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NGOs' Strategies and the Challenge of Development and Democracy in Bangladesh

Naila Kabeer, Simeen Mahmud and Jairo Guillermo Isaza Castro
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Summary

Recent research Bangladesh has come to embody an interesting paradox. On the one hand, it has experienced rising rates of growth, a slow but steady decline in poverty and impressive progress in terms of social development, outperforming some of its richer neighbours on a number of Millennium Development Goals. On the other hand, it has an abysmal record on governance and was ranked as the world's most corrupt country for five consecutive years by Transparency International. There is an emerging view that the country's extremely active development NGO sector has contributed to some of the more positive achievements. The question that this paper sets out to address is why these organisations have not made an equivalent contribution on the governance front. The paper argues that while Bangladesh is reported to have more NGOs per capita than other developing countries, those organisations have gradually abandoned social mobilising and collective action strategies for a narrower focus on service delivery and microcredit provision. Our research with the members of six organisations that straddle the continuum between microfinance and social mobilisation suggests that the specific developmental strategies of these membership-based groups do indeed have consequences for both development and democracy in the country.

Keywords: Bangladesh; civil society; NGOs; citizenship; social movements; associations; microcredit service delivery.

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Contents

Summary, keywords	3
Author notes	4
1 Introduction: aims of the paper	7
2 Civil society, democracy and development: theoretical perspectives	8
3 The rise and rise of the NGO sector	11
4 A note on survey methodology and description of sample	19
5 Assessing the impact of NGO group membership: bivariate analysis	24
6 Assessing the impact of NGO group membership: multivariate analysis	32
7 Interpreting the results: organisational strategies matter	38
8 Conclusion: NGOs, development and democracy	45
Appendix 1	48
Appendix 2	49
References	67
Tables	
Table 4.1	Programme activities of study NGOs 20
Table 4.2	NGO organisational strategies: similarities and differences 21
Table 4.3	Composition of sample by gender and duration of primary NGO membership 21
Table 4.4	Main reasons for joining NGO 22
Table 4.5	Respondent characteristics 23
Table 5.1	Economic impacts (t-test of differences in sample proportions between old and new members) 25
Table 5.2	Community participation (t-test of differences in sample proportions between old and new members) 27
Table 5.3	Key issues 28
Table 5.4	Participation in domain of policy and politics (t-test of differences in sample proportions between old and new members) 29

Table 5.5	Values, beliefs and perceptions (t-test of differences in sample proportions between old and new members)	31
Table 6.1	Summary of findings relating to impact of duration of NGO membership	37
Table A1-1.1	Multinomial logit coefficients of NGO membership	48
Table A2-1.1	Marginal/impact effects from probit models: Food shortage in the last year	49
Table A2-1.2	Marginal/impact effects from probit models: Whether household ate 4 out of 6 pre-specified items of food	50
Table A2-1.3	Marginal/impact effects from probit models: Whether member had access to paid work in past year	51
Table A2-1.4	Marginal/impact effects from probit models: Whether household owned at least half an acre of land	52
Table A2-1.5	Marginal/impact effects from probit models: Whether household owned any cows	53
Table A2-2.1	Marginal/impact effects from probit models: Participation in <i>shalish</i> in last 5 years	54
Table A2-2.2	Marginal/impact effects from probit models: Participation in at least one village-level committee	55
Table A2-2.3	Marginal/impact effects from probit models: Accompany others to government services	56
Table A2-2.4	Marginal/impact effects from probit models: Approached by others in community for advice	57
Table A2-2.5	Marginal/impact effects from probit models: Participated in campaign/protest/other collective action	58
Table A2-3.1	Marginal/impact effects from probit models: Interacted with TNO in last year	59
Table A2-3.2	Marginal/impact effects from probit models: Interacted with UP members in past year	60
Table A2-3.3	Marginal/impact effects from probit models: Consulted by UP Chairman on community matters	61
Table A2-3.4	Marginal/impact effects from probit models: Campaigned in last UP elections	62
Table A2-4.1	Marginal/impact effects from probit models: Believes there has been an improvement in the quality of justice	63
Table A2-4.2	Marginal/impact effects from probit models: Trust in people from other religions	64
Table A2-4.3	Marginal/impact effects from probit models: Thinks of self as citizen	65
Table A2-4.4	Marginal/impact effects from probit models: All members of community are equal citizens	66

1 Introduction: aims of the paper

Bangladesh has made considerable progress on the development front. Along with rising rates of growth and a slow but steady decline in poverty, it has made remarkable progress on the social front in terms of health and education. It is on track to achieve key MDGs more rapidly than some of its more prosperous neighbours (Rahman 2006). However, it has performed abysmally on the governance front. Indeed it was classified as the world's most corrupt country for five consecutive years (1997 to 2001) by Transparency International (Transparency International-Bangladesh 1999). The country's large and active development NGO sector is credited by many with the more positive development aspects of this Bangladesh paradox (World Bank 2003 and 2006). The question we will attempt to address in this paper is why the sector has failed to make equivalent progress on the governance front.

Bangladesh is reported to have more NGOs per capita than any other developing country (DFID 2005: 1), with around 22,000 NGOs estimated to be in existence. This paper is concerned with a particular subset of these organisations – those that are registered with the government and engaged in development activities. These development NGOs are largely indigenous in origin but the majority of them are reliant on external funds. Together they constitute a very visible and significant strand of civil society in Bangladesh, one that is far more active in the everyday lives of its poorer citizens than other formal associations in society or, for that matter, than the government. Current estimates suggest that they operate in more than 78 per cent of villages in what is still a largely rural society and that they directly reach around 35 per cent of the total population (Devine 2003).

Development NGOs can be seen to constitute a 'sector' in the Bangladesh context in the sense that, to a greater or lesser extent, they share certain values and goals in common: commitment to religious tolerance, or at least unwillingness to be seen as intolerant; concern with poverty reduction but through somewhat differing routes; promotion of gender equality, although sometimes in a very tokenistic sense; and the promotion of group-based strategies, although not necessarily for the same purpose. At the same time, as these caveats suggest, NGOs do not constitute a *homogenous* sector. Indeed, there are important differences in their analysis of poverty and the theories of change which animate their strategies. However, there has been considerable convergence over time. The vast majority today are concerned with the provision of microfinance services, sometimes on their own, sometimes in combination with social services and awareness training. Organisations focusing on the social mobilisation of the poor, once a strong presence within the NGO sector, have declined rapidly over time.

This paper is based on a research project on civil society and democratic participation in Bangladesh which was undertaken under the aegis of the Development Research Centre on Citizenship, Participation and Accountability led by the Institute of Development Studies and funded by DFID. The paper can be seen as the latest in a series of publications dealing with the role of development NGOs. The first of these outlined some of the challenges of constructing equality of citizenship in development country contexts (Kabeer 2002). It pointed to the importance of substantive as well as formal equality of rights as the basis of

democratic citizenship, the role of the state in blocking equality of citizenship and suggested the need for grassroots collective action by marginalised groups as a key route to building citizenship identity and practices from the bottom up.

A subsequent research project explored what citizenship and rights meant to associations of the working poor in urban and rural Bangladesh (Kabeer 2003; Kabeer with Huq Kabir 2009). While the findings of this research confirmed the importance of collective action, they also suggested that not all forms of association contributed to democratically relevant forms of collective action. They revealed that the socially oriented development NGOs (Samata, Nijera Kori and BRAC) that were studied in rural areas were far more likely to promote such action than the trade unions and minimalist microfinance organisations that made up the urban sample. However, it was possible that the very different conditions prevailing in rural and urban contexts may have contributed to this unevenness of impact. As a result, further research was undertaken into the democratic potential of different kinds of development NGOs (including some of those that appeared in the earlier study) in the rural context alone. The findings of the project are the basis of this paper. Other publications from the Development Research Centre that are relevant to the particular concerns of this paper are Kabeer, Huq Kabir and Huq (2009), Mahmud (2007) and Kabeer and Huq (2010).

The structure of the paper is as follows. Section 2 of the paper discusses the theoretical rationale for conducting such a study and adds a concern with development impacts to our concerns with substantive democracy. Section 3 provides an account of state-society relations in Bangladesh and the parlous state of its democratic processes. It also tracks the history of the NGO sector, its emergence in the aftermath of the War of Liberation in 1971 and its evolution to the present time. It also tracks the trajectories followed by the development NGOs that are the subject of this study. Section 4 describes the methodology used in the study and main membership characteristics of the NGOs selected for the study. Section 5 provides a preliminary account of the impacts of the NGOs, using descriptive statistics, while Section 6 uses multivariate analysis to control for selection bias and differences in relevant characteristics of individual respondents, their households and their location. Section 7 discusses the findings, drawing on the larger literature to help with their interpretation. Section 8 draws out some general conclusions about the role of civil society in the promotion of democracy and development.

2 Civil society, democracy and development: theoretical perspectives

Ideas about civil society have become an increasingly important strand in current discussions about democracy and development within the international donor community. Many of these ideas are rooted in Western political philosophy and have been imported, not always successfully, into the development discourse.

There are, of course, competing conceptualisations of civil society within this broader literature, with competing implications for state–society relations, and it is worth considering which conceptualisations have been favoured over others within the donor community. Our discussion makes a broad distinction between mainstream and alternative traditions in current thinking about civil society (Howell and Pearce 2001).

Mainstream perspectives are largely rooted in liberal theories and view civil society as the realm of voluntary associations that exists in the space between state, market and the domain of kinship and family. There is a strong normative tendency within this tradition – the belief that civil society is generally a ‘good thing’ in a society’s ‘transition to modernity’ (Lewis 2004). Ferguson viewed civil society as an arena of moral responsibility – a socially desirable alternative to the state of nature on the one hand, and the growing individualism of emergent capitalism on the other. de Tocqueville stressed the principles of voluntarism, community spirit and independent associational life as a counterbalance to state domination of society.

More recently, the work of Putnam promotes the idea of civil society as the ‘social capital’ of a nation, generating norms, trust and networks that can be harnessed for collective action in the interests of the wider society. He contrasts this to the vertical patron–client relationships which characterise kin-based communities and which promote a bounded form of morality (Banfield’s ‘amoral familism’) – the privileging of narrow self-interest over the collective good. However, he does not distinguish between democratic and anti-democratic norms and values that may circulate within different networks and associations (Howell and Pearce 2001). While he recognises that some associations are more productive of democratic values than others, this is a minor caveat to his major theme of celebrating the positive contribution of civil society to democracy because of the social capital they produced (Elliot 2006: 1–39). According to him, such contributions could arise equally from birdwatching societies and bowling clubs as from those that actively set out to promote democratic values.

Putnam successfully argued for the relevance of his work to developing countries: not only did the density of local associational life contribute to political stability and good governance but it was as essential to growth as investment, technology and competitive market forces (Putnam 1993a and 1993b). It is his ideas that underpin a great deal of the positive discourse about civil society that characterise international development (Diamond 1994). The rise of neoliberal values within the donor community in the 1980s and the desire to cut back on the role of the state in both the economy and service delivery have seen growing efforts to strengthen civil society in developing country contexts. Civil society organisations have become an integral part of the ‘privatisation’ agenda, representing an alternative form of service provision in contexts where markets have either failed or simply failed to emerge. Civil society organisations have also become an integral part of the ‘good governance’ agenda, based on the assumption of ‘an elective affinity’ between civil society and democracy (Béteille 2000). Within the (frequently justified) neoliberal critique of bloated, inefficient and corrupt states, ‘the expectation is that promoting civil society organisations will support not only economic advancement but also the more complex tasks of ensuring democratic political change and social justice in developing countries’ (Fowler 1995).

There is, however, an alternative tradition within the civil society literature, strongly influenced by the radical thinking of Marx, Gramsci and others, which depicts civil society as a sphere of conflict in the struggle for ideological hegemony, separate from, but enmeshed with the power structures of state and market (Davis and McGregor 2000; Howell and Pearce 2001). While Marx has been criticised for casting these struggles in purely class terms, his work nevertheless draws attention to the inequality of the terms on which these struggles take place. The work of Gramsci offers a more complex account of civil society associations, one that does not view them as inherently democratic. He pointed out that the resilience of the capitalist ruling class lay in its capacity to control through consent as much as coercion. While the state might use coercive tactics to defend the ruling order, civil society was the realm where consent of the ruled was constructed – and contested – through the struggle for ideological hegemony. Civil society is thus an arena where a diversity of associations, characterised by varying degrees of co-optation into existing power structures, engaged in activities which, to differing degrees, challenge or uphold the existing social order. This is civil society as empirical reality rather than normative concept.

Despite differences in the way that civil society has been conceptualised within mainstream and radical traditions, Béteille points out that both approaches contain ways of thinking that draw attention to the importance of everyday life in determining the quality of state–society relations. This is evident in Gramsci's concept of hegemonic culture whereby the values and interests of the ruling class pass into the 'common sense' of society, becoming the values and interests of all. Society is thus not simply a matter of legal rights guaranteed by the state or of economic interests driven by the market:

It is also a matter of ideas, beliefs, values, customs and habits that act on the state and market and are in turn acted upon by them in complex ways and at different levels. State and market contribute something, but not everything towards the cohesion and the dynamics of societies.

(Béteille 2000: 176)

In other words, the life of a nation depended as much on the 'multitude of ordinary, unnoticed and even obscure social habits and practices' (Béteille 2000: 178) as it did on the 'grand institutions' of state and church.

For de Tocqueville as well, democracy was more than a political system. It was, above all, a social system whose success depended on 'good customs' as well as 'good laws'. de Tocqueville used the concept of 'custom' to encompass what he called the 'habits of the heart': these referred to the mores and manners of daily life as well as to the notions, opinions and ideas which make up the character of people's minds (1956: 299). Democracy did not need a harmonious civil society to take root but it did require a basic 'civility of manners' in the conduct of everyday life: the possibility of dialogue across divergent, if not opposed, ideas and interests and a 'certain inner acceptance of equality' (Béteille 2000: 179) as the basis of social interchange. Enacting the right laws would amount to very little if 'habits of the heart' that had evolved in the context of feudal or caste-ridden societies remained unchanged.

This sociologically grounded understanding of democratic practice has particular resonance for the South Asian societies which form the context of much of Bêteille's work. While their constitutions generally guarantee the formal rights of citizenship, their limited success with industrialisation, the uneven spread of market relations, the continued gulf between urban and rural life, the incapacity or unwillingness of the state to provide basic security of life and livelihoods to its citizens and the proneness of the state to capture by powerful elites have meant that democracy has very shallow roots in many of these societies. Identity, affiliations and access to resources are defined by one's place within a social order that is largely constituted by the 'given' relationships of family, kinship, caste and so on – 'the communities of birth'. These relationships pervade all spheres of society and render irrelevant the liberal idea of an impersonal public sphere which individuals enter as bearers of rights, equal in the eyes of the law.

South Asian societies thus continue to operate as societies of castes and communities rather than societies of citizens. The equality of personhood, which is at the heart of both liberal and radical ideas about citizenship, cannot be taken as a precondition for democracy in these contexts. Rather, it comes into existence as a part and parcel of the struggle for democracy. This gives the struggle for democracy a dual character in these contexts. It is a struggle to construct the possibility of 'chosen' social relationships which are based on 'communities of practice' alongside the given relationships that govern 'communities of birth'. It is also simultaneously a struggle to construct these communities as communities of democratic practices and the 'habits of the heart – the 'inner acceptance of equality' and its outward manifestation in the actions and behaviour of its members.

As we noted in the introduction, development NGOs in the Bangladesh context work largely through group-based strategies. To that extent, they are in the process of constructing communities of practice, based on the kind of chosen relationships that we are talking about. The aim of this paper is to explore the extent to which these group-based strategies contribute to the goals of development and democracy. We have spelt out the theoretical rationale for focusing on the contribution of civil society to these goals. There is also an additional empirical rationale which was spelt out in the introduction. This is to explore why development NGOs, largely credited with the country's achievements on the development front, failed so abysmally in addressing the country's notoriously bad governance. An appreciation of the role of the NGO sector in Bangladesh requires an understanding of the history of state–society relations in Bangladesh. It also requires particular attention to the influence that external donors have exercised in national policies and in the shape that civil society has taken since the country's independence. The next section of the paper provides a brief account of this history, focusing in greater detail on the trajectories taken by the organisations that are the focus of this study.

3 The rise and rise of the NGO sector

Bangladesh came into existence after a devastating war of liberation from Pakistan in 1971. Its experience as a semi-colony of Pakistan, the failure of a shared religious identity to keep the country together and the long years of military rule

led the newly constituted nation to adopt secularism, nationalism, democracy and socialism as its fundamental constitutional principles. However, the challenge of reconstructing the shattered economy in the face of hostility from powerful donors to the country's 'socialist' aspirations put increasing pressure on its first elected government which sought to quell opposition through banning other political parties and instituting one-party rule. It was overthrown by army officers in 1976. Foreign assistance began to flow more readily as the military regime sought to combine economic liberalisation policies with appeals to the country's Islamic identity. Multi-party democracy was restored in 1990 by a popular movement but the quality of governance did not improve; the Transparency International findings relate to this period. The two main political parties treated elections as part of a continuous 'zero sum' struggle to capture state power and the opportunities for patronage and rent-seeking that went with it. The history of Bangladesh has therefore made it very clear that it is not simply the presence or absence of multi-party elections that explains the quality of governance but the extent to which the habits of democracy have taken root in the different spheres of life.

Attempts to explain the problems of governance in Bangladesh abound. Wood (2000) suggests that they can be traced to its 'deep structures' – forms of inequality that are 'deep-rooted in the psychology of Bengali society'. These translate into 'natural deference-authority dyads' (Wood 2000: 228), effectively 'imprisoning' its social actors within highly personalised interlocking patron–client relationships from which there are few avenues of escape. Survival within the system dictates that social actors have little choice but to follow the dysfunctional forms of behaviour generated by these systemic institutional forces. It is difficult for inmates to reform such total institutions from within. Those who seek to escape must therefore look for assistance to those outside the system; 'donor and other external well-wishers have a duty to provide that assistance' (Wood 2000: 237).

The 'prison inmates' do not necessarily subscribe to Wood's interpretation of their situation. Nor do they accept the somewhat benign role assigned to external donors. Sobhan (2000), for instance, suggests that donors are as culpable for the current state of affairs as those vested interests within Bangladesh society who have a stake in the status quo. Donors did not display any problem with the succession of military governments that ruled first Pakistan and then Bangladesh, turning a blind eye to the violation of human and democratic rights. Nor does Sobhan regard problems of bad governance in Bangladesh to be inherent in the country's institutions. He sees it rather as the hardening of an 'essentially regulatory problem at the beginning of the 1980s' into systemic or socio-structural problems because it was left unattended. And while he notes that social stratification – and economic inequality – has grown in recent years, it is not institutionalised in the deep structures of the country in the way that feudal relationships (and caste inequalities) are embedded in the social structures elsewhere on the subcontinent:

Bangladesh society remains more fluid with considerable scope for upward mobility. Few if any people in Bangladesh can claim power through an inherited social legitimacy... Bangladesh's prevailing social hierarchies remain exposed to challenge from below as well as from competing aspirants because the legitimacy of these differences is not widely accepted.

(Sobhan 2000: 82)

One obvious source of the challenge ‘from below’ in the context of Bangladesh is its development NGOs, particularly in the light of their shared concern with poverty reduction. Many of the better known NGOs in the country were founded in the early years of independence by individuals and groups who had been active in the struggle for independence and were motivated by the ideals that underpinned the country’s constitution.¹ Structural analysis of socioeconomic inequality, exemplified in a number of classic texts from the 1970s and early 1980s gave a strong radical edge to the work of the NGOs during this period (BRAC 1983; Arens and van Beurden 1977; Village Study Group Working Papers 1975–1977). Many had been influenced by the works of Paolo Freire, Ivan Illich and Franz Fanon and sought to combine ‘conscientisation’ with organising and mobilising the poor. Most of these organisations relied on funds from international NGOs and foundations that shared their vision of social justice: OXFAM, Ford Foundation, Canadian University Services Overseas, War on Want, Swallows, Action Aid, Diakonia. A number of the more progressive Nordic donors were also willing to fund NGOs. The diversity of funding sources, particularly the availability of funding from like-minded NGO partners, promoted a diversity of organisations and organisational approaches within the Bangladesh NGO community.

The NGO sector began to undergo a number of changes in the 1980s (Stiles 2002). The onset of military rule had narrowed the civil society space for radical politics. At the same time, the rise of the neoliberal agenda prompted an increase in official donor funding for NGOs as an acceptable ‘private’ alternative to the state in the provision of social services. The government came under pressure to accept, and even collaborate with, NGOs in the delivery of services such as healthcare, education, sanitation and credit. The percentage of total foreign aid disbursed to Bangladesh that went directly to NGOs rose from 6 per cent in 1990 to 18 per cent by 1995 and remained around this level in subsequent years (Devine 2003). The availability of large-scale foreign funding led to a rapid and opportunistic proliferation of organisations. Between 1990–91 and 1999–2000, the number of national NGOs registered with the NGO Bureau had increased from 395 to 1223 while the number of international NGOs had grown from 99 to 147 (Devine 2003). However, the decline in the availability of funds from international NGOs, who had operated on a partnership basis with national NGOs, and the increasing reliance of the latter on official donor agencies altered the equation between NGOs and their donors as well as within the NGO sector.

Donor funding became increasingly concentrated in an ‘elite group of NGOs’ which moved into a league of their own in terms of size, budgets and staffing (Devine 2003). Of the 1250 NGOs that received international assistance in 1999–2000, 11 of the bigger NGOs received 85 per cent of all assistance to NGOs. In fact, the three largest NGOs – BRAC, ASA and Proshika (part of our sample) – received more than 72 per cent of all donor funds to the NGO sector. As Devine (2003) points out, the pattern of favouring the large NGOs reflected pressures on donors ‘to scale up successful development operations, reduce

¹ Accounts of these early years of the development NGO sector are to be found in Rutherford (2010) and Smillie (2009).

burdensome transaction costs, decrease NGO reliance on donor money and initiate a process that would secure financial sustainability'. Funding decisions were based on technical criteria such as efficiency, value added, cost effectiveness and output/performance orientations and sought to impose a 'logical framework' structure on how NGOs planned their activities. Donor concern with financial sustainability in turn led to marked greater concentration on microfinance services within the NGO community, accompanied by the downgrading of social service provision and the abandonment of social mobilisation. Some of these changes in NGO orientation are tracked by Devine who notes that between 1989 and 1999, the percentage of the combined expenditure of the 11 largest NGOs rose from 29 to 38 for microfinance and from 27 per cent to 34 per cent for economic support services. It declined from 33 per cent to 22 per cent for social services and from 11 per cent to 6 per cent for social mobilisation.

We can see therefore that there has been a considerable homogenisation of the NGO sector in Bangladesh, particularly since the 1990s, driven by the ideological predilections and technical requirements of official donor lending. The government has also contributed to the homogenisation of the microfinance sector through the establishment with the support of the World Bank of the PKSF – a large fund intended to promote microfinance organisations that conform to the now internationally renowned Grameen Bank model.

However, differences do remain within the NGO sector. As Thornton *et al.* pointed out (Thornton, Devine, Houtzager, Wright and Rozario 2000), NGOs can be placed along a continuum on the basis of their visions and strategies. At one end of the continuum are the market-oriented organisations specialising in the delivery of financial services – the minimalist microfinance organisations, while at the other end are the social movement-oriented ones that focus primarily on social mobilisation. Occupying an intermediate position are NGOs which combine microfinance with social services, awareness raising or legal training.

What we will be investigating in this study is the contributions of NGOs to the goals of development and democracy in Bangladesh and the extent to which differences in their strategies make a difference to the impacts they have achieved. Six NGOs were selected for our study exemplifying different points on this continuum: ASA and Grameen Bank were selected to represent the minimalist microfinance end of the continuum, BRAC and Proshika the intermediate position, while Samata and Nijera Kori (NK) represented the 'pure' social mobilisation end. It is worth noting that, with the exception of Grameen Bank, all of the organisations had begun out at the radical end of the NGO continuum. All but NK and Samata had moved closer over time to the market-oriented end.

The differences and similarities in the organisational strategies of the six NGOs are summarised in Table 4.1. In terms of similarities, they all adopt a group-based approach with weekly group meetings and they all encourage their members to save. The four organisations that have a strong focus on microcredit tend to work largely with women, although around 30 per cent of Proshika's membership remains male. The two primarily social mobilisation organisations work with both women and men. There is also a major difference in terms of sheer scale of operations: the microfinance organisations deal in millions of members, the social mobilisation organisations in hundreds of thousands. The three larger organisations,

BRAC, Grameen Bank and increasingly ASA, now operate at the global level, with operations in various developing countries in Africa and Asia. We flesh out some of the similarities and differences between these organisations in greater detail, drawing on interviews with the staff of these different organisations as well as information provided on their website and in the secondary literature.

We start with **ASA** (Association for Social Advancement) whose transition from social movement to minimalist microfinance organisation has been the most dramatic within the NGO sector.² ASA was founded in 1978 by a group of social activists whose vision, according to their first Annual Report, was to ‘create a development organisation whose decision-makers are the downtrodden people themselves’. It believed that the root of poverty was social injustice and that poverty could not be eradicated until there was a ‘basic change in the social structure’ (Rutherford 2010: 70). Groups of the rural landless were organised to create a people’s movement based on awareness and solidarity: ‘people will determine and regulate their own destiny [and] participate in the process of structural transformation’.

However, disillusionment with the pace of change led to a gradual move away from the idea of ‘development as struggle’ towards one of ‘development as delivery’ (Rutherford 2010). For a period of time ASA sought to combine popular education with credit provision but by 1991, education was abandoned. The organisation decided that it would move away from donor dependence and become a specialised and financially self-sufficient microcredit organisation. It shifted its attention to organising women-only groups and adopted a streamlined version of the Grameen model, tightening, standardising and decentralising its operations to branch level where it relied on locally recruited staff with lower qualifications and lower pay than other microfinance organisations. Its groups of around 10–35 members are made up of women from lower-income households who are married and have at least one male breadwinner in the family. ASA also moved away from the joint liability approach pioneered by Grameen to ensure loan repayment, and relies instead on well-trained loan officers. These officers are responsible for around 18–24 groups each. Each client has to save a minimum weekly amount which is kept with the organisation but can be withdrawn at any time. Loans are repaid in instalments across a yearly cycle. The groups meet once a week but attendance is not mandatory.

ASA has succeeded in its goal of becoming financially self-reliant. It ceased to take grants from international donors in 2001 and loans from PKSF in 2003. The bulk of its funding now comes from the savings of its membership and from its own retained earnings (Rutherford 2010). By the end of 2007, it was serving 7 million women, it had whittled down its costs to just 4 *takas* for every 10,000 *takas* disbursed in loans and earned profits that were 60 per cent above its costs (Rutherford 2010). Its pursuit of operational simplicity and massive scale ‘with a vision unmatched in its clarity and relentlessness’ have placed ASA at the top of the first ever list of the 50 most successful microfinance organisations in the

² See Rutherford (2010) for a vivid account of this transition.

world, compiled by *Forbes Magazine* in 2007. The indicators used by Forbes to measure success were scale (the size of the loan portfolio), efficiency (cost of running the lending service), risk (likelihood of full loan repayment), and return (profitability).

Grameen Bank is the only organisation in our sample of six that did not have its origins in the radical politics that dominated the NGO world in the 1970s. It was, and remains, a provider of financial services to poor households, although it underwent a major change in its approach in 2001. Its origins date back to 1976 when an action research project was undertaken by its founder to design a credit delivery system targeted at the rural poor. The system was gradually expanded until government legislation in 1983 transformed it into an independent bank. While Grameen started out lending to both men and women, over time it has come to focus exclusively on women on the grounds that they were both more reliable in repaying their loans and were more effective agents of change within the family. Women from poor households are organised into joint liability groups of five so that group members guarantee each other's loans and conventional collateral is not required. Loans are repaid at weekly meetings in small instalments spread over a year. Borrowers are encouraged to save 5 per cent of the loan amount with the Bank. Once borrowers have saved a predetermined amount (US\$3), they are entitled to one (and only one) share of the Bank. Today 92 per cent of the Bank is owned by its borrowers while the Bangladesh government owns the rest.

In response to stresses experienced by borrowers in conforming to its rigid requirements during devastating floods in 1997, Grameen has simplified its procedures considerably, abandoning joint liability and compulsory savings and allowing members a much wider range of loan products. One of the social elements in Grameen's approach is training of its members in organisational pledges, '16 decisions', which represent behavioural commitments to their children, their family, their environment and the larger society. These are recited at the start of every meeting. Grameen today has around 6 million members in Bangladesh and has been replicated in various other parts of the world. Its founder was awarded the Nobel Peace Prize in 2006.

BRAC started out in 1972 as a short-term relief initiative and subsequently became involved in development activities.³ It began with a community development approach, but its realisation that power inequalities within the community meant that the rural elite monopolised development efforts led it to focus on the poorer sections of the community (BRAC 1983). Between 1973 and 1976, BRAC experimented with a number of different approaches, both the 'conscientisation' and mobilisation of the poor through its Outreach Project as well as a more conventional Rural Credit and Training project (Smillie 2009). By the early 1980s, the Outreach project was phased out and in 1986, BRAC opted for an integrated Rural Development Programme which sought to combine functional education and training, provision of microcredit, income promotion and various

3 See Smillie (2009) for a history of BRAC.

support services, including legal training and support. This also marked an increasing focus on the targeting of women and by the mid-1990s, it began to work almost exclusively with female borrowers (Nazneen 2007).

Around 30–40 women are formed into ‘village organisations’ (VO) but divided into smaller subgroups who have joint liability for loans which have to be approved by the VO. Groups meet on a weekly basis with BRAC’s frontline workers for the distribution of loans, collection of repayments and savings contributions. Here too there is the recitation of ‘18 promises’ at the start of every meeting. Financial training is also provided and there is discussion around social and personal issues which affect poor women. Saving is compulsory and intricately related to loans. Savings are managed by BRAC and used as collateral for successive loans. *Gram Sabha* or village councils are held every three months to discuss gender issues, including dowry, polygamy, and violence against women. There is also a Social Development programme which organises VO members into *Polli Samaj* which meet periodically to discuss issues of concern to the membership. In addition, there has been a Human Rights and Legal Services programme that seeks to educate BRAC members on basic rights and provide legal support. BRAC has grown into the largest NGO in the developing world with programmes in Africa and other parts of Asia. In Bangladesh alone, it employs around 97,000 people and was reaching around 7 million clients, mainly women, by the end of 2007. BRAC’s founder was awarded the first Clinton Global Citizen award in 2007 and knighted in 2010.

PROSHIKA is the acronym of the Bengali terms for training, education and action. It had an estimated 2.8 million group members by 2005 across the different districts of Bangladesh. It was set up in 1974 by a group of student activists interested in bringing about social change and it was registered as a formal organisation in 1976. It focuses on men and women from landless and marginal farming households. It regarded organisation building to be at the core of all its programmes. Its members were organised into primary groups, called *samities*, of around 20–25 members, with men and women organised separately. Groups were provided with various forms of training and skills development and encouraged to expand their income-generating activities with credit provided by the organisation. There was a clear demarcation between savings and loans. There is a compulsory minimum savings requirement but no compulsion to take loans. Savings are kept with Proshika’s interest-bearing Savings Scheme and members can withdraw their savings after a number of years.

One feature which had differentiated Proshika from the more conventional microfinance organisations was that its credit programme was borrower-led and managed; its groups, rather than programme staff, scrutinised loan use and collected instalments. This changed with the bureaucratisation of operations across the microfinance sector in the late 1980s and by the mid-1990s, it was evident that the organisation was moving in the direction of the Grameen model (Moore and Jain 2003; Ahmad 2003). Proshika ran into political difficulties with the Bangladesh Nationalist Party (BNP), the party that came into power in the 2001 elections, because of the widespread perception that it had actively supported the Awami League, the party that found itself in opposition. Proshika was pursued by the BNP government, its director was gaoled for a period of time and its international funding was blocked. The organisation has been on the decline since then. (For an account of Proshika’s work, see Seabrook 2001.)

Nijera Kori was founded initially as a relief-oriented initiative for destitute rural women who had migrated to Dhaka during the famine of 1974. It became inactive for a number of years. Nijera Kori in its current form began in 1980 when a group of BRAC staff left the organisation after it moved away from its radical agenda and into mainstream microcredit. NK is adamantly opposed to the provision of credit and services by NGOs because it believes this will create relationships of dependency between such organisations and their constituencies. Instead, NK seeks to organise landless groups to claim their rights and demand accountability from government and private service providers. NK uses a savings-led approach as the basis of its group formation strategy. Groups are allowed to decide how much they will save each week, keep control over their funds and decide how they are to be used. Members are encouraged to keep their savings in a bank account both on security grounds and to familiarise them with bank procedures.

However, NK's primary activity is training and mobilisation. Training is provided through informal discussions in weekly meetings as well as in more structured forms. One of the features which distinguishes NK from other organisations is the clear separation between NK and the grassroots organisation that it supports. This latter is called *Bhumiheen Samity* which federates the village-based *bhumiheen samities* at the higher *thana* level. NK and the *Bhumiheen Samity* operate as parallel entities with parallel decision-making processes and elected representatives making decisions within each structure. A study of NGOs in Bangladesh described it as 'uniquely democratic' in that it allowed both its staff and its members to elect their own representatives to each level of decision-making (Stiles 2002: 124).⁴ Group members undergo various levels of training and as they gain skills and confidence they become increasingly responsible for managing their own affairs, only turning to NK staff when they need specific support. It is estimated that it now has around 275,700 members, of whom more than half are women. It works in 18 districts in different regions of Bangladesh (Annual Report 2007–2008).

Samata started out in 1976 as a youth organisation that became involved in educating and organising landless people to claim their entitlements to *khas* land (unused public land) in accordance with government legislation. It was registered as a formal organisation in 1981 and has focused on building an effective grassroots organisation of poor women and men and promoting their capacity to mobilise for their rights and against social injustice. The *khas* land recovery programme remains at the core of Samata's activities (Jones, Yasmin, Gauchan and Chowdhury 2007; Devine 2002). Samata's groups vary from 15 to 20 members and there may be several groups in a village. There is a Village Advocacy Committee (VAC), 75 per cent of which is made up of representatives from each group within a ward while the rest are drawn from sympathetic members of the community. There are similar committees at union, *thana*, district and divisional level as well as Women's Action Committees in each ward.

4 However, like all other major NGOs in Bangladesh, the executive director is exempt from election requirement.

Like NK, Samata is opposed to NGO provision of microcredit. It also has a savings programme. A minimum amount of savings is required and once funds have accumulated, a bank account is opened in the name of the group. Group members decide how they will use their savings – loans to poor members or group loans. The profit is shared by group members. The Executive Committee has 15 landless member representatives and is headed by the Chairperson who is also a landless member. The General Committee is formed with one representative for every 20 landless groups. Samata works with an extensive network of partner organisations who help to amplify the voice and strength that the landless can bring to their movement. Samata was estimated to have around 430,000 members in 2007, of whom around 60 per cent were women. It works in seven districts in north-west Bangladesh.

4 A note on survey methodology and description of sample

There has been a considerable amount of research on development NGOs in Bangladesh, but it is largely dominated by quantitative evaluations of microfinance organisations and by a preoccupation with economic impacts, although there has been some attention to women's empowerment. The relatively smaller body of research on the democratic relevance of NGOs tends to be qualitative in nature and concentrated on the social mobilisation organisations (Devine 2002; Lewis 2007; Wood 2000; Kabeer 2003; Kabeer and Huq 2010; for an exception, see Kabeer *et al.* 2009). This dualism in the literature on NGO impacts is likely to reflect a strongly held belief by researchers about the underlying reality – the belief that microfinance and other service-oriented NGOs were more likely to achieve developmental impacts relating to livelihoods, assets and opportunities while socially oriented NGOs were more likely to bring about changes in the political subjectivity and agency of their members. This was also the working hypothesis with which we began our own research.

The data collected for the research included both quantitative data generated by a purposively designed survey which was carried out in 2007 as well as qualitative data gathered through interviews with the staff of the organisations and a number of key informants within the development community. The attribution strategy adopted for the assessment of impacts was a comparison of 100 'new' and 200 'old' members randomly selected from each of the six NGOs. 'New' members were those who had joined the organisation within the previous six months (this went up to one year in the case of Proshika) while 'old' members had joined at least five years ago. In order to minimise variations in background factors due to location differences, the study was carried out in the south-west region of Bangladesh where all the six NGOs in question had branches. We randomly selected one intervention area from the south-western districts covered by each NGO. From the list of old (10–15 years) branches and new (1–2 years) branches in each area we randomly selected two old and one new branch, and from each branch we randomly selected 100 members.

Tables 4.1, 4.2, 4.3 and 4.4 provide information on the organisations and their membership. Some of the differences in the strategies of the six organisations are summarised in Tables 4.1 and 4.2. They highlight the marked difference between the programmes associated with the social mobilisation NGOs – Samata and NK, compared with the minimalist microfinance NGOs – Grameen and ASA. ASA and Grameen focus largely on finance-related services with some focus on loans for social purposes. Of the intermediary organisations, Proshika tends towards the social mobilisation end of the spectrum, combining microcredit with building ‘people’s organisations’ through its federation structure and joint group activity training, while BRAC tends towards the developmental end of the spectrum, combining microfinance with the provision of services and legal training. Samata and NK place a great deal of emphasis on strengthening the collective capabilities of poor women and men with a strong focus on group-managed savings programmes, group funds, rights training and federation building.

Table 4.1 Programme activities of study NGOs

Organisation	Main programmes
ASA	Small loans for females; small loans for males (mainly agricultural loans for husbands of female members initiated in 2005); small business loan; education loan; rehabilitation loan; loans to hard-core poor and <i>Monga</i> loan; savings programme; ASA loan insurance; Members’ Security Fund (life insurance); health assistance programme
Grameen Bank	Income-generating loans; housing loans; education loans; struggling member (beggar) loans; micro-enterprise loans; flexible loans; seasonal loans; student scholarships; life insurance; savings programme; deposit pension scheme
BRAC	Economic development; health; education; social development; human rights and legal services
Proshika	Peoples’ organisation building; microcredit and savings services; employment and income-generating programme; practical skill development training; small enterprise development programme; social and natural resource development; human development training; universal education; good governance and advocacy; social forestry; health programme; legal aid; women’s development; disaster management
Nijera Kori	Raising awareness; building group solidarity; collective action for rights, voice and accountability; advocacy and alliances at the local, national and international levels; savings programme
Samata	Land rights; gender relations and development; democratisation programme; resource advocacy supports; LAND network; policy advocacy; organisation building; savings programme; loans from group fund

Table 4.2 NGO organisational strategies: similarities and differences

Organisation	Group size	Sex	Group fund	Savings	Credit	Training in rights	Training in collective protest	Joint group activity training	Federation
ASA	15–35	female	No	Yes	Yes	No	No	No	No
Grameen Bank	15–60	female	No	Yes	Yes	No	No	No	No
BRAC	10–40	female	No	Yes	Yes	Yes	No	No	No
Proshika	15–20	both	No	Yes	Yes	Yes	Yes	Yes	Yes
Nijera Kori	15–30	both	Yes	Yes	No	Yes	Yes	Yes	Yes
Samata	10–20	both	Yes	Yes	No	Yes	Yes	Yes	Yes

Table 4.3 reports some basic characteristics of the sample. The exclusively female membership of the three microfinance-dominated programmes is reflected in the sample drawn for these organisations. The other point worth noting in Table 4.3 is the differences in the years of membership of the different organisations. This reflects differences in the presence of the organisations in the selected locations. Thus Samata, NK and Proshika have all been working in the areas in question since the early 1980s while BRAC, GB and ASA began work in the selected areas in the mid to late 1990s. Years of membership will clearly make a difference to the impacts an organisation is able to achieve and will be controlled for at a later stage of the analysis.

Table 4.3 Composition of sample by gender and duration of primary NGO membership

	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
<i>New members (nos.)</i>						
Male	50	40	20	–	–	–
Female	50	60	80	100	100	100
Total	100	100	100	100	100	100
<i>Old members (nos.)</i>						
Male	100	100	40	–	–	–
Female	100	100	160	194*	200	200
Total	200	200	200	194	200	200
<i>Duration of membership</i>						
New (months)	3.8	2.6	6.4	2.3	5.7	1.7
Old (years)	13	13	11	9	8	8
District location	Pabna	Khulna	Madaripur	Bagerhat	Khulna	Faridpur

Table 4.4 reports the reasons that respondents gave for joining the organisation in question.⁵ It is evident that their reasons are highly clustered and vary considerably by type of organisation. Clearly, organisational strategies play an important role in

5 This variable was used as our instrumental variable when testing for selection bias.

Table 4.4 Main reasons for joining NGO

Main reasons for joining	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
<i>Credit</i>						
New	0	1	82	94	80	95
Old	4	0	83	97	94	97
<i>Savings</i>						
New	57	75	13	4	7	4
Old	31	9	15	3	3	2
<i>Health services</i>						
New	0	4	2	0	0	0
Old	1	5	0	0	1	0
<i>Children's education</i>						
New	0	1	0	0	11	0
Old	0	1	0	0	1	0
<i>Rights awareness</i>						
New	14	10	0	0	0	0
Old	37	50	0	0	0	0
<i>Group support</i>						
New	7	6	2	2	0	0
Old	12	32	1	0	1	2
<i>Access to khas land</i>						
New	22	0	0	0	0	0
Old	14	1	0	0	0	0

influencing why members join and remain within an organisation. Credit is the overwhelming reason given by both old and new members of organisations offering microfinance, even if, as in the case of BRAC and Proshika, the organisation also offered other services. Savings are also mentioned by new Proshika members and children's education is mentioned by GB members. For Samata and NK, savings constitute the primary reason given by both old and new members – a motivation that barely features among other groups. The other finding of interest is the greater importance given to rights awareness and group support by older members of both NK and Samata. Access to *khas* land is mentioned as a reason for joining by a sizeable minority of Samata members – a reflection of the organisation's focus on gaining rights to *khas* land for its members (Devine 2002; Jones *et al.* 2007).

Table 4.5 provides a summary of some key characteristics of our respondents and their households. As might be expected, longer-standing members were older than new ones. They were also more likely to be married than newer ones, again to be expected. Divorced, widowed and abandoned respondents were almost invariably female, an indication of the age difference between couples as well as the greater ease with which men remarry in Bangladesh. The majority of members, both old and new, are Muslims, the dominant religion of Bangladesh, but it is worth noting the high percentage of non-Muslims, mainly Hindus, among older members of NK, Proshika and ASA as well as among newer members of Grameen. This is generally a function of the religious composition of the area

rather than an indication of positive or negative discrimination on the part of the organisation. It is also worth noting that sizeable proportion of both old and new members of some of the organisations were also members of other NGOs – a factor that must be taken into account when seeking to attribute impact.

Table 4.5 Respondent characteristics

	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
<i>Mean age (years)</i>						
New	32	33	35	33	33	36
Old	43	43	41	43	39	38
<i>Marital status: new</i>						
Married	78	77	80	91	91	95
Single	18	17	12	2	3	0
Divorced/widowed/ abandoned	4	6	8	7	6	5
<i>Marital status: old</i>						
Married	95	84	91	85	92	95
Single	2	3	1	0	0	0
Divorced/widowed/ abandoned	4	14	9	16	9	6
<i>Religion (Muslim)</i>						
New	98	76	92	95	50	97
Old	100	39	52	85	81	67
<i>Education: new</i>						
No formal education	52	41	44	24	37	62
Primary education	28	30	34	50	28	26
Secondary +	20	29	22	26	26	12
<i>Education: old</i>						
No formal education	64	55	58	47	28	63
Primary education	24	22	26	37	37	21
Secondary +	13	24	17	16	36	18
<i>Average level of household education</i>						
New	2.4	3.4	2.8	3.5	4.1	2.0
Old	2.1	3.1	2.5	2.7	4.2	2.0
<i>Membership of other NGO (%)</i>						
New	18	28	40	47	34	60
Old	2	35	21	54	37	31
<i>Proximity to tarmac road (%)</i>						
New	53.9	97.1	30.8	26.7	90.6	41.9
Old	80.4	82.0	78.4	80.1	83.9	39.0
<i>Electricity (%)</i>						
New	94.1	97.1	78.3	100.0	100.0	86.3
Old	100.0	76.6	97.3	100.0	100.0	49.1

Adult education was used as our indicator of household economic status in Table 4.5 on the grounds that it is unlikely to have been influenced by membership of the NGO in question. An examination of education levels of new members suggests that ASA is recruiting among the poorer sections of the population – 62 per cent had no formal education, the highest of all new groups. However, it has to be borne in mind that the ASA sample is entirely female and would be expected to have lower levels of education than samples that contain both men and women as in the case of NK, Samata and Proshika. What we can say is that ASA has recruited more women from poorer households than either Grameen or BRAC and possibly Proshika as well. Of the two mixed samples, new NK members are somewhat better educated than Samata members. Average levels of education of all adult members provide a better indicator for comparison. They suggest that ASA and Samata members, both old and new, come from less educated households within the sample while Grameen members come from more educated households. Locational characteristics are captured by whether or not the household had electricity and its distance from a tarmac road. Clearly, differences in such characteristics between old and new members are likely to have a confounding effect on the attribution of impact and will have to be taken into account in the analysis.

5 Assessing the impact of NGO group membership: bivariate analysis

We now turn to an analysis of the impacts of membership, restricting ourselves at this stage to descriptive statistics in order to get some idea of basic differences in the impact indicators reported by new and long-standing members of the six organisations. At a later stage of the analysis, we will use regression analysis to control for individual, household and location-specific characteristics that are likely to have an influence on impact. We have divided our indicators of impact into four categories. The first category deals with our development concerns. These are captured by a number of poverty-reduction indicators that are widely used in the Bangladesh literature: whether the household has experienced any food shortage in the previous 12 months; whether it has consumed certain items of food that signal an improvement in quality and diversity of diet; household ownership of productive assets (cattle and land); and respondent's access to paid work in the past year.

Table 5.1 reports on these indicators. The clearest evidence of impact in relation to food security is to be found among members of Samata, NK and ASA: older members were significantly less likely to report experience of food shortage in the previous 12 months than their new members. With the exception of Proshika, older members of all other organisations groups reported an increase in the diversity of their weekly diet compared to new members, but the difference was statistically significant for Samata, NK, Grameen and ASA. Access to paid work in the past year was generally high and while years of membership generally increased access, the difference was only significant in the case of older NK and BRAC members.

The final two indicators in Table 5.1 measure ownership of key productive assets – cattle and land. In four of the organisations, duration of membership increased the likelihood of owning cattle but the difference was only statistically significant in the case of NK and BRAC. Counter-intuitively, longer-standing members of Grameen were less likely to own cattle. A similar counter-intuitive finding prevails for cultivable land ownership. Years of membership is associated with a greater likelihood of owning 50 or more decimals of land except in the case of Grameen.⁶ The differences reported are statistically significant in all cases.

Table 5.1 Economic impacts (t-test of differences in sample proportions between old and new members)

Impact indicators	Organisation	New Members	Old Members	t-test
Food shortage in the last year	Samata	0.3431	0.1793	-3.1599***
	Nijera Kori	0.5784	0.2813	-4.7459***
	BRAC	0.3417	0.2808	-1.0676
	Proshika	0.3504	0.3791	+0.4826
	Grameen	0.2344	0.2332	0.0198
	ASA	0.4194	0.3019	-2.0593**
Food diversity	Samata	0.4314	0.6304	+3.2982***
	Nijera Kori	0.3137	0.4453	+2.0452**
	BRAC	0.6333	0.6575	+0.4095
	Proshika	0.6667	0.6275	-0.6651
	Grameen	0.6094	0.7202	+1.6678*
	ASA	0.5081	0.6164	+1.8294*
Paid work	Samata	0.9804	0.9674	-0.6369
	Nijera Kori	0.7843	0.9453	+3.7487***
	BRAC	0.9083	0.9589	+1.6806*
	Proshika	0.8974	0.9150	+0.4927
	Grameen	0.8594	0.9119	+1.2067
	ASA	0.9113	0.9182	+0.2075
Assets: Cow(s)	Samata	0.4118	0.4674	+0.9044
	Nijera Kori	0.3529	0.5000	+2.2499**
	BRAC	0.3000	0.5822	+4.7756***
	Proshika	0.5214	0.5359	+0.237
	Grameen	0.5156	0.3420	-2.4941**
	ASA	0.5484	0.5409	0.1254
Assets: Cultivable land (>0.5 acre)	Samata	0.3627	0.7174	+6.2049***
	Nijera Kori	0.2745	0.6563	+6.1922***
	BRAC	0.4083	0.5137	+1.7172*
	Proshika	0.3419	0.6144	+4.5919***
	Grameen	0.5000	0.3420	-2.2694**
	ASA	0.3468	0.4465	+1.7005*
*** significant at 1%, ** at 5%, * at 10%				

6 Less than 50 decimals of cultivable land is generally taken to define 'functional landlessness' in Bangladesh.

This pattern of impacts is somewhat at odds with our expectation that the strongest economic impacts would be reported by the microfinance organisations, particularly those specialising in microfinance. Instead we find that impacts are more widely distributed among the different organisations with at least one or other of the two social mobilisation organisations reporting impact in relation to each of our indicators.

The next three tables report on different categories of indicators through which we attempt to capture some of the everyday aspects of democracy as we might expect them to play out in the lives of poor households. Table 5.2 reports on indicators relating to participation within the life of the community, Table 5.3 on indicators of participation in the domain of policy and politics at the local level, and Table 5.4 on perceptions and beliefs expressed by NGO members. We hope to use these indicators to explore the extent to which NGO membership has served to promote values and practices that might be expected to contribute to the democratisation of everyday life.

The first indicator in Table 5.2 relates to active participation in the *shalish*. The *shalish* is the informal forum for dispensing justice and conflict resolution at the village level. It was traditionally dominated by the male elites of the village community and its proceedings were generally considered by the poor to be loaded against them. However, they had little option but to accept its judgements. This has been changing in recent years as NGO members have begun to participate actively in the *shalish*, often conducting their own if they feel they are unlikely to obtain justice from the traditional ones. Women's participation in these proceedings is a particularly important break with the past. However, it is worth noting that organisations with all-female membership reported much lower levels of participation than the mixed-membership organisations. According to Table 5.2, duration of membership was associated with increased likelihood of having participated in a *shalish* in the past five years for all six organisations but it is only in the case of the two social mobilisation organisations, Samata and NK, that the difference is significant.

The next indicator deals with membership of village-level committees through which local affairs (relating to schools, mosques/temples, markets and so on) are managed. As with the village *shalish*, these are also dominated by members of the better-off families in the village. It is evident from our table that participation by the poorer sections of the population who make up our sample remains low overall but that duration of membership of the social mobilisation organisations has led to a significant increase in participation over time.

The next two indicators capture more everyday aspects of influence at the village level. Accompanying others to the government offices, like the police station, health clinics and so on can be regarded as evidence of acting like a citizen, while being consulted by others for advice and information testifies to the regard with which one is held within one's community. The quite high percentages of new members reporting positive results on both these indicators suggest that simply joining an NGO makes a difference. Apart from ASA and Proshika, duration of membership of all the other organisations appears to have a further positive effect on this, with longer-standing members far more likely to be consulted and to accompany others to government offices than new members.

Table 5.2 Community participation (t-test of differences in sample proportions between old and new members)

Indicators	Organisation	New Members	Old Members	t-test
Member of at least one village committee	Samata	0.0588	0.1576	+2.459**
	Nijera Kori	0.098	0.2734	+3.3997***
	BRAC	0.0333	0.0205	-0.6463
	Proshika	0.0427	0.0784	+1.1954
	Grameen	0.0469	0.0363	-0.3788
	ASA	0.0081	0.0189	+0.762
Participated in a <i>shalish</i>	Samata	0.1471	0.4402	+5.2488***
	Nijera Kori	0.2451	0.3828	+2.2355**
	BRAC	0.0667	0.089	+0.6714
	Proshika	0.1282	0.1634	+0.8046
	Grameen	0.0469	0.0933	+1.1726
	ASA	0.0161	0.0252	+0.5215
Ever participated in any <i>praibad/ andolon</i> (campaigns and protests)	Samata	0.1275	0.913	+21.0522***
	Nijera Kori	0.1961	0.9063	+15.562***
	BRAC	0.0667	0.1233	+1.5485
	Proshika	0.1368	0.3333	+3.7896***
	Grameen	0.0156	0.0622	+1.4731
	ASA	0.0081	0.0252	+1.0814
People in your community come to you for advice	Samata	0.7059	0.9239	+5.0963***
	Nijera Kori	0.598	0.750	+2.4819**
	BRAC	0.6167	0.7671	+2.6887***
	Proshika	0.7692	0.8235	+1.1037
	Grameen	0.6563	0.8705	+3.9416***
	ASA	0.75	0.6981	-0.9636
Accompany people to government offices if needed?	Samata	0.4706	0.6196	+2.4523**
	Nijera Kori	0.3137	0.4063	+1.4481
	BRAC	0.4500	0.5342	+1.3671
	Proshika	0.3932	0.6340	+4.0311***
	Grameen	0.2813	0.6114	+4.7667***
	ASA	0.5161	0.5031	-0.216
*** significant at 1%, ** at 5%, * at 10%				

The final indicator of community participation related to various forms of collective action – protests, campaigns, petitions – undertaken by NGO members around questions of rights, entitlements and social justice. The pattern here is very clear. Levels of collective action are generally low among new members, particularly so in ASA, Grameen and BRAC. While duration of membership does generally increase the likelihood of collective action, the difference is only substantive and significant in the case of Samata and NK and, to a lesser extent, Proshika. These differences in levels of collective action can obviously be traced to the emphasis given by social mobilisation organisations to such forms of action as a means for claiming their rights and addressing injustice.

Table 5.3 provides some information on the kinds of issues around which NGO members took action. Some of the differences in organisational values and

strategies are evident in the Table. Samata members mobilised around a wider range of issues than members of any other organisation and generally reported higher levels of activism. Their members were particularly active around *khas* land issues, around women's rights, around violence and to a lesser extent around service provision. NK members were particularly active around environmental issues, around *khas* land and issues of justice and to a somewhat lesser extent around women's rights and violence. While Proshika members report much lower levels of collective action than members of the other two, their main focus was on women's rights, justice and against corruption.

Table 5.3 Key issues

Issues around which collective action taken	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
<i>Khas land</i>						
New	2	0	1	0		
Old	84	30	1	0		
<i>Government services</i>						
New	0	1	2	1	0	0
Old	15	3	2	6	1	1
<i>Agricultural inputs</i>						
New	0	0	1	0	0	0
Old	14	3	5	0	0	0
<i>Women's rights</i>						
New	2	3	3	5	0	1
Old	59	15	11	5	4	0
<i>Environment</i>						
New	0	3	0	0	0	0
Old	1	70	3	0	0	0
<i>Justice</i>						
New	0	0	6	1	0	0
Old	3	33	9	3	2	0
<i>Violence</i>						
New	0	5	1	0	1	1
Old	25	17	7	0	0	0
<i>Corruption</i>						
New	0	2	1	0	0	0
Old	3	6	13	0	0	0
<i>Voting</i>						
New	0	0	0	0	0	0
Old	0	1	4	0	0	0

Table 5.4 reports on indicators of participation in the domain of policy and politics: voting behaviour, campaigning during elections and interactions with various administrative and elected government officials. The *thana* is the lowest administrative unit of the government and is headed by the Thana Nirbahi Officer (TNO) who is

Table 5.4 Participation in domain of policy and politics (t-test of differences in sample proportions between old and new members)

Indicators	Organisation	New Members	Old Members	t-test
Sought out Thana Nirbahi Officer	Samata	0.0294	0.125	+2.7188***
	Nijera Kori	0.098	0.3047	+3.9108***
	BRAC	0.0417	0.1027	+1.8851*
	Proshika	0.0769	0.1176	+1.1037
	Grameen	0.0625	0.0777	+0.4018
	ASA	0.0161	0.0377	+1.0866
Sought out elected Union Parishad member	Samata	0.4706	0.7446	-4.8124***
	Nijera Kori	0.5196	0.7734	-4.1728***
	BRAC	0.55	0.5685	-0.3013
	Proshika	0.6068	0.5882	0.3076
	Grameen	0.4219	0.5389	-1.6244
	ASA	0.3871	0.4277	-0.6868
Consulted by UP chairman/member on community matters	Samata	0.3137	0.7337	-7.5339***
	Nijera Kori	0.2647	0.4766	-3.3493***
	BRAC	0.125	0.0822	1.1489
	Proshika	0.1453	0.1569	-0.2614
	Grameen	0.2031	0.1606	0.7801
	ASA	0.0161	0.0377	-1.0866
Voted in last national elections	Samata	0.8137	0.9402	+3.3995***
	Nijera Kori	0.8333	0.9688	+3.627***
	BRAC	0.8583	0.9589	+2.9402***
	Proshika	0.8205	0.9608	+3.8992***
	Grameen	0.7500	0.9741	+6.04***
	ASA	0.9194	0.9623	+1.5519
Voted in last local election	Samata	0.8137	0.9402	+0.3995***
	Nijera Kori	0.8333	0.9688	+3.627***
	BRAC	0.8583	0.9589	+2.9402***
	Proshika	0.8205	0.9608	+3.8992***
	Grameen	0.7500	0.9741	+6.04***
	ASA	0.9194	0.9623	+1.5519
Campaigned in last UP election	Samata	0.3039	0.4728	+2.8078***
	Nijera Kori	0.2451	0.4063	+2.5993**
	BRAC	0.0917	0.1712	+1.8933*
	Proshika	0.3675	0.3072	-1.0403
	Grameen	0.1719	0.2021	+0.5271
	ASA	0.0403	0.0629	+0.8389
*** significant at 1%, ** at 5%, * at 10%				

responsible for the maintenance of law and order, collection of land revenue and coordination of intersectoral development activities within the district. *Thanas* are subdivided into unions which are managed by elected representatives – the Union Parishad Chairman and Union Parishad (UP) members, who carry a great deal of weight within the community, particularly in the distribution of public goods. Since these public figures are largely drawn from the rural elite, they tend to be regarded as somewhat remote figures of authority by the poorer sections of the community.

We examine the extent to which this distance has been bridged through participation in NGO groups. We find fairly low levels of interaction between NGO groups and the TNO and this does not change a great deal with years of membership. However, duration of membership does appear to make a significant difference in the case of Samata, NK and, to a lesser extent, BRAC. There are generally higher levels of interaction with the elected officials for all the NGOs – both in seeking out the UP member or being consulted by the UP member or UP Chairman – but differences by duration of membership are only significant for Samata and NK.

The likelihood of having voted in the last national and local elections was extremely high for all NGO group members – over 70 per cent for new members and over 90 per cent for old. Duration of membership made a significant difference in the case of most organisations, with the exception of ASA. However, far fewer of them were engaged in campaigning during elections. Table 5.4 reports on the proportions who campaigned in the last local elections (much higher than those who campaigned for national elections). There is considerable variation by organisation with generally higher levels of campaigning among the social mobilisation organisations. Differences between old and new members are statistically significant in the case of Samata, NK and BRAC. ASA, on the other hand, has the lowest levels of this form of participation for both new and longer-standing members.

Finally, Table 5.5 reports on indicators of beliefs, values and perceptions. The first of these deals with perceptions in the quality of justice within the community in the last 10–15 years. Given the widespread perceptions of ‘bad governance’ in Bangladesh, the percentages of new members in the different organisations who believe that it has improved seem quite high. However, it is only in the case of Samata and NK that duration of membership is associated with a significant increase in proportions expressing this belief. With other groups, the differences are fairly small.

Religion has been a major divisive factor within the subcontinent and Bangladesh is no exception. Recent efforts to politicise religion by some mainstream parties as well as fundamentalist groups have served to exacerbate mistrust between religious communities across the subcontinent. NGO membership appears to have made some difference to this with fairly high proportions of both new and old members expressing trust in people from other religions. In general, duration of membership increases trust but only in the case of NK and BRAC is the difference between new and old members significant.

The next two indicators relate to the question of citizenship: to what extent do NGO members regard themselves as citizens and to what extent do they accept equality of citizenship for all members of the community? We find surprisingly high levels of belief in own citizenship, particularly among the longer-standing members. This may reflect the visibility of elections in people’s lives since the restoration of democracy and the publicity given to voter education. Earlier qualitative research suggested that a widespread view of citizenship associated it with the right to vote and that it was only among the social mobilisation organisations that it was associated with a broader set of rights (Kabeer and Haq Kabir 2009). If this is the case, then the greater likelihood of voting among older members in all the organisations may explain why awareness of self as a citizen is also generally higher among older members. In this case, the difference between new and old is significant for all the organisations except NK and ASA.

While the belief in the equality of citizenship is generally lower, it is still remarkably high among both old and new members, given the extremely hierarchical nature of social relations in the country. These views may signify that values are changing in the Bangladesh countryside. In general, longer-standing members are more likely to express these positive views about equality than new ones, suggesting that NGO membership has an impact on their attitudes. However, the difference is only significant in the case of Samata. Finally, all NGO group members express high levels of trust in each other and in the staff of their NGOs. While this trust increases with duration of membership, the difference is only significant in the case of NK.

Table 5.5 Values, beliefs and perceptions (t-test of differences in sample proportions between old and new members)

Indicators	Organisation	New Members	Old Members	t-test
Believe there has been improvement in quality of justice in the last 10-15 years	Samata	0.6078	0.9457	+7.9358***
	Nijera Kori	0.5392	0.6875	+2.3206**
	BRAC	0.5083	0.5685	+0.9779
	Proshika	0.547	0.5359	-0.1801
	Grameen	0.5469	0.5544	+0.1046
	ASA	0.4597	0.5094	+0.8289
Trust people from other religions	Samata	0.5196	0.6196	+1.6448
	Nijera Kori	0.7549	0.8438	+1.6906*
	BRAC	0.725	0.863	+2.8358***
	Proshika	0.8632	0.7974	-1.4143
	Grameen	0.7188	0.7668	+0.7729
	ASA	0.7177	0.7799	+1.2007
Think of self as a citizen	Samata	0.9804	1.000	+1.9116*
	Nijera Kori	0.8922	0.9453	+1.4919
	BRAC	0.8417	0.9452	+2.8132***
	Proshika	0.7778	0.8627	+1.8292*
	Grameen	0.9063	0.9741	+2.3393**
	ASA	0.75	0.717	-0.6201
All members of the community are equal citizens	Samata	0.7745	0.9293	+3.866***
	Nijera Kori	0.7157	0.7891	+1.2872
	BRAC	0.7	0.7808	+1.5044
	Proshika	0.6752	0.6993	+0.423
	Grameen	0.7969	0.8238	+0.4818
	ASA	0.5565	0.5283	-0.47
Trust own NGO group members	Samata	1.0000	1.0000	
	Nijera Kori	0.9314	0.9922	+2.5243**
	BRAC	0.9917	0.9795	0.8125
	Proshika	0.9915	0.9935	0.1903
	Grameen	0.9844	0.9637	0.822
	ASA	0.9839	1.0000	+1.6088
Trust own NGO staff	Samata	1.0000	1.0000	
	Nijera Kori	0.9510	0.9922	+1.9555*
	BRAC	0.9750	0.9863	+0.6734
	Proshika	0.9829	0.9542	-1.2992
	Grameen	0.9688	0.9689	0.0064
	ASA	0.9919	0.9874	0.3667

*** significant at 1%, ** at 5%, * at 10%

6 Assessing the impact of NGO group membership: multivariate analysis

The results of our bivariate analysis provide us with a general pattern of the variation of impact indicators by NGO membership. They suggest that the social mobilisation organisations perform surprisingly well on both economic, community and political impacts. There is considerable variation in the impacts reported by the other organisations but in general, the two 'mixed' organisations (BRAC and Proshika) do better than the more narrowly focused microfinance organisations on the social and political impacts while the latter do somewhat better on economic impacts.

As we pointed out in our earlier discussion, there are a number of differences in the characteristics of the respondents from various NGOs that are likely to have a bearing on our impact indicators. In the next stage of the analysis, we carry out regression analysis to control for some of these confounding variables. Before carrying out the analysis, however, we sought to control for the effects of selection bias into different NGOs as this could affect the outcomes. For instance, it may be the case that people with stronger entrepreneurial skills will opt to join organisations with a strong emphasis on microfinance – or those more politically aware might opt in favour of social mobilisation organisations. Consequently, differences in impacts reported for different organisations may reflect these characteristics rather than reflecting the influence of organisational membership. The problem is that we do not know which of these characteristics will influence outcomes in order to include them in the survey. The effects of these unobserved characteristics on outcome indicators are commonly referred to in the literature as selection bias (Heckman 1979).

The econometric solution to this problem involves controlling for the probability of selection. This implies estimating a discrete choice model (i.e., probit for two outcomes, multinomial logit for three or more) and then obtaining selection terms which are then inserted as additional regressors into the equation. The intuition behind this procedure draws on the idea that those unobserved factors causing selection bias are condensed into the residuals of the selection equation.

In order to test for the effects of selection bias, we implemented two different procedures. The first one involved a multinomial logit model in which the dependent variable was categorical in nature and depicted the membership of the six organisations included in this study using the procedure suggested by Lee (1983) (see Appendix 1). Selection effects from this model were then inserted into probit equations. Our identification strategy included variables which captured the reasons given for joining an NGO. The second procedure involved a bivariate probit where the first probit models the probability of participating or not in a given NGO and the second comprises the determinants of different development outcomes. Almost invariably, selection effects proved statistically insignificant using both methods.

The fact that we could not find any evidence of selection bias does not, of course, mean that it doesn't exist. The continued debates about the evidence on the impacts of microfinance, despite the sophistication of the econometric methodologies

used, testify to the difficulties of resolving this issue. However, we have attempted to test for selection bias to the best of our ability with the data at our disposal and are reasonably confident that the results presented here are an accurate representation of differences in the impacts achieved by the six organisations represented in our sample. In addition, once we have reported on our findings, we will draw on a wider body of literature in order to interpret our findings.

For the multivariate impact analysis, all our impact variables were translated into dichotomous variables and analysed using probit regression techniques. Rather than presenting conventional probit coefficients, we have opted to report marginal/impact effects computed at the average of sample characteristics for greater simplicity of interpretation.⁷ The estimation procedure was carried out separately for each NGO and allows us to see how each performed in relation to our indicators of impact.

The most important explanatory variable from the point of view of our interest in impact was number of years of membership of an NGO. This was specified as a continuous variable in the regression. In addition, our specification controlled for the effects of individual characteristics (age and its quadratic term, dummies for partial and completed primary education, gender, religion and membership of a second NGO). Socioeconomic status of the household was controlled for with the average number of years of formal schooling amongst the rest of the adults in the respondent's household. We also include two village characteristics – one dichotomous variable for villages located less than five miles away from a paved road and another for electricity.

Our first set of findings relate to the economic impacts (Tables A2-2.1 to A2-2.5 in Appendix 2). These were captured by dichotomous versions of the indicators used earlier: whether the household had experienced food shortage in the past year; whether the household had eaten at least four out of six food items included in the survey; whether the respondent had access to paid work in the past year; whether or not the household had at least 50 decimals (half an acre) of cultivable land (those with less are conventionally defined as 'functionally landless' in the Bangladesh context); whether the household owned any cows).

We begin with some comments on the marginal/impact effects of individual characteristics. Age appears to have a bearing on the likelihood of food shortage in the previous year, with older members less likely to report food shortage in the case of Samata but more likely to do so in the case of Proshika and Grameen. It also – and not unexpectedly – has a strong impact on likelihood of paid work, increasing up to a certain age and then declining. Respondent's education appears to have negligible impact on economic indicators but the average level of education of household members does appear to reduce the likelihood of food shortages for a number of NGOs. Membership of other NGOs only has a significant impact on economic indicators for certain NGOs and for some of the

7 The computation of marginal effects at the mean of sample characteristics may be potentially biased in cases when the observed probability of the outcome is very low or high. However, alternative procedures in order to avoid this problem (i.e., using the mean values of sub-sample characteristics for different NGOs) complicate the estimation of the sampling variance for informed statistical inference.

indicators and the impact is not always in the same positive or negative direction. The main impact of religion appears to be in relation to ownership of cows but, again, impact is not always in the same direction. The impact of gender is mediated by the fact that not all the organisations had male members. Of those that did, gender was not generally relevant to the household-level impacts reported but, where it was significant, women generally reported lower levels of impact than men.

Where proximity to paved roads was found to be significant, the impact was generally positive with regard to food security and diversity of diet although interestingly not so in the case of likelihood of paid work in the past year. Surprisingly, living in a village with electricity does not have a statistically significant effect on the economic indicators included here. It may be that this result is driven by the fact that we are also controlling for the effects of other personal and household characteristics that are concomitant to location.

We turn next to the impact of NGO membership. Our probit estimates suggest that duration of membership generally had a positive impact on household economic indicators but the results were not always significant. Focusing on the significant results we find that duration of membership had a positive impact on:

- food shortage in the previous year among NK members
- diversity of diet in the previous week among NK and GB members
- likelihood of paid work in the previous year among BRAC, Proshika and, more weakly, NK
- the likelihood of having at least half an acre of cultivable land among Samata, NK and Proshika members
- likelihood of owning cows among BRAC members.

Regression estimates for the community participation indicators are reported in Tables A2-2.1 to A2-2.4 in Appendix 2. The indicators here were whether an NGO member: accompanied others to government offices; participated in a *shalish* in the past 5 years; was approached by others in the community for advice and information; participated in collective action around rights and social justice. Age appears to be associated with increasing likelihood of accompanying others to various offices where necessary, being consulted for advice by members of the community and to participating in a *shalish*, but only up to a certain point, after which there is a decline.

The other independent variables – education of individuals and at the household level, membership of another NGO, religion and location characteristics – did not display any consistent pattern across the six NGOs but women were generally less likely than men to give positive answers. Given the constraints on women's mobility, this is a fairly predictable finding. As far as primary NGO membership is concerned, our results suggest that duration of membership generally had a positive impact on community participation but that the impact was often small and statistically insignificant, with some exceptions. Duration of membership was found to have a statistically significant impact on the likelihood of:

- participation in a *shalish* among Samata and Proshika members
- participation in at least one village-level committee
- accompanying people to various offices among Proshika and GB members

- being consulted by others for information and advice among Samata and Grameen Bank members
- collective action against injustice among NK and Proshika members.

Tables A2-3.1 to A2-3.4 in Appendix 2 report on the results of regressions relating to engagement with policy and politics at the local level. The four indicators used to measure this were: interaction with the TNO; interaction with UP member; consultation by UP Chairman; and campaigning in the last local election. Age appears to be a less consistently relevant factor in explaining variations in participation in the domain of policy and politics but where it proves significant, the pattern is similar to that reported in previous results – increasing likelihood of impact up to a certain age and then a decline.

The respondent's education appears to have little impact on this set of indicators but average level of education in the household does influence the likelihood of interacting with the TNO and being consulted by the UP Chairman in the case of a number of NGOs. Where religion has a significant impact, it generally suggests that Hindus are less likely to interact with elected and government officials and are less likely to campaign in local elections. This is not unexpected given the discrimination faced by religious minorities in the country. The other predictable finding is that women are generally less active than men in policy and political life. Location variables appear to have some impact in the case of NK members, suggesting that they may have been more geographically dispersed than the others.

Turning to the impact of NGO membership, duration of membership is less consistently positive than was the case for our other impact indicators, although the size of negative impacts is generally small. Focusing on the significant results, we find that duration of membership had a positive impact on likelihood of:

- interaction with the TNO among NK, Samata and Proshika members
- interaction with a UP member among Samata members
- consultation by UP Chairman among Samata members
- campaigning in last UP elections among Samata, NK and BRAC members.

Tables A2-4.1 to A2-4.4 in Appendix 2 report on our final set of indicators, those relating to beliefs, values and perceptions: whether NGO members believed that the quality of justice had improved within their community over the past 10–15 years; whether they trusted people from other religions; whether they believed themselves to be citizens; and whether they believed that all members of the community were equal citizens. (Perfect correlation meant results for trust in own and other NGO members were not meaningful.) While duration of membership generally promotes positive impacts in relation to these indicators, this is not consistently the case. The results suggest that duration of membership had statistically significant impacts on the likelihood of:

- the view that there had been an improvement in the quality of justice in recent years in the case of NK and Samata members
- the belief in own citizenship status among Proshika members and more weakly among BRAC and GB members
- the belief that all members of the community are equal citizens in the case of BRAC members
- trust in people from other religions in the case of Samata members.

The active participation by NK and Samata members in informal justice proceedings and their willingness to take collective action against instances of injustice may explain why they, more than other group, believed that there has been an improvement in the quality of justice within their community over time. As we noted earlier, most of our respondents believed themselves to be citizens, with longer-standing members more likely to express this view. We also noted that a high percentage of all groups, particularly the longer-standing ones, also expressed the view that all members of the community were equal citizens. Our econometric analysis suggests that individual NGO membership may not be the key factor driving these views, although the NGOs as a community may have played an important role in disseminating these ideas. A similar point can be made with respect to trust in people from other religions. However, duration of membership of BRAC appears to have had some impact on the belief in equality among members while membership of Samata appears to have strengthened trust in people from other religions.

We are now in a position to take stock of our findings. Table 6.1 summarises the marginal impact/effects of years of membership from our probit analysis. It allows a graphic presentation of how different organisations performed in relation to the indicators of impact explored in our study. The results are somewhat contrary to what we expected to find. We began with the assumption that minimalist microfinance organisations would perform well on the development indicators while the pure social mobilisation organisations would perform well on the governance indicators. We had no prior assumptions about whether the two 'mixed' NGOs would perform better on democracy or development.

The actual pattern of impacts is rather different. While it is the case that Samata does indeed perform better than the other organisations on the democracy indicators, ASA performs extremely poorly on *all* our indicators, both in terms of development as well as democracy. NK does not score as highly as Samata on the 'democracy' indicators, but it performs more strongly on the economic indicators than Samata and other organisations. The other organisations have mixed results, reporting both development and democracy impacts. However, if we simply count the number of significant impacts reported by each organisation, we find that they decline consistently as we move from the social mobilisation end of the spectrum to the microfinance end.

It could be argued that the failure of the minimalist microfinance organisations to report strong economic impacts may reflect the fact that their more successful members have left the organisation as they no longer need microcredit and remaining older members represent the poorer and less successful members. There are a number of reasons to question this interpretation. First of all, the evidence suggests that poorer households are most likely to be excluded from microfinance groups because of their inability to keep up their repayments (Zaman 1997; Hashemi 1997). For the same reasons, they are more likely to predominate among the dropouts. There is also evidence that microcredit is not 'scale-neutral': it is the better-off sections of the poor that benefit most from loans while the poorer sections received fewer benefits (Hulme and Mosley 1997) – another reason to expect that those who remain are the more successful. Finally, the pressure on microfinance organisations to become financially sustainable has led to incentive structures which lead staff to concentrate on recruiting and retaining better-off sections of the poor.

Table 6.1 Summary of findings relating to impact of duration of NGO membership

	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Food shortage		-.026*** (.006)				
Food diversity		.011** (.005)			.016* (.009)	
Paid work		.004* (.002)	.008* (.004)	.008* (.003)		
Ownership of at least half an acre of land	0.016*** (0.005)	0.021*** (0.006)	0.023*** (0.006)		-0.024** (0.010)	
Ownership of cows				.027*** (.009)		
Accompany others to offices			.017*** (.006)		.044*** (.011)	
Participation in <i>shalish</i>	.011** (.004)		.007** (.003)			
Membership of a committee			0.003* (0.002)			
Consulted for advice	.008** (.003)				.020*** (.007)	
Participation in collective action	.049*** (.006)	.059*** (.007)	.012*** (.005)			
Interaction with TNO	.005** (.002)	.009*** (.003)	.006** (.003)			
Interaction with UP member	.011** (.005)					
Consultation by UP Chair	.024*** (.005)					
Campaigning in local election		.014*** (.005)		0.10* (.006)		
Quality of justice has improved	.012*** (.004)	.013** (.005)				
Thinks of self as citizen		.009** (.004)	.010* (.005)	.005* (.002)		
All are equal citizens				.015* (.008)		
Trust in people from other religions	.011** (.005)					
No. of significant results+	9	9	8	5	4	0
Standard errors in parentheses: *** at 1%, ** at 5%, * at 10% + Number of statistically significant development outcomes from probit marginal effects. See Appendix 2 for details						

On the other hand, it may well be that the more politically motivated are not only more likely to join the social mobilisation organisations but also to remain within them. The greater evidence of political and social impacts among older members of these organisations may reflect this bias. At the same time, it should be borne in mind that it was the strong qualitative evidence provided by members of these organisations describing the major changes that had been brought about in their lives by the organisations in question, that provided the motivation to attempt to quantify the impacts they described. If their evidence is to be believed, then the strategies adopted by these organisations played an important role in politicising their members and building their willingness and capacity to engage actively in the domain of policy and politics.

7 Interpreting the results: organisational strategies matter

Our research has therefore generated a number of counter-intuitive findings that clearly need further empirical investigation. For the purposes of this paper, we will draw on the secondary literature to provide some possible explanations. First of all, however, we need to make it clear that we do not believe that our findings are nationally representative. They relate to a particular region of Bangladesh and there is sufficient regional variation in the Bangladesh context to be cautious about assuming that findings from one region can be generalised to the rest of the country. The extent to which evidence from other studies supports or contradicts our own findings would clearly go some way towards establishing how generalisable they are. Unfortunately, differences in sample size, methodology and questions asked in these various studies undermine how much confidence we can attach to these comparisons.

The first counter-intuitive result of our study relates to the social mobilisation NGOs. We had expected to find that social mobilisation organisations would perform well on our indicators of grassroots governance and this has been borne out by our results. Our own earlier studies as well as the secondary literature provide important qualitative insights into the processes through which social mobilisation organisations have been able to promote democratic ideas and practices at the grassroots level. They pointed to the importance of the analytical and leadership skills these organisations offer their membership, the promotion of solidarity relationships, education about rights and entitlements and support in tackling injustice (Kabeer 2003; Kabeer *et al.* 2009; Christensen 1999; Barkat, Halim, Poddar, Osman and Badiuzzaman 2008;⁸ Devine 2002; Jones *et al.* 2007). It is also evident that these organisations are active in promoting the rights of others around them, challenging unjust verdicts of traditional village *shalish* and often

⁸ Barkat *et al.* (2008) provide a particularly interesting attempt to map the relationship between the kinds of training NK provided its members and the kinds of issues around which they mobilised.

initiating their own, ensuring the proper distribution of entitlements intended for the poor, challenging corruption on the part of government officials and playing an active role in local politics. Kabeer (2003), Kabeer and Haq Kabir (2009) and Barkat *et al.* (2008) all provide detailed accounts of how, over time, social mobilisation organisations build up their members' capacity to mobilise within the community and challenge injustice.

What we did not expect to find are the strong economic impacts associated with social mobilisation organisations, particularly so in the case of NK, given that they do not appear to deliver any direct economic resources to their members. While our bivariate analysis suggested a range of economic impacts for both Samata and NK, these disappeared for Samata (with the exception of cultivable land holdings) but persisted for NK, once differences in individual and household characteristics of members had been controlled for.⁹ This is a puzzling result because key aspects of the strategies of the two organisations are, on the face of it, extremely similar.

As we pointed out in an earlier section, there are very few studies attempting to quantify the impacts of social mobilisation organisations but we drew on what we were able to find to establish whether our findings were supported by other studies. Kabeer *et al.* (2009) attempt to quantify the impacts of NK, using indicators very similar to those used here but in a different geographical location. As in the present study, they also found economic and social impacts reported by NK members persisted after controlling for difference in individual, household and location characteristics of members of both NK and a control group.¹⁰

We were able to find one attempt to quantify Samata's economic impacts – an evaluation by Jones *et al.* (2007), located in the same district as our Samata respondents. The study used basic cross-tabulations to compare Samata group members with a small control group of non-members. The results showed strong evidence of economic impacts, as did our bivariate analysis. However, no attempt was made to report on the significance of the findings or to control for differences in the characteristics of Samata and control group members. This was the stage in our study at which the evidence of economic impacts disappeared. What Jones *et al.* did point to was the importance of the *khas* reclamation programme in Samata's activities. This, together with our own evidence of the high level of collective action around land issues, may explain why it was in relation to land that Samata had its strongest impact.

There are some pointers from our own field work and from the secondary literature on the two organisations that suggest possible routes through which differences in their economic impacts might have operated. The first is their voluntary savings programme. While both organisations share this feature, our interviews with Samata staff members suggest that savings did not occupy the central place in its

9 In the case of Samata, greater proximity to roads among older members was an important factor in explaining their stronger economic performance.

10 However, they do not find that membership of NK increased food security, contrary to the findings of the present study.

strategies.¹¹ This is not the case with NK which sees the weekly savings programme as an activity which brings its groups together around a shared asset: ‘groups that stopped saving were said to be closed’ (Rutherford 2010: 80). NK’s savings programme also has a very practical function and was shrewdly managed: ‘though there was talk of the savings being available in case any social action needed support, the NK savings are mostly being accumulated for investment. The investment is done carefully to minimize the risk of the savings being captured’ (Rutherford 2010: 181).

What is also important is that group members manage their own savings, deciding collectively how much to save each week and how the savings will be utilised. This builds financial capabilities of a very different kind from the individualised financial management skills associated with microfinance groups. Their capacity to save may be one factor in explaining the higher rates of economic activity and landholdings among longer-standing NK members observed in this study. It should be noted that the study by Kabeer *et al.* (2009) also found that duration of membership had significant impacts on the productive asset holdings of NK households.

The increased rates of economic activity associated with NK membership may also reflect the training provided by the organisation – a second route through which economic change may take place. Such training may feed directly into livelihood skills but it has other indirect effects as well. NK members are generally more aware of their rights than most poor people, more willing to bargain for higher wages or a fairer price for their labour and products, more able to access the services of government extension services. The capacity to bargain for fairer wages, rather than accepting the wage set by employers, was noted in an early study of NK members in Rajshahi district (Ali, Mustaque and Sarkar 1998). In the present survey as well, while most of the respondents in our sample said that they knew how to bargain for fair prices for their goods, much higher percentages of older NK members than any other group, including Samata, said that they were also able to bargain for fairer wages. It may be the ability of an organisation to promote this broader notion of human capability among their membership, the ‘intangible’ skills of economic literacy, negotiating capacity, rights awareness and knowledge of how to follow through on claiming and enforcing rights, that explains their ability to make economic improvements, despite the lack of economic support.

The third route is the membership of other NGOs, mainly microfinance organisations. This is one of the key factors which differentiates NK’s membership from that of Samata in our study: 28 per cent of NK’s new members belonged to another NGO compared to 18 per cent of Samata’s, while 35 per cent of its old members belonged to another NGO compared to just 2 per cent of Samata’s (Table 4.5). We have, of course, controlled for membership of alternative organisations: the impacts associated with alternative membership are generally

11 It is worth noting that the savings programme is barely mentioned in a recent impact assessment of Samata (Jones *et al.* 2007).

positive, although not statistically significant in this study.¹² However, in their quantitative analysis of NK's impacts, which also controlled for dual NGO membership, Kabeer *et al.* (2009) found that membership of a second NGO served to significantly strengthen the positive economic and other impacts associated with NK membership.

A qualitative study by Kabeer (2003) suggests that dual membership of different categories of NGOs promotes appreciation of the relative strengths of different types of NGOs. It reports on the reasons given by respondents in her study who belonged to both Grameen Bank and NK.

We are all poor people. For us to get hold of three or four thousand *takas* at one time is not easy. That is why we are members of Grameen Bank. If we get a loan of five thousand *takas*, we can then go and get some material to work our looms. We can go and buy thread and other things. Then we work this investment for a year, and we can make a good profit. Say, on a five thousand *taka* loan, you get ten thousand *takas* back. With that, we can pay back the instalments, we can buy food, we are able to improve our situation. But with Nijera Kori, we have savings when we need it. That is something. And we are united. No one can stop us. If someone comes to beat one of us, we all sort out the matter together. Grameen would not have done this for us. They give us loans and take them back. That is what they are concerned about.

With Grameen Bank, it is like this, my relationship to them is based on the loans. Even if someone has died in your family, you have to pay your instalment. That is the agreement you reach with them when you join... As to how we might change our ideas, how we can be given a way to think about how we might improve ourselves, this is not something that they do. With Nijera Kori our money stays with us. They don't give us money but they give us good advice. How we can improve our lives, or what will be good for us in order to create a better future for ourselves. We were ignorant before, now we have become wise.

(Kabeer 2003: 21–2)

Similar views were expressed to Rutherford in his interview with an NK member whose father had lost his arm as a result of the failure of the authorities to maintain their equipment in proper working order. Her requests for compensation were refused until NK group members led villagers in a procession to successfully pressure the authorities into providing compensation. The rest of the money for his treatment was raised through loans from various microcredit organisations. Reflecting on the kinds of support she had received, the NK member said, 'Well, both helped me with my problem with my father... one helped me directly with the procession and all that, and the others helped me indirectly with the loans. We need both kinds of help' (Rutherford 2010: 182).

12 This may reflect the fact that we do not have any information on duration of membership of these other organisations, so that the variable in question lumps together members who may have just joined the organisation and others who may have been members for an extended period of time.

The second counter-intuitive finding from our study is the failure of a minimalist microfinance organisation, dedicated to promoting the livelihoods of its members, to report any significant economic impacts. There is a lively debate about the contribution of microfinance to the alleviation and reduction of poverty with contradictory findings, even within the context of Bangladesh. Some claim impact on both long- and short-term poverty while others find little evidence of any impact, beyond consumption-smoothing (Khandker 1998 and 2005; Morduch 1998; Pitt 1999; Roodman and Morduch 2009). However, the majority of these studies deal with Grameen, BRAC and, to a lesser extent, Proshika.

Despite its pre-eminent position in the world of microfinance, we found remarkably few studies attempting to quantify ASA's impact. There is some literature attesting to its success in outreach to the poor, its success in recovering loans and its move from donor dependency to financial sustainability (Rutherford 1995 and 2010; Jain 1997 and nd; Sagar 2004) but a glaring dearth of studies dealing with its impact on poor people's livelihoods. It may be that as ASA became increasingly reliant on its own funds, it has not seen the need to demonstrate its impact for the benefit of its donors.

We were able to track down three studies which did provide some quantification of ASA's impact¹³ though none went beyond descriptive statistical analysis. Ahsan (2005) examined the economic impact of BRAC, ASA and Grameen Bank in Gaibandha district but had a fairly small sample (92 respondents) of whom only 26 belonged to ASA. It also examined a very limited range of impacts. It found that the majority of the members of each of these organisations believed that their economic situation had improved since taking loans, the majority were involved in income-generating activities, most of them believed that their increased income had helped to alleviate their poverty but a considerably higher percentage of ASA members (50 per cent) did not believe that there was any relationship between access to microcredit and income generation compared to the other two organisation (10 per cent and 14 per cent)!

The second study we consulted was commissioned by ASA's donors in 1997 (Bruntrup, Alauddin, Huda and Rahman 1997). It used a comparison of 483 households of new and old members as well as a control group of non-members. In general, it found higher levels of income among older ASA members, greater employment of wage labour as well as larger holdings of productive land but little difference in terms of other productive assets (e.g. livestock, housing). However, no attempt was made to control for any differences in the characteristics of the two groups that might have contributed to these findings.

13 We did find a fourth study carried out by ASA Credit Officers (ASA 2002) but the methodology used was too flawed to give much credence to its extremely positive findings on economic and social fronts (over 90 per cent of the women interviewed gave positive responses to almost all the questions put to them). First of all, the study was carried out by ASA's own Credit Officers – the very people whose effectiveness was under scrutiny. Secondly, there was no attempt to use any form of control group or baseline in order to establish whether the positive responses could be attributed to women's association with ASA. Thirdly, while the study relied on focus group discussions with 972 groups (adding up to around 18,000 women), the findings report on percentages of women giving particular responses, with no explanation as to how group-based responses were translated into individual responses.

The most recent study was carried out by ASA's own Research and Documentation Cell and the results are posted on its website. It was based on a sample of over 3000 older members drawn from different regions of Bangladesh, and examined impacts over the past three years. The study found that the vast majority of ASA members reported increases in their business capital, their monthly income and in employment generation. Lower percentages (around 50–60 per cent) reported increases in land and livestock.

Our own findings on ASA lend strong support to those who have argued that the provision of financial services on their own will not have a significant impact on the livelihoods of the poor. At the same time, it is important to note what is at issue here is not the economic effectiveness of microfinance *per se* but an extremely pared-down version of microfinance. Grameen Bank not only achieved more economic impacts than ASA in our study but also had a positive impact on one of the community participation indicators as well. Despite our classification of ASA and Grameen as minimalist microfinance organisations, they differ in some important ways, neatly summarised in Rutherford's comment about their founding directors: 'Shafiq (ASA) hammers on about efficiency, standardisation and sustainability whereas Yunus (Grameen) prefers to talk about lifting people out of poverty' (Rutherford 2010: 161).

ASA has been described by the Asian Development Bank's newsletter as the 'Ford Motor Model of Microfinance' because of its success in standardising and scaling up its operations (Fernando and Meyer 2002). It exemplifies what Robinson (2001) termed the *financial sustainability model* of microfinance: its driving force was indeed the need for financial sustainability, both for itself and for the women it provided financial services to. However, our study suggests that it appears to have succeeded in the first¹⁴ but not in the second. Not only are the women who belong to ASA among the least active within community and political life but they are also least likely to report any impact in terms of food security, diversity of diet, access to paid work or accumulation of productive assets.

Grameen Bank was cited by Robinson (2001) as her example of a *poverty lending model*. Its primary goal is poverty reduction through financial services tailored to the needs of poor people and it has no problems in using subsidies to achieve its ends. This commitment to poverty reduction as a founding principle may be what distinguishes GB from ASA as far as impacts are concerned. It forms the ethos of the organisation, permeating its culture and approach to financial services. Its housing loan, for instance, is conditional on households registering homestead land in women's names – an important route through which an important asset is transferred to women in a culture where very few of them are able to inherit land.

14 It is worth noting that both ASA and BRAC have been very reluctant to reduce interest rates (from the nominal 15 per cent or effective 30 per cent to the PKSF-stipulated nominal 12.5 per cent). The rationale for this was to pass on part of the benefit of increased efficiency to the borrowers in terms of lower interest rates instead of using the surplus from credit operations for increasing the size of the organisation's revolving fund. While BRAC's reluctance to lower interest rates might be justified on developmental grounds by the argument that it diverts its surpluses to its social programmes, ASA appeared to be motivated by the desire to accumulate.

Its members are shareholders on its board even if they do not actually exercise a great deal of voice. Grameen has sought to provide small loans to beggars, something that is unlikely to find favour in the financial sustainability model. And it successfully promoted the use of the mobile phone as a form of business among village women, an innovation that reflected its confidence in the capacity of these women to respond to new opportunities.

Impact assessment studies of Grameen (and BRAC) have indicated a positive impact on economic indicators as well as attesting to important social impacts (Khandker 1998 and 2005; Hashemi, Schuler and Riley 1996), although the economic impacts have also been contested (Morduch 1998; Roodman and Morduch 2009). None of these studies investigates impacts relating to community participation and engagement with politics. It is worth noting that Grameen came 17th in *Forbes Magazine's* list of the 50 most successful microfinance organisations, where success is defined almost entirely in terms of commercial viability. The transition to Grameen II may, as Rutherford points out, bring its approach closer to the ASA model but our findings suggest that it has retained its focus on poverty reduction.¹⁵

Finally, we turn next to the two intermediate organisations in our study. Microfinance forms the backbone of the programmes of both BRAC and Proshika but it is supplemented by a range of other services, including livelihoods training, social services, legal advice and support as well as, in the case of Proshika, social mobilisation. Our findings show that BRAC performs somewhat better on development impacts while Proshika performs better on the political front. This pattern conforms to our prior expectations. Despite considerable convergence towards a mainstream microfinance approach over time, the very different histories of the two organisations continue to influence their organisational cultures.

BRAC adopted microcredit as a key aspect of its activities almost from the outset and had mainstreamed it by the mid-1980s. It has remained at the core of its activities although the organisation has diversified into a variety of social services. As it moved towards the goal of financial sustainability in the 1990s, weekly meetings were given over to financial matters (McGregor 1998), edging out the time for the discussion of social issues – to the disappointment of some of its longer-standing members (Kabeer and Matin 2005). Impact assessments of BRAC, both its own and externally conducted ones, have generally reported evidence of economic impacts as well as some social ones (McGregor 1998; Khandker 1998 and 2005; Amin, Becker and Bayes 1998) although contrary evidence on economic impacts has also been reported (Morduch 1998; Roodman and Morduch 2009; Hulme and Mosley 1996; Zaman 1999). However, where it has been sought, the evidence on impact is weaker on the kind of active political engagement that makes up our indicators of grassroots democracy in this paper (Kabeer and Matin 2005; Hashemi *et al.* 1996).

¹⁵ It is worth noting here that Grameen had lowered its interest rates prior to PKSf stipulation.

While Proshika provided credit to its members from early on in its evolution, we pointed out that it had sought to promote a borrower-led management of loans that was consonant with its social mobilisation agenda. By the 1990s, it was coming under pressure from its donors to give greater priority to financial sustainability. Microfinance came to occupy an increasingly dominant position in its operations. Since its frontline workers were given greater responsibility for the weekly collection and disbursement of loans, the emphasis on grassroots social mobilisation was inevitably diluted (Ahmad 2003; Nazneen 2007). However, traces of its past history are evident in some of the practices reported by Nazneen (2007). It gives greater voice to its membership than BRAC does because of the election of group members to federations at village, union and *thana* level. Its staff were, till very recently, more likely to be assessed on both social development and credit criteria. They were also more likely than those of BRAC to mention women's economic independence as the reason for targeting credit to women; BRAC members offered more instrumental reasons relating to women's superior track record on loan repayment. These features may explain why Proshika members are more actively engaged in community and political life than those of BRAC. It should be noted that the survey was carried out at a time when Proshika had fallen out of favour with the party in power in government. Some of Proshika's impacts may have been weakened by the political harassment it was suffering during this period. Although a more supportive party is now in power, Proshika has been further weakened by internal conflicts.

8 Conclusion: NGOs, development and democracy

There are a number of key points relating to the broader questions of development and democracy that we can draw out of our analysis. First and foremost, it is evident that development NGOs expand the sphere of chosen rather than given relationships in the lives of sizeable numbers of poor women and men in Bangladesh. This is of particular significance for women who are far more likely than men to be confined to the ascribed communities of family and kin. Regardless of the achievements of specific NGOs, their pervasive presence has had important externalities by helping to undermine some of the long-established hierarchies – even if some NGOs may be replacing them in some cases with new and modernised forms of hierarchy. It may indeed be the case that they are a major driving force behind the country's remarkable progress on some key MDGs, as we noted earlier.

Secondly, it is also clear from our study that what NGOs do and, more importantly, *how* they do it, has a strong bearing on their impacts. In other words, the view of Putnam and others that what matters for 'good governance' is the density of associational life rather than the nature of the associations is not supported by our findings. There is not only a clear difference between the achievements reported by social mobilisation organisations, at one end of our spectrum, and minimalist microfinance organisations at the other, there are also important differences within

the three different categories of organisations that the study covered. As realist evaluation theory has pointed out,¹⁶ development interventions represent the introduction of complex systems in a complex and changing social reality (Pawson and Tilly 1997). We have sought to minimise some aspects of this complexity by confining our study to a limited geographical area but we do not have sufficient detail on the different organisations to establish with any certainty which particular aspects of their contexts and programmes may be accounting for the differences in their impact.

Taken together, however, our findings suggest that minimalist microfinance organisations have had minimalist impacts on the lives of their intended beneficiaries – poor women and their families in rural Bangladesh. If poor women and men in Bangladesh are to overcome the economic, political and social barriers to their progress, it is evident from this finding that they need support on a variety of fronts. Financial services are important if poor people are to cope with crisis and respond to opportunities but, on their own, do not equip them with the capacity to translate these services into lasting economic progress or to engage with ‘bad governance’ at the local level. Equally, perhaps, an over-emphasis on social mobilisation without due attention to livelihood issues may promote grassroots participation but will not overcome the barriers to economic advancement.

As some of the quotes cited in this study suggest, poor people need both improved access to material resources as well as the strengthening of their political capabilities. Despite the hostility of social mobilisation organisations to NGOs as credit providers and the dismissal by staunch advocates of microfinance of the value of ‘struggle’, the two need not be mutually exclusive. One possible way out would appear to be the ‘microfinance plus’ approach of the kind represented by BRAC and Proshika. However, there are reasons to be cautious about this. Once organisations begin to prioritise microfinance, and particularly when they begin to prioritise the financial sustainability of their microfinance services, the slow and painstaking process of building political capabilities tends to take second place.

It is extremely telling, for instance, that both BRAC and Proshika assign their better-qualified staff to their microfinance programmes and their less well-qualified staff to their social development activities (Nazneen 2007)! It is also telling that frontline workers in both BRAC and, increasingly, Proshika ranked achievement of loan collection and savings targets as the key criteria on which their performance is assessed by their organisations. Other studies have noted how the weekly meetings of microfinance organisations are dominated by financial matters, leaving little time for the kinds of discussions that build people’s awareness, analytical capacity and sense of citizenship (Ahmad 2003; Thornton *et al.* 2000).

An alternative option is suggested by our NK findings. This would be to promote organisations with different kinds of core competencies and allow the possibility of

16 Pawson and Tilley argue for a ‘realist’ approach to impact evaluation in place of purely quantitative experimental and quasi-experimental methods, including randomised control trials, that have been transferred from medical sciences into the social sciences. They argue that it is inappropriate to apply methods developed in the laboratory to the messy reality of everyday life.

belonging to these different kinds of organisations. Despite NK's rhetoric of hostility towards NGO provision of microfinance, we found that many of its members belong to microfinance organisations. Rutherford reports that he found little evidence of active campaigning against microcredit by frontline fieldworkers. Instead they offered a more pragmatic explanation for their refusal to offer loans: that microfinance did not mix well with NK's core activity of organising poor people: 'one tends to push out the other' (p. 180). While it is difficult for organisations like NK and Samata to achieve the scale of ASA, Grameen or BRAC, given the intensive investments they make in the human capabilities of both their staff and their group members, there is in principle no reason why there could not be a multiplicity of such organisations.

The only problem with the latter scenario is that social mobilisation organisations have all but disappeared from Bangladesh. The massive increase in donor funding for development NGOs in the 1990s not only encouraged the move towards a service delivery model but also saw the collapse of a number of organisations oriented toward social mobilisation.¹⁷ It was evident that the accountancy systems of these organisations were least equipped to cope with this dramatic injection in funds (Stiles 2002; Kabeer and Huq 2010). It is not clear whether Proshika will recover from its current crisis, and Samata has had its funds withdrawn while NK is struggling to survive. Official donors continue to favour the larger NGOs, particularly those that are likely to become self-financing in the near future, while the international NGOs that used to be a source of solidarity funding for social mobilisation organisations have become themselves increasingly dependent on donor funding and vehicles of donor agendas (Desai and Imrie 1998; Wallace 2004).

Regardless of how donor civil society relationships play out in the future, there is one important finding that comes out of our study that is worth emphasising. Despite the references to the deep roots of inequality in the psychology of Bangladeshi society cited earlier – its 'naturalisation' – our study shows that poor people do not accept their subordinate status as natural, acceptable or immutable. If the microfinance-plus organisations have been able to mobilise the entrepreneurial capacity of the poor, the socially oriented organisations have drawn attention to the critical importance of building human capabilities in its broadest sense if democracy is to take root and flourish in Bangladesh. Along with analytical skills, dignity and sense of worth, these capabilities include knowledge of rights, awareness of social injustice and the collective willingness to challenge it on behalf of self and others. In building these capabilities, social mobilisation organisations have helped to transform their members from the clients of the rich and powerful into citizens willing to engage with the structures of power and to stand up for the rights of the poor. If the abysmal quality of governance in Bangladesh is to ever improve, it will be through the construction of these kinds of citizenship, these 'habits of the heart', on a national scale.

17 Examples include Gono Shahajyo Sangstha and Saptagram.

Appendix 1

Table A1-1.1 Multinomial logit coefficients of NGO membership

	Samata	Nijera Kori	BRAC	Proshika	Grameen Bank
<i>Personal characteristics</i>					
Age	-0.1325 (0.0806)	-0.2826*** (0.0828)	-0.0232 (0.0557)	-0.0372 (0.0577)	0.0447 (0.0612)
Age ²	0.0018* (0.0009)	0.0033*** (0.001)	0.0007 (0.0007)	0.0009 (0.0007)	-0.0002 (0.0008)
Some primary education	0.2566 (0.5739)	0.645 (0.5892)	1.7241*** (0.3535)	0.5078 (0.3959)	1.4453*** (0.3844)
Primary +education	0.0744 (0.9004)	-0.3945 (0.9137)	1.6405*** (0.6005)	0.4393 (0.6514)	1.3538** (0.6158)
2nd NGO	-2.2027*** (0.3718)	-0.7658** (0.3421)	0.2403 (0.1896)	-0.9287*** (0.2051)	-0.2651 (0.2048)
<i>Household characteristics</i>					
Non-Muslim	-4.784*** (0.7955)	0.1393 (0.3759)	0.3694* (0.2094)	-1.4631*** (0.2765)	-0.5255** (0.24)
Average adult schooling (years)	-0.0236 (0.1131)	0.0546 (0.1121)	-0.0878 (0.0822)	0.0497 (0.0884)	0.0532 (0.0821)
<i>Main reasons for joining an NGO</i>					
Credit	-9.1992*** (1.1742)	-11.1041*** (1.4886)	-0.1674 (1.4403)	-2.3866** (1.2013)	-2.8843** (1.1478)
Savings	-2.8757** (1.1716)	-2.8373** (1.1636)	-0.5478 (1.5325)	-0.6506 (1.2514)	-3.1606** (1.25)
Support	-2.6905** (1.1999)	-1.6764 (1.1698)	-0.4585 (1.6736)	-1.522 (1.3575)	-3.6606** (1.5711)
<i>Village characteristics</i>					
Road	0.8729** (0.3482)	3.8608*** (0.6098)	0.3395* (0.1925)	0.3145 (0.1998)	1.6991*** (0.2361)
Electricity	1.6885** (0.7282)	-1.1269 (0.7964)	1.2845*** (0.256)	20.8159*** (1.7029)	20.1953*** (1.7124)
Constant	6.9372*** (2.1337)	8.8558*** (2.1027)	-2.0535 (1.8661)	-18.0786 undefined	-20.2747 undefined
Observations	286	230	266	270	257
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1					
Base category: ASA					

Appendix 2

Econometric estimation of impacts

Table A2-1.1 Marginal/impact effects from probit models: Food shortage in the last year

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	-0.025** (0.012)	0.007 (0.015)	0.032* (0.018)	-0.003 (0.017)	0.082*** (0.020)	0.015 (0.025)
Age ²	0.000** (0.000)	-0.000 (0.000)	-0.000* (0.000)	-0.000 (0.000)	-0.001*** (0.000)	-0.000 (0.000)
Some primary education	0.009 (0.111)	-0.041 (0.127)	0.142 (0.140)	0.248* (0.137)	0.107 (0.108)	0.334** (0.162)
Complete primary education	-0.014 (0.170)	-0.044 (0.216)	0.253 (0.222)	0.412* (0.215)	0.015 (0.149)	0.519* (0.272)
Female	-0.065 (0.054)	-0.028 (0.086)	0.051 (0.082)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	dropped [1]	0.141 (0.087)	0.074 (0.111)	-0.056 (0.064)	0.041 (0.067)	-0.129* (0.072)
Ave. household schooling	-0.030 (0.023)	-0.038 (0.026)	-0.068** (0.032)	-0.122*** (0.033)	-0.021 (0.020)	-0.131*** (0.046)
2nd NGO	0.078 (0.110)	-0.034 (0.084)	-0.154** (0.069)	0.010 (0.058)	0.027 (0.053)	0.011 (0.064)
Pucca/brick road	-0.116* (0.063)	-0.064 (0.226)	0.212*** (0.069)	-0.002 (0.070)	-0.154* (0.088)	0.013 (0.060)
Electricity	-0.076 (0.196)	-0.079 (0.207)	dropped [2]	0.096 (0.084)	dropped [2]	-0.079 (0.070)
Years of membership	-0.006 (0.004)	-0.026*** (0.006)	0.001 (0.006)	-0.001 (0.008)	-0.005 (0.008)	-0.011 (0.008)
Observed probability	0.239	0.413	0.367	0.308	0.233	0.353
Observations	284	230	270	266	257	283
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1						
[1] predicts failure perfectly; [2] dropped because of collinearity						

Table A2-1.2 Marginal/impact effects from probit models: Whether household ate 4 out of 6 pre-specified items of food

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.030* (0.015)	-0.012 (0.015)	-0.009 (0.017)	-0.010 (0.019)	-0.014 (0.017)	0.040* (0.024)
Age ²	-0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)
Some primary education	0.153 (0.112)	-0.110 (0.113)	0.052 (0.115)	-0.042 (0.114)	0.129 (0.092)	0.051 (0.125)
Complete primary education	0.266 (0.163)	-0.152 (0.190)	-0.018 (0.201)	0.095 (0.182)	-0.008 (0.165)	0.058 (0.238)
Female	0.135** (0.065)	0.080 (0.080)	-0.092 (0.078)	dropped [3]	dropped [3]	dropped [3]
Non-Muslim	dropped [1]	-0.022 (0.084)	0.073 (0.100)	0.021 (0.069)	-0.101 (0.076)	0.181** (0.077)
Ave. household schooling	0.012 (0.025)	0.049** (0.023)	0.044 (0.028)	0.034 (0.028)	0.024 (0.021)	0.035 (0.034)
2nd NGO	-0.278** (0.115)	-0.085 (0.078)	0.049 (0.073)	0.077 (0.062)	0.041 (0.060)	0.048 (0.067)
Pucca/brick road	0.169** (0.072)	0.186 (0.171)	0.130* (0.069)	-0.042 (0.074)	0.149 (0.093)	0.094 (0.062)
Electricity	dropped [2]	-0.083 (0.200)	dropped [3]	0.115 (0.111)	dropped [3]	-0.004 (0.072)
Years of membership	0.001 (0.005)	0.011** (0.005)	-0.005 (0.006)	0.004 (0.009)	0.016* (0.009)	0.002 (0.009)
Observed probability	0.568	0.387	0.644	0.647	0.693	0.569
Observations	278	230	270	266	257	283
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1						
[1] predicts success perfectly; [2] predicts failure perfectly; [3] dropped because of colinearity						

Table A2-1.3 Marginal/impact effects from probit models: Whether member had access to paid work in past year

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.006 (0.004)	0.012** (0.006)	0.036*** (0.010)	0.010** (0.005)	0.029*** (0.009)	0.012 (0.010)
Age ²	-0.000 (0.000)	-0.000** (0.000)	-0.000*** (0.000)	-0.000** (0.000)	-0.000*** (0.000)	-0.000 (0.000)
Some primary education	dropped [1]	0.041* (0.024)	-0.074 (0.105)	-0.051 (0.064)	0.023 (0.056)	0.042 (0.038)
Complete primary education	0.027 (0.026)	0.063 (0.060)	-0.009 (0.127)	-0.190 (0.150)	0.157 (0.111)	0.011 (0.089)
Female	0.007 (0.011)	-0.162*** (0.043)	dropped [1]	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	dropped [1]	0.024 (0.028)	-0.198* (0.117)	-0.014 (0.026)	-0.023 (0.048)	-0.096* (0.056)
Ave. household schooling	-0.003 (0.003)	-0.008 (0.008)	0.005 (0.017)	0.014* (0.008)	-0.016 (0.012)	-0.006 (0.013)
2nd NGO	-0.055 (0.079)	0.034 (0.023)	-0.015 (0.046)	0.053** (0.026)	-0.017 (0.037)	0.062** (0.029)
Pucca/brick road	0.002 (0.010)	-0.009 (0.052)	-0.086** (0.044)	-0.048* (0.025)	0.022 (0.056)	-0.043 (0.033)
Electricity	dropped [1]	0.071 (0.126)	dropped [2]	0.039 (0.052)	dropped [2]	-0.004 (0.033)
Years of membership	-0.000 (0.001)	0.004* (0.002)	0.008** (0.004)	0.008** (0.003)	0.000 (0.005)	0.004 (0.004)
Observed probability	0.967	0.874	0.881	0.936	0.899	0.915
Observations	242	230	210	266	257	283
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1						
[1] predicts success perfectly; [2] dropped because of colinearity						

Table A2-1.4 Marginal/impact effects from probit models: Whether household owned at least half an acre of land

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.036** (0.015)	0.022 (0.016)	0.007 (0.018)	0.056*** (0.019)	0.020 (0.018)	0.021 (0.024)
Age ²	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)
Some primary education	0.013 (0.121)	-0.138 (0.131)	0.061 (0.122)	0.011 (0.116)	0.127 (0.119)	-0.061 (0.118)
Complete primary education	0.132 (0.178)	-0.324 (0.202)	0.140 (0.190)	-0.171 (0.185)	0.148 (0.168)	-0.055 (0.218)
Female	-0.113* (0.064)	-0.104 (0.092)	-0.144* (0.086)	dropped [1]	dropped [1]	dropped [1]
Non-Muslim	0.096 (0.318)	0.214** (0.091)	-0.117 (0.104)	0.144** (0.072)	0.145* (0.080)	-0.168** (0.074)
Ave. household schooling	0.015 (0.025)	0.072*** (0.027)	0.010 (0.026)	0.065** (0.028)	0.022 (0.021)	0.055* (0.030)
2nd NGO	-0.101 (0.126)	-0.067 (0.090)	-0.034 (0.079)	-0.070 (0.066)	-0.035 (0.065)	-0.033 (0.066)
Pucca/brick road	-0.004 (0.071)	-0.107 (0.229)	-0.000 (0.074)	0.038 (0.079)	-0.040 (0.096)	-0.043 (0.062)
Electricity	0.393** (0.192)	0.036 (0.213)	dropped [1]	-0.077 (0.111)	dropped [1]	-0.072 (0.071)
Years of membership	0.016*** (0.005)	0.021*** (0.006)	0.023*** (0.006)	-0.007 (0.009)	-0.024** (0.010)	0.009 (0.009)
Observed probability	0.591	0.487	0.496	0.466	0.381	0.403
Observations	286	230	270	266	257	283
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1 [1] dropped because of colinearity						

Table A2-1.5 Marginal/impact effects from probit models: Whether household owned any cows

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.027* (0.016)	0.025 (0.015)	0.012 (0.017)	0.024 (0.018)	0.020 (0.018)	0.047* (0.024)
Age ²	-0.000* (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.001* (0.000)
Some primary education	-0.184* (0.108)	-0.139 (0.117)	0.085 (0.116)	0.017 (0.120)	0.051 (0.117)	0.139 (0.119)
Complete primary education	-0.213 (0.166)	-0.040 (0.206)	0.175 (0.181)	-0.198 (0.185)	0.125 (0.171)	0.408** (0.166)
Female	0.019 (0.064)	-0.004 (0.084)	0.205*** (0.079)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	dropped [1]	0.271*** (0.081)	-0.223** (0.099)	0.326*** (0.068)	0.302*** (0.077)	-0.173** (0.081)
Ave. household schooling	0.041* (0.024)	0.003 (0.024)	-0.027 (0.025)	0.055* (0.028)	-0.016 (0.022)	-0.070** (0.032)
2nd NGO	-0.138 (0.112)	-0.143* (0.080)	-0.037 (0.077)	-0.085 (0.068)	-0.061 (0.065)	0.082 (0.066)
Pucca/brick road	-0.123* (0.071)	-0.026 (0.223)	-0.018 (0.072)	-0.109 (0.081)	0.105 (0.089)	-0.024 (0.063)
Electricity	-0.323 (0.203)	0.072 (0.196)	dropped [2]	0.065 (0.118)	dropped [2]	-0.021 (0.071)
Years of membership	0.002 (0.005)	-0.003 (0.005)	0.003 (0.006)	0.027*** (0.009)	-0.014 (0.010)	0.001 (0.009)
Observed probability	0.444	0.435	0.530	0.455	0.385	0.544
Observations	284	230	270	266	257	283
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1						
[1] predicts success perfectly; [2] dropped because of colinearity						

**Table A2-2.1 Marginal/impact effects from probit models:
Participation in *shalish* in last 5 years**

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.068*** (0.016)	0.036** (0.014)	-0.004 (0.010)	0.029*** (0.011)	0.017 (0.012)	0.005 (0.005)
Age ²	-0.001*** (0.000)	-0.000** (0.000)	0.000 (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)
Some primary education	-0.034 (0.119)	-0.004 (0.110)	-0.031 (0.059)	0.008 (0.051)	-0.030 (0.037)	0.027 (0.049)
Complete primary education	-0.009 (0.179)	0.134 (0.187)	-0.091 (0.082)	-0.045 (0.071)	-0.058 (0.076)	0.041 (0.107)
Female	-0.253*** (0.059)	-0.414*** (0.072)	-0.304*** (0.081)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	dropped [1]	-0.126 (0.079)	-0.011 (0.059)	0.011 (0.033)	-0.047* (0.026)	-0.010 (0.010)
Aver. hh schooling*	0.035 (0.023)	0.021 (0.020)	0.027** (0.014)	0.014 (0.011)	0.019** (0.008)	0.000 (0.005)
2nd NGO	-0.057 (0.124)	0.062 (0.081)	-0.050 (0.045)	-0.011 (0.029)	-0.012 (0.026)	-0.015 (0.012)
Pucca/brick road	0.059 (0.069)	-0.915*** (0.018)	-0.121** (0.051)	0.047 (0.035)	-0.005 (0.039)	0.003 (0.010)
Electricity	-0.187 (0.227)	0.453*** (0.048)	dropped [2]	-0.042 (0.070)	dropped [2]	0.006 (0.009)
Years of membership	0.011** (0.004)	0.007 (0.005)	0.007** (0.003)	-0.001 (0.004)	0.004 (0.005)	-0.000 (0.001)
Observed probability	0.338	0.322	0.148	0.079	0.082	0.021
Observations	284	230	270	266	257	283
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1 [1] predicts failure perfectly; [2] dropped because of colinearity						

**Table A2-2.2 Marginal/impact effects from probit models:
Participation in at least one village-level committee**

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.019** (0.009)	0.017 (0.011)	0.007 (0.006)	0.000 (0.000)	0.025* (0.015)	0.006 (0.008)
Age ²	-0.000* (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Some primary education	0.046 (0.085)	0.004 (0.077)	0.066 (0.070)	-0.000 (0.000)	dropped [1]	dropped [1]
Complete primary education	0.110 (0.130)	-0.034 (0.112)	0.051 (0.076)	-0.000 (0.000)	dropped [1]	-0.009 (0.022)
Female	-0.040 (0.033)	-0.194*** (0.060)	-0.090* (0.054)	dropped [2]	dropped [2]	dropped [1]
Non-Muslim	dropped [1]	0.165*** (0.052)	0.003 (0.035)	0.000 (0.000)	-0.045 (0.032)	0.004 (0.015)
Ave. household schooling	0.007 (0.011)	0.018 (0.013)	0.005 (0.006)	0.000 (0.000)	0.017* (0.009)	0.003 (0.006)
2nd NGO	-0.059 (0.040)	0.035 (0.055)	0.034 (0.035)	0.000 (0.000)	0.026 (0.030)	dropped [2]
Pucca/brick road	0.108*** (0.031)	-0.964*** (0.009)	-0.030 (0.029)	-0.000 (0.001)	-0.115 (0.123)	-0.005 (0.009)
Electricity	-0.213 (0.244)	0.335*** (0.046)	dropped [2]	-0.000 (0.001)	dropped [2]	-0.005 (0.011)
Years of membership	-0.001 (0.002)	0.001 (0.003)	0.003* (0.002)	-0.000 (0.000)	-0.002 (0.005)	-0.000 (0.001)
Observed probability	0.123	0.196	0.063	0.026	0.078	0.027
Observations	284	230	270	266	129	146
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1 [1] predicts failure perfectly; [2] dropped because of colinearity						

**Table A2-2.3 Marginal/impact effects from probit models:
Accompany others to government services**

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.078*** (0.017)	0.054*** (0.018)	0.045** (0.018)	0.027 (0.019)	0.040** (0.019)	0.043* (0.024)
Age ²	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.000 (0.000)	-0.000** (0.000)	-0.00 (0.000)
Some primary education	0.087 (0.122)	0.045 (0.126)	-0.085 (0.122)	0.015 (0.115)	-0.019 (0.122)	-0.091 (0.124)
Complete primary education	0.287* (0.163)	0.114 (0.202)	0.010 (0.176)	0.014 (0.189)	-0.205 (0.176)	-0.180 (0.227)
Female	-0.127* (0.066)	-0.088 (0.083)	-0.166** (0.082)	–	–	–
Non-Muslim	–	0.071 (0.083)	0.006 (0.106)	-0.082 (0.072)	0.015 (0.083)	0.039 (0.083)
Ave. household schooling	0.005 (0.025)	0.022 (0.022)	0.017 (0.026)	0.017 (0.027)	0.045* (0.023)	0.057* (0.033)
2nd NGO	0.137 (0.113)	-0.118 (0.077)	0.020 (0.064)	0.136** (0.079)	0.038 (0.068)	-0.174*** (0.066)
Pucca/brick road	0.020 (0.072)	-0.060 (0.256)	0.045 (0.073)	0.145* (0.076)	0.200** (0.092)	0.096 (0.063)
Electricity	0.124 (0.223)	0.164 (0.185)		-0.107 (0.107)		0.160** (0.070)
Years of membership	0.002 (0.005)	0.002 (0.005)	0.017*** (0.006)	0.011 (0.009)	0.044*** (0.011)	-0.006 (0.009)
Observed probability						
Observations	284	230	270	266	257	283
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1						
[1] predicts success perfectly; [2] dropped because of colinearity						

**Table A2-2.4 Marginal/impact effects from probit models:
Approached by others in community for advice**

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.031*** (0.010)	0.030** (0.014)	0.049*** (0.013)	0.066*** (0.016)	0.025** (0.011)	0.011 (0.022)
Age ²	-0.000*** (0.000)	-0.000** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.000** (0.000)	-0.000 (0.000)
Some primary education	0.053 (0.059)	-0.134 (0.131)	-0.034 (0.105)	0.105 (0.094)	0.038 (0.075)	-0.132 (0.136)
Complete primary education	0.050 (0.105)	-0.271 (0.212)	-0.133 (0.180)	0.158 (0.160)	0.013 (0.135)	-0.013 (0.238)
Female	0.023 (0.042)	0.074 (0.079)	-0.137*** (0.049)	dropped [1]	dropped [1]	dropped [1]
Non-Muslim	-0.263 (0.350)	-0.025 (0.080)	-0.000 (0.080)	0.075 (0.064)	-0.095 (0.065)	-0.027 (0.074)
Ave. household schooling	0.009 (0.016)	0.051** (0.025)	0.034 (0.022)	0.022 (0.026)	0.021 (0.018)	0.047 (0.034)
2nd NGO	0.033 (0.061)	0.050 (0.076)	0.023 (0.055)	0.063 (0.059)	-0.004 (0.048)	0.016 (0.059)
Pucca/brick road	-0.016 (0.044)	-0.371*** (0.060)	0.009 (0.053)	0.170** (0.070)	0.152* (0.087)	-0.001 (0.055)
Electricity	-0.023 (0.114)	0.653*** (0.143)	dropped [1]	-0.212*** (0.057)	dropped [1]	0.026 (0.064)
Years of membership	0.008** (0.003)	0.008 (0.005)	-0.001 (0.005)	0.006 (0.008)	0.020*** (0.007)	-0.011 (0.008)
Observed probability	0.846	0.683	0.800	0.699	0.817	0.721
Observations	286	230	270	266	257	283
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1						
[1] dropped because of colinearity						

**Table A2-2.5 Marginal/impact effects from probit models:
Participated in campaign/protest/other collective action**

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.006 (0.017)	0.009 (0.015)	0.026 (0.016)	0.028** (0.013)	0.009 (0.015)	-0.001 (0.002)
Age ²	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000** (0.000)	-0.000 (0.000)	0.000 (0.000)
Some primary education	-0.076 (0.131)	0.059 (0.114)	-0.054 (0.091)	-0.028 (0.053)	-0.060* (0.033)	dropped [1]
Complete primary education	-0.024 (0.188)	-0.228 (0.228)	0.049 (0.159)	-0.053 (0.088)	-0.019 (0.082)	-0.011 (0.016)
Female	-0.065 (0.063)	-0.217*** (0.078)	0.044 (0.067)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	dropped [1]	0.065 (0.090)	0.058 (0.095)	-0.003 (0.036)	dropped [1]	-0.001 (0.004)
Ave. household schooling	-0.004 (0.023)	0.023 (0.023)	0.003 (0.020)	0.006 (0.015)	0.005 (0.010)	0.003 (0.003)
2nd NGO	-0.201 (0.162)	0.011 (0.082)	-0.004 (0.066)	0.004 (0.034)	-0.055* (0.033)	0.003 (0.006)
Pucca/brick road	0.059 (0.074)	0.902*** (0.028)	0.090 (0.058)	0.005 (0.040)	-0.013 (0.045)	0.000 (0.004)
Electricity	dropped [1]	-0.464*** (0.060)	dropped [2]	0.059 (0.040)	dropped [2]	-0.036 (0.028)
Years of membership	0.049*** (0.006)	0.059*** (0.007)	0.012** (0.005)	0.003 (0.005)	0.006 (0.006)	0.000 (0.001)
Observed probability	0.651	0.591	0.248	0.098	0.067	0.020
Observations	278	230	270	266	195	247
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1 [1] predicts failure perfectly, [2] dropped because of colinearity						

**Table A2-3.1 Marginal/impact effects from probit models:
Interacted with TNO in last year**

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.008 (0.007)	0.027*** (0.010)	0.001 (0.008)	0.008 (0.009)	0.018 (0.013)	0.004 (0.005)
Age ²	-0.000 (0.000)	-0.000** (0.000)	0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Some primary education	-0.013 (0.044)	-0.016 (0.074)	-0.038 (0.037)	0.144 (0.090)	0.065 (0.077)	dropped [1]
Complete primary education	-0.077* (0.045)	0.014 (0.124)	-0.067 (0.059)	0.119 (0.117)	0.047 (0.080)	0.002 (0.009)
Female	0.004 (0.028)	-0.111** (0.057)	-0.077 (0.056)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	dropped [1]	-0.068 (0.059)	-0.067*** (0.024)	-0.012 (0.028)	-0.018 (0.035)	0.000 (0.003)
Ave. household schooling	0.024*** (0.009)	0.022* (0.013)	0.026*** (0.010)	0.001 (0.010)	0.002 (0.009)	0.001 (0.001)
2nd NGO	0.010 (0.070)	0.013 (0.055)	-0.003 (0.038)	0.026 (0.028)	0.014 (0.031)	0.002 (0.005)
Pucca/brick road	0.015 (0.030)	-0.963*** (0.010)	-0.058 (0.040)	0.040 (0.034)	-0.085 (0.063)	0.010 (0.012)
Electricity	dropped [1]	0.326*** (0.049)	dropped [2]	0.011 (0.051)	dropped [2]	-0.013 (0.015)
Years of membership	0.005** (0.002)	0.009*** (0.003)	0.006** (0.003)	0.003 (0.004)	0.001 (0.005)	0.000 (0.000)
Observed probability	0.094	0.213	0.100	0.075	0.074	0.032
Observations	278	230	270	266	257	247
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1						
[1] predicts success perfectly, [2] dropped because of colinearity						

**Table A2-3.2 Marginal/impact effects from probit models:
Interacted with UP members in past year**

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.014 (0.015)	0.015 (0.014)	0.035* (0.018)	0.021 (0.017)	0.044** (0.019)	0.108*** (0.027)
Age ²	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000* (0.000)	-0.001*** (0.000)
Some primary education	-0.049 (0.118)	-0.012 (0.123)	0.171* (0.103)	-0.144 (0.113)	0.087 (0.116)	0.116 (0.128)
Complete primary education	-0.159 (0.179)	-0.283 (0.204)	0.217 (0.169)	-0.330* (0.171)	0.007 (0.178)	-0.023 (0.230)
Female	-0.232*** (0.059)	-0.324*** (0.071)	-0.411*** (0.055)	dropped [1]	dropped [1]	dropped [1]
Non-Muslim	0.018 (0.324)	0.046 (0.083)	0.318*** (0.106)	-0.066 (0.072)	-0.166** (0.079)	-0.207*** (0.074)
Ave. household schooling	0.013 (0.022)	0.029 (0.023)	-0.030 (0.026)	0.030 (0.026)	0.015 (0.022)	0.037 (0.031)
2nd NGO	0.039 (0.108)	0.091 (0.075)	0.007 (0.075)	0.122* (0.064)	0.032 (0.067)	0.060 (0.068)
Pucca/brick road	0.056 (0.068)	-0.156 (0.163)	0.046 (0.072)	0.021 (0.076)	-0.066 (0.095)	0.101 (0.064)
Electricity	-0.180 (0.160)	-0.020 (0.186)	dropped [1]	0.091 (0.109)	dropped [1]	-0.123* (0.073)
Years of membership	0.011** (0.005)	0.005 (0.005)	-0.010 (0.006)	-0.003 (0.009)	0.006 (0.010)	-0.002 (0.009)
Observed probability	0.647	0.661	0.596	0.560	0.510	0.410
Observations	286	230	270	266	257	283

**Table A2-3.3 Marginal/impact effects from probit models:
Consulted by UP Chairman on community matters**

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.018 (0.015)	0.018 (0.014)	0.021 (0.013)	0.025** (0.011)	0.024 (0.018)	0.003 (0.005)
Age ²	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)
Some primary education	0.084 (0.120)	-0.002 (0.118)	0.168 (0.114)	0.050 (0.067)	-0.047 (0.070)	0.033 (0.056)
Complete primary education	-0.022 (0.192)	-0.139 (0.178)	0.057 (0.144)	-0.113 (0.071)	-0.360*** (0.134)	0.031 (0.092)
Female	-0.225*** (0.064)	-0.167** (0.077)	-0.100 (0.072)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	dropped [1]	0.022 (0.081)	dropped [1]	-0.003 (0.033)	-0.063 (0.050)	0.001 (0.016)
Ave. household schooling	0.020 (0.025)	0.039* (0.022)	0.012 (0.017)	0.030** (0.012)	0.056*** (0.015)	-0.000 (0.006)
2nd NGO	-0.235* (0.138)	-0.047 (0.075)	-0.108** (0.048)	0.055* (0.031)	0.019 (0.046)	0.008 (0.014)
Pucca/brick road	0.050 (0.074)	-0.869*** (0.019)	-0.029 (0.057)	-0.008 (0.037)	-0.054 (0.073)	-0.010 (0.012)
Electricity	-0.031 (0.212)	0.638*** (0.036)	dropped [2]	-0.112 (0.086)	dropped [2]	0.005 (0.013)
Years of membership	0.024*** (0.005)	0.006 (0.005)	0.002 (0.004)	0.001 (0.004)	-0.003 (0.007)	0.001 (0.002)
Observed probability	0.588	0.383	0.169	0.102	0.171	0.028
Observations	284	230	242	266	257	283

**Table A2-3.4 Marginal/impact effects from probit models:
Campaigned in last UP elections**

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.060*** (0.017)	0.037** (0.016)	0.019 (0.017)	0.005 (0.013)	0.023 (0.017)	-0.001 (0.007)
Age ²	-0.001*** (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)
Some primary education	0.197 (0.134)	0.193 (0.132)	0.170 (0.120)	-0.058 (0.059)	-0.036 (0.080)	0.004 (0.039)
Complete primary education	0.465*** (0.169)	0.012 (0.197)	0.222 (0.181)	-0.118 (0.095)	-0.215 (0.134)	0.014 (0.072)
Female	-0.340*** (0.061)	-0.204*** (0.078)	0.384*** (0.080)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	dropped [1]	-0.193** (0.086)	-0.151* (0.083)	-0.058 (0.041)	-0.152*** (0.047)	-0.031* (0.018)
Ave. household schooling	-0.030 (0.026)	0.014 (0.022)	-0.003 (0.023)	0.020 (0.016)	0.025 (0.017)	0.009 (0.008)
2nd NGO	0.012 (0.126)	-0.042 (0.079)	0.031 (0.076)	0.026 (0.042)	-0.000 (0.050)	-0.030 (0.020)
Pucca/brick road	0.040 (0.073)	-0.224 (0.277)	-0.065 (0.071)	0.061 (0.050)	0.076 (0.057)	-0.022 (0.019)
Electricity	-0.346 (0.218)	0.128 (0.191)	dropped [2]	-0.040 (0.090)	dropped [2]	0.007 (0.019)
Years of membership	0.003 (0.005)	0.014*** (0.005)	-0.001 (0.006)	0.010* (0.006)	0.001 (0.008)	0.004 (0.003)
Observed probability	0.415	0.335	0.333	0.135	0.195	0.053
Observations	284	230	270	266	257	283

Table A2-4.1 Marginal/impact effects from probit models: Believes there has been an improvement in the quality of justice

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.014 (0.011)	-0.013 (0.014)	0.006 (0.017)	0.007 (0.018)	0.016 (0.018)	0.000 (0.024)
Age ²	-0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)
Some primary education	-0.125 (0.116)	-0.012 (0.124)	-0.086 (0.117)	-0.158 (0.115)	-0.130 (0.115)	-0.098 (0.120)
Complete primary education	-0.081 (0.157)	-0.047 (0.208)	-0.202 (0.182)	-0.286 (0.183)	-0.148 (0.171)	-0.130 (0.219)
Female	0.075 (0.046)	-0.127 (0.079)	0.085 (0.083)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	-0.319 (0.364)	0.103 (0.085)	0.095 (0.101)	0.074 (0.072)	0.023 (0.079)	-0.069 (0.081)
Ave. household schooling	0.013 (0.017)	0.024 (0.024)	0.034 (0.025)	0.048* (0.028)	0.025 (0.022)	0.031 (0.030)
2nd NGO	-0.352*** (0.127)	-0.026 (0.080)	-0.042 (0.076)	0.162** (0.064)	0.074 (0.065)	0.018 (0.066)
Pucca/brick road	0.009 (0.050)	0.091 (0.221)	-0.039 (0.072)	0.098 (0.076)	-0.010 (0.093)	-0.045 (0.062)
Electricity	dropped [1]	0.044 (0.199)	dropped [2]	-0.095 (0.103)	dropped [2]	0.020 (0.070)
Years of membership	0.012*** (0.004)	0.013** (0.005)	0.007 (0.006)	0.002 (0.009)	0.001 (0.010)	0.013 (0.009)
Observed probability	0.821	0.622	0.541	0.541	0.553	0.488
Observations	280	230	270	266	257	283
Standard errors in parentheses: *** p<0.01, ** p<0.05, * p<0.1						
[1] predicts success perfectly, [2] dropped because of colinearity						

Table A2-4.2 Marginal/impact effects from probit models: Trust in people from other religions

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	-0.027* (0.016)	0.031*** (0.012)	0.011 (0.014)	-0.035** (0.015)	0.029** (0.014)	0.018 (0.020)
Age ²	0.000 (0.000)	-0.000** (0.000)	-0.000 (0.000)	0.000** (0.000)	-0.000** (0.000)	-0.000 (0.000)
Some primary education	0.142 (0.110)	0.166** (0.067)	0.027 (0.089)	-0.051 (0.088)	0.155** (0.071)	0.012 (0.104)
Complete primary education	-0.111 (0.182)	0.187 (0.151)	0.051 (0.139)	-0.040 (0.142)	0.061 (0.150)	0.061 (0.178)
Female	-0.031 (0.063)	-0.137** (0.068)	0.161*** (0.051)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	0.036 (0.345)	0.233*** (0.066)	dropped [1]	0.228*** (0.042)	0.235*** (0.046)	0.142** (0.060)
Ave. household schooling	0.003 (0.023)	-0.011 (0.021)	-0.015 (0.020)	0.008 (0.020)	0.009 (0.019)	-0.013 (0.026)
2nd NGO	-0.024 (0.121)	0.065 (0.064)	0.000 (0.062)	-0.050 (0.044)	0.102* (0.054)	-0.061 (0.058)
Pucca/brick road	0.110 (0.071)	dropped [1]	-0.043 (0.058)	0.032 (0.053)	-0.160*** (0.052)	0.047 (0.053)
Electricity	-0.109 (0.196)	dropped [1]	dropped [2]	0.007 (0.070)	dropped [2]	0.147** (0.066)
Years of membership	0.011** (0.005)	-0.007 (0.005)	0.000 (0.005)	0.007 (0.006)	0.003 (0.008)	0.010 (0.008)
Observed probability	0.584	0.772	0.806	0.801	0.755	0.753
Observations	286	197	242	266	257	283

Table A2-4.3 Marginal/impact effects from probit models: Thinks of self as citizen

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.000 (0.000)	0.022*** (0.008)	0.012 (0.009)	0.015* (0.008)	0.002 (0.005)	0.002 (0.021)
Age ²	0.000 (0.000)	0.000*** (0.000)	-0.000 (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)
Some primary education	dropped [1]	0.109* (0.066)	-0.201 (0.173)	-0.038 (0.076)	0.006 (0.024)	-0.171 (0.198)
Complete primary	dropped [1]	dropped [1]	-0.160 (0.249)	-0.153 (0.160)	0.042 (0.068)	-0.602* (0.343)
Female	dropped [1]	-0.064* (0.036)	0.123*** (0.036)	dropped [2]	dropped [2]	dropped [2]
Non-Muslim	dropped [1]	0.042 (0.045)	-0.002 (0.058)	0.018 (0.038)	-0.004 (0.020)	0.128** (0.057)
Ave. household schooling	dropped [1]	-0.038 (0.036)	0.057** (0.025)	0.031* (0.017)	0.001 (0.007)	0.128** (0.050)
2nd NGO	0.000 (0.000)	-0.007 (0.040)	0.038 (0.033)	0.015 (0.033)	0.007 (0.016)	-0.043 (0.055)
Pucca/brick road	0.000 (0.000)	0.987*** (0.006)	-0.017 (0.036)	0.024 (0.043)	0.040 (0.040)	-0.061 (0.052)
Electricity	dropped [2]	-0.220*** (0.052)	dropped [2]	0.022 (0.055)	dropped [2]	0.113* (0.062)
Years of membership	dropped [2]	0.001 (0.003)	0.009** (0.004)	0.010* (0.005)	0.005* (0.002)	0.000 (0.007)
Observed probability	0.917	0.878	0.826	0.898	0.957	0.731
Observations	24	148	270	266	257	283

Table A2-4.4 Marginal/impact effects from probit models: All members of community are equal citizens

Variables	Samata	Nijera Kori	Proshika	BRAC	Grameen Bank	ASA
Age	0.014 (0.009)	0.008 (0.012)	0.017 (0.016)	0.022 (0.015)	0.006 (0.013)	-0.001 (0.024)
Age ²	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000* (0.000)	-0.000 (0.000)	-0.000 (0.000)
Some primary education	-0.009 (0.078)	0.114 (0.080)	0.126 (0.091)	-0.156 (0.121)	-0.023 (0.091)	0.045 (0.126)
Complete primary education	-0.008 (0.117)	0.331** (0.130)	0.259* (0.142)	-0.398** (0.195)	0.093 (0.135)	0.139 (0.227)
Female	-0.065 (0.041)	-0.142** (0.065)	0.178*** (0.066)	dropped [1]	dropped [1]	dropped [1]
Non-Muslim	-0.299 (0.357)	0.203*** (0.074)	0.051 (0.091)	0.094 (0.059)	0.041 (0.056)	0.140* (0.079)
Ave. household schooling	0.004 (0.015)	-0.031 (0.021)	-0.010 (0.024)	0.082*** (0.028)	-0.014 (0.017)	0.012 (0.033)
2nd NGO	0.002 (0.069)	0.003 (0.067)	-0.036 (0.071)	-0.043 (0.055)	0.058 (0.049)	-0.061 (0.067)
Pucca/brick road	0.029 (0.045)	0.157 (0.211)	0.078 (0.066)	-0.015 (0.065)	0.011 (0.072)	-0.137** (0.063)
Electricity	0.042 (0.158)	0.110 (0.188)	dropped [1]	-0.081 (0.077)	dropped [1]	0.110 (0.071)
Years of membership	0.004 (0.003)	0.005 (0.004)	-0.001 (0.006)	0.015* (0.008)	0.005 (0.007)	-0.001 (0.009)
Observed probability	0.874	0.757	0.689	0.744	0.817	0.541
Observations	286	230	270	266	257	283

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