CHAPTER VIII

SUMMARY AND CONCLUSION

8.1 Summary of Findings

The greatest single challenge facing Bangladesh today is the problem of poverty among the rural masses of whom an overwhelming majority are landless or near landless. In this country, a few target-group oriented GOs and Quasi-GOs are working with the rural poor for reducing their poverty level and thus, enhancing their level of living. These organizations have showed better performances on various aspects. Along with the Government endeavour, many NGOs are working with the rural poor to upgrade their socio-economic conditions providing them financial supports and some other supportive services. In this study, we have analysed the extent of NGOs' success in achieving their goals and objectives. Thus, we have noticed the impact of NGOs (and also of GOs and Quasi-GOs) on income, employment, asset endowment, capital accumulation, nutritional status, education, health and family planning and some other socio-economic aspects. We have also analysed the cost-effectiveness and sustainability of the NGO model. In this Chapter, we summarize the whole things.

Findings

A. Activity Coverage

1) More than 84% of the thanas of Bangladesh are covered by NGOs where around 20% of villages of each covered thana
are under the coverage of NGOs with some exceptions (e.g. in Manikgonj, almost all the villages are under the coverage of BRAC and other NGOs). However, the majority of the target households are still out of the NGO coverage or that of GOs and Quasi-GOs. For example, BRAC and Dhaka Proshika each covered only 4% of villages and again, BRAC, both Dhaka and Comilla Proshika each covered less than 1% of the country's target households. On the other hand, Grameen Bank is working in around 23% of villages covering around 10% of target households of the country. The coverage of Grameen Bank is the highest, followed by BRAC, and the coverage of both Dhaka and Comilla Proshika is minor. In Grameen Bank, more than 90% members were females, in BRAC they were more than 60%, in Dhaka Proshika they were around half of the total and in Comilla Proshika they were around one-third. In some NGOs and in Grameen Bank, the growth of females' participation is much higher than that of males indicating that the organizations are either becoming or already have become basically the organizations for females. Females were more loyal to the organization. But for the presence of more new female members, their average savings were relatively lower compared to males, but recently in BRAC, the average size of savings of females was higher than that of males.

The expansion of coverage of BRAC and Dhaka Proshika showed an increasing trend. But that of Comilla Proshika was not at all a satisfactory one. On the contrary, the expansion of Grameen Bank's coverage was quite satisfactory. In respect of expansion of activities in new areas, the extent was not
remarkable in the case of included NGOs but it was quite encoura­
ging in the case of Grameen Bank. Thus, in respect of area
coverage, membership and savings mobilization and the extent
of their expansion, Grameen Bank was in the leading position
followed by BRAC.

ii) The credit disbursement of BRAC showed a rapid growth
over the year and that was more nominal in the case of both
Dhaka and Comilla Proshika. The credit operations of BRAC were
much higher compared to both Dhaka and Comilla Proshika. One
thing to be noted that in NGOs, females were getting propor­tion­ately less credit compared to their share in total membership.
Recently, in BRAC, the average size of loans is somewhat reasona­
ble (TK. 1200 approximately). But it is too little in other
two NGOs. In NGOs, a large number of the group members (irrespec­
tive of sex) did not have the opportunity of getting credit
where the proportion of females was higher. BRAC was laying
more emphasis on off-farm activities in credit disbursement
whereas both Dhaka and Comilla Proshika were laying more emphasis
on farm activities.

The repayment rate was excellent in these organizations
(for example, it was 96% for BRAC and around 80% for both Dhaka
and Comilla Proshika). The repayment performance of females
was relatively better. Though in total investment, group members' contribution in the cases of both Dhaka and Comilla Proshika
was encouraging, credit operations of these two were rather
insignificant. On the contrary, credit operations of Grameen Bank
were much higher with a tremendous upward growth. Females were getting credit equivalent to their share in total membership. However, the average size of loans was still lower in the case of females (it was around TK. 2000 for females as opposed to TK. 3000 for males). In Grameen Bank, only a minor proportion of members were not given credit facility. It was laying more emphasis on off-farm activities. The recovery rate of Grameen Bank borrowers was around 98%. Among the stated organizations, credit operations of Grameen Bank were in the leading position followed by BRAC but the latter was far behind.

Though the credit operations of NGOs are not large in most cases, these are working with the poor who are not served by many of the Government programmes. The average size of NGO credit may not be sufficient to bring adequate change in the conditions of the poor. Though the size of Government agricultural credit and of other types is larger in size, on the one hand, these are not for the poor, and, on the other, the repayment rate is too poor. Comparatively, the repayment performances of BRAC and Grameen Bank borrowers were better. Greater female participation and more emphasis on off-farm activities are the major causes for such an excellent repayment. The extent of diversion use of credit in the case of target-group oriented organizations is insignificant. It was slightly above 10% in the case of NGOs and around 10% in the case of Swanirvar and Grameen Bank, whereas it is much higher in the case of other loans.
iii) Though the irrigation scheme of an individual organization was very insignificant compared to the total irrigation of the country as a whole, the aggregate figure was not less important. Various income and employment generating activities of such organizations showed an upward growth and created the opportunity of earning additional income for the members and others.

iv) The majority of the eligible group members were out of functional education and again, the majority of them were out of training opportunity. The training performance of Comilla Proshika was the worst and it was the best and most satisfactory in the case of Dhaka Proshika. Both Dhaka and Comilla Proshika were giving more emphasis in human development training whereas, BRAC was laying more emphasis in practical skill training. In these organizations, males were getting more emphasis in human development training and women were in practical skill development. It seems to us that NGOs are primarily concerned with involving the females more in economic activities than make them socially aware. Actually, economic awareness build-up is more fruitful than social awareness build-up. However, females' participation in employment and income-generating activities was rather small in both Dhaka and Comilla Proshika and in BRAC it was less than proportional to their share in total membership.

Various supportive services of these NGOs showed an upward and pleasing trend in the most cases. In this regard,
the instances of education, health and family planning activities of BRAC can be cited.

B. Reaching the Target People

Various studies have suggested that NGOs have been extremely successful in reaching the target people. Similarly, Grameen Bank, RPP of BRDB, Swanirvar Credit Programme etc target-group oriented GOs and Quasi-GOs have also been equally successful in reaching the target people. The available evidence along with our findings suggest that the infiltration of non-target members in these organizations is too insignificant. Among the Comilla Proshika member-respondents, around 95% belonged to the target group and the average size of holding for all was 0.36 acre. 85% of the BRAC member-respondents was landless and marginal farmers and the average size of land holding of all was 0.59 acre. Relatively backward cropping pattern, lower productivity etc in BRAC study areas compared to Comilla Proshika study areas imply that BRAC was working with the poorer people compared to Proshika. Thus, the target-group orientation of NGOs and of similar GOs and Quasi-GOs is satisfactory though there exists a little variation in the extent of respective orientation of different agencies. Females' participation is quite encouraging and in some organizations it is the dominant, whereas they are neglected or completely ignored in the rich-oriented Government programmes.
C. Programme Impacts

i) Impact on Occupation

Over the period of membership, the proportion of wage-labour as the principal occupation declined mildly with a moderate increment of employment in small trading and cottage industry etc keeping agricultural employment almost unchanged. On the other hand, over the last five years, the proportion of wage-labour increased with a decline of agriculture in the case of comparable non-members. However, our field level survey pointed out that the programme intervention had minor positive impact on principal occupation but had a greater positive impact on secondary occupation of both males and females. Some other studies have suggested that the programme intervention of target-group oriented programmes had in fact no impact on occupation of the beneficiaries.

ii) Impact on Asset Endowment

The average size land asset endowment of the member households almost remained unchanged with a remarkable improvement of the relatively landed members (non-target members). Over the period of time, the average land holding of the comparable non-members slightly declined. Over the period of membership, non-land asset endowment of the group members improved significantly with a decline in the case of non-members. The non-land asset endowment of the members was significantly higher compared to the non-members during the period of investigation though
it was not so initially. During the period of investigation, the value of such assets per household was TK. 5365 for BRAC members and TK. 1822 for corresponding non-members, TK. 3990 for Proshika members and TK. 1688 for corresponding non-members, whereas the initial figures were TK. 3058 for BRAC members with TK. 2565 for non-members and TK. 2286 for Proshika members with TK. 2125 for non-members. The improvement was much better in the case of BRAC as more emphasis on livestock, etc sectors was given by that organization. The declining trend of coefficient of variation in respect of non-land asset distribution in the case of members implies the equitable distribution of improvement among the members. However, the improvement was more satisfactory in the case of non-target member.

The current non-land asset endowment of the members is positively correlated with the size of holding and the relation was also positive (but relatively weaker) in the past. It is also positively correlated with the amount of credit enjoyed but the relation is relatively weaker as it is with the size of holding. The relative share of size of holding on current non-land asset endowment/on its improvement is the highest followed by that of amount of credit and then initial non-land asset endowment. Whatever the contribution of other factors, there is no way of denying the positive impact of programme intervention because of the presence of positive relation between the value of such assets and the amount of credit and also due to the highly significant difference between the members
and the non-members in this regard. We have also noticed the positive impact of programme intervention of similar poverty alleviation programmes on non-land asset endowment, not on land asset endowment in some other studies. However, the unchanged land holding position is also another contribution of programme intervention.

The group members showed a tendency to invest their earnings in real asset to make their improvement durable. On the other hand, some group members sold or leased-out land mainly for repaying mahajani loans (old) and to meet dowry demand (specially in BRAC areas). On the one hand, NGO credit as a source of finance for land purchasing or leasing-in was rather insignificant and on the other, there was no evidence of land selling or leasing-out to repay NGO credit.

iii) Impact on Housing Status

The target-group oriented organizations had positive role in improving the housing status of the members. Over the years, the value of houses of the members improved significantly with a decline in the case of non-members. In respect of housing status, initial difference between the two groups was little whereas the current (during the period of investigation) difference was highly significant. The value of houses of the Proshika members increased from TK. 5625 to TK. 8002 with a decline from TK. 4206 to TK. 3416 for the non-members. Again, in the case of BRAC members, it increased from TK. 4248 to TK. 6354
while in the case of non-members it declined from TK. 3690 to TK. 2892. The housing status of 40% of member-respondents improved with a decline of 2-3 per cent of them and in the case of majority of non-members. This improvement was partially due to NGO intervention (for the provision of both housing loans and general loans). Other important influencing factors were initial housing condition, land and other non-land asset endowment. In respect of the improvement of housing status, we have noticed a positive orientation to the non-target members. The influencing factors of the improvement of housing status can be ranked as i) the size of holding, ii) the amount of credit (other than housing loans) and iii) the initial value of house, as observed from the regression analysis. However, both the housing loans and general loans have played the vital role for the improvement of the housing status of the beneficiaries. There is no way of considering the NGO impact insignificant for this improvement, because of the significant opposite direction movement of the value of houses of the non-members in the absence of any external support.

iv) Impact on Cropping Pattern, Intensity, Productivity and Input Use

The improvement in cropping pattern and intensity was more remarkable in the case of Proshika members as more emphasis was given to agriculture by this organizations. The relation of such improvement was not systematic with the size of holding but positive with the amount of credit. The regression analysis
shows that the highest role was played by credit followed by non-land asset endowment and then the size of holding for the improvement of cropping pattern. The per acre productivity of HYVs was higher in the case of members compared to the non-members as the former group could cultivate these crops more intensively due to programme support. But the impacts of other influencing factors are not denied. Without programme supports, the impacts of other influencing factors could not be very much effective in most cases.

For minor irrigation and provision of agricultural credit, the status of irrigation for both the members and the non-members was expanded and more for the former group raising both number and acreage under irrigation. Three-fourths of the Proshika members were under irrigation before programme intervention. The proportion became 88% of the member-respondents after programme intervention and the corresponding figure was 60% for the non-members. In BRAC study areas, the proportion was almost nil for both the members and the non-members before NGO intervention that became 65% and 43% for these groups after NGO intervention. In respect of labour use, no difference was found between the two groups. But the per acre fertilizer use of the members was much higher compared to the non-members. Thus, NGOs and target-group oriented GOs and Quasi-GOs had positive impact on cropping pattern, intensity, input use, productivity etc.

v) Impact on Income

NGOs along with various GOs and Quasi-GOs of similar
types had positive impact (most temporary in nature) on income and economic conditions of the beneficiaries. Around one-third of the member-respondents claimed that, over the period of membership, their economic conditions improved and another one-third reported a deterioration. Over the last five years, the corresponding figures for the non-members were 8-10 per cent and 70-75 per cent respectively. Both per capita income and per household income were significantly higher for the members compared to the non-members. The Proshika members had annual income of TK. 18,456 and the non-members had TK. 12,072. The BRAC members had TK. 16,944 of annual income with TK. 12,992 for the non-members. Relatively stronger positive relation of income with the size of holding implies the greater role of land holding on income. The regression analysis also confirms that. But it is true that without programme intervention, the impact of such land holding is to some extent not countable. The significant difference between the members and the non-members in respect of income implies the positive impact of programme intervention.

Compared to the non-members, more members were in higher income bracket. Around 38-40 per cent of the member households were above poverty income level (income level sufficient to manage 2112 calories per person per day) and the corresponding figure for the non-members was 28%. The programme impact is also reflected in the sourcewise income distribution of both members and non-members. The impact of the emphasis on agricul-
tural activities by Proshika and on off-farm activities by BRAC is also reflected in the sourcewise income distribution. Most of the additional income was spent for consumption purposes with lower proportion for asset creation. Thus, continuous programme support is needed to maintain their improvement. The permanence of the impacts of poverty alleviation programme may be short but no way of considering these as rather insignificant.

vi) Impact on Employment

The programme intervention of NGOs and similar target-group oriented organizations had a positive role in creating self-employment opportunities for the beneficiaries. Over the years, the average man-days of employment of both members and non-members increased, but the increment was significant only in the case of former group. The sectorwise distribution of yearly man-days employed shows that the increment was for the expansion of self-employment opportunities in the case of members and for the increase of the opportunity of labour-sale in the case of non-members. However, the proportion of wage-labour was not small for the members also. It was found that there was a trend of transferring labour from wage-labour to other sectors in the case of members which was a reflection of programme support. On the contrary, in the absence of any external support to the non-members there was a trend of shifting of labour from agriculture to wage-labour. The positive relation between
employment and amount of credit implies the role of programme impact on income and employment. The programme intervention also created employment opportunities for the females but their participation in economic activities was low mainly due to their lower initial participation. Some organizations are also creating direct employment opportunities for members as well as for some others. But this is not very much significant.

vii) **Other Economic Impacts**

It was found that 27% of the Proshika member-respondents and 35% of the BRAC member-respondents received various types of training and the inclusion of various types of informal advice would raise the figures far above. Though the proportion of group members having formal training was low, they were benefitted by applying that in respective areas having necessary assistance from the organizations. The impact of various formal and informal training and advice was also reflected in different socio-economic aspects.

Both the beneficiaries and the donor agencies preferred to deliver relief materials and to perform rehabilitation activities through NGOs instead of Government functionaries for the sincerity, dedication and honesty of the former.

The minor irrigation schemes of NGOs and others contributed a lot for improving the economic conditions of both members and non-members. In order to make the schemes more profitable, it is suggested that many of the operating activities be performed
by the shareholders without depending on wage-labour. It is also suggested to increase their land under irrigation. In addition to irrigation, some non-traditional activities like sericulture, ericulture, chick rearing, poultry vaccination had remarkable positive role in raising family income. Among these, the chick rearing unit was the most profitable yielding TK. 1000-1200 in every two months from unit having 200 chickens. We found that some females involved in such activities attained remarkable improvement in their economic conditions.

viii) Impact on Nutritional Status

Many of the group members reported that over the years their ability in managing food throughout the year increased with an opposite picture in the case of non-members. The per head per day food intake of the members was significantly higher compared to the non-members. The Proshika members could manage 745 grams of food items whereas the non-members could manage only 558 grams. The BRAC members could manage 705 grams while the non-members could manage only 531 grams. On the average, the members could manage 85-90 per cent of minimum requirements whereas the non-members could manage around 65% of that. 40-43 per cent of the members as opposed to 28% of the non-members were able to manage above the minimum dose. The members could manage some essential items like cereals and vegetables very close to the minimum standard dose.
The improvement was positively related with both the size of holding and the amount of credit but more strongly with the former. The significant difference between the members and the non-members indicates the positive impact of programme intervention. We did not find any distinguishable impact of programme intervention on the quality of diet as most of the members could not afford some vital items like milk, meat, eggs etc. Such an expectation from the extremely poor is really a wishful thinking.

ix) Impact on Health and Family Planning

NGOs and some other target-group oriented organizations have achieved greater success in health and family planning. A larger proportion of the members could afford better treatment compared to their initial position and also to the non-members. The expenditure of the members for health care was almost double compared to the non-members. But it was hardly 3% of total income for the members and 2% for the non-members. Immunization rate was excellent in BRAC areas (88% for members and 68% for non-members as opposed to 60% for Proshika members and 45% for corresponding non-members) due to its extensive programme coverage of health activities and also for the presence of many NGOs in that area. The group-members had better hygienic sanitation compared to the non-members. The family planning adoption rate of eligible couples was significantly higher for the members compared to the non-members. The rate was higher in BRAC areas than Comilla Proshika areas (Proshika members -
27% and non-members - 3%, BRAC members - 43% and non-members - 12%). Among various reasons, the greater intensity of BRAC compared to Comilla Proshika is the most important. The contraceptive prevalence rates of some NGOs, Grameen Bank and Swanirvar Credit Programme were much higher compared to that of Government Programme. Better performance of NGOs was mainly for organizational and operational efficiency along with higher financial and manpower support.

x) **Impact on Literacy**

The success of functional education programme in raising adult literacy rate was mostly associated with the increase of the name signing capacity of the group members (which is a necessary condition for getting credit). However, the impact of such programme in making the group members more conscious cannot be considered as insignificant. The group members were more interested in educating their children instead of educating themselves and accordingly the proportion of school going children was significantly higher for the members compared to the non-members. The NFPE Programme of BRAC was running smoothly with minor drop out rate. The higher schooling rate of the children of the members implies the positive impact of NGOs. The similar performance has also been noticed in the case of GOs and Quasi-GOs of similar types. The group members could spend more for the education of their children than the non-members. But it was around 5% of their annual income.
xi) **Impact on Rural Income Distribution**

The target-group activities have reduced the income inequality within the group members but not within the total target households or in the rural economy as a whole. But in the absence of target-group activities, the rural income distribution would have further deteriorated. Thus, the programme intervention of target-group oriented organizations surely helps in reducing the rural income inequality but only to a limited extent. It has been found that many of the indicators of group members' improvement were relatively more strongly connected with the size of holding than with the amount of credit. Since the programme support was impartial and the inclusion of non-target households was very insignificant, the income inequality among the members was not remarkable.

xii) **Indebtedness**

The group members also took loans from rural money-lenders (20% of the member-respondents). Due to programme intervention, their dependence on money-lenders has been reduced and this dependence on money-lenders was inversely related with both the size of holding and amount of NGO credit enjoyed. Thus, NGOs were not able to meet the credit needs of the beneficiaries or to protect them completely from the clutches of money-lenders. The beneficiaries were not to pay any extra cost for NGO credit or target-group oriented GOs' or Quasi-GOs' credit. But it is rather remarkable in the case of other loans such as
agricultural credit, credit of BSCIC etc. Money-lending by NGO members was too insignificant. Land mortgaging and hoarding business were not so widespread as to have an adverse effect on the economy.

xiii) Impact on Wages/Terms and Conditions of Share Cropping System

We did not observe any impact on wages though in few studies we noticed the temporary rise of wage rates. But most of the member-labourers realized that they were not getting fair wages and they were not worried about the implementation of the Government prescribed wage rate. The per day working hour for wage-labours has reduced which is equally applicable for all and cannot be considered as an NGO impact. No impact on terms and conditions of share cropping was observed. Whatever the improvement (very little), this was not due to the programme intervention as it was equally applicable for both the members and the non-members and also in non-NGO areas. We observed a declining eagerness of the group members for share cropping as they considered it a losing concern. The shortage of land for share cropping compared to the extent of share croppers is the main reason for adverse terms and conditions of share cropping system. Again, surplus labour and its mobility act as a constraint for wage movement.
xiv) **Awareness of the Group Members on Some Social Issues**

Compared to the non-members, the members were relatively more aware of some social issues but in practice, we found a different picture in some areas (e.g. dowry, status of women etc). We found the participation of group members in various social activities and also observed the clash between the group members and the social elites. In some cases, the group members were misguided by the social elites though it was almost fruitless. The acquisition of khas land by the group members was not remarkable. The creation of political awareness among the beneficiaries is absolutely insignificant and NGOs are not at all interested in this regard. The group members are mostly dependent on NGOs/NGO workers for both financial assistance and group management and it is equally applicable for all poverty alleviation programmes. Neither the presence nor the dominance of the rural prosperous section in these organizations was found.

NGOs are trying to make the group members socially and economically more conscious so that nobody can deprive them. But within the organizations, the extent of justice, democracy, sharing of power at top management etc are rather small. NGOs are dominated and controlled by one man/woman in all respects and thus, these are biased from the top down approach. NGO workers are hard-working, sincere, honest and highly accessible to the poor. But in many cases they are not properly treated (e.g. longer working hour, absence of job security, relatively
ill payment, absence of democratic right etc). Most of the NGO workers have no job satisfaction and are always looking for Government jobs.

xv) Thus, our entire discussion proves the hypothesis that income of those participant-respondents who joined the schemes has improved for which the overall economic condition has improved. A minor or very insignificant rate of infiltration of non-target people in these organizations disproves the hypothesis that these are dominated by relatively prosperous section of the rural population. The hypothesis that there has been a relatively insignificant impact of these organizations in making the poor more conscious about their economic position can partially be accepted.

D. **Sustainability and Cost-Effectiveness of the NGO Model**

i) **Sustainability of the NGO Model**

The generation of internal resources by NGOs was too little even if compared to operating expenses. The very trend of NGO coverage and its expansion shows that depending almost entirely on foreign donation for both programme and operating expenses, the wider expansion of NGO coverage is very much constrained and is easily predictable. The expansion and the continuation of NGO activities mainly depend on the wish of the donor agencies.
The programme intervention of various target-group oriented organizations (not only of NGOs) did not improve the economic conditions of the beneficiaries adequately to continue this in the absence of programme support. Again, the group members were not in a position to continue the group activities in the absence of NGO support. There was no evidence of successful withdrawal of NGOs (even if of GOs and Quasi-GOs) from anywhere. In some cases, we found the withdrawal/squeezing of NGO activities not for attaining self-reliance but for other reason. In fact, withdrawal of external support will push the group members of any target-group oriented organizations at their initial position even if at lower position too. It is reflected from the anticipation of the group members regarding their future with the withdrawal of programme supports. Thus, to maintain their economic conditions at least intact, continuous programme support is needed. The uncovered target households should be converged either by NGOs/GOs/Quasi-GOs or appropriate measures should be taken by the Government to save them. Again, continuous credit support along with necessary supportive services should be provided to maintain their subsistence instead of raising the question of self-reliance at this moment. What should be under active consideration is their operating cost minimization and reduction of foreign dependence as much as possible.

ii) Cost-Effectiveness of NGO Activities

It was found that the NGO impacts were not better than Grameen Bank and some other similar organizations, whereas
the operating cost was much higher for NGOs. However, we have also noticed higher cost situation in few GOs compared to NGOs. In NGOs a significantly larger proportion of total expenditure was spent for manpower support where the share of head office was no less remarkable. Another important component was the capital expenditure where the expenses for vehicles and luxurious office accommodation played a vital role. The expenditure on training and education was relatively low (5-7 per cent) except in BRAC (around 30%).

The per member operating cost of some NGOs and Grameen Bank was almost similar (based on our own estimates). But the operating cost as percentage of credit disbursement was exceptionally high for Dhaka and Comilla Proshika and it was much higher for BRAC compared to Grameen Bank, Swanirvar Credit Programme and Rural Poor Programme of BRDB. Recently, it was slightly above 10% for Grameen Bank, Swanirvar Credit Programme and Rural Poor Programme, around 30% for BRAC but about 100% for Dhaka and Comilla Proshika. Once it was much higher for BRAC, Dhaka and Comilla Proshika. This was mainly due to higher operating expenses and lower credit operations. Thus, NGOs are expecting better performance with higher resource involvement which is rather difficult to continue and/or to expand widely based absolutely on foreign assistance. The reasons for higher operating costs are: more manpower support, luxurious office accommodation, more expenses on vehicles etc. To improve the cost situation, manpower support per operating unit and some other expenses as stated above should be reduced and finally
both the coverage and credit operations should be expanded significantly. The donor agencies should consider the cost situation of these organizations along with considering the extent of credit operation. The relevant authorities should consider that in a poor country like Bangladesh, without providing adequate financial supports, awareness build-up cannot alone be able to improve the lot of the extreme poor. Thus, creditable fund should be enlarged keeping in mind the case of cost minimization.

iii) Cost-Benefit Ratio of NGO Activities

We have estimated the cost-benefit ratios of BRAC and Comilla Proshika based on some assumptions. These estimates may indicate some indications regarding their cost-effectiveness. But we are not claiming that it will be more helpful in taking concrete decision in this regard. The cost-benefit ratio is impressing in some cases (e.g. in the case of cost and income ratio that has been estimated assuming the difference of income between the members and the non-members is only for programme support). But the ratios are rather minor in some other cases.

Thus, from our discussion we may conclude that the higher operating expenses of NGOs' activities make their impacts to some extent insignificant.

8.2 Concluding Remarks

NGOs working in Bangladesh have made considerable improvement in the conditions of the beneficiaries. Grameen Bank and
some other similar organizations have also made such impacts. Whatever the extent of benefit, this is absolutely enjoyed by the rural extreme poor. But originating earlier compared to Grameen Bank, the coverage and activity performance of some major NGOs are not as satisfactory. Moreover, NGOs are concentrated both in number and extent of activities in some suitable areas for which we have found their presence of overlapping.

After meeting operating expenses out of operating revenues accrued as interest, Grameen Bank is able to make a net profit in recent times. But many of the NGOs almost charging same interest rate/service charge from the borrowers are to depend entirely on donor agencies for meeting operating expenses. Thus, again we suggest a reduction of operating costs and to expand both their coverage and amount of credit. The ways of reducing operating cost of NGOs have already been stated earlier. The concerned authority should keep in mind that without adequate financial support, there is no way of upgrading the life of the poor and that the impact of awareness build-up efforts will be less effective. Thus, we suggest to expand total credit operation expanding per borrower and/or per activity size of credit. Before sanctioning credit, the beneficiaries should be given minimum (and upto the mark) orientation regarding relevant employment and income-generating activities.

In respect of credit disbursement more emphasis should be given to poultry and livestock, dairy farm, irrigation, pisciculture, suitable rural small and cottage industries,
various rural-based technical activities and some other non-traditional activities. At the same time, agriculture and other traditional activities should not be neglected. But the important thing is that the size of credit should be reasonable one instead of small one as it was in most of the NGOs. The concerned authorities should ensure marketing facilities along with ensuring some other related facilities. All these may ensure permanent flow of income for the beneficiaries and once will reduce their dependence on the programmes.

NGOs should ultimately reduce their external dependence. They can expand commercial ventures laying most emphasis on target-group orientation. Such commercial ventures may also create direct employment opportunities. The groups should mobilize more of local resources. The Government should distribute khas land, state and acquired water bodies etc among the organized poor to utilize collectively. In order to maintain the improvement, the organized groups should be provided institutional credit continuously. The NGO activities may be withdrawn from some places after the organized groups attain a certain level of improvement. But after NGO withdrawal, the group members are to be provided necessary assistance by Government financial institutions and the groups should continue to run their all types of group activities as before. The NGO activities should be co-ordinated at appropriate levels.

Though in our investigation, money-lending by NGO group members was not remakable, it was not minor as noticed in some
other studies. So, the relevant authority should be aware of it. Another point is that the concerned authorities should take necessary steps so as to protect their beneficiaries from the money-lenders. Some socio-economic impacts of NGOs and similar other organizations are not at all satisfactory. The instances of the practice of dowry, low status of women, no impacts on wage rates and terms and conditions of share cropping system etc can be cited. But these things are to be considered with due attention. In this regard, the Government and all concerned should come forward. Otherwise, NGOs, some GOs and Quasi-GOs alone cannot bring better results. They political parties are also to participate in socio-economic awareness build-up of the people side by side creating political awareness among themselves.

Actually, financial assistance and some other supportive services of some organizations alone cannot improve the lot of the extreme poor. In this regard, the Government should adopt adequate measures. Rural infrastructural development should be performed duly by the Government and others. Adequate measures should be taken by the Government others concerned to enhance rural literacy rate. For the expansion of irrigation efforts of poverty alleviation programmes and others, the Government should expand rural electrification properly. As a result, in the rural areas various small scale industries will also enlarge.
Though the operating cost of NGO is large, their positive impact cannot be considered as insignificant. However, the relevant question is how the large majority of the extreme poor who are out of the coverage of various poverty alleviation programmes are to be saved. For doing so, they are to be brought under the effective coverage of various poverty alleviation programmes. This is not possible alone by NGOs and/or by Grameen Bank etc. For this, the Government should play a vital role. If some GOs and Quasi-GOs are able to attain satisfactory success in bringing improvement for the poor why the other GOs cannot do so. This requires proper strategy along with genuine leadership. Along with the Government endeavour, the NGO expansion should be encouraged. To avoid overlapping, the command areas of each organization should clearly be demarcated by the Government or by a Co-ordination Body. Above all, there should be a proper co-ordination between the organizations and the Government.