

Reasons for Hope

Instructive Experiences
in Rural Development

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3 The Bangladesh Rural Advancement Committee: How BRAC Learned to Meet Rural People's Needs Through Local Action

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BRAC works with people whose lives are dominated by extreme poverty, illiteracy, disease and malnutrition, especially women and children. Their economic and social empowerment is the primary focus of all BRAC activities. Our success is defined by the positive changes we help people to make in their own lives. Although the emphasis of BRAC's work is at the personal and village levels, the sustenance of development depends heavily on a pro-development policy environment. BRAC is committed to playing a role at this level through its research and advocacy work. BRAC works in partnership with like-minded organizations, governmental institutions and donors to achieve its ends.

BRAC believes that development is a complex process requiring a strong dedication to learning and to the sharing of knowledge. Our work is based, therefore, on the services of highly committed, competent and serious professionals.

—BRAC Mission Statement (1994)

In 1972, we set up BRAC—originally the Bangladesh Rehabilitation Assistance Committee, now called the Bangladesh Rural Advancement Committee. Its original purpose was to provide emergency relief to people of a small area in northeast Bangladesh. The country had been devastated by a cyclone, one of the worst in our history, in November 1970. The destruction wrought by the cyclone was made worse by the war of independence that followed almost immediately. In March 1971, the Pakistan army cracked down on the citizens of Bangladesh (then East Pakistan) after declaring invalid the results of a general election. Ten million people, uprooted from their homes, sought refuge in neighboring India. In December 1971, after a short but terrible war that ravaged the countryside, the Pakistan army surrendered and Bangladesh became independent. The refugees returned to their homes, only to find a barren place, their homes destroyed or burned down and their belongings looted.

The new government of independent Bangladesh was overwhelmed by the huge task that it faced and had difficulty mounting the massive relief

operation that was urgently needed. The situation was particularly bad for people who lived in inaccessible areas such as Sulla in what is now Sylhet district. A group of us—some of whom came from that part of the country and had worked together during the 1970 cyclone relief operations—got together again to provide relief to the people of Sulla. Thus, BRAC was formed, and, served by a core group of young university graduates, it started carrying out relief and rehabilitation work in 200 villages. Over 14,400 houses were rebuilt. Tools such as looms, wheels, hammers, saws and chisels were given to craftspeople to help rehabilitate them in their trades.

We thought that this effort would be needed for two to three years, at most, in which time the situation would normalize, and the national government would start carrying out the urgently needed development functions. But as we worked among the rural areas of Sulla, we realized increasingly that early withdrawal of BRAC was a premature and too-hopeful expectation. The tasks of development were huge, and government agencies were not sufficiently motivated or equipped to perform these tasks. Supplementary efforts by NGOs continued to be required.

In Sulla, we began to see the everyday evidence of poverty and to feel people's helplessness in the face of it. We realized that relief measures were fine as short-term goals, but that providing such assistance was not an answer to the longer-term needs of poor people. Different forms of assistance and a different style of working were called for if we were to make any sustainable impact on living conditions. We felt sure that self-reliance among the poor was the only abiding answer to their problems. Developing such an orientation, paradoxically, required the sustained involvement of a development agency over a number of years.

BRAC needed to change its focus, but we were not quite sure how best to go about building up self-reliant village institutions. Initially, we made many mistakes. We saw each mistake as a learning opportunity, not without cost perhaps, but in the long run producing huge gains in knowledge that we have relied upon continually as we have improved our strategy and program content. Perhaps the most important lesson we learned is there is no fix-all strategy for development. Only through constant learning and adaptation can any agency develop its ability to serve the poor.

Turning our attention from coping with an acute crisis to dealing with persistent crisis meant over four years (1973–77) adopting an integrated, inclusive, community-wide approach (Lovell 1992). Most of these early programs were adapted from other development experiences both in Bangladesh and elsewhere, most notably the Comilla model of coopera-

economic differences, could come together in a combined effort for mutual self-help. The reality was that the richer sections of the community used these early cooperatives to their exclusive advantage. They derived maximum benefit from agricultural extension and our other programs, while the poor remained on the fringes. Our experiments with a health insurance scheme also went awry. To obtain insurance coverage, participants were required to pay five kilos of paddy (rice) per person at the time of harvest. Although operations went smoothly and about 30 percent of the costs were recovered from the paddy premium, our evaluations revealed that the program was not reaching poor households, who found it hard to put away so much paddy.

There were also other lapses in program design and management. A health program was set up that relied upon paramedics who were supported and supervised by regular doctors. Once trained, however, the paramedics resisted any supervision, either by BRAC or its doctors, and least of all by village cooperatives. Many of them set themselves up as self-styled doctors, seeing patients and charging fees, often with disastrous consequences to the patient. BRAC was faced by virtual revolt when we attempted to regulate the activities of these quacks.

The evaluations and research studies we undertook convinced us that it was counterproductive to work with entire village communities. Closer and more cohesive communities could be built out of the affinitive links that existed among groups of the poor. Although these links were at best latent, suppressed by the dependency relationships that each poor household had with some particular patron in the village, they could nevertheless be revitalized.

VILLAGE ORGANIZATIONS

This realization led BRAC in 1977 to adopt a target-group approach. We decided to concentrate our efforts on households owning less than half an acre of land that also sell manual labor for survival—more than half of Bangladesh's 112 million people. We go into communities to form village organizations (VOs) from among this category of people. Our program officers (POs) go into villages that lie within their areas and spend time talking to each poor household separately, inviting them to join a new VO and convincing them to break from their dependency relations with rich patrons. Economic assistance is made available to these groups, but it is not advanced immediately. Instead VOs must go through a six-month period of education and conscientization before they become eligible for credit.

During this time, VO members must deposit regular weekly savings in a bank account operated by the group. They also must attend a set of thirty

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lessons, averaging three hours each, that are designed to raise their awareness of their social and political environment and to acquaint them with the opportunities available within this environment. About half the members of any VO go on to take a second, optional part of the training that is devoted to literacy and numeracy. Though the curriculum has been designed by BRAC specialists, the training is participatory (following the methodologies made famous by the Brazilian educator, Paulo Freire). Trainers are chosen from among villagers having a high school education; they are then required to attend specialized training courses run by BRAC's Training and Resource Centers, or TARC's.

Separate VOs are formed for men and women. In any village, a women's VO must be formed before a men's group can begin functioning. This recent measure seeks to rectify the gender imbalances that are so prevalent in the countryside. In 1979, only about 10 percent of VO members were female; the proportion has now reached 80 percent. Enabling women to emerge from their social and economic isolation, one of our most important objectives, has never been an easy task. Hiding behind the mask of Islam, some people have attacked BRAC property and personnel. They are motivated by the threat that BRAC poses to the traditional, exploitative and oppressive power structure rather than by genuine religious sentiment. Over fifty of our schools were burned down, thousands of trees planted by poor women were cut down, and many BRAC participants and workers were harassed or threatened. But with their new-found solidarity and with the support of BRAC and its dense network of POs and village workers, members have been able to resist retaliatory threats and have persuaded landlords and moneylenders to improve their terms of exchange. Through the credit and other services that flow through their VOs they have helped build a better life for themselves.

However, credit provision to VO members is not the mainstay of our program. Credit can enable the poor to take advantage of existing opportunities, but it cannot by itself expand upon the range of opportunities. To increase the opportunities for self-advancement, credit must be supplemented by a program of institutional support that provides technical assistance and builds helpful links with markets and with the sector programs of government agencies. BRAC has made considerable headway, opening new avenues for members to employ profitably the credit and training that are made available to them.

INSTITUTIONAL STRUCTURE

Many traditional and government institutions exist at the village and national levels, but none of these helps voice the needs or the opinions of

the poor. BRAC has tried to close this gap by creating institutions that are controlled firmly by the poor. Links are established with higher-level institutions, allowing the poor to connect more favorably with market opportunities. The area of institutional intermediation includes liaising with government agencies to reorient, redirect or otherwise improve the services and amenities that are already being offered. We have collaborated with the government in the health and education sectors, for example, mounting a national program for Oral Rehydration Therapy that has reduced infant mortality in the entire country.

With any new program, our effort has been to develop appropriate institutional responses to problems, as voiced by our members. In each intervention, technical or institutional, the approach has first been tested in a small area. The Manikganj area, the Jamalpur area and the original Sulla area have, over the years, become our major experimental areas. Many of our current programs were first developed in these learning laboratories. Learning has not, however, stopped at the stage of expansion. Staff in each area are free to experiment and devise more locally appropriate variations on the general theme.

We have expanded both our regional scope and our range of programs over the past twenty years, most rapidly since 1989. In 1990, we were working in about 4,000 villages, with an annual budget of about \$20 million. We now work in 35,000 of the 68,000 villages of Bangladesh and have a budget of more than \$86 million. Table 3.1 gives more indicators of our current status.

BRAC's programs include our core activities, the rural credit and small enterprise development operations and many other interventions that deal with education, health care, nutrition, legal aid, and other areas that have emerged in response to people's ideas and requests. Our Non-Formal Primary Education Program (NFPE), for instance, was developed when VO members who had taken part in the compulsory functional education programs asked why BRAC did not conduct literacy classes for their children. NFPE is now being conducted in 35,000 schools, with more villages being covered every year. Other programs are also expanding rapidly. Although we believe that it is better to start each new program in a small way, we also believe that program processes, once sufficiently well developed, should be expanded rapidly to cover as many poor people as possible. In the context of Bangladesh and many other developing countries, small is beautiful, but large is necessary.

BRAC's structure reflects the high value we attach to flexibility and to field-level innovation. Even with more than 16,000 staff, our headquarters staff is very small, keeping the field as the primary focus of operations. For each program, the regional manager is the only level between the area

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Table 3.1 Scope of BRAC Programs, December 1995

Full-time staff	16,083 (18% women)
Part-time staff	31,676 (96% women)
Participants in credit programs	1.5 million (80% women)
Amount of loans disbursed to the poor	US\$239.5 million
Amount of savings by the poor	US\$19.7 million
Villages with BRAC programs	over 35,000
Primary schools	35,175
Students enrolled	1.1 million (70% girls)
Total budget (annual)	US\$86 million

offices and the program coordinator at the center. For conducting our programs, the area office, headed by an area manager and staffed by a core group of program officers, is the focus of planning and action. Each PO is assigned a separate territory, within which he (or, increasingly she: women currently constitute 40 percent of our POs) is assisted by local workers recruited from among participating villagers. Villagers with special abilities or commitment are selected and trained as specialist paraprofessionals or as general purpose *gram sheboks* (village workers). POs are responsible not only for their respective areas, but are members of the area office's decisionmaking team. Staff members of each area office live and eat together, spending many hours in dialogue about village problems and about the suitability of available BRAC responses.

The area offices, in addition to being implementation agencies, are the units that formulate operational policy. Being at the cutting edge, the area offices must continually adapt programs to address diverse and changing circumstances. Within a framework they themselves help to determine, every staff member, regardless of seniority, participates in decisionmaking. They are assisted in this by specialist trainers and by a small cadre of headquarters staff who handle monitoring and evaluation, research and program development, and who provide guidance whenever area offices request it.

RESEARCH, EVALUATION AND TRAINING

Research and evaluation is increasingly important as the organization grows. The Research and Evaluation Division (RED), an independent unit with more than 100 staff, carries out specific studies, both independently and as called for by program managers. Studies are also conducted by outsiders such as academic institutions, the government and donor agencies.

The results are disseminated through seminars, which are held both at BRAC headquarters in Dhaka and in the field. Bangla versions of reports are prepared for circulation to field staff. Each of BRAC's programs also has its own management information system that allows quick and regular feedback on day-to-day management.

RD BRAC has invested heavily in developing the capacity of program participants and its own staff. Training courses are regularly organized to cover social awareness education, leadership, organization and management and to teach various skills to POs and paraprofessionals. These courses are provided by BRAC's sixteen Training and Resource Centers (TARCs) located around the country. Staff members also regularly receive on-the-job and refresher training. More promising staff members are also sent overseas for training. During 1990-93, over forty BRAC staff received graduate education in various foreign universities.

As in most other aspects of BRAC's work, training has a strong market orientation. TARCs are designed to be self-financing, and program managers must pay to have their staff and participants trained. As the scale of programs has increased, most area offices cater to training needs within their respective areas. POs and *gram sheboks* themselves conduct a large part of the training, sometimes calling in experts for support. TARC training courses have increasingly focused on training the trainers themselves, with training needs and curricula identified through consultation with program managers and area offices.

THE RURAL DEVELOPMENT AND RURAL CREDIT PROGRAMS

In 1979 we began experimenting with two different types of VO support programs. One was run without credit, relying on people's own resources and on the support they could get from ongoing government programs; the other was similar but included a credit component. Five years of parallel experiments convinced us that although self-help efforts by VO members are essential, it was important that people's initiatives not be held up or their motivation eroded due to lack of credit. On the other hand, credit should not be made available to groups as soon as they are formed. It should be preceded for at least three to six months by a period of education and savings and by building group solidarity. Otherwise, expectations of quick economic gains become the primary motive, driving out concerns for group solidarity and preventing the growth of purpose and self-discipline. By 1985, the two programs were merged into a single program, called the Rural Development Program (RDP). These experiments also showed us that complicated rate schedules and repayment

conditions create problems; simple rules are easiest to understand and follow. We decided to reduce alternative rate structures to the minimum. Credit, however, was to be made available on commercial terms, with strict loaning and repayment conditions.

Another important lesson emerging from the mistakes we made during this initial phase was understanding the best route for credit to take from BRAC to an individual borrower. Earlier, we advanced funds to the VOs, which deposited the money in a bank account and operated the accounts with little BRAC involvement. Our mistake lay in expecting VOs to develop, overnight, the required maturity and financial skills. Initially, VO elected officials had little accountability either to BRAC or, more important, to their own membership. Some unscrupulous VO leaders even made off with VO funds.

A more suitable strategy lay in focusing the credit program on small, self-governing groups of five to seven members who, assisted by a BRAC staff member, keep accounts and effect repayments. This small group oversees loan approval and utilization. Loans are rotated among group members, and no one can take out a second loan until all others have received their first. Another condition for eligibility is that the borrower must establish his or her capacity for repayment by first saving at least 5 percent of the requested loan amount with the VO before the first loan is advanced; savings deposits must equal or exceed 10 percent of the requested amount for a second loan and 15 percent for the third loan.

Timely repayments are managed through peer control. Since not more than three loans can be outstanding for any one group, repayment by one member becomes a condition for loans being made to other members. Repayments are made weekly, in small, affordable amounts and begin soon after any loan is advanced. All members must also save at least 2 taka every week (about 5 cents).

Although the small groups oversee the credit program, all loans are sanctioned in full VO meetings. To facilitate greater VO accountability, the secretaries of the small groups form a VO management committee on a rotating basis. VOs must have at least twenty members. On average they have thirty-five to forty members, and only one member is allowed from any household. VOs and small groups hold regular weekly and monthly meetings on predetermined days to administer the credit program. The amounts advanced to village groups are banked with BRAC itself. To facilitate this step, we started our own banking project in 1989, called the Rural Credit Program (RCP). As described later in this section, RCP has been taking over banking operations from the Rural Development Program in areas where the latter has been functioning for four or more years and where mature VOs have emerged.

Three types of credit are disbursed, for: (a) traditional activities such as rural trading, transport (boat and rickshaw) and rice processing; (b) nontraditional activities such as grocery shops, rural restaurants, or technology-based undertakings such as poultry, silk culture or mechanized irrigation (these loans are available only to women to compensate for men's previous dominance); and (c) housing loans. The interest rate for housing loans is 10 percent and 25 percent for the other types. Housing loans can, however, be taken only after any member has become more financially well-off through investing in income-generating activities; without this financial base, it becomes difficult to pay off the weekly installments.

Disbursing credit, however, is not enough. The purposes for which this credit is used must yield incomes sufficient to bring the poor out of their low-level equilibrium. Technical and institutional intermediation thus becomes important. BRAC's Rural Enterprise Project (REP), its technical research and design wing, has been working since the mid-1980s to improve technological options for use in BRAC-sponsored, income-generating activities.

The technology developed by REP is both relevant and realistic. It has to address itself to a felt need and an available opportunity; it also has to be accessible by the poor, that is, it must be relatively cheap and locally usable by village residents. Examples of such technology developed by REP include breed improvement and vaccination, hatchery-construction and rearing techniques for poultry; artificial insemination for livestock; deep-tubewell construction for irrigation; and improved varieties of mulberry trees, quality production of silk cocoons and modern reeling facilities for sericulture (silk production). About 30 percent of our existing credit portfolio is invested in these technology-intensive activities. Following are examples of three such activities to make clear our process of development.

Poultry. BRAC starts by training women to rear high-yielding breeds of chicken. Loans are given to female members of VOs to operate low-cost hatcheries that supply day-old chicks to other village women. These women rear the chicks until they start laying eggs, which are sold to the hatchery and also directly to consumers. Other VO members receive loans and training to become feed suppliers and egg sellers.

One of the major problems of poultry rearing in Bangladesh is high mortality among the birds. The government livestock department keeps stocks of vaccines, but these depots are far away and not accessible to most villagers. BRAC has trained village women, VO members, on how to vaccinate poultry, and then linked them with the local government livestock department, to get a free supply of vaccines. The women receive the vaccine and then inoculate chicks in their own villages for a small fee. The

women increase their own income and, at the same time, ensure survival of their neighbors' chicks. By 1994 over 500,000 members, primarily women, were deriving monthly incomes of between 150 and 700 taka through investing their loans in poultry activities.

Sericulture. Similar links have been established for programs such as sericulture, a home-based, labor-intensive activity that, with little investment and low risk, can increase the incomes of women who work only part time. The demand for silk in Bangladesh is high, and despite the government's efforts, through its sericulture board, to promote domestic production, much of the silk sold in the country is imported. Beginning in the early 1980s, we studied this sector intensively. A major constraint, we found, lay in the availability of leaf fodder for silkworms from mulberry trees. Another constraint was the lack of a distribution network to link the sericulture board's silkworm egg production unit with the village silkworm rearers, and the village silkworm rearers with reeling and production units. Again, we used the combination of credit and training to help a number of village women set themselves up as village-level silkworm rearers.

To ensure a good supply of mulberry leaves, large numbers of the trees were planted along village roads, on pond embankments and on any other unused lands that VOs identified. Government food-for-work funds were used to pay women members who planted and cared for these trees. Other VO members were assisted in setting up village-level nurseries for mulberry saplings, often on land leased from other villagers. Close cooperation with the sericulture board has also reduced bottlenecks in the supply of silkworm eggs.

With the assistance of its sister organization, the Ayesha Abed Foundation, BRAC has established a marketing outlet for producers by setting up a chain of reeling and production facilities linked to its network of *Aarong* shops based in major cities. Currently there are eight *Aarong* branches, six in Bangladesh and two abroad (London and Vancouver). The *Aarong* production centers, in addition to helping village rearers of silk cocoons, are also providing direct employment to over 10,000 women. Women's associations attached to each center manage all its affairs, obtaining credit from RDP, designs from specialist consultants, and training from TARCs or, more often, at the production center. By 1995, over 15,000 women were earning up to 1,000 taka per month from sericulture and related activities.

Deep Tubewells. Groups of landless people have received loans for setting up deep tubewells that supply water on a commercial basis to farmers in the vicinity. Individual VO members purchase shares in a prospective tubewell, and the shareholders elect a management committee from among

themselves. They also hire some among them to receive technical training, both in tubewell operations and maintenance as well as in agriculture extension. To complement their efforts, other villagers are trained more extensively in tubewell maintenance and repairs.

The irrigation group signs up farmers who purchase water, often paying between one-quarter and one-third of their crop at harvest, in return for irrigation and extension advice. Subsidies under a now-disbanded government program financed part of the initial cost of the tubewells. Before BRAC's program started, these subsidies were all going to the richest farmers. Now, landless persons are not only able to gain some share of government assistance, they are also gaining control over a precious resource. This has, at least partly, reversed the earlier dependency relations between rich farmers and landless peasants.

An important feature of the Rural Development Program is its design to become self-sustaining. After a few years of operation in any area, the interest received from loans is expected to cover the operating costs of the corresponding area office. The step toward self-financing areas has been advanced since 1989 with the launching of the Rural Credit Program (RCP). The idea behind RCP is to take over from the Rural Development Program all the area offices—complete with buildings, equipment and, most important, the loan portfolio—where VOs have been in operation for four years or more and whose loan portfolio is sizable. These mature VOs have derived considerable support from their long-standing association with BRAC, and they should now be able to stand on their own, dealing with commercial organizations and purchasing whatever services they need. Technical and managerial assistance will, however, continue to be provided by RCP personnel, although most often it will have to be paid for.

RCP functions like a bank and is managed through branches similar to the RDP area offices. A typical branch includes about 150 VOs or 6,000 members in 70 to 80 villages. At the present rate of expenditures, a branch with outstanding loans of 9 million taka (US\$225,000) or more is regarded as likely to be self-sustaining.

In 1989, its first year of operation, RCP bought out ten area offices, which became its first ten branches. In 1991, twenty more branches were similarly constituted. By the turn of the century it is expected that almost two million members in 52,000 VOs will be associated with RCP branches. To effect the transfer of RDP area offices to RCP, fifty million dollars in funds were made available to BRAC by a consortium of donors headed by the Dutch NGO, NOVIB. Funds made available to RDP in the process will be used to expand its programs to newer areas and to underwrite assistance to the more vulnerable sections of society.

REACHING THE UNREACHED

BRAC's stated goal is poverty alleviation and empowerment of the poor. However, certain aspects of our target group approach militate against the participation of the poorest 10 to 15 percent of the rural population, a group that is dominated by single women households, widows and deserted or abandoned women. They find it difficult to meet all the requirements of our standard approach—attendance at weekly meetings, depositing weekly savings and, at a later stage, paying for services and advice. Unless something special is done, we realized, they remain outside the reach of BRAC programs.

An Income Generation for the Vulnerable Group Development Program has been designed, as a collaborative venture with the government, to meet the needs of these vulnerable women. Since the 1970s, the government has been providing a monthly ration of 31 kilograms of wheat to distressed women in rural areas. This ration is given to any person for two years, after which a new group is chosen and past recipients are left to fend for themselves.

BRAC has been working with the government to improve the longer-term impacts of this program. We provide these women with training in poultry raising during the period they receive the free wheat. With the help of government, we also provide easy credit to them to purchase and rear poultry. The idea is that when the ration is withdrawn after two years, the women can continue to earn an income. By January 1995, nearly 325,000 women have been participating in this program, in 74 out of a total of 460 subdistricts in Bangladesh. Other programs to help especially vulnerable groups are also being considered.

PROGRAMS IN THE EDUCATION SECTOR

As in most other sectors, the public sector's performance record in education in Bangladesh is also dismally poor. Major problems have been low enrollment and high dropout rates. Although enrollment has improved in recent times, the primary school dropout rate is still an alarmingly high 80 percent. Since 1985, BRAC has been experimenting with a new nonformal school system. Catering to the needs of dropouts and those who were never enrolled, the Non-Formal Primary Education Program offers a three-year education to two groups of children, between eight and ten years old and between eleven and sixteen years old.

NFPE began in response to demands from VO members who wanted for their children an alternative to the formal government school system. BRAC assembled a small group of educators who piloted a new approach, working for two years in a small group of twenty-two experimental schools.

They developed curriculum, teaching materials and methods for recruiting and training teachers that could effectively reach out to the children who had been bypassed by the formal system.

BRAC schools are open only to the children of the poorest, those who are members of VOs. Close parental involvement is an important reason for the success that NFPE has enjoyed. Parents hold monthly meetings at which they set school schedules, discuss attendance records and decide other matters related to the day-to-day operation of the schools. Teachers and POs regularly consult with parent groups.

The same teacher takes a group of students through all three years of their education. Children attend for three hours a day, six days a week, without any long vacation. Each school group has thirty-three children per class, 70 percent of whom are girls. Teachers are recruited from among villagers who have had more than nine years of formal education. Women account for more than 75 percent of all teachers in our schools, compared to less than 20 percent in government-run schools. Once recruited, teachers are trained in one of our residential training facilities, and one day each month, continuing training is given to groups of NFPE teachers assembled from adjoining schools. In their three years of education, children are taught a carefully structured curriculum that helps them achieve basic levels of literacy, numeracy and social awareness. All books and other materials are developed by BRAC and are supplied to the children free of cost.

The program has been quite successful with dropout rates of 10 percent or less during the three-year cycle. Most striking has been the number of NFPE students who have gone on to enroll in the formal system: nine of every ten such students have continued their education. This result showed that, contrary to many popular perceptions, the poor do wish to have their children educated; once they have experienced a relevant curricula, delivered in a congenial environment by dedicated teachers who inspire confidence and expect success, children and their parents want to continue with school education.

Beginning in 1990, there was a sharp scaling-up of the system, and BRAC now runs over 35,000 such schools, attended by 1.1 million students all over the country. Not only the children attending the NFPE benefit; the program is putting pressure for improved performance on the public school system. BRAC educators have also begun working directly with the government to help improve the effectiveness of the formal system.

PROGRAMS IN THE HEALTH SECTOR

Our first experiments with paramedics and health insurance were disastrous, but the results of our initial work on family planning proved more

successful. Village women were trained to work as family planning organizers, motivating people to use contraceptives and providing them a free supply of oral pills and condoms. Independent studies found a contraceptive prevalence rate of 20 percent, with over 50 percent of pill users continuing usage for more than eighteen months, a distinct achievement at that time in Bangladesh. Based on our experience during this period, we changed our approach to health care. Instead of selecting potential paramedics ourselves, we asked each newly formed VO to select one woman member to be trained as a village health worker. After undergoing training, these women are supplied with a few basic drugs, and they charge a small fee for their services. Since they are selected by the VO and since they live in the villages, they remain accountable to the villagers.

Our early interventions in the health sector taught us two other important lessons. First, the health status of any group depends on developments in other areas, especially literacy, status of women and income levels. Second, it is difficult for any NGO to go it alone. The most useful route involves working in collaboration with government, attempting to improve the effectiveness of its programs and to open its vast health infrastructure to the poorest groups.

Our ten-year National Oral Rehydration Therapy (ORT) Program was our first major effort to work closely with government agencies. Experiments in the Sulla area had proven the efficacy of a simple, homemade remedy—a pinch of salt and a handful of sugar, mixed with a half-liter of water—to combat dehydration among children, a cause of many infant deaths. In 1980, we launched a nationwide effort to teach this simple technique to village women. A core management team was assembled from among people who had gained experience in Sulla and in Manikganj, another pilot area. ORT teachers, who were recruited from among the women in each participating village, were trained by BRAC and then paid to teach ORT to the rest of the women in the village. The work was monitored by a team of BRAC supervisors, who followed the ORT program as it spread from village to village. By 1990, every single village had been covered by this program. Recent studies have documented that the ORT message has been retained in most households, and the widespread practice of ORT is recognized as an important factor behind the recent drop in infant and child mortality in Bangladesh.

BRAC assists also public-sector programs of child immunization and family planning in those districts where government programs are performing poorly. BRAC also pilots innovative methods for delivering health services, particularly those related to women's health, nutrition, tuberculosis prevention and cure and treatment of acute respiratory infections.

FINANCES

BRAC's budget is now around US\$86 million. About 60 percent of the expenses comes from overseas donors and international agencies, mostly in the form of grants. Our major donors over the years have been NOVIB (Holland), ODA (U.K.), SIDA (Sweden), CIDA (Canada), KFW (Germany), NORAD (Norway), DANIDA (Denmark), SDC (Switzerland), UNICEF, the Aga Khan Foundation and the Ford Foundation. To avoid dependence on any single donor, BRAC accepts no more than one-third of its annual requirements from any one donor.

In 1990, in response to our plans to scale-up rapidly, NOVIB took the lead in putting together a consortium of nine donor agencies that together could advance the fifty million dollars required for the new thrust (including the new Rural Credit Program). Consortium funding has been helpful both to BRAC and to the individual donor agencies by reducing paperwork and duplication and improving the quality of dialogue and oversight.

LESSONS LEARNED

All BRAC professional staff, except for technical specialists, are recruited as entry-level POs, hired from among recent university graduates and chosen through open examinations. They grow with the organization. Their training includes a year of probation at a field office. The new recruits quickly experience the rigors of this life. About half of all new recruits leave during this period to take up easier jobs elsewhere; those who remain are quite committed, and continuing training sharpens their skills. Currently we spend about 7 percent of our budget on staff development. All program managers are promoted from among the most promising POs.

Staff must also have the authority to experiment and to adapt programs as they feel best suits local situations. Our management system actively encourages innovation and flexibility, which are key to learning. Mistakes will occur, but they are the only route to discovering the correct path. Fear of making mistakes prevents many public-sector organizations from letting their staff's creativity flower. We use monitoring and field research, however, as an early warning system, to avoid the worst excesses that can result from a policy of embracing error and risk. BRAC's Research and Evaluation Division has been doing innovative research in various fields of development, with many of its outputs appreciated beyond Bangladesh.

Ever since BRAC's inception, continuous learning has been its mode of policy planning. This learning has resulted in a number of lessons that guide our work:

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- Every person is capable of improving his/her destiny if he/she is given the right opportunity; participation of the poor, especially of women, is necessary;
- Conscientization is essential before economic programs are undertaken;
- There is no one "fix-all" approach; the program strategy needs to be flexible to cope with diverse situations and changing circumstances;
- Small is beautiful, but large is necessary;
- Self-reliance among the poor is the ultimate goal; appropriate institutions need to be developed that undergird self-reliance;

In BRAC's view, a development organization should never become a patron. It must adopt a withdrawal strategy after assisting in the development of suitable institutions that are accountable to the poor themselves and responsive to their needs. Those institutions are most sustainable that bring to life the entrepreneurial spirit latent among all people, and that are guided by a market perspective. Developing such institutions is the real test of any agency's success. Most of all, success in development depends upon the dedication and capability of the agency's staff, who constitute its principal resource. A person who acts only on instructions cannot work in development. What is required is a cadre of persons who think for themselves and act on their own, with a firm commitment to the agency's values and objectives.