Poverty Reduction and Rural Development in Bangladesh
—The Role of Government and NGOs—

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1. Introduction
In Bangladesh, the majority of people live in rural areas where there are problems of illiteracy, unemployment and poverty. Nearly 50 percent of the rural population lives below the poverty line and about 80 percent are landless or marginal farmers (UN, [4]). Therefore, to reduce poverty, it is crucial to develop rural areas, where most poor people live.

To alleviate poverty and improve the standards of living of the rural poor in Bangladesh, government and NGOs have planned and implemented innumerable programs. However, poverty policies and programs have not been able to benefit the target population well within their frameworks (CIRDAP, [6]). Moreover, only a limited number of studies have been undertaken on the role of government and NGOs in poverty reduction of rural areas, which are mainly performance-based. For effective rural development and poverty alleviation programs, it is necessary to conduct an observation study. Therefore, this study conducted observational research to demonstrate the role of government agencies and NGOs by indicating weakness. This study also identified the factors, and suggested potential areas for government-NGO collaboration.

The study is structured as follows: Section 2 shows materials of the study. Section 3 and 4 describes the role of government and NGOs, considering the poverty reduction and rural development programs in Bangladesh. Section 5 demonstrates the activities, similarities and differences between government and NGOs. This section also identified the weaknesses of government agencies and NGOs. Section 6 summarize the results, and concludes the discussions with recommendations.

1.1. The Concepts of NGOs, Poverty and Rural Development
In fact, the terminology NGO involves all those organizations, which are non-governmental, and concerned in multidimensional development activities with the objective of alleviating poverty of the rural and urban poor (Huq, [5]).

The causes of poverty has a vast range of factors. To know what helps to reduce poverty, what works and what does not, poverty has to be defined. Broadly speaking, poverty refers to forms of economic, social and psychological deprivation occurring among people lacking sufficient ownership control or access to sources for minimum required levels of living. According to Sen [7], "Poverty is, of course, a matter of deprivation".

Generally, Rural Development means improvement of economic and social sectors in rural areas. The main objective of rural development is to bring about overall improvement in quality of life, both economic and social (Rahman, [2]).

2. Study Materials
In the present study, information and data were gathered from multiple sources. The study was mainly based on secondary source of data. Government agencies such as Bangladesh Rural Development Board (BRDB), The Bangladesh Institute of Development Studies (BIDS) and Grameen Bank 1, and three major national NGOs were investigated. BRAC, PROSHIKA and ASA are the most efficient and effective NGOs who have made impressive impact on poverty
alleviation program in rural areas. During the survey, information was collected on the basis of rural development and poverty reduction programs. Several local branch offices and their activities were also observed. The selection of local branch and comments of villagers were based on previous study. Moreover, various publications, census and study reports, including project documents, were also used. Finally, an assessment was made from collected data and information.

3. Role of Government in Poverty Reduction and Rural Development

In Bangladesh, rural development programs are mostly operated by Local Government (District, Thana and Union levels) and Rural Development Board of Bangladesh. The government of Bangladesh has adopted a number of policies to reduce poverty in rural areas. During the First Five Year Plan (1973-78), most governmental concern was directed towards the rehabilitation of war-affected women and their children. In the Two Year Plan (1978-80) emphasis was given in the field of agricultural-based rural development programs.

During the Second Five Year Plan (1980-85) various development programs were undertaken in such areas as skill development, agriculture, care for mother and children, literacy and rural credit programs. The Third Five Year Plan (1985-90) promised a greater effect and had a more realistic approach to integrating women into the mainstream of development activities, particularly in the rural sector. In order to reduce poverty, The Fourth Five Year Plan (1990-95) focused on the following main objectives to be achieved in the rural development sector:

- To reduce rural poverty by means of increasing gainful employment and income opportunities on a sustained basis through expansion of the productive sector;
- To facilitate agricultural development through institutional support; and
- To promote participation of rural women in development activities.

The strategy for rural infrastructure development under the Perspective Plan (1995-2010) of Bangladesh is under continuous review but includes the following:

- Improve basic physical infrastructure, facilitate social and economic growth in the rural areas and better integration between rural and urban markets;
- Strengthen local government institutions; and
- Plan for rural infrastructure development activities on the basis of Union and Thana Plan Books, and involve representatives of the local government institutions.

4. Role of NGOs in Poverty Reduction and Rural Development

The creation of NGOs in Bangladesh is a recent phenomenon. In fact, the activities of NGOs began only after a devastating natural disaster that had occurred in 1970 and of course, after the war of liberation in 1971. During the period 1973 to 1975, NGOs focused their attention on creating integrated community development programs with various sectoral activities such as agriculture, fisheries, livestock, cooperatives, health and family planning, and vocational training.

In Bangladesh, The NGO Affairs Bureau (NGOAB) was created by the government in 1990 to meet the need for a one-step service to the NGOs. The NGOAB, located under the Prime Minister's Secretariat, has been assigned all responsibilities to coordinate NGO activities under the 1978 Foreign Donations Regulations Ordinance and the 1982 Foreign Contributions Ordinance. There are various types of NGOs operating in Bangladesh. It is difficult to categorize NGOs into distinctive types. However, on the basis of spatial coverage and sources of funds, ADAB [1] has classified the NGOs into three categories:

1. Local NGOs: Which run programs in only a few villages, collecting funds mostly from local sources or from national or international NGOs.
such as Gono Unnayan Prochesta and Dipshika in Bangladesh.

2. National NGOs: Which work in district geographical locations covering a number of districts, mostly receiving funds from organizations in foreign countries such as BRAC, PROSHIKA, ASA, CARITAS and Nizera Kori.

3. International NGOs: Which also operate in several geographical locations, mostly having their headquarters based outside the country and being operated mostly by expatriates such as CIRDAP, JICA and CARE.

In Bangladesh, roughly 600 NGOs are engaged in development activities (BARD, [8]). However, few of them have emphasized on poverty reduction and rural development programs. National NGOs like BRAC, PROSHIKA and ASA have been working on mostly poverty reduction and development activities in rural areas. The present study focused on such National NGOs, those that have significant roles in poverty reduction and rural development in Bangladesh.

5. Differences and Similarities between Government and NGOs

The basic structural differences between government and NGOs are given in Table 1. Table 2 demonstrates government and NGOs activities in Poverty Reduction and Rural Development programs. Table 3 summarizes the total credit disbursement under broad institutional categories. Over the years, the vast networks of NGOs that have developed in Bangladesh and the experience in poverty alleviation efforts gained by them have created a unique opportunity to push forward the poverty alleviation agenda. The government, while providing the general policy directions for development, has also recognized its limitations in bringing about sustained improvements in the lives of the poor through its own efforts. Table 4 demonstrates weaknesses and strengths of NGOs and Government agencies.

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Though government agencies and NGOs are playing an important complimentary role in rural poverty reduction of Bangladesh, their roles are not completely positive. One of the government's most important roles is to reach the rural poor and to deliver basic services in order to assist them and improve their quality

<table>
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<tr>
<th>Program</th>
<th>Organization</th>
<th>Activity</th>
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<tr>
<td>Credit Support</td>
<td>Both/Government (e.g. BRDB's RD-5, 9 and 12, and Grameen Bank) and NGOs (e.g. BRAC, Proshika and ASA)</td>
<td>Follow specific credit operational plans with provision for individual/groups loans, savings and other group activities.</td>
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<tr>
<td>Training</td>
<td>RD-6</td>
<td>Human development, Women issues, skill development, Book keeping and accounting, need-based training.</td>
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<tr>
<td>Training</td>
<td>RD-9 and 12</td>
<td>Education and human development, leadership development, private mechanics and skill development training.</td>
</tr>
<tr>
<td>Training</td>
<td>BRAC</td>
<td>Human development training and occupational training to develop skills to undertake different economic activities effectively.</td>
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<tr>
<td>Support Services</td>
<td>RD-5 and 9</td>
<td>Marketing assistance, primary health care and non-formal education.</td>
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<tr>
<td>Support Services</td>
<td>BRAC, PROSHIKA and ASA</td>
<td>Social forestry, health care education, water and sanitation, adult literacy.</td>
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| Table 3 Total Rural Credit disbursement by institutions (million, taka) |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Government              | 623.2                    | 280.9                    | 671.6                    | 1044.8                   |
| NGOs                    | 4,324.6                  | 8,671.3                  | 12,925.4                 | 22,000.0                 |
| Banks                   | 5456.6                   | 7,771.8                  | 8,299.3                  | 10,820.2                 |
| Total                   | 10,404.4                 | 16,729.9                 | 21,896.4                 | 33,865.0                 |

Note: 58 taka = 1 US $, 0.45 taka = 1 Yen
Source: Centre for Policy Dialogue, Dhaka, 1995

Table 1 Basic Structural differences between Government and NGOs

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<tr>
<th>Indicator</th>
<th>Government</th>
<th>NGOs</th>
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<td>Management</td>
<td>Guided by rules and regulations with limited scope of flexibility in operations.</td>
<td>Simpler and flexible.</td>
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<td>Resources</td>
<td>Capability to generate own resources along with donor assistance.</td>
<td>Mostly dependent on donations, contracts and donor funding.</td>
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<td>Compliance</td>
<td>Centralized bureaucratic structure with quality dependent on nature of governance.</td>
<td>Effectiveness determined by ability to mobilize target groups at the grassroots level.</td>
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of life (Siddiqui, [5]). However, in reaching the grassroots level, the government is often beset with bureaucratic practices that constrain effectiveness in reaching the target groups. On the other hand, major activities for the rural poor such as agricultural development, environment, education, health and nutrition programs are being conducted by NGOs. However, the main problem is that these programs are conducted in an uncoordinated way.

6. Concluding Remarks

Previous and present studies shows that due to the following multitude problems, weaknesses are occurring between government and NGOs:

- Lack of coordination among different government agencies and NGOs;
- Policy implications differ from area to area; and
- No standard definition, methodology to identify target population;

Present study emphasized on coordination,
which can mostly remove the weaknesses of the government and NGOs. It is necessary to increased dialogue and collaboration between government and NGOs to resolve potential conflicts. Despite sporadic tensions in government-NGO relations, the NGOs are now accepted and recognized as important partners in development. Development objectives for rural Bangladesh, such as accelerated economic growth, employment creation and poverty alleviation, cannot be achieved without the contributions of government agencies and NGOs. Therefore, collaboration between NGOs and the government is necessary to ensure the effectiveness of efforts, especially at the field level in rural areas. The relations of NGOs with the local government is one of the critical factors that set the environment within which government-NGO collaboration can work at the grassroots level. This calls for effective collaboration in NGO relations with government agencies at the local levels. Figure 1 demonstrates a proposed Government-NGO Collaboration Model and Table 5 presents potential areas of collaboration between government agencies and NGOs. Considering the above, it is remarkable that the success of Poverty alleviation and Rural Development Programs depend on a joint effort by the government agencies and NGOs. Government and NGOs should supplement and complement each other and should not actively oppose the other’s activities.

Note
1. The Grameen Bank (GB) was set up in 1983 to organize the landless and the poor through a group based credit program to engage in productive self-employment activities. The Grameen Bank provides loans in cash to the landless poor, particularly women, to promote self-employment and make them income earners.
2. BRAC: Bangladesh Rural Advancement Committee (BRAC), one of the largest NGOs, aims to eradicate poverty and empower the poor by implementing programs targeted to the poor and disadvantaged sections in the society. BRAC, established in 1972, has a number of component programs under its umbrella such as Social Development Programs, Rural Enterprise Program, Micro Enterprise Lending Assistance (MELA) and NGO Co-operation Unit.
3. Proshika: Proshika, was established in 1976 with the aim of promoting sustainable development, improving the socio-economic and cultural empowerment of the poor, and developed education.
4. ASA: The Association for Social Advancement (ASA) was established in 1979 as an NGO in Bangladesh. Until 1990, ASA focused on social action, promoting legal rights, awareness, and social justice for the poor.
3. Union and Thana are the administrative units in rural Bangladesh.
4. The aim of NGOAB is to ensure quality performance of the NGO sector and its accountability to the state.

References