed among members and nonmembers. Whether or not this is significant may again be an area for further research, since it would be presumptuous to draw policy recommendations on the basis of this small survey.

Better education (which was frequently mentioned) and higher consumption levels were other areas of perceived NGO impact, although again, members were more positive in their perceptions of increased consumption (See Figure 8). Through the generally enthusiastic attitudes and intonations of respondents towards NGO impact on education, one sensed that BRAC and other NGO education efforts were satisfactorily meeting a very genuine community need. The sole criticisms heard centered on lack of adequate education provision, and manifested the need for more schools in the area that served a greater range of children.

The fact that a large majority of respondents felt their consumption levels had increased seems somewhat incongruous with a more equivocal response to risk of crisis reduction, as a greater level of consumption would seem to imply that vulnerability to crisis would also be reduced. Respondents did not perceive this same link. This could have been due to the following reasons: 1) the risk of actually experiencing a crisis has increased; 2) the risk of experiencing any kind of crisis *per se* has not increased but the depth of poverty has meant that higher income translated into only higher consumption levels (and not savings). This higher consumption is extremely vulnerable to any sort of crisis that the household experiences and the risk of crisis is thus indirectly increased; or 3) the risk of crisis remains unchanged, but is still enormously large in comparison with the household ability to weather crisis. Despite careful definitions of ‘any kind of natural, physical or personal crisis’ used in this pilot, to better understand this phenomenon, it would be necessary to examine how the respondents individually define both risk and crisis, as well as perceptions of the links between crisis and consumption to understand which of these effects is dominating.

In areas of village health, village equality, variability of individual income and participatory decisionmaking, no obvious wealth or member/nonmember patterns seemed to emerge. About 60% of respondents felt that the NGO presence had a positive impact in each of these areas, while about 40% felt it had either no impact or a slightly negative one.

The contrast between the relatively more positive perception of NGO impact on education and that on health could be interpreted in several ways and is worth commenting upon. First, a variety of NGOs may be emphasizing education and not health issues in their mandates. If this is the case, the lack of improvement would come as no surprise. For the NGOs such as BRAC that do include such goals in their institutional agenda however, a better look at why health programs are not being as positively received as one might hope may be in order. This may be especially important in light of the fact that respondents defined health concerns such as clean water and sanitation as their most important village need.

Perceptions of Village Needs

73% of respondents felt that NGOs were not addressing their most important village needs, which were defined by 95% of respondents as the need for a tubewell closer to their individual households and by 68% of respondents as the need for additional latrines.¹¹ Tetna para and Sibrapur, both encompassing an approximate 300 households, had access to 5 and 7 tubewells respectively (one of which was privately owned), for an average of 50 households per single tubewell. Such a result may be particular to the region's generally poor infrastructure. Nonetheless, water access as a large proportion of daily labor, especially for women, is common to both Bangladesh and a whole host of developing countries and seems to be continually under-emphasized in many NGO development objectives. In BRAC's 1998 Annual Report for example, the need for expansion of water access as an ongoing priority received not a single mention, which highlights a rather significant gap between villager's perceptions of their own needs and BRAC development prerogatives. However, most NGO programs are currently more involved in coping with the arsenic contamination problem to provide safe water, than in providing increased water access.

5.3 Perceptions of Client Attraction

One critically important finding of the survey was the general exclusion of the poorest as clients when defining the characteristics of NGO participants. The survey initially asked respondents to identify the characteristics of those who tended to belong to NGO associations. Respondents described them as poor, landless, homeless, middle-class, Hindu, *kamars* (blacksmiths), and *saontals* (a non-Muslim ethnic caste) - these answers largely the same among members and nonmembers. Members however all believed that those who did not belong to associations were landlords and rich - those 'not in need of NGO help'. When asked repeatedly for any other characteristics of NGO members and nonmembers, members as well as the better-off nonmembers did not identify additional traits.

¹¹ See Figure 9. Multiple answers were permitted. It may be relevant to point out here that the method of research employed neither probing nor checklists, and that answers were freely given in response to posed questions. I.e., questions were not leading.

By contrast, all 5 landless nonmembers included in their descriptions some identification of the extreme poor as those who did not belong to NGO programs. And when the question was subsequently reversed in format, inquiring whether there were any poor nonmembers, almost all respondents affirmed that indeed, the *extremely* poor were often not NGO members. The given reasons were a lack of understanding of NGO purposes, an inability to contribute minimal savings mandated by membership, and the social and economic risk associated with taking a loan and not being able to repay.

The fact that better-off villagers and even the poorer members tended not to include the extremely poor to begin with in their grouping of member and nonmember characteristics, but only when directly probed was disturbing because it seemed to highlight lack of social inclusion that the extremely poor face. The poorest were theoretically excluded from the various groups in the village community, except when specifically asked after. One woman elaborated and generalized that the poorest indeed were 'left out of everything'.

The lack of attention given to this category of people was especially troubling in light of the fact that these were the very people most in need of NGO services. Somehow, the poorest are not included in the minds of a vast majority of the respondents when they define their own community. By contrast, the fact that the poorer nonmembers all pointed out this category of people without probing only serves to emphasize the point, since by definition, these respondents were among that excluded group. Not only then, are the poorest often not included in NGO programs¹² (which would be troubling enough), but they may be socially excluded as well.

The dual exclusion must be a difficult barrier to socioeconomic improvement of the poorest. There are a few programs however, such as BRAC's IGVGD program,¹³ which

¹² A BRAC 1998 Study for example, found that even in BRAC villages, 41% of the hard-core poor were not in NGO programs.

¹³ Income Generation for Vulnerable Group Development is a joint BRAC, World Food Program (WFP), and Bangladesh government intervention designed to link extremely poor women to mainstream

have successfully attempted to attract the “hard-core poor” and managed to provide some means of overcoming such obstacles. But most NGO programs and their credit outreach benefit the poor, but not the extremely poor.¹⁴ The extremely poor are usually considered ‘unbankable’, since their situation is so desperate that financial services are not suitable. NGO programs may want to rethink this approach.

The extremely poor also have financial needs - these needs may just be of a different character. Insurance programs and more flexible savings schemes are both suggestions which are currently being discussed as a means of meeting the needs of the extremely poor. This research also suggests that the poorest face higher difficult obstacles in helping themselves out of poverty - in not only NGO exclusion but potentially in social exclusion as well.

5.4 Awareness of NGO Outreach

Another crucial result of the survey was the response to a survey of nonmember awareness (or rather lack of awareness) of NGO services in their communities. Because BRAC is reputed for its extensive outreach across Bangladesh and because information dissemination is an explicit objective of its outreach, one would assume awareness of its services would be fairly widespread.¹⁵ A description of BRAC’s operational model indeed notes that the first step in establishing a BRAC presence in villages is the mobilization of target households: “[The target households] are made aware of the different programs of BRAC and the advantage of coming together as a group.”¹⁶

In the case of the two sample villages however, this was far from true (See Figure 10). A scant 36% of nonmembers were even aware that BRAC provided *credit* while 19% of nonmembers reported that BRAC only organized meetings and provided no services at

development activities through a combination of food subsidies and training. For more information, see BRAC (1998).

¹⁴ And increasingly, they are also benefiting the “poor”, strictly speaking, less and less. See Halder, 2000 Forthcoming.

¹⁵ In this case, it was also used as a proxy for exploring the general awareness of NGO services.

¹⁶ Husain (1998).

all. Only one nonmember surveyed ever attended an NGO meeting - and this in villages where a majority of villagers are members of functioning NGOs. When questioned why, a handful responded that they had never been invited to one, but would attend if they were invited.

Together, this information should signal a grave problem for BRAC's village development prerogatives (and for other NGOs if the same is true of their programs). If villagers are not even aware that programs exist, how are programs even potentially accessible? And if communication between members and nonmembers is reasonably good, why have the experiences of BRAC members not been communicated in (relatively) small villages where BRAC has been active for years? At the very least, NGO awareness should be disseminated throughout the entire village during the initial stage of group formation, if not every time a new service is launched. In addition, members themselves could and should be encouraged to actively disseminate information about NGO services in their communities. The responsibility for service awareness however, falls most strongly to the NGO itself. It should be active in continually providing such information to the entire village to ensure that the decision not to join (as well of course, as the decision to join) an NGO is based on an informed understanding of its programs and function.

The importance of these efforts cannot be overemphasized, since according to this study, nonmembers appear far removed from the extensive development efforts BRAC has been supporting in these villages. While naturally, NGO services will only reach a smaller percentage of any given village, if the ultimate objective of NGO outreach is village empowerment and not just group empowerment, any evaluation of success must account for the fact that a majority of villagers are entirely ignorant of their programs.¹⁷

Furthermore, the danger in continually disseminating information to only members and not to the entire community is that NGO presence may actually become party to creating

¹⁷ BRAC initially attempted a village-based approach to rural development during the 1970's. This program was not successful because the benefits accrued to the village elite (those dominating the power structure). However, it is important to note that BRAC's target population is the poor – and many of those

and/or widening an informational (and perhaps social) divide. Essential to the concept of sustainable development is individual and communal empowerment, and this empowerment cannot become a reality until the decision to join an NGO is based not on ignorance, but on an informed understanding of NGO programs and objectives.

Microeconomic foundations of development are also not 'deepening' if substantial numbers of nonmember households across the Bangladeshi countryside are not participants in the process of transforming the life of their village. One of the major risks of macroeconomic transformation from a lesser to more developed economy today is that small segments of the economy develop rapidly whereas large other segments become obsolete and do not share in the fruits of change. The result of this pattern of development is a 'dual economy' of haves and have-nots, where growth is neither sustainable nor equitable. Similarly (assuming a pattern of empowerment and awareness for members), one runs the risk of creating a dual potential for development, one for those who are aware of services and are thus theoretically poised to take advantage of them, and those who cannot capitalize on opportunities because they are simply unaware of them and not even theoretically able to share in the learning by doing, the social and psychological support systems and the slew of other benefits of NGOs proffer.¹⁸ This is especially true because the current research indicates that a significant proportion of the poorest, those most in need of development assistance, are in fact not participating in NGO programs.¹⁹

5.5 Member/Nonmember Relations

The purpose of this section was to understand how the presence of NGOs in villages were influencing (if at all) the social dynamics between members and nonmembers and whether divisive tendencies existed among the villages along 'NGO fault lines', or the member/nonmember divide. As a pilot exploration, exploring the contours of such

are outside NGO programs. In a sense then, empowerment of all the poor would fit within BRAC's operational goals.

¹⁸ For a closer understanding of some of these support networks, see Hussain (1998), Ahmed (2000).

¹⁹ BRAC's IAS II [Hussain (1998), Table 8.13a] indicates that approximately 36% of the landless (which by and large translates directly into extreme poverty in Bangladesh) are not members of any NGO.

dynamics would be an important component of understanding village level effects of NGOs.

Members and nonmembers were first asked how often they interacted with non-kin villagers and then asked how often they interacted with each other.²⁰ Some degree of isolation between members and nonmembers could arguably be expected, given the constraints on women's time. But while the sample size again precludes a meaningful conclusion on member/nonmember relations, the considerable gap in frequency of interaction between members/nonmembers in the sample communities should give rise to reflection on potential divisive tendencies.

91% of members interacted frequently (defined as twice or three times a week) or daily with non-kin community members while 27% interacted frequently or daily with nonmembers. Comparatively, 64% of nonmembers interacted frequently or daily with non-kin community members while 9% interacted frequently or daily with members. The considerable gap in these percentages (64% and 55% respectively) is suggestive of a palpable paucity of interaction across the member/nonmember divide (See Figures 11-12).

Because most respondents identified their primary interactions within the community as those with neighbors and because the village mapping exercise revealed that members and nonmembers tended to live in clusters around each other, one could argue that this lack of interaction was simply due to the physical proximity of members versus nonmembers.²¹

Nevertheless, the fact remains that a distinct sense of isolation seems to exist for a minority of the nonmember community. While 89% of members felt they were more integrated into the community since NGOs began functioning in their community, only 50% of members felt this way. 11% of members and 25% of nonmembers felt that there

²⁰ Members were asked how often they interacted with nonmembers while nonmembers were asked how often they interacted with members.

²¹ This 'clustering' phenomenon may also be worth further exploring.

was no change in integration, while no members and 25% of nonmembers felt that they were less integrated into their communities (See Figure 13). Although it must be emphasized that fully 50% of nonmembers felt *more* integrated, a substantial minority of people perceived themselves to be further removed from community networks - perhaps an indication that the member/nonmember divide can give rise to negative social dynamics.

In addition, respondents were first asked whether they theoretically felt comfortable approaching any villager for financial assistance should circumstances necessitate it. Without exception, each respondent affirmed their willingness to approach villagers in general. When then same question was asked with respect to members and nonmembers,²² 23% of respondents responded that they did not feel comfortable crossing the member/nonmember divide for financial assistance, further evidence of some tension along the members/nonmember divide (See Figure 14).

However, positive spillover effects were also apparent in the pilot study. Two of the nonmember respondents (one in the richest and one in the poorest category) described member friends or neighbors who often loaned them money from the NGO loans they had received (and as they became better off, from their own savings). One nonmember also revealed that her children were attending an NGO school at the urging of her neighbor. And a good majority (64%) of nonmembers responded that NGO members were role models for the community, more specifically, through the examples they set through socio-economic improvement. By way of these illustrations, NGO programs are also able positively affect the lives of nonmembers. In this study though, this seemed to be the case for only a small minority of individuals, in many cases those who had good relations with neighbors or access to other forms of social capital.

In sum, nonmembers may in fact be benefiting indirectly from NGO presence in the village (through increased financial liquidity in the village or examples of saving for

²² Again here, members were asked how comfortable they felt approaching nonmembers and nonmembers were asked the opposite.

example), but they may also be further isolated from their community when they are not privy to the empowerment dynamic so often attributed to NGO membership. The current research thus suggests that the negative isolation effects in terms of information and awareness is a real phenomenon, as are positive spillovers. How to mitigate the negative spillovers and encourage the positive feedbacks should therefore be an ongoing locus of discussion and research.

To understand how programs can better take advantage and perhaps magnify such spillovers, one would need to further study social networks with the following questions in mind: What does it mean to be 'plugged in' to the community? How can programs take advantage of these ties, be they social, physical, or otherwise, to see that more nonmembers are benefiting from NGO services?

One possible means of extending positive spillover effects is to bolster the existing social capital in the village network so that benefits, trust, and information flows freely among households without the need for outside mediation. This could include village-wide forums to bring the community together and encourage exchange and other similar programs.²³ It is important to note that while NGOs can provide the training, resources, other support and an enhancing environment, the development process needs to be owned by the community. Whether or not the idea is introduced by NGOs, the community should expend the initiative and drive so that the villages are both economically transformed and socially empowered, for without the latter, sustainable development is not possible.

What are the implications of such a finding, if indeed it is representative of a larger phenomenon across Bangladeshi villages? On a cautionary note, one should carefully abstain from attributing a causal relationship to what may simply be a correlation. In other words, evidence that the tension between members and nonmembers exist does not necessarily substantiate the assumption that the fact of membership caused the divide. There may be a selection bias for example, in which those villagers who are likely to feel

²³ The BRAC Theater Program for example. See BRAC (1998).

tension with existing members of the NGO choose not to join to begin with. Regardless of whether NGO programs and participation create tension among a member/nonmember divide however, the tension seems to exist. And in either case, program design and implementation should perhaps pay more attention to how program participation could give rise to fragmentation dynamics, since NGO programs could be party to perpetuating a tendency for village social dynamics to split along member/nonmember divide.

For obvious reasons, these group dynamics are often exactly what is needed for NGO programs to work. Microcredit programs for example, depend upon the social collateral accompanying group formation to provide an incentive for timely repayment. Furthermore, the alternatives to group-based development schemes have been shown to be vulnerable to other kinds of difficulties, such as elite capture, which render group-schemes the most effect means of reaching the community at large.²⁴

What the current research may simply suggest is that these group dynamics also have their downside in social isolation. At issue then is not whether these group dynamics are necessary or inherently negative, but how group dynamics can be harnessed in a positive manner while the isolation effects are mitigated.

Further research may want to move in the direction of examining this phenomenon in a more systematic and representative manner. If these dynamics are shown to be a widespread, one could perhaps learn how to downplay their potentially negative impact on rural empowerment and development.

6. Summary and Recommendations

This case study thus suggests that the presence of an NGO in villages is widely perceived to have positive spillover impacts on human development, but that the impact is perceived to be greater in social areas such as health and education than directly in

²⁴ BRAC's earlier approach in the 1970's for example, demonstrated the difficulty of a non-group based approach.

income and consumption. The village as whole, through positive spillovers on nonmembers, appears to be benefiting from an NGO presence. However, negative side effects of the NGO presence *for some nonmembers* has also been found to exist, and this may hamper the village level development in a holistic sense. Specifically, the findings are:

Perceptions of General NGO Impact

- Overall, a large majority of both members and nonmembers perceived NGOs to have positive impact in areas of education and overall village changes.
- A bare majority of members and nonmembers perceived NGOs to have positive impacts in areas of village health, risk of crisis, consumption variability, equality, and participatory decisionmaking.
- Clear differences between member and nonmember perceptions were seen their perceptions of NGO impacts on income levels, on consumption levels, and on their sense of community. In these areas, members tended to perceive a stronger influence of the NGO than nonmembers did.

Perceptions of Client Attraction

- Respondents tend to identify NGO membership with poorer households and lack of membership with better-off households.
- Upon probing however, many respondents revealed that the extremely poor tended not to be members of NGOs.

Village Services and Needs

- An overwhelming majority of nonmembers are not aware of the basic services BRAC offers in their villages. Because BRAC has the longest established presence in both villages, this is also likely to be true of other NGO services.
- Almost all respondents identified the need for more tubewells as their most important village need. This was closely followed by the need for more latrines.

Perceptions of Member/Nonmember Relations

- Members and nonmembers do not tend to associate with each other nearly as often as they associate with villagers in general. This could be because villagers tend to most often associate with their neighbors and NGO membership seems to be clustered in certain neighborhoods.

- Members are far more likely to feel more integrated in their village communities than are nonmembers.
- Potential positive spillover effects amongst members/nonmembers social relations included informal lending, as well as participation in NGO education provision
- Potential negative spillover effects included some evidence of tension along the member/nonmember divide.

As with any case study, but especially here given the small sample size, it is very important to highlight the extremely tentative nature of these results. These findings may or may not be indicative of larger trends in villages across the Bangladeshi countryside.²⁵ In the event that such findings are indeed representative, three areas are of especial importance and deserving of further debate and research. These three areas are 1)the poorest of the poor; 2)awareness of NGO outreach and 3)relations between members and nonmembers.

The lack of NGO programs available to meet the specific needs of the hard-core poor is a topic which receiving increasing attention. More efforts are now being made to understand why they are not being attracted to NGO programs, with the understanding that the current format of outreach programs may even be harming the poorest.²⁶ The need for this emphasis is underscored by the disturbing perceptions of client attraction in the minds of the majority of respondents, most of whom neglected (upon repeated questioning) to mention that the poorest were often not involved in NGO programs.

As an indication of the difficult circumstances in which the extremely poor find themselves in, this should provide additional impetus for NGOs to examine what kinds of services they can provide to help the most needy overcome the kind of exclusion they face socially as well as financially. There may even be that there is a feedback

²⁵ A more representative survey would naturally need to interview a much larger, cross-regional sample, an extremely time-intensive enterprise. Undertaking such a survey across regional villages is not only limited to the time factor, but also to the ambiguous nature of the questions and the potential interdependence of these results. As a pilot survey however, this paper may be useful in identifying several areas of concern and stimulating a discussion as to what particular areas merit additional research.

relationship between these two. NGOs need to continually search for means, such as the BRAC IGVGD, to serve the segments of the community most desperately in need of assistance.

Secondly, knowledge is power. Development in all economic structures, from developing country economies to transition economies to the high-technology economies of the first world, has the potential to widen the divide between segments of the population. In the economies in transition today, a new rich class has emerged while the majority of the population faces severe hardship. Similarly in the United States, the explosion of technology-led growth has accentuated differences between those with access to information and education and those who do not. In developing economies, the same truism applies - education and information is the power, the golden key to development.

By providing information and education to some and not to others, NGO programs impact who can access those keys in Bangladesh. If NGOs define their ultimate development goals in terms of village development and poverty alleviation, and not just individual or group development, then NGOs may want to consider expending great efforts to ensure that all villagers, but especially the poor, are at least aware of the basic purposes and programs of the NGO. Without this basic awareness, holistic village development is not a reality, since an 'information divide' will separate those who can access development opportunities, and those who cannot.

Finally, this current research indicates that among a group of nonmembers, a sense of greater community isolation seems to exist. Although this sense of isolation may be linked to a variety of other phenomenon, the issue at stake is not whether the effect is a causal one, but a contributory one. That is, whether or not NGOs themselves instigate such tendencies is secondary to the fact that their programs may (unwittingly) be propagating them. Should NGOs define their development objectives in terms of individual or group improvement, this isolation effect may not be relevant. But if NGOs

²⁶ Again see Halder, 2000 Forthcoming.

are seeking to impact village development for the poor, this phenomenon is decidedly important because group dynamics are appear to have their downsides.

Therefore, NGO program design and implementation may want to further research whether this sense of exclusion is more widespread, the characteristics of those nonmembers who feel excluded and how such nonmembers can be pulled into the seemingly virtuous cycle of program participation. Encouraging non-kin attendance to VO meetings once a month, creating ongoing member outreach programs to disseminate know-how, and organizing village-wide events which encourage exchange along the member/nonmember divide are perhaps some of the ways in which this can be done. More generally, fostering a climate of experimentation and a greater sense of community are other important steps in supporting village development.

In concluding, small case studies such as these are perhaps most useful in identifying areas of further interest and providing a background for larger, more representative research. This study may have pinpointed some themes in client perceptions of NGOs which merit further attention. By examining these and by continually evolving an understanding of how NGO clients perceive the changing NGO role, NGOs such as BRAC are ultimately better equipped to contribute to the development of individuals and villages in rural Bangladesh.

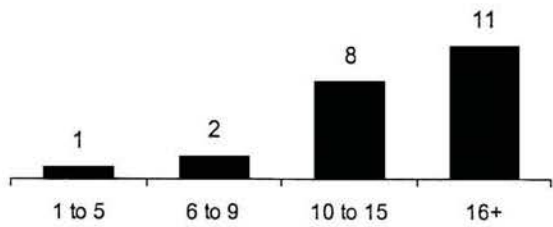
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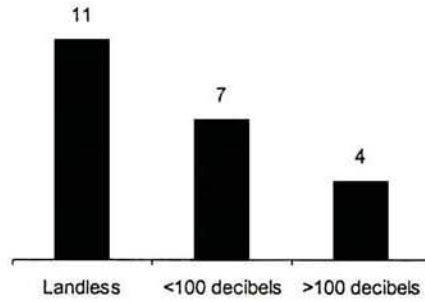
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Characteristics of Sample

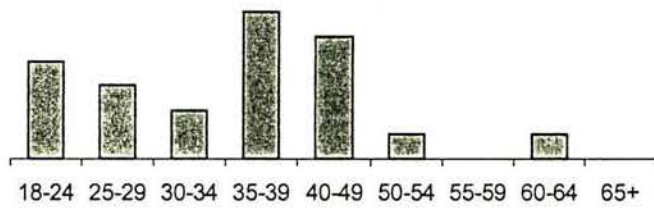
Graph 1: Years in Village



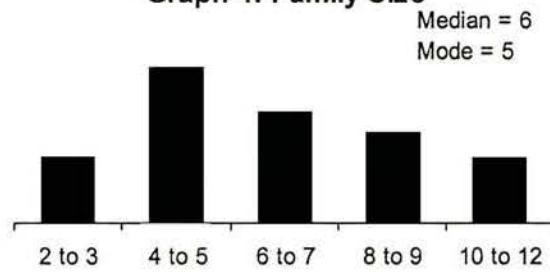
Graph 2: Landholding



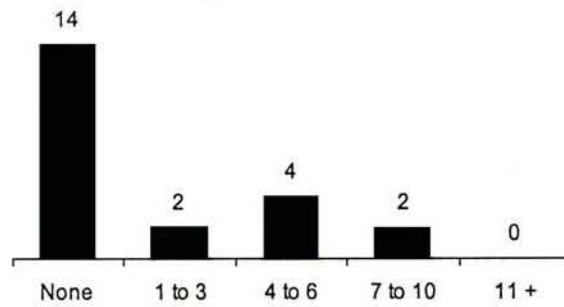
Graph 3: Age Distribution



Graph 4: Family Size



Graph 5: Education



Perceptions of NGO Impacts

Figure 6: Positive Impacts of NGOs

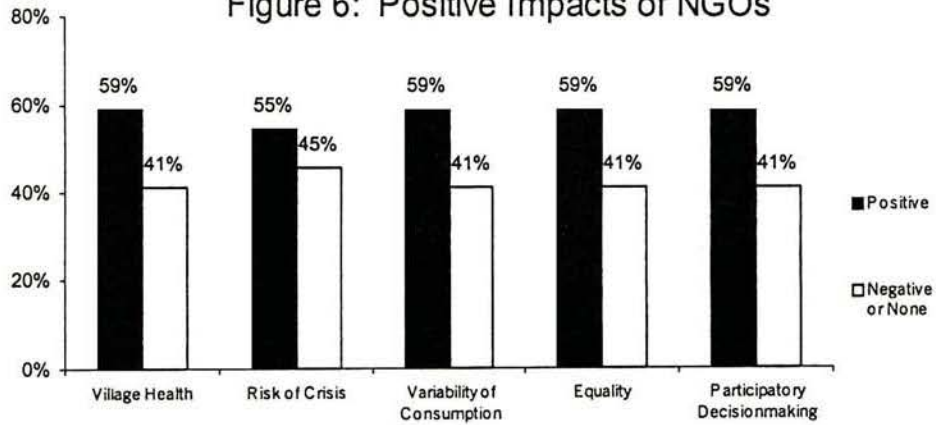


Figure 7: Strong Positive Impacts of NGOs

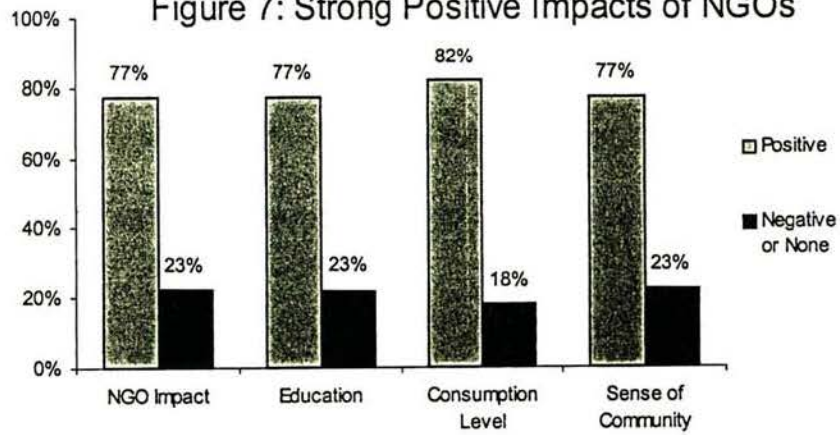


Figure 8: NGO Effect on Income Level

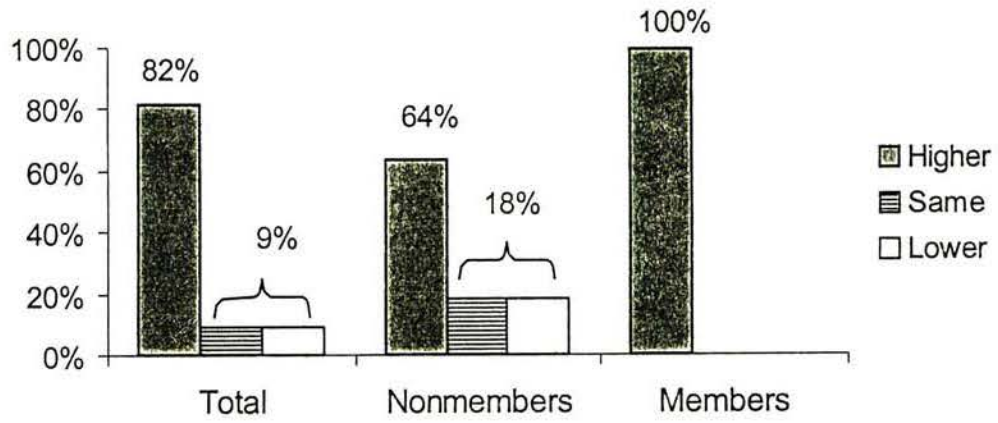


Figure 9: Lack Awareness of BRAC Service Provision

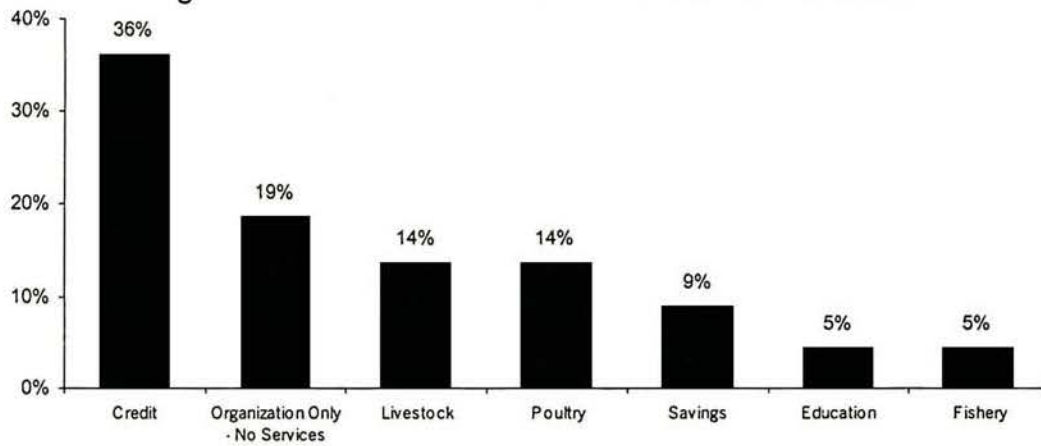


Figure 10: Lack Awareness of BRAC Service Provision

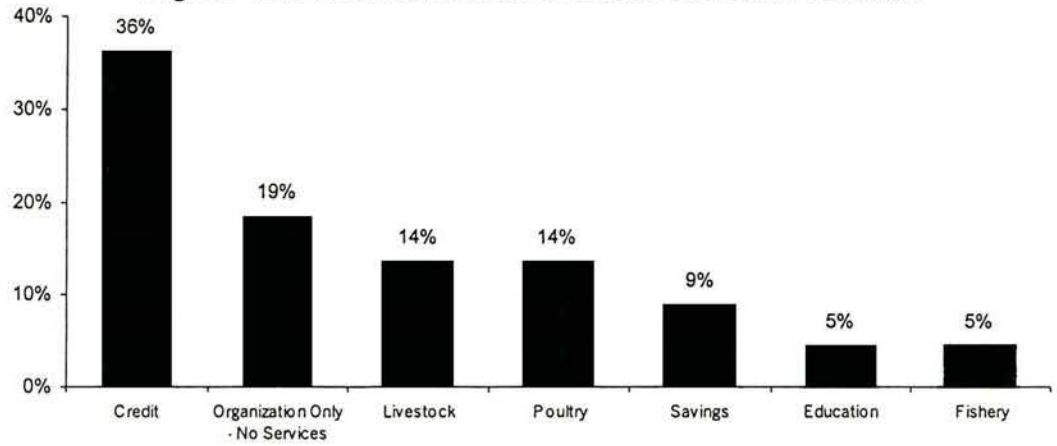


Figure 11: Interaction with Non-Kin Villagers

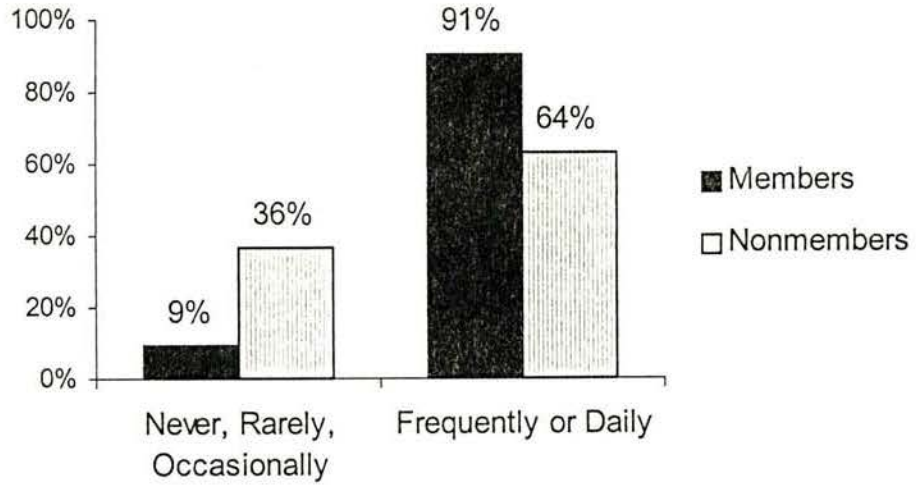


Figure 12: Interactions Between Members and Nonmembers

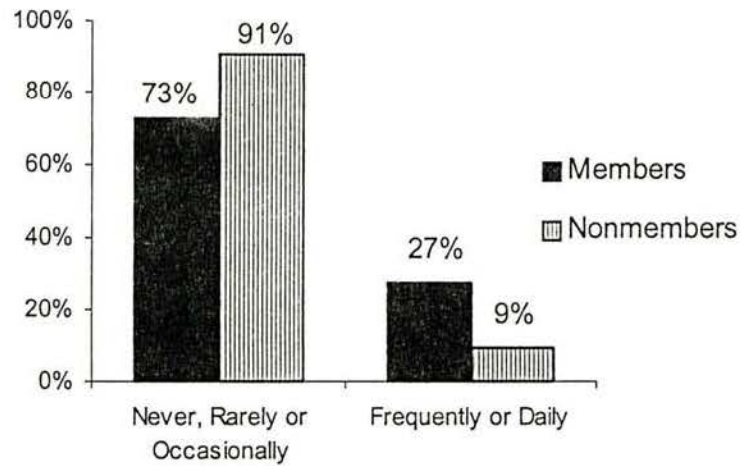


Figure 13: Changes in Community Integration

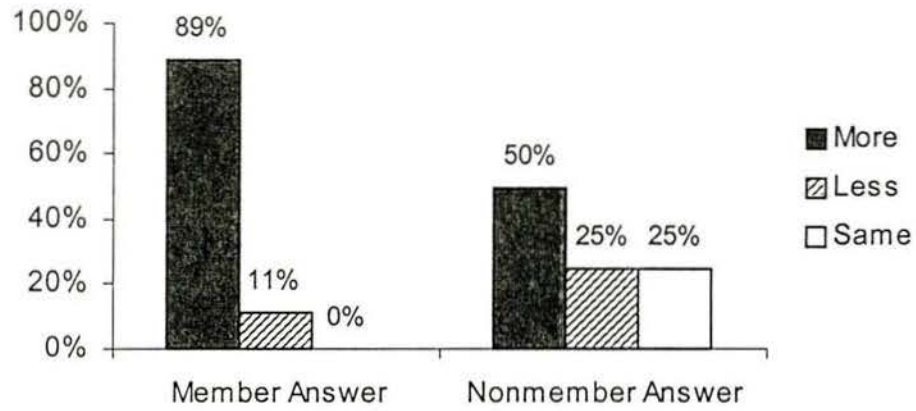
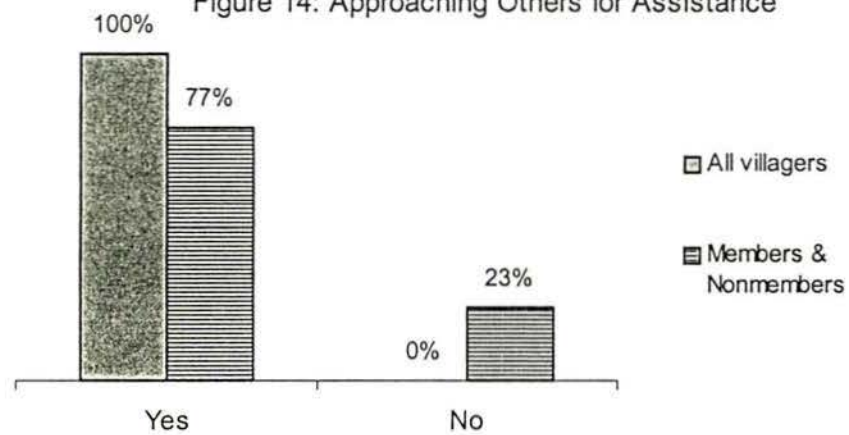


Figure 14: Approaching Others for Assistance



In response to questions about who respondents would feel comfortable approaching for financial and social support. In the case of the striped category, the responses show the ability of members to approach nonmembers for help.

