

**SOCIO-ECONOMIC AND TRAINING
PROGRAMMES TOWARDS THE SOCIO-
ECONOMIC DEVELOPMENT OF NGO
BENEFICIARIES IN BANGLADESH**

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ECONOMIC DEVELOPMENT OF NGO
BENEFICIARIES IN BANGLADESH**

by

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DEDICATION

To my parents

Mohammad Jahangir Khan and Sajeda Khanam

With love and gratitude for raising me in the way I am

And my uncle

Professor Dr. Shahjahan Monir

The pioneering inspiration of my PhD journey

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ABBREVIATIONS AND ACRONYMS

ADAB	Association of Development Agencies in Bangladesh
ADB	Asian Development Bank
ASA	The Association of Social Advancement
ASEAN	Association of South East Asian Nations
ASTD	American Society for Training and Development
BARD	Bangladesh Agriculture and Rural Development
BB	Bangladesh Bank
BBS	Bangladesh Bureau of Statistics
BDT	Bangladeshi Taka (Local Currency)
BIDS	Bangladesh Institute of Development Studies
BRAC	Bangladesh Rural Advancement Committee
BRIC	Brazil, Russia, India and China
DAM	Dhaka Ahsania Mission
FFYP	First Five Year Plan
GB	Grameen Bank
GDP	Gross Domestic Product
GNP	Gross National Product
GO	Government Organizations
GOB	Government of Bangladesh
HDI	Human Development Index
HDR	Human Development Report (UNDP)
HRD	Human Resource Development
HRM	Human Resource Management
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
MDG	Millennium Development Goal
MNC	Multi National Company
MOL	Ministry of Law
NGO	Non-Governmental Organization
NGOAB	NGO Affairs Bureau
PKSF	Palli Karma Sahayak Foundation
PROSHIKA	Proshikkhan, Shikkha, Karmo (Training, Education and Action)
PRS	Poverty Reduction Strategies
PRSP	Poverty Reduction Strategy Paper
RJSC	Registrar of Joint Stock Companies
ROI	Return on Investment
RVS	Rokeach Value Survey
SPSS	Statistical Package for Social Sciences
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
USD	United States Dollar
WB	World Bank
WHO	World Health Organization

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SOSIOEKONOMI DAN PROGRAM LATIHAN KE ARAH PEMBANGUNAN SOSIOEKONOMI PARA PENERIMA BANTUAN NGO DI BANGLADESH

ABSTRAK

Pertumbuhan yang besar dan pesat dalam kalangan NGO di Bangladesh memberi cabaran khusus terhadap falsafah pembangunan, terutama dalam pembangunan sosioekonomi (SED). Walaupun usaha pembangunan yang dijalankan oleh NGO tempatan dan antarabangsa menunjukkan tumpuan yang berkesan, namun secara praktikal ia tidak disokong dalam beberapa hasil penyelidikan. Oleh itu, kajian ini bertujuan mengkaji impak daripada program pembangunan tersebut terhadap pembangunan penerima bantuan. Bagi mencapai matlamat yang ditetapkan, kajian ini mengkaji impak daripada tiga dimensi program sosioekonomi (kesihatan, pendidikan, dan mikrokredit) dan empat dimensi program latihan (tindak balas, pembelajaran, tingkah laku, dan keputusan) terhadap pembangunan sosioekonomi penerima bantuan NGO (pendapatan, pemakanan, pendidikan, perumahan, pencegahan bencana, dan kesihatan). Berasaskan Teori Modal Manusia (HCT), penyelidikan ini mencadangkan satu rangka kerja yang menghubungkan SEP, TP, dan SED. Seramai 300 orang penerima NGO daripada tiga NGO utama iaitu mewakili 78.53% daripada peserta kajian ini. Data bagi semua pemboleh ubah diperoleh melalui soal kaji selidik tadbir sendiri. Analisis regresi pelbagai dijalankan bagi menguji hipotesis yang dikemukakan dalam kajian ini menggunakan Pakej Statistik Sains Sosial (SPSS). Keputusan kajian menunjukkan sokongan empirik bagi rangka kerja teori. Pemboleh ubah peramal, kesihatan secara positif mempengaruhi pemboleh ubah seperti pemakanan, perumahan dan kesihatan secara positif. Program pendidikan adalah peramal lain, menyumbang kepada tahap pendidikan penerima bantuan, walaupun mikrokredit (seperti dimensi SEP) secara negatif mempengaruhi

pendapatan dan perumahan penerima bantuan NGO. Sebaliknya, semua dimensi latihan secara negatif mempengaruhi, “pendapatan” manakala sebahagian besar dimensi latihan mempunyai kesan positif terhadap hasil pemboleh ubah lain. Tindak balas latihan secara positifnya mempengaruhi kapasiti pencegahan bencana penerima NGO. Keputusan membuktikan bahawa SEP dan TP, terutamanya, kesihatan, pendidikan, tindak balas, dan pembelajaran memainkan peranan penting dalam mempengaruhi penerima bantuan SED yang selaras dengan teori modal insan. Kajian ini menyumbang terhadap ilmu pengetahuan dengan dapatan bahawa teori modal insan adalah berkenaan dalam konteks NGO di Bangladesh terutamanya dalam program pembangunan sosioekonomi. Kajian mengesahkan dua penyumbang teori: (1) Penyertaan mikrokredit (peramal) dalam rangka kerja HCT dan (2) keupayaan pencegahan bencana (hasil) sebagai penunjuk pembangunan sosioekonomi baru. Dalam penyumbangan metodologi, kajian mengumpulkan data daripada perspektif penerima berkenaan dengan pembangunan walaupun retorik pembangunan penyertaan NGO. Akhirnya, dapatan menunjukkan keunggulan aspek bukan ekonomi berbanding faktor ekonomi dalam membangunkan taraf sosioekonomi penerima bantuan NGO di Bangladesh.

SOCIO-ECONOMIC AND TRAINING PROGRAMMES TOWARDS THE SOCIO-ECONOMIC DEVELOPMENT OF NGO BENEFICIARIES IN BANGLADESH

ABSTRACT

The huge and rapid growth of NGOs in Bangladesh imposes specific challenges on the development philosophy, especially, in the socio-economic development (SED). The development endeavours, by the local and international NGOs, though seemingly focused effective, in practical not supported rather contested in some of the research findings. Hence, the present study aims to examine the impact of their development programmes on the development of beneficiaries. To accomplish this aim, the study investigates the impact of three dimensions of socio-economic programmes (health, education, and micro-credit) and four dimensions of training programmes (reaction, learning, behaviour, and result) on NGO beneficiaries' socio-economic development (income, nutrition, education, housing, disaster prevention, and health). Grounded by the Human Capital Theory (HCT), the present research proposed a framework linking the SEP, TP, and SED. A total of 300 NGO beneficiaries of three leading NGOs representing the response rates of 78.53% participated in the present study. Data for all variables were collected through self-administered survey questionnaires. Multiple regression analyses were conducted to test the hypotheses posited in the present research using Statistical Package for Social Sciences (SPSS). The results of the present study revealed empirical support for the theoretical framework. The predictor variable, health, positively influenced the outcome variables, such as nutrition, housing, and health. Education programme, another predictor, also contributed to the beneficiaries' education level, though, micro-credit (as dimension of SEP) negatively influenced income and housing of

NGO beneficiaries. On the other hand, all of the training dimensions negatively influenced “income” whereas; most of the training dimensions have positive impact on the rest of outcome variables. Training-reaction positively influenced disaster prevention capacity of NGO beneficiaries. The results provide evidence that SEP and TP, especially, health, education, reaction, and learning play important roles in influencing NGO beneficiaries’ SED, which is in the line with human capital theory. This study contributes to the body of knowledge with findings that the human capital theory is applicable in the context of Bangladeshi-NGOs, particularly, in their socio-economic development programmes. The study confirms two theoretical contributions: (1) the inclusion of micro-credit (predictor) in the HCT framework, and (2) disaster prevention capacity (outcome) as a new socio-economic development indicator. In methodological contribution, the study collected data from beneficiaries' perspectives regarding their development despite the rhetoric of NGOs' participatory development. Finally, the findings have managed to demonstrate the superiority of non-economic aspects as compare to economic factor in developing the socio-economic status of NGO beneficiaries in Bangladesh.

CHAPTER 1

INTRODUCTION

1.1 Preamble

This chapter provides an outline of the research. Sections begin with the background of study highlighting the basic information about research issues, symptoms of problems and its necessity to be attempted. Research problems have been identified based on the discussion in the background of the study. The research questions, which would be mainly answered throughout the whole research, have been articulated out in the line of the research problem. A separate section points out the objectives of the study. Significance of the study has been elucidated prior to defining the key terms. The chapter ends with briefing on the presentation of the remaining chapters.

1.2 Background of the Study

This section discusses Bangladeshi development NGOs' socio-economic and training programmes and possible socio-economic development of their beneficiaries which is the main concern of huge national and international NGOs in the country.

1.2.1 Introduction to Bangladesh

Bangladesh became independent in the year 1971. Historically, Bangladesh was acclaimed as the 'Land of Gold' due to its affluence and the richness of its land. It was also known as the 'fertile land' in south Asia in the ancient days (Safa, 2006). As an agro-based country, almost half of its population (47.5%) is engaged in agriculture (BBS, 2013, p.199; Mahmud, Parvez, Hilton, Kabir, & Wahid, 2014). Nevertheless, there is a declining trends of agricultural contribution (13.9%) to the

Gross Domestic Product (GDP) in recent years (Bangladesh Bureau of Statistics [BBS], 2013, p.7; Mahmud et al., 2014). The agricultural growth in Bangladesh is restrained by several socio-economic and physical reasons, for instance, natural disasters, rapid urbanisation, and movement of people from rural to urban areas for their livelihood. It is obvious that industrial development is the prime need of the country (Aowrangazab, 2005). Low in agricultural growth put enormous pressure on other sectors through inflow of labourers from agriculture to service and production industry (Absar & Mahmood, 2011). To address this, Bangladesh has undertaken various efforts for developing the socio-economic conditions of the poor to be retained in rural areas. Since the beginning of 1970s, Bangladesh has virtually become a laboratory for design and experimentation of different rural development models and approaches. The Government of Bangladesh (GOB), international donors and the non-governmental organisations (NGOs) have experimented with different models and approaches of institution building for rural and local level development (Holtsberg, 1990). The prominent existence of immense number of NGOs for their increased role for development were always asked justification in the past (Edwards & Hulme, 1996) and that these questions remain pertinent today (Banks & Hulme, 2012; Banks, Hulme, & Edwards, 2015; Edwards & Hulme, 2014) in the developing countries. Bangladesh, being a developing country representative, human capital development has been the national priority. Development NGOs', in their mission and vision statement, also put human capital development in their main focus.

1.2.2 Human Capital Development in Bangladesh

The economy of Bangladesh with a large and rapidly growing population and low per capita income reveals conditions of abject poverty for the majority of the people

(FFYP, 1997-2002). The position, measured in terms of the Human Development Index (HDI) by UNDP, out of 187 countries Bangladesh ranked 146th in 2010, 147th in 2011, and 146th in 2012 (UNDP, 2013). The Human Development Index (HDI) is a comparative measure of life expectancy, literacy, education, and standards of living for countries worldwide. HDI ranks the countries by level of “human development” distinguish as a developed, a developing, or an under-developed country and the Bangladesh fell in the low human development category. The profile of human deprivation (UNDP, Human Development Report, 1996) for 1993 revealed that 47.50 percent of people of Bangladesh were income poor (head count index) while 76.90% were capability poor. This report posited that 52.85 percent of people were without sanitation, and 26 percent children were not attending primary school. Regarding the trend in human development in Bangladesh, this report revealed that life expectancy at birth was 55 years in 1993, 58 years in 1995 and 66.9 in 2010.

In 1985-86, 54.7% of population lived below poverty line. In 1989-90 the rate reduced slightly to 47.8% but after the laps of seven years the situation remained almost unchanged i.e. 47.1% population lived below poverty line, (Siddiqui, 2000). Based on the recent UNDP survey for 2007-2011 data the proportion of the population living in income poverty line is 43.3% (\$1.25 a day) compared to national poverty line 31.5% (p.160), and multidimensional poverty is 58% in Bangladesh (UNDP, 2013, p.28) which clearly evidenced the population is still under severe poverty as defined by UNDP literature: "percentage of the population in severe multidimensional poverty—that is, those with a deprivation score of 50% or more (UNDP, 2013, p.161). In respect of other indicators Bangladesh holds the literacy rate 56.8%, and mortality rate for female/male: 222/246 in thousand (UNDP, 2013, p.168). Hence, there still remains a great necessity for substantial improvements in

various aspects of social and human development which all provide substantial economic benefits over the long term by improving productivity of a large potential population of Bangladesh. According to FFYP (1997-2002) the Government of Bangladesh had allocated sufficient resources and undertaken adequate measures for human development which is also in progression in the following years. Apart from these, non-government organisations (NGOs), one of the most active sectors, have been playing a supplementary role for human resource development in Bangladesh.

1.2.3 Human Resource Development

HRD refers to “organized learning experiences in a definite time period to increase the possibility of improving job performance growth” (Nadler & Nadler, 1990, p.3). This definition suggests HRD involves individual learning, as opposed to organisational-level learning, an approach that differentiates HRD interventions from team or organisational-level interventions such as organisational development (OD). Swanson and Holton III (Swanson & Holton III, 2009, p.4) defined HRD as “process of developing and unleashing expertise for the purpose of improving individual, team, work process, and organizational system performance”. The definitions either explicitly mentioned or implicitly assumed, *learning* is central to the notion of HRD.

HRD can be expressed as *preparing and continually developing people and learning systems to achieve the highest possible performance in order to meet strategic goals*, centred on fostering learning (Swanson & Holton III, 2009, p.146).

From the above discussion it is evident that HRD answer the questions like “What kind of people do we need?” and “what kind of training and development is required”? Organisations that elect to establish and invest in a formal HRD function are making a commitment to provide their employees with the skills necessary to

meet current and future job demands. Ideally, HRD activities should be planned for all employees, regardless of their positions, from the time they are hired through to the conclusion of their career with the organisation.

To keep up with the accelerated technological advancement and intense global competition, the workforce has to be competent and flexible in order to adapt to rapid changes. Workplace performance constantly requires new knowledge, skills, and attitude (KSA). Historically, most reading materials pointed out that training and development play an important role in organisations in molding the employees to meet the requirements of current and future job performance needs (Dessler, 2008, pp.294-296; Mondy, 2008, p.154). For instance, most of leading American companies view training as a key to organisational survival and success as well as economic growth (Westover, Westover, & Westover, 2010).

1.2.4 NGOs and HRD Programmes in Bangladesh

There are probably more and bigger NGOs in Bangladesh than in any other country of a similar population in the world (Ahmad, 2003, 2006). The goals, objectives, and strategies of these NGOs for implementation of their experimental approaches, however, varied depending on the donors of the projects. But the alleviation of poverty, one of the socio-economic indicators, has always been among the core objectives of those NGOs. Even, through different experimental interventions over the years, alleviation of poverty still remains a major challenge for Bangladesh (Ahmad, 2006). The completion of the Interim Poverty Reduction Strategy Paper (IPRSP) titled *A National Strategy for Economic Growth, Poverty Reduction and Social Development*, in March 2003, marked as an important milestone in the process of renewing the national goal of policy ownership over the formulation of Poverty

Reduction Strategies (PRSs). While the commitment to poverty reduction since then continued to be pursued through a wide range of concrete actions, government also undertook specific steps to ensure a comprehensive participatory process by which to deepen policy ownership in the formulation of a full-blown PRS (IMF, 2005).

Now-a-days, a large number of NGOs (Ahmed, 2000) i.e. more than 20,000 have been operating in Bangladesh for the socio-economic development in general and alleviation of rural poverty, in particular (Ullah, 2003; Ullah & Routray, 2007). Hashemi (1996) estimated that the big NGOs reach only 10-20% of the landless households which is also supported by several studies (Ullah & Routray, 2007; Zaman, 1996). Most of the evaluations found a positive impact on household outcomes with some instances of negative impacts. But the macro scenario on the trends of poverty reduction shows that Bangladesh has yet to made noticeable progress. Though different measurement techniques provide somewhat different data about the level and incidence of poverty, the general picture of poverty in Bangladesh is indeed critical (Khan, 1990) which put the development definition and measures in question.

1.2.5 Neo-Populist Thinking-New Paradigm of Development

Since 1975, a major paradigm has come to fore in development studies under the term neo-populist thinking which is articulated by NGOs and others in their views, desires, and ambitions. “Neo-populist thinking” is an alternative development strategy, a major new paradigm to the linear growth model based on the notion that developing countries have their own trajectory of development which does not necessarily follow the same pattern as experienced by the advanced, industrialised countries (Hettne, 1990).

The goals of development are redefined with much greater emphasis on non-economic aspects. Development has come to be conceived of and measured not only in economic terms, but also in terms of social wellbeing, equity and political structures as reflected in the UNDP Report on human development published annually since 1992 (UNDP, 1993). This report focused on the alternative dimensions of development such as social welfare, social equity, democracy, empowerment and sustainable development. The foregoing discussion suggests that equitable forms of human development do not depend on economic growth or modern technology alone rather other dimensions come into play.

However, as a relatively young and poverty sickened country, Bangladesh has received much attention from international development agencies and local NGOs in the form of financial assistance intended to alleviate the intense poverty as an effective instrument to uplift the socio-economic condition of rural people. It is, however, evident that most of the large NGOs in Bangladesh have designed their objectives to improve the socio-economic condition of the rural people through poverty alleviation, specifically, micro-credit programme. Though, studies have indicated that micro-credit programme has provided little relief to the rural and urban poor to uplift their socio-economic condition (Bailey, 2004; Khandker, 1999).

1.3 Research Problem

The long-dreamt dream of a better life which is focused by development organisations has not been realised for millions of people (O'Leary, 2006). For decades development assistance from developed countries has aimed to improve the development prospects of poorer nations. However, the number of people living under poverty, and the gap between developed and developing countries continues to

grow (O'Leary, 2006). In many countries, the socio-economic development indicators for income, health, nutrition, education, and housing or the human development indicators for education, maternal and child health and income show little sign of improvement, and are even deteriorating in some countries. In Bangladesh, the gap between development programmes and achievement is prominent of the work of developmental NGOs. Notwithstanding the NGO development goals embrace development outcomes such as poverty alleviation, empowerment, just and equitable development, strand of literatures demonstrated that the development objectives of Bangladeshi NGOs are infrequently been achieved to the extent hoped or expected. Hence, the existence of poverty alleviation programmes is vibrant but not vigilant. Consequently, the plight of NGO beneficiaries in Bangladesh, remains unchanged.

1.3.1 Real-life Situation of NGO Beneficiaries

Micro-credit has been preferred by 92% of total NGOs in Bangladesh (Gauri & Galef, 2005), displacing all socio-economic programmes (Ahmad, 2003) to elevate the status of their beneficiaries but economic condition was not improved (Ebdon, 1995) over the past six decades (Das & Pulla, 2014; Sarkar & Rahman, 2014). Most of the credit goes to the women to invest in income generating activities but often controlled by male members of the family (Goetz & Gupta, 1996) such as 26.7% by the women, 63.3% by their husband and grown up son, 11% by father or brother (Shamsad, 2008). It is well documented in Bangladesh that after receiving the loan amount, the husband and wife started to fight a lot more on its control. It has created so much tense among the family members especially among the couples. With this constant fighting which, often, involves in violence leading to killing of wife by

husband, is a common phenomenon in rural Bangladesh. Domestic violence appears to be an important cause of maternal mortality in rural Bangladesh.

1.3.2 Socio-Economic Scenario in Bangladesh

After the independence in 1971, the NGOs were involved basically in relief and rehabilitation programmes in Bangladesh. With the span of time NGO interventions spread all over the country with various programmes and dimensions with a view to uplifting the socio-economic status of the rural poor people. After four decades of NGO activities in Bangladesh, the plight of the poor people especially NGO beneficiaries remains unchanged. Through a neutral investigation, Ullah and Routray (2007) demonstrated that after 3 decades of NGO interventions aiming to alleviation of poverty, 73 percent of their beneficiaries still below poverty line of which 71 percent very poor, and only 7 percent identified as poor which is much higher than the government and World Bank estimation of 47 percent and 51 percent, respectively.

Even though micro-credit may meet many varied and immediate needs of many people, does not mean that it is lifting them out of poverty (Rahman, 2007, p. 202). Thus, it is not a panacea for poverty alleviation (Gehlich-Shillabeer, 2008; Hulme & Mosley, 1996; Rahman, 2007). In Bangladesh, the existence of NGOs is as an influential actor in the private sector with huge developmental programmes and activities. In studies, it is depicted that NGOs have ability of contributing to uplift the socio-economic status of the people, but after couple of decades NGO debate raised serious questions about their ability to meet long-term goals. Since, most of the NGOs' intervention in the rural areas centred on micro-credit and narrowly focused on short term results (Banks, Hulme, & Edwards, 2015). In most of the countries

around the globe donors, business houses, private individuals and governments are providing funds to various domestic micro-credit institutions to carry out micro-credit programmes. The channelling mechanism, especially government and donor funds has proved inefficient. The total cost of providing funds directly to micro-credit programmes is usually high when the cost of feasibility studies, appraisal missions, monitoring, evaluation, reporting, and so on. This missing link between programmes and achievements demonstrates that only about 10-25 percent of donor funds actually reach the poorest, while the rest is spent on administration, overhead, training, institution building, and consultants (Yunus, 1999 as cited in Ahmed, 2009). Shamsad, (2008) stated that,

In some cases it was found that, NGOs are not interested to operate their microcredit programs where the concentration of potential borrower of the loan is not significant in number. Empirical study shows that people can enjoy benefits of the programs for a while but after withdrawal of those support beneficiaries could no longer be able to continue the benefits; as most of the programs provide various types of support such as technical, advisory, financial etc. to facilitate income earning activities of the poor rather than taking an attempt to make them an able to self dependent to continue the benefits achieved from the program by themselves without depending on the donors (p.6).

The study conducted on three leading development NGOs in the non-profit sector. Non-profit organisations draw on the charitable inclinations of their founders and staff (Fruttero & Gauri, 2005) and operate on a non-profit basis for the long-term development of public sector within the framework of international development cooperation (Kareithi & Lund, 2012; Marshall & Suárez, 2014). The motivation for conducting the present study bases both theoretical, practical, and methodological challenges. As regards to practical problems, the researcher portrayed the recent as well as previous literatures depicted by some leading scientists in the field of development studies also in non-profit sectors in which presented their pessimistic views following the progression of NGO intervention for the last six decades. The theoretical perspective claims that most of the NGO researches lack theoretical

underpinnings in Bangladesh context. The study attempts to include micro-credit (as predictor) and disaster prevention capacity (outcome variable: as a new socio-economic development indicator) in the HCT framework to examine the possible link between NGOs' programmes and socio-economic development, the focus of this study, of their beneficiaries. The problem of the study circles around the issues that why the impact of NGOs' intervention is not visible leading to our expectation? What is more unclear is NGO literatures between 1996 and 2008, Kareithi and Lund found that the data were mainly drawn from NGO directors, programme staff, and donors, while on the contrary, fewer studies sought from NGO beneficiaries (Kareithi & Lund, 2012), which is the methodological limitation that brings challenge for the researcher of this study. Comparatively, though, few studies sought data from beneficiaries, asserting that the rhetoric of beneficiary participation and engagement have not practically implemented in most of the research initiatives. Beneficiaries are the inextricable stakeholders in the process of NGO interventions by the Southern donors (southern denotes the developed country representation while Northern means the developing country NGOs) should be part from the design to evaluation, and back again to reformulation of development programmes (Szporluk, 2009). Moreover, incorporating their voices into research initiatives generates data that would otherwise be overlooked and can make the realities and experiences of beneficiaries more prominent (Chambers, 2009; Kelly, Kilby, & Kasynathan, 2004).

Another aspect merits mentionable that most of the studies, though, conducted in the developing countries, majority authors are associated with the developed country institutions (Kareithi & Lund, 2012). The authors also affirm that in an increased number of researches though conducted on the issues relating to NGO development performance, beneficiaries' perspectives always neglected

notwithstanding the presence of participatory development philosophy in their mission and vision statement (Kareithi & Lund, 2012).

Finally, the researcher's starting point of this study is that if development is something which is desirable, it must involve socio-economic factors not partially only the economic issues. Hence, Against this backdrop, the study investigates the socio-economic and training programmes of three leading development NGOs for possible impact on socio-economic development of their rural beneficiaries in Bangladesh.

1.4 Objectives of the Study

The purpose of this study is to investigate the socio-economic development of the NGO beneficiaries in Bangladesh. The specific purpose of this study is to test whether the socio-economic and training programmes of sample NGOs can impact the socio-economic development of their beneficiaries through the theoretical lens of human capital theory. The objectives of this study have been stated below:

1. To examine the relationship between NGOs' three dimensions of socio-economic programmes (health, education, and micro-credit) and socio-economic development (income, nutrition, education, housing, disaster prevention, and health) of their beneficiaries;
2. To examine the relationship between NGOs' four dimensions of training programmes (reaction, learning, behaviour, and result) and socio-economic development (income, nutrition, education, housing, disaster prevention, and health) of their beneficiaries;

1.5 Research Questions

Research questions may be considered as a door to the research field under study. Whether empirical study examined produce answers or not depends on the articulation of such questions. The important criteria for evaluating research questions include their soundness and clarity (Flick, 1998). There are almost few literatures exploring the relation between NGOs' socio-economic & training programmes and the socio-economic development of their beneficiaries. The mentionable aspects lacking that the impact of NGO programmes on the development of their clients is sufficiently important in Bangladesh context for its distinct socio-economic background and the prominent existence of a good number of renowned NGOs and foreign donors.

A detailed explanation and analysis on the relation of both NGO programmes and development of their beneficiaries in Bangladesh is essential and significant for a better understanding of government-NGOs-beneficiaries relationship scenario. So, the principal questions are; how the impact of NGOs' socio-economic and training programmes is better manifested in the development of their beneficiaries in terms of their socio-economic status? In order to accomplish the above objectives, with specific reference to Bangladeshi development NGOs , the present study will answer the following research questions:

- 1 How do the NGOs' three dimensions of socio-economic programmes (health, education, and micro-credit) relate to the socio-economic development (income, nutrition, education, housing, disaster prevention, and health) of their beneficiaries?

- 2 To what extent the NGOs' four dimensions of training programmes (reaction, learning, behaviour, and result) relate to the socio-economic development (income, nutrition, education, housing, disaster prevention, and health) of their beneficiaries?

1.6 Significance of the Present Study

The present study attempts to through light on the contributions of theory in the areas of socio-economic development among development NGOs.

1.6.1 Contribution to Theory

This is of particular interest give that the study applied human capital theory and four level taxonomy of training evaluation for investigating the socio-economic development of beneficiaries among development NGOs in non-profit sector which is slightly deviated as human capital theory mostly applied to see the economic growth rather socio-economic in combination. Therefore, the study confirms two theoretical contributions. Firstly, the inclusion of micro-credit (as predictor) in the HCT framework besides health, education, and training. Secondly, disaster prevention capacity (as outcome) as a newly proposed socio-economic development indicator which is first of its type of study. The alternative focus of HCT on non-economic aspects is a new one.

1.7 Definition of Key Terms

Understanding of terms varies from researcher to researcher, time to time, country to country and context to context. A good number of terms will be used in this study,

key of which are required to be clearly defined. The study will follow these conceptualisations.

1.7.1 Development

There has been considerable debate over the definition, explanation and practice of development over the past few decades. In the context of development practice, development refers to outside intervention or “aided” development (Davies, 1998 as cited in O’Leary, 2006). Development is first and foremost about people and the expansion of human capabilities. In all community based development, the development relationship is central and should be primarily concerned with facilitating the liberation of people from poverty, oppression, and dependency (O’Leary, 2006).

1.7.2 Human Resource Development

HRD is emerging from its early roots in training and development, becoming a sophisticated academic discipline and a field of practice centred on learning and performance in organisations. The term “human resource development” was first defined as “organized learning experiences in a definite time period to increase the possibility of improving job performance growth” (Nedler & Nedler, 1990, p.6). Swanson also stated that HRD is “a process of developing and unleashing expertise for the purpose of improving organizational system, work process, team, and individual” (Swanson & Holton III, 2009, p.8).

1.7.3 Socio-Economic Development

Socio-economic development refers to the “ability to produce an adequate and growing supply of goods and services productively and efficiently, to accumulate capital, and to distribute the fruits of production in a relatively equitable manner (Jaffee, 1998, p.3)”. In this research, “socio-economic development” refers to the ability of the NGO beneficiaries to produce an adequate and growing supply of goods and services productively and efficiently, to accumulate capital, and to distribute the output after following the NGOs’ socio-economic and training programmes in Bangladesh.

1.7.3.1 Health

The United Nations approved the creation of the World Health Organization (WHO) on 7 April, 1948 with the fundamental objective of “the attainment by all peoples of the highest possible level of health”. WHO defined health as “a state of complete physical, mental and social well being and not merely the absence of disease or infirmity” (Breslow, 1972; Callahan, 1973; Jadad & O’Grady, 2008; Saracci, 1997; WHO, 1992).

1.7.3.2 Education

The term education is framed differently by different peoples in development literature. Mr. Kofi Annan, the UN secretary-general, described education as “a human right with immense power to transform”. He also claimed its foundation rests on the cornerstones of freedom, democracy and sustainable human development” (UNICEF, 1999, p.4). Based on his claim, the discourse of education in developing countries is centred on two views. In one view, education is important for the socio-

economic development of developing countries focusing preponderance of freedom, democracy, and sustainable human development. The other view regards education as a human right. The author, in this study, centred on the former perspective, that education is important for the socio-economic development of developing countries.

1.7.3.3 Micro-Credit

Micro-credit refers to the extension of small amounts of capital to poor borrowers typically to facilitate income-generating self-employment activities without any bank guaranty or referrals. It has been called “one of the most significant innovations in development policy of the past twenty five years (Ahlin, & Jiang, 2008).

1.7.3.4 Income

Income refers to the total compensation from a number of sources such as salaries, wages, and bonuses received from employment or self-employment, and so on. In the present study, the beneficiaries’ personal income determines consumption or standard of living by which being able to afford their cost of living of today and tomorrow’s as well as inflation.

1.7.3.5 Nutrition

Nutrition and health are inextricably linked, so the multi-factorial influences on nutrition ultimately affect health. Malnutrition is characterised by dietary inadequacy sufficient to compromise resistance to disease and is a leading cause of mortality. It may be "primary," due to lack of food, or "secondary," associated with diseases that affect ability to eat, digest, and absorb food, and to metabolise nutrients (Golden, 1996).

1.7.3.6 Housing

Housing is conducive to good health and the general well-being of rural communities (FAO, 1988). Housing provides homes to the homeless, replacing by permanent and semi-permanent housing units, to provide safe drinking water, sanitary facilities, and electricity to dwellings which do not have such facilities, improving the environment to make living pleasant, healthy, and safe (Rao, 1976).

1.7.3.7 Disaster Prevention

WHO (2002) defined disaster as "an occurrence disrupting the normal conditions of existence and causing a level of suffering that exceeds the capacity of adjustment of the affected community" (p.3). On the other hand, disaster prevention refers to "the outright avoidance of adverse impacts of hazards and related disasters" (UN/ISDR, 2012). In literature, the terms prevention and preparedness are sometimes conceptually used interchangeably in casual use, hence, the author in this study used the terminology "prevention" in common.

1.7.4 Training and Development

Training: Training refers to the act of increasing the knowledge and skills of an employee for doing a particular job (Flippo, 1976). Broadly, training is defined as instructional experiences provided by employers for employees, designed to develop skills and knowledge that are expected to be applied immediately upon (or within short time after) arrival on or return to the job. After any training is carried out, performance of employees is evaluated to determine its effectiveness (Broad & Newstrom, 1992). In this study, author defined training as process of learning and acquiring skills and knowledge as well as some changes in behaviour.

Development: Development involves learning that goes beyond today's job and has more long-term focus (Mondy, 2008, p.9). It helps to prepare the employees to be ready to face the future job requirements.

Training Evaluation: Training evaluation refers to the process of collecting the outcomes needed to determine if training is effective (Noe, 2002). A training evaluation includes measuring specific outcomes or criteria to determine the benefits of the programmes (Noe, 2002).

1.7.5 Development NGOs

Development NGOs refer to "a diverse set of institutions (from grass roots or community level to national, regional or international level) that operate on a non-profit basis, generally serve the public sector, and are engaged in long-term development work within the framework of international development cooperation" (Kareithi & Lund, 2012).

1.7.6 NGO Beneficiaries

In the present study, "beneficiaries" refers to the clients who are benefited by the socio-economic (such as health, education, and micro-credit) and training programmes of the NGOs.

1.8 Scopes of the Study

1. The purpose of constructing preliminary guidelines may help to think usefully to improve the present condition but not will be developed as a model. However,

methodological approach used to construct this guideline is expected to be relevant for further studies in any urban and rural areas in Bangladesh.

2. As rural poor are not much aware of the services or facilities provided by the projects of foreign donors or programmes conducted by the large NGOs, there is a scope to advocate how to raise awareness among the dwellers about self of belongings to the facilities, so that they can enjoy the benefits for a long time.
3. Since conducting any study with having a large sample size, wider geographical area coverage requires long time, much assistance, financial and supporting facilities. Thus the descriptive as well as exploratory studies in this research has delimited within three cities.
4. The conceptualisation of the research problem and how it could be explained evolved from the author's worldview, influenced by his interests, interpretations and biases, although the author tried to be conscious of and document this.

1.9 Presentation of the Study

This thesis is divided into six chapters. Chapter one is the introduction of the research that consist of brief summary of human resources development functions, socio-economic programmes, training and development programmes, problem statements, research questions, research objectives, significance of the study and contribution to knowledge. Chapter two discusses the NGOs in Bangladesh, its origin, types of NGOs, growth and funding, its relation with the government and different programmes conducted. Chapter three, the literature review, describes the theoretical foundation of the research which, later, supported to hypotheses

development. Chapter four focuses research methodology which consists of research design, sample size, data collection methods, and instruments. This section ends with statistical data analysis. Chapter five presents the data analysis and results. Chapter six, discussion and conclusion, centred on implications of the research, conclusion, limitations, and suggestions for future research.

1.10 Concluding Remarks

It is evident from the discussions of this chapter that there is huge scope for intensive research in the field of socio-economic development. Thus, the wide gap inspires the researcher to get involved into the study. This research will be concerned explaining the impact of NGOs' programmes aiming at socio-economic development of their beneficiaries following an empirical study strategy. It will begin stating the investigation into NGOs' intervention among the select NGOs followed by direct interview method with beneficiaries through the lens of human capital theory. It is hoped that this study will significantly contribute towards theoretical as well as methodological empirical dimensions and enhance the existing body of knowledge in the field of NGOs' socio-economic development literatures.

CHAPTER 2

NGOS IN BANGLADESH

2.1 Introduction

Bangladesh experienced a remarkable progress in terms of social indicators over last two decades. This accomplishment mainly goes to the pluralist service provision regime of the country. During this period, the service of non-governmental organisations (NGOs) has expanded significantly. Possibility of innovative antipoverty experiments is shown through nationwide programmes. The unparalleled role of Bangladeshi NGOs is not limited to providing social and pro-poor services; rather they engaged themselves in commercial ventures which extended linkage to poor producers with input and output markets. NGOs' commercial venture also generated internal revenue for the organisations. Later in 2005, the Poverty Reduction Strategy Paper (PRSP) described NGOs' role, as integral, to achieve poverty reduction targets of the nation through facilitating pro-poor services.

At the same time, the NGOs appeared with rapid growth and diversification in sectors which raised questions of public policy. These include the viability of several issues such as developing a regulatory framework with the increase of NGOs in size and scope, political and commercial support for NGO programmes, impact and quality of programmes with the span of time, corporate governance, and the implications of NGO financing. In Bangladesh, the review process of the public policy implications as to the changing character of NGOs found inadequate.

2.2 NGOs and its Origin

NGOs are defined here as organisations that are formally constituted, autonomous from the state, and not profit-making. On the other hand, development NGO refers to

those NGOs that have developmental agenda and use official development assistance funds (Ulvila & Hossain, 2002).

The root of NGOs in Bangladesh can be traced back to the colonial period, when private charities and philanthropic groups were formed to establish or maintain schools, hospitals, and orphanages. While NGOs existed in the former East Pakistan, the impetus for the birth of development NGOs in Bangladesh came in the wake of the terrible cyclone of 1970 and the war of independence in 1971. Initially, NGOs were oriented toward relief and reconstruction. They worked on a geographic area basis and helped communities recover from the floods and the war by bringing basic supplies into affected areas and distributing them. Some organisations were influenced by the Comilla Experiment of the 1960s and looked to provide a way in which poor farmers could improve their prospects through village-level cooperatives (Khan, 1979).

By the end of the 1970s, the realisation that the community approach was failing to channel resources to the poorer members of the class-based village societies led to the adoption of the target approach. This approach targeted assistance at the poorest members of the community.

During the 1980s, the targeted approach was refined and developed. Many NGOs felt that the poor were best helped by encouraging them to mobilise themselves around issues. Now NGOs have emerged as an integral part of the institutional structure for addressing poverty as well as rural development, gender equality, environmental conservation, disaster management, human rights and other social issues (Shamsuddoha & Nazneen, 2003). The NGOs, in order to support social and economic empowerment of the poor, have vastly widened their activities to include group formation, micro-credit, formal and non-formal education, training and

development, health and nutrition, family planning and welfare, agriculture and related activities, water supply and sanitation, human rights and advocacy, legal aid, women entrepreneur development and other areas. These organisations mostly follow the target-group strategy under which the poor with similar socio-economic interests are organised into groups to achieve their objectives (Shamsuddoha & Nazneen, 2003).

Wong (1995) described that, UNICEF helped establish a large committee staffed by representatives of state and NGO agencies in order to carry out its collaborative efforts first with the Grameen Bank (GB) (technically not an NGO, but analogous in its operation) and later BRAC and others (as cited in Stiles, 2002). Other official donors waited for the results of international NGOs' efforts, most of which centered on emergency relief following the 1971 war of independence and the various natural disasters that soon followed (the Ford Foundation was the first to engage an NGO—the Grameen Bank in the early 1980s—in a non-emergency context). GB of Bangladesh is the brain-child of Dr. Muhammad Yunus, a Vanderbilt-educated economist and social scientist. Nabi, Alam, Jahur, and Quadir (1997) described that “GB is an exceptional rural financial institution not covered by the traditional banking system” (p.5).

There are 2,494 development NGOs in Bangladesh (NGO Affairs Bureau, 2010), and a small group of them are among the largest such organisations in the world. These big NGOs—BRAC, ASA, Grameen (analogous in its operation), Proshika, and DAM—have nationwide programmes, thousands of employees with million-dollar budgets. Most of the Bangladeshi NGOs are small with limited managerial capacity. For example, World Bank conducted a survey on a sample of