

## **The Impacts of NGOs on the Socio-Economic Situation of the Poor: A Case Study in Rajshahi City, Bangladesh**

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The NGO sector in Bangladesh is an inseparable part of society. NGOs are universally recognized for their exceptional ability to reach the grassroots. The government of Bangladesh is responsible for determining the general policy directions for the nation's development but cannot alone bring about sustainable improvement in the lives of the poor. The study has focused on the socio-economic situation of the poor both urban and rural areas being developed through the programs taken by the NGOs. The objective of the studied has to examine the impact of NGOs on the socio-economic situation of the poor in Bangladesh and changes occurred due to the NGOs activities. Data were collected through face to face interview and have been analyzed on a comparative basis. For this, a total of 460 respondents were interviewed from Rajshahi City Cooperation and Puhita Upa Zilla, percentage distribution, mean and STD. Deviation, graph and chi-square test method is used to analyze the data. The study results show that, the socio-economic situations of the poor both in urban and rural area, being developed through the programs taken by the NGOs.

Key Words: Bangladesh, changes, socio-economic situation, poor, NGOs

### **Introduction**

Non-governmental organizations (NGOs) in Bangladesh constitute the country's non-profit private sector in development. Their activities embrace various fields of development and largely geared to alleviating poverty and promoting sustainable development. In recent days, the role of NGOs, engaged in the developing countries of the third world has become a major topic of discussion. Bangladesh is a country of villages with dense population and a predominantly rural economy. Most of its population is used to follow rural customs and manners. Most people of rural Bangladesh are indicated as grassroots people. Over the last two decades the NGO sector in Bangladesh, like in many other places in the world, has performed as a major actor in facilitating the process of institution building of the poor at the grassroots (Clark, 1991).

NGOs continue with the goal of social transformation, or replace these goals with the relatively modest aim of service delivery. By the mid - ' 1980s, therefore, one witness another shift in NGO objectives from social transformation through bringing in changes in power structures towards providing specific services to their target groups and also to the wider community services which were hitherto not available from the state, private sector, and other civil society organizations. At present, services available from NGOs include health care, family planning, legal aid, non-formal primary education and micro-finance and many others. The most important service

that has earned Bangladesh NGOs international recognition is the delivery of micro-credit (Asaduzzaman,1997).

In Bangladesh social structures and social relations and with the worsening desperate poverty has changed. Bangladesh faced a bleak period as soon as she became independent in 1971. Poverty, malnutrition, mass illiteracy, diseases and deaths engulfed the country from the very birth of Bangladesh. Food deficiency had also triggered pervasive malnutrition. The general people lost their purchasing capacity and they had to be provided with income generating and employment opportunities. The crisis further accentuated by the existing bureaucratic structures as the process of top-down planning and centralized implementation procedures had been in vogue. Moreover, people centered development was not possible as the leadership had been mostly self-centered. NGOs have emerged as significant actors in Bangladesh's development scene after independence. During the course of the last three decades, they have made themselves inseparable from the country's economic, social and political development process.

### **Conceptual Framework**

#### **NGOs**

Any agency that is not controlled by government can be regarded as an NGO. NGOs are development

agents who work with the poor or other disadvantaged groups in the society. NGOs are defined, as autonomous associations of individuals formed voluntarily to pursue some common goals, general and specifically with private or state, local or international financial support under the legal framework of a state (Siddique, 1994). The NGOs are also defined as organizations that are “established and governed by a group of private citizens for a state philanthropic purpose and supported by voluntary contribution (OECD, 1988).

**Socio-economic Situation**

The socioeconomic situation means a situation, which is related to social and economic indicators. Rigidly interpreted the scope of such indicators can indeed be narrowed down to aspects such as employment, wage and working conditions, household incomes and expenditures, savings and indebtedness, distribution of wealth, education and educational service, health and health service, social and welfare services, public order and safety etc. It is in this broader sense that the term socio-economic situation will be used hereafter in this paper.

**Poverty**

As a predominately agricultural country, it is no wonder that almost 50 percent people in a tiny land are poor. Poverty is epidemic throughout the world especially in developing countries. It is not a contemporary phenomenon. The problem of poverty and hunger is as old as the universes. The definition of poverty widely varies. Tomsakonic –Devey, defined poverty as socially

*The poor are those whose income is below the level needed for normal social participation. People whose income is below this level will tend to be both materially deprived and socially isolated, which may lead to low levels of self esteem and the potential for antisocial behavior (1988,p.4).*

In the same way ILO defined poverty of developing countries as follows:

*People are poor if they cannot afford those thing in life that the society in which they live regards as a normal part of their standard of living. In many developing countries families who cannot afford a car are often considered ‘poor’. But in developing world the prevalence of destitution, hunger and disease enables an additional absolutes concept of poverty to be used (1977 p.49).*

**Materials and Methods**

The methods and techniques applied in this study are interviewing, observation and schedule. The data have been collected from the different cross-sections (rural and urban) community people in Bangladesh. A purposive sampling technique has been applied to select the household as well as the beneficiaries.

The process of choosing respondents for the study involved several steps. At the first stage, we purposefully selected rural and urban areas as study sites. At the second stage, all households of the selected areas were identified through a house-to-house complete survey in order to prepare an up-to date sampling-frame. A total number of 460 household head was identified in rural and urban areas. After the construction of a sampling - frame on the basis of set criteria, a total 160 families in urban area and 300 families in rural areas were randomly selected. According to the socio-economic condition Tax categories of RCC and Puhita UZ was asked to categorize the households. Three categories were Upper Class, Middle Class, and Lower Class .The selected households were from all economic categories in order to assess the consequences of areas on the people different economic strata. Data were collected from the rural and urban community people; both male and female household heads were selected purposefully from the selected Thana and RCC as follows:

Table-1. Sample size of the study.

Category	Rural			Urban (RCC)		
	Male	Female	Total	Male	Female	Total
Upper Class	20	20	40	10	10	20
Middle Class	40	50	90	20	30	50
Lower Class	70	100	170	40	50	90
Total	130	170	300	70	90	160

It may be mentioned that UP/RCC tax list were considered to draw samples of different class.

The draft of any research instrument is some pre-set questionnaire, outline of question on a topic, which is

prepared in the light of set objective, based on which data is collected. The research instrument also ought to

suit the study design. Data processing, which included editing, coding, the researcher did computer entry and analysis of the data. Appropriate statistical techniques were used in presenting the data.

**Indicators used to examine the socio-economic changes**

- Changes in condition of homesteads, housing facilities;
- Changes in education, training activities;
- Changes in women's participation in decision-making,
- Changes in health, family planning, sanitation and other facilities;
- Changes in employment and income earning, savings and expenditure activities;
- Changes in land ownership pattern;
- Changes in economic and social situation (Haider, 2011).

**Result and Discussion**

**Profile of socio-economic background of the respondents**

Socio-economic background reveals the socio-economic situation of the respondents under the study

area. Socio-economic status focuses the social-economic and cultural situation of the people and their way of life in which they live. The socio-economic condition is confined here in connection with the age structure of the people of the respondents, their social class, family types and membership's composition of the family, marital status, level of education, land ownership pattern, occupation structure, income and expenditure, pattern of houses and types of living area of the respondents belonging.

**Economic class of the respondents**

Table (2) shows the economic class in the upper class in rural areas only 1 (0.64 percent) person was involved with an NGO. In urban area nobody was involved with any NGO in the upper class. While in rural area lower class people were more involved with NGO 75 percent were involved with an NGO and in urban area 89.74 percent were involved with NGOs. In Middle class in rural and urban area involvement of the NGO was less to not involve with an NGO. The relationship is statistically significant at 0.00 significance level with a chi-square value of 61.99 and 2 degrees of freedom.

Table 2. Economic Class and NGO Involvement in Area base

Class	Rural				Urban			
	Involved		Not-Involved		Involved		Not-Involved	
	No.	Percent	No.	Percent	No.	Percent	No.	Percent
Upper	01	0.64	39	27.08	0	0	20	24.39
Middle	38	24.36	52	36.11	08	10.26	42	51.22
Lower	117	75.00	53	36.81	70	89.74	20	24.39
Total	156	100	144	100	78	100	82	100
Chi-Square-61.99	df-2	Significaance-0.00			Chi-Square-70.84	df-2	Significaance-0.00	

**Sex of the respondents**

The number of male and female of involved group and not-involved group was not equal. But the dissimilarity was very clear. According to the information recorded in the table 40 percent respondents of involved group were male and 60 percent female. The other hands among whole not-

involved group, 60 percent respondents were male and 40.77 recent female. Therefore we can easily say that most of the females are the NGO beneficiaries. It is also found that female respondents were more involved with NGOs, than male, 60 percent of females, and 40 percent of males respectively. These findings show that most NGOs target female as a target of NGOs activities than male.

Table 3. Distribution of Male and Female by NGO Involvement.

Sex	Involvement With NGO				Total	
	Involved		Not-Involved		Number of Case	Percent
Male	80	40	120	60	200	43.48
Female	154	59.23	106	40.77	260	56.52
Total	234	50.87	226	49.13	460	100
Chi- Square = 16.73		DF = 1		Significance = 0.000		

**Nature of NGO involvement and changes experienced**

The present study is the most comprehensive of all the studies on the impact of the NGOs promoted an alternative approach to development, which is based on the grassroots level mobilization of the beneficiary in the selected areas of Bangladesh. In this section to made an attempt to show the changes in the socioeconomic situation of the poor people of the study area. Socio-economic condition has been measured through school enrollment of the children, living space, house types, house ownership, household assets, earner status, ownership of cultivatable land, ownership of homestead land, livestock ownership and solvency pattern by involved groups (Who are beneficiaries from NGOs) and not involved groups (not involvement with NGOs). These data have been analyzed through comparing two groups, i.e. involved with an NGO and not involved with an NGO.

**Changing pattern of enrollment of children in school**

Any society education is a matter of paramount national importance and considered as the potential human endowment. Table 4 shows that, urban areas beneficiaries groups respondent children were highly associated with school 67.03 percent of the respondents' child were enroll in school. Interesting that daughter enrollment had high from son enrollment from 59.26 to 70.00. There is a significant difference between the involved in NGOs and not involved with NGOs respondent's child. Finding indicate that urban enroll more than rural children. In all classes involved family's children more indicates positive impact of the NGO. Daughter in urban area found more enroll. In conclusion we have seen that NGO positive impact in school enrollment.

Table 4. Comparison of school enrollment and area by involvement

Gender	Area	Involved percent	Not-Involved percent	Number of cases
Son	Rural	52.80	47.20	161
	Urban	59.26	40.74	54
Daughter	Rural	51.49	48.51	134
	Urban	70.00	30.00	70
Children (Total)	Rural	55.51	44.49	227
	Urban	67.03	32.97	91

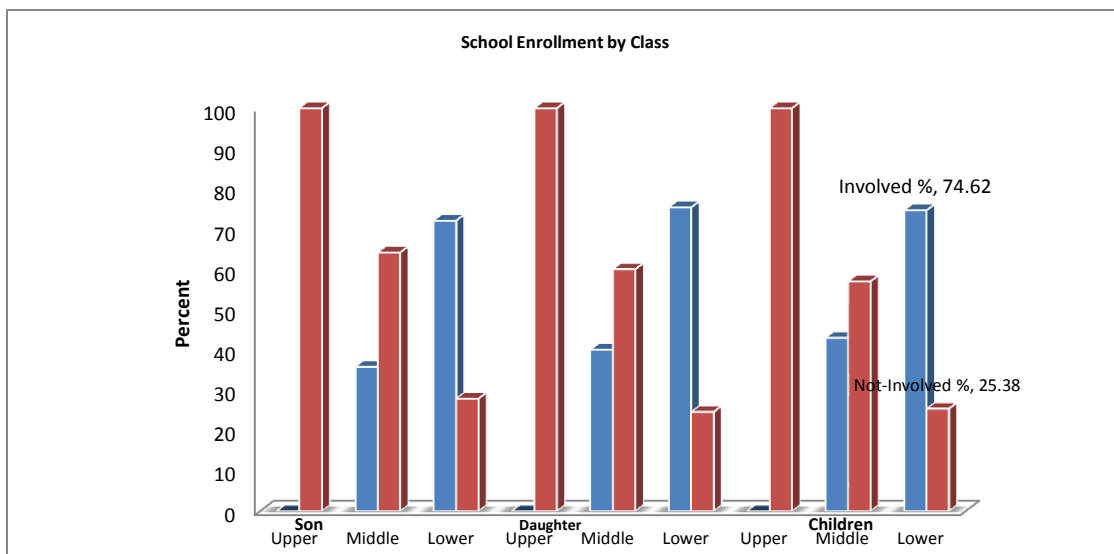


Figure 1. School enrollment by class.

### ***Changing pattern area of living space and involvement with NGOs***

Living Space is an important factor in attaching socio-economic status in our society. The Table 5 revealed that most of the beneficiaries (involved group) 74.69 and 40.95 percent are in the 500 square ft. And below 1000 square ft. On the other hand, in involved group 25.31 and 59.05 percent in the 500 square ft. And below 1000 square ft. respectively.

Table 5. Area of Uses Living Space of the Household

Uses of Space (Square ft.)	Involved (%)	Not-Involved (%)	Number of Case
< 500	74.69	25.31	245
501 - 1000	40.95	59.05	105
1001 - 1500	10.71	89.29	56
1501 >	3.70	96.30	54
Mean	.26	1.41	460
Std. Deviation	.54	1.12	460
Chi- Square = 143.97	DF = 3	Significance = 0.00	

### ***Changes to uses of Latrine***

Latrine is one of the household characteristics assessed socio-economic conditions. The types of latrines (toilets) being used by the household is an important indicator of access to health care facilities, we may have enough information about the health consciousness of the respondents of target group (involved group) and control group (not involved) through reviewing their available latrines or toilet facilities from the following table. It is seen that 13

The Table infirm that the involved people uses average .26 square ft. But not involved with NGOs respondents uses 1.42 square ft. Space. The chi-square test result shows that beneficiaries (involved group) and not-involved with are not homogeneous at all in term of uses living space. The data indicate that there is a significant difference between involved and not-involved with NGO peoples it appears from the findings that uses of space square ft. Increase with not involved but were decreased with involved.

respondents in target group had no latrine in the house and they used open field for evacuation. On the other hand, 41.57 percent respondent of target group and 58.43 percent of control group used separated latrine. Again 75.73 percent of respondents of control group and 24.27 percent of target group used a common latrine. It is also evident that the difference is statistically significant at a high level (0.000) with 2 DF. So it can be stated that in the regard of using hygienic latrine, the respondents of control group (not involved) were in a better position.

Table 6. Types of Latrine Used by the NGOs Involvement

Types of Latrine	Involved (%)	Not-Involved (%)	Number of Case
No Latrine	100	0	13
Own Separated	41.57	58.43	344
Common	75.73	24.27	103
Chi- Square = 49.93	DF = 2	Significance = 0.00	

### ***Political participation***

Political participation includes not only voting, holding public office, but also collective action through elected organization. Women are the world's largest group. Even though they make up half the adult population and often contribute more than their share to society, inside and outside the home, they are frequently excluded from positions of power. (UNDP, 1993). Our study indicated that the selected area women's political participation was to be exercised their franchise in local and national politics. The Table 7 showed that in middle class 87.50 percent of rural respondents told that women's

participation in political activities same as before involvement in NGO, and in urban area 12.50 percent respondent told same as before involvement with an NGO. On the other ward, 78.57 percent in rural middle class respondents said women participation was increased, and 21.43 percent urban middle class respondents said women's participation was increased. In rural areas of lower class 75.00 percent of respondents said that women's participation in political activity decreases but in urban area 25.00 percent said women's participation in political activities was decreased. Again in lower class reported that women's participation in political activity increases in both areas almost as it.

Table 7. Changes in the pattern of women participation in political activity.

Class	Women Participation in Political Activities	Area of Residence				Total
		Rural		Urban		
		No.	Percent	No.	Percent	
Upper	Same	1	100	0	0	1
	Decrease	0	0	0	0	0
	Increase	0	0	0	0	0
	Total	1	100	0	0	1
Middle	Same	14	87.50	2	12.50	16
	Decrease	2	100	0	0	2
	Increase	22	78.57	6	21.43	28
	Total	38	82.609	8	17.39	46
Lower	Same	72	74.23	25	25.77	97
	Decrease	6	75	2	25	8
	Increase	39	47.56	43	52.44	82
	Total	117	62.57	70	37.43	187

**Received health benefit**

The health service of Bangladesh is not very much developed. It has not reached for the door of the common people. Especially for rural people, but in

urban areas there are many public and private health centers. The most experienced of the beneficiaries of NGO is that 71.43 percent of rural and 16.30 percent of urban people had received no health benefit from NGOs

Table 8. Types of Health Service Received of the Beneficiaries

Type of Health Benefit	Area			
	Rural		Urban	
	No.	Percent	No.	Percent
Nothing	135	71.43	22	16.30
Child Health Service	1	0.53	12	8.89
Consciousness	21	11.11	47	34.81
Maternity	15	7.94	5	3.70
EPI	5	2.65	12	8.89
Nutrition	3	1.59	1	0.74
Family Planning	9	4.76	33	24.44
Vitamin "A" Capsule	1	0.53	3	2.22
Total	189	100	135	100

According to the Table 8 in rural area the percentage of child health service was 0.53 percent and the percentage of the respondent of urban area was 8.89 percent. Consciousness of the respondents 11.11

percent in rural area and 34.81 percent in urban area. Among the beneficiaries percent in maternity 7.94 percent in rural area and 3.70 percent urban area.

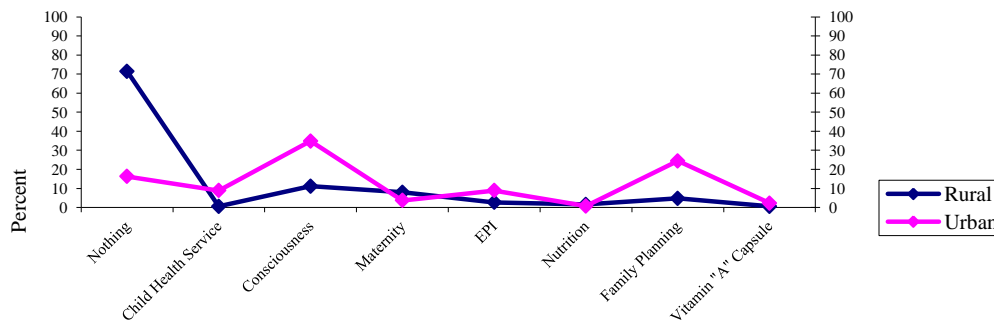


Figure 2. Type of health benefit.

### *Economic changes experience due to participation in NGO*

NGO should be viewed as the institution for development of the poor. We would like to see whether to income, saving, expenditure and living of beneficiaries in the areas under study.

### *Changes in Income*

We obtained information on the income changes of the beneficiaries' respondents after involvement with NGOs activities. Table 9 shows the average percentage of beneficiaries 30.30 percent of males in rural area and 69.70 percent of females in rural area said that their income same as before joining the NGO.

Table 9. Impact of NGO Activity on Income of the Beneficiaries.

Area	Changes in Income	Sex of the respondent				Total case No
		Male		Female		
		No.	Percent	No.	Percent	
Rural	Same as before	10	30.30	23	69.70	33
	Decrease	2	66.67	1	33.33	3
	Increase	36	30.00	84	70.00	120
Chi-Square-22.400		df-3		Significance-0.00		
Urban	Same as before	1	25.00	3	75.00	4
	Decrease	0	0	0	0	0
	Increase	31	41.89	43	58.11	74
Chi-Square-899		df-2		Significance-.638		

On the other hand in urban area 25.00 percent of male and 75.00 percent of female income were same as before. Again in the table it was seen that the respondents in rural area 66.67 percent of male and 33.33 percent of females whose income was decreased. In urban area 46.34 percent of male and 58.11 percent of female income were decreasing. In the rural area 30.00 percent of male income and 70.00 percent of female income was increasing. On the other end, in urban area 41.89 percent of male and 58.11 percent of female income were increased. The difference in female income earning activities is statistically significant at a high level .000 high chi-square value (22.400) with 2 Degrees of freedom

rural are earned. 638 levels, value 899 DF 2. From the above information, it could be guessed that the female beneficiaries' income was raised for involvement with NGOs. It should be mentioned here that the positive impact on female income after involved in NGOs. Females claimed more increase in income in both urban and rural areas.

### *Changes in saving*

NGOs trying to create a savings habit among the target groups. NGOs provision for compulsory savings under its credit programs for the members of target groups.

Table 10. Impact of NGO activity on saving of the beneficiaries

Area	Changes in Saving	Sex of the respondent				Total case No
		Male		Female		
		No.	Percent	No.	Percent	
Rural	Same as before	11	36.67	19	63.33	30
	Decrease	1	16.67	5	83.33	6
	Increase	36	30.00	84	70.00	120
Chi-Square-21.833		df-3		Significance-0.00		
Urban	Same as before	1	100	0	0	1
	Decrease	0	0	0	0	0
	Increase	31	40.26	46	59.74	77
Chi-Square-1.891		df-2		Significance-.389		

The contribution of the NGOs also played a vital role in creating savings habits among the female beneficiaries who made regular savings. Saving data of the beneficiaries of the study area have been presented in Table 10. The savings of the female of both areas increase after participation in the NGOs program. No doubts that this group is the most target groups of all NGO. The Table 10 shows that 16.67 percent of males in rural area saving is decrease and 83.33 percent of females in rural area savings decrease. Again in rural area 36.67 percent of male and 63.33 percent of female beneficiaries saving as

same as before involved with an NGO. The difference between these two groups is statistically significant at 0.00 and .389 levels.

**Expenditure**

In the present study we have been trying to know whether expenditure of the beneficiaries remain, decrease or increase participation in NGO. An item of a family includes food, cloth, education, treatment, recreation etc. The volume of expenditure varies one family to another.

Table 11. Impact of NGO activity on expenditure of the beneficiaries.

Area	Changes in Expenditure	Sex of the respondent				Total case No
		Male		Female		
		No.	Percent	No.	Percent	
Rural	Same as before	22	40	33	60	55
	Decrease	1	50	1	50	2
	Increase	25	25.25	74	74.75	99
Chi-Square-24.320	df-3			Significaance-0.00		
Urban	Same as before	1	100	0	0	1
	Decrease	0	0	0	0	0
	Increase	31	40.26	46	59.74	77
Chi-Square-2.437	df-2			Significaance-.291		

Table 11 presents the structure the expenditure is increased of the beneficiaries of female in both areas. As we have seen in the Table (11) the average percentage of the beneficiaries 40.00 percent of males in rural area and 60.00 percent of females in rural area said that their expenditure same as before participation of NGO. On the other hand in urban area 75.00 percent of male and 25.00 percent of female income were same as before.

Again at the table it was seen that the beneficiaries in rural area 25.25 percent of male and 74.75 percent of females whose expenditure was increased. On the other hand in urban area 39.19 percent of male and 60.81 percent of females whose expenditure was increased. The relationship is statistically significant.

**House Ownership**

Dwelling is one of the basic needs of the human being and they make dwelling in their safe shelter. House ownership is the sign of security and solvency and ownership carries great prestige. The data reveal that 47.3 percent respondent of an involved group lived in their own house but in involved group 52.9 percent respondents lived in their own house also. On the other end, out of 460 household head 77.1 percent involved with an NGO and 22.9 in not involved with NGO respondents live in a rented house and 77.3 in involved and 22.7 percent dwellers lived in Government property or a slum area respectively. The relationship found statistically significant at high level.

Table 12. Ownership of House by NGO Involvement.

Type Of Ownership	Involved Percent	Not-Involved Percent	Number Of Case
Self	47.3	52.9	403
Rented	77.1	22.9	35
Govt. Property	77.3	22.7	22
Chi- Square = 18.04	DF = 2	Significance = 0.00	



### Livestock

Other important assets in Bangladesh consist of livestock. We found that the proportion of cows, goats and Duck & chickens owned by the involved and not involved with NGOs were almost same at the investigation (study) time. Table 13 show that 43.55 percent had 1-3 cows and 48.45 percent had more than 4 cows in the involved group but in the not involved group 52.45 percent had 1-3 cows and 41.13

percent more 4 cows had respectively. Again in the involved group 60.12 percent had 1-3 goat and 40 percent more than had 4 goats; on the other hand, in the not involved group 39.88 percent had 1-3 goat and 60 percent had more than 4 goats. In the involved group 55.17 percent had 1-3 duck and chicken and 35 percent had more than 4 ducks and chicken. But in the not involved group 44.83 percent had 1-3 duck and chicken and 65 percent had more than 4 ducks and chicken.

Table 13. Ownership of livestock assets by involved and not- involved household with NGOs.

Livestock	Number	Involved (Percent)	Not-Involved (Percent)	Number of Case
Cow	None	50.47	49.53	321
	1 - 3	43.55	43.55	124
	4 >	86.67	86.67	15
Goat	None	52.38	52.38	252
	1 - 3	60.12	60.12	163
	4 >	51.11	51.11	45
Duck and Chicken	None	52.74	52.74	201
	1 - 10	55.17	55.17	203
	11 >	53.57	53.57	56

### Conclusion

The NGOs in Bangladesh like to manifest themselves as advocates of social change. For bringing effective social change the first priority is to eradicate all kinds of discrimination in the society, empowerment of women is the first thing to do. No doubt, the poorest women are the most disadvantaged section of the society, especially because they do not have access to information and resources. So they are lagging behind in the process of development. NGOs would like to involve these women and enhancing their participation in the development process.

Impacts of the NGOs on socio-economic situation and pattern have been examined. The result shows that the NGOs have been successful in raising the income level of their beneficiaries as well as providing, or educational services, other benefits derived by the beneficiaries include training on how to successfully undertake various incomes generating activity, how to sign one's man, and how to take various health services. A majority of NGO beneficiaries indicate that their social status and prestige have improved in the eyes of their neighbor because of the undertaking of activities with the NGOs activity. The findings from the study show that the beneficiaries are more likely to undertake new

income -generating activities, raise their income and productivity, empower themselves, adopt family planning, reduce infant and child mortality, prevent childhood diseases, and attain self-reliance in meeting their socio-economic and other welfare needs than those of their comparable not-involved of NGOs people's.

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