



## Role of NGOs on Socio-Economic Condition at Sherpur Sadar Upazila

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### Abstract

The present study examines the impacts of NGOs activities on socio-economic environment of rural people at Sherpur Sadar, Bangladesh using purposive random sampling technique with questionnaire survey, detail interview for case study and secondary data. The main objectives of the research were- to determine the existing services of those NGOs; to assess the past and present socio-economic condition of the beneficiaries. A total of 84 beneficiaries of two villages were selected for questionnaire survey and 4 were interviewed in detail. The secondary data were collected from journal papers, articles, books, official documents, thesis papers, daily newspapers etc. In the studied two village, monthly income of the respondents was increased after taking loan from NGOs i.e. 43.20% respondents monthly income was between 8,000-10,000tk while it was 15.87% before taking loan and 5.95% respondents earned money above 10,000tk before taking loan but the percentage of respondents income was also increased (29.54%) after taking loan.

**Keywords:** Beneficiaries, Expenditure, Income, Loan, NGOs,

### Introduction

Bangladesh is a developing country with a land area of 1,47,000 sq.km. and an estimated population of 140.6 million, it is the world's seventh populous country (BBS, 2011). Despite increase urbanization in Bangladesh as well as Asian countries, a large fraction of Asian poor remain in rural areas. Now days, developing rural area has emphasized in Bangladesh. For instance, the developing agencies in Bangladesh can engage themselves in developing activities and at the same time can bring in a positive change in the life of the poor through social changes and development (David A. *et al.*, 1989). Many Non-governmental organizations (NGOs) in Bangladesh are engaged in many developing activities like religious associations, mobilize private funds for development initiatives and programs, raise awareness and influence policies in pursuance of the ideals of democracy and good governance as well as undertake diverse humanitarian projects. Micro credit programs of NGOs have made self-reliant of rural people (World Bank, 2012). Non-governmental organizations (NGOs) have been attached with the poverty alleviation scenario with empowering the poor, the development of institutions and capacity buildings through the equal distribution of assets, the poverty situation and employment generation conditions have gradually improved (Ullah

and Routray, 2007). In Sherpur district different NGOs play an important role in development activities in the rural areas i.e. Grameen Bank, Bangladesh Rural Advanced Committee (BRAC), Association for Social Advancement (ASA), Malancha Shamiti etc. The present study explores the impact of NGOs activities on socio-economic condition of rural people of Sherpur Sadar Upazila, Bangladesh as a case. The specific objectives of the study were to identify the existing NGOs in the study area; to determine the existing services of those NGOs; to assess the past and present socio-economic condition of the beneficiaries.

### Materials and Methods

#### Study area

The study was executed during May to December 2017 in the area of Sherpur District which is 1359.87 sq km, located in between 24°18' and 25°18' north latitudes and 89°53' and 90°91' east longitudes. Sherpur Sadar has a population of 381,419. Male constitute 51.58% of the population, and females 48.42% (BBS, 2011). Two rural areas (i.e. Char-Boyra and Maddha-Boyra) were selected for the survey from Bhatshala, Sherpur Sadar where total 518 beneficiaries (Char-Boyra 233 respondents and Maddha-Boyra 285) received loan from both ASA and BRAC NGOs (Fig. 1).

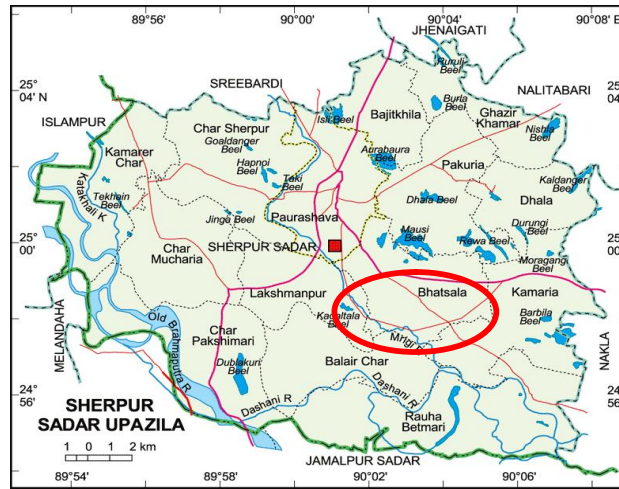


Fig. 1. Map of the Study area (Banglapedia, 2015).

**Method of data collection**

Both quantitative and qualitative techniques of data collection were used for this study. The research was carried out on the bases of primary and secondary data. Two rural areas of Sherpur Sadar (i.e, Char-Boyra and Maddha-Boyra) were selected purposively for questionnaire survey where total 518 beneficiaries received loan from both ASA and BRAC NGO's. Simple random sampling technique was used for selecting sample size. Sample size was determined by using the following approach where (i) the desired error, (e) is 10%, (ii) the desired confidence level, (z) is 90%, (iii) determined the z value associated with the confidence level, (iv) the value of Z at 90% confidence level is 1.29, (v) In the absence of the target population (p) I assume it to be 50% i.e. p= 0.50 and the number of people N.

On the basis of the above, For Char-Boyra, where beneficiaries (N) = 233;

$$\text{Sample size (n),} = z^2 \cdot p \cdot q \cdot N / e^2(N-1) + z^2 \cdot p \cdot q$$

$$= \frac{1.29^2 \times 0.5 \times 0.5 \times 233}{0.1^2} + 1.29^2 \times (0.5) \times (0.5)$$

= 42 (Source: Kothari, 1990)

Thus for Maddha-Boyra, the beneficiaries were 285 and the sample size was 42. On the basis of the above equation total 84 (42+42) respondents were selected for questionnaire survey. Focus Group Discussion (FGD) was also applied for the primary data collection. On the other hand, four beneficiaries of two villagers

were interviewed as case in detail in order to understand the in-depth human viewpoints. Key Informant Interview was conducted to the officials of NGOs to know the activities of that organization. Relevant secondary data and information were collected from annual reports, official statistics, official regulation, literature and journal articles, governmental and non-governmental (Bangladesh Rural Advancement Committee (BRAC), Association for Social Advancement (ASA) official documents and statistics, yearly reports, various books, research papers, journals, maps, daily newspapers etc to fulfill the objectives of the study. The collected data were tabulated, compiled, analyzed and presented through Microsoft Excel 2010. The findings of the study were then presented in graphs, percentages, charts and in tabular forms.

**Results and Discussion**

**Socio-economic profile of the respondents in the study area**

All of the studied respondents or beneficiaries were female and married. The study revealed that majority of the beneficiaries (32.81%) was between 21-30 ages, 25% was between 31-40 years and only 9.37% was between 51-60 years. In case of education, it was found that 40.62% of the respondents did not attend school but they can make signature during taking loan from NGO's, 54.68% went primary school and only 4.58% went secondary school level (Table 1).

**Table 1.** Demographic Data of the Respondents

| Item               | Total           | Respondents (%) |
|--------------------|-----------------|-----------------|
| Respondents Sex    | Male            | 0               |
|                    | Female          | 100             |
| Age Group          | > 20            | 6.25            |
|                    | 21-30           | 32.8            |
|                    | 31-40           | 25              |
|                    | 41-50           | 20.31           |
|                    | 51-60           | 9.37            |
|                    | 60+             | 6.25            |
| Educational Status | Illiterate      | 40.62           |
|                    | Primary Level   | 54.68           |
|                    | Secondary Level | 4.58            |

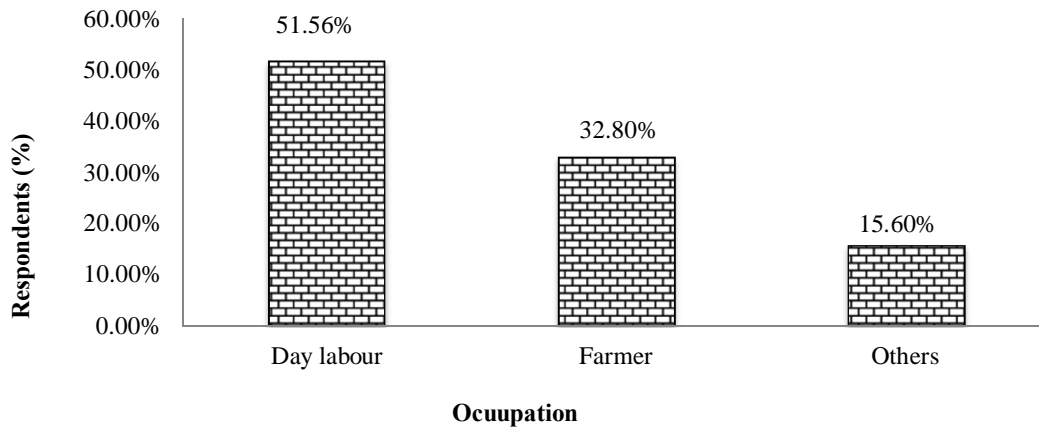
(Source: Field Survey, 2017)

**Types of settlement**

From the survey it was observed that there were two kinds of settlement in the study area i.e semi pucca and katcha. In the study area, 75% respondent’s house was katcha and rest of those was semi pucca.

**Head of the family and their occupation**

From the study it was revealed that male people was the head of all respondent’s families though other members also earned little. According to the survey, 51.56% respondent’s household occupation was day labour and 32.8% were farmer. (Fig: 2). Women also played an important role in family income like selling milk, eggs and vegetables, tailoring etc (Fig-2)



**Fig. 2.** Income Sources of the Family Head (Source: Field Survey, 2017)

**Sources of drinking water and sanitation facilities**

Safe drinking water is essential for life. All of the respondents used tube well water for daily activities like drinking purpose, cooking, bathing, washing and others. The study revealed that, 64.28% respondents had sanitary latrine, rest of them had katcha latrine.

**Role of NGO’s on socio-economic condition of the respondents**

**Changes of monthly income**

The study assumed that after taking loan, almost half of the respondent’s (43.20%) monthly income was between 8,000-10,000Tk while it was 15.87% before taking loan, 5.95% respondents earned money above 10,000Tk before taking loan while the percentage of respondent’s income was increased (29.54%) owing to purchasing rickshaw, van, sewing machine, cows, goats etc to improve their economic condition after taking loan (Fig. 3).

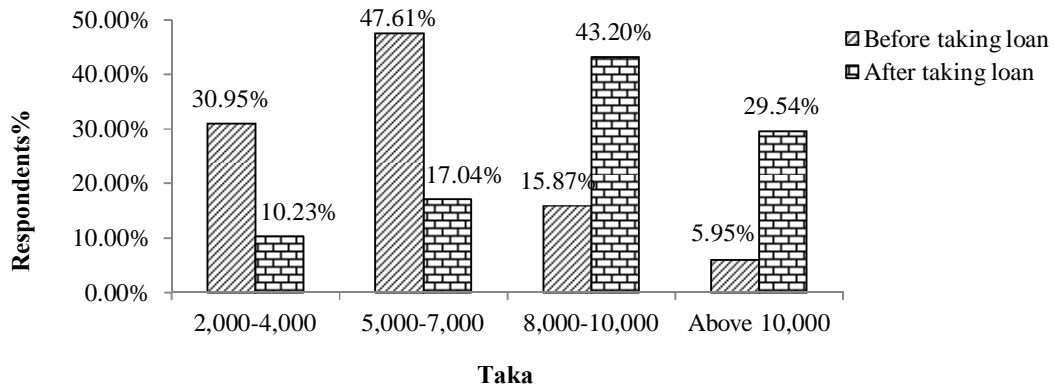


Fig. 3. Monthly Income Changes before and after taking loan (Source: Field Survey, 2017)

**Changes of monthly expenditure of the respondents**

Figure 4, shows that 34.62% and 32.05% of the total respondents whose income range between 2,000-4,000Tk and 5,000-7,000Tk respectively per month spent whole income of their money before taking loan from NGOs while the respondents percentage of spending all amount of their income was decreased (17.43% and 25.43% respectively) after taking loan. However, 27.61% of total respondents said that their

monthly expenditure rate became lower than monthly income rate (8,000-10,000Tk) as their income was increased by using loan that was taken from NGOs. Consequently, they could save money per month. Moreover, 29.54% of them whose monthly income range above 10,000Tk said that they could save enough money after spending for their family while only 5.95% respondent could spend money above 10,000 Tk before taking loan. (Fig. 4).

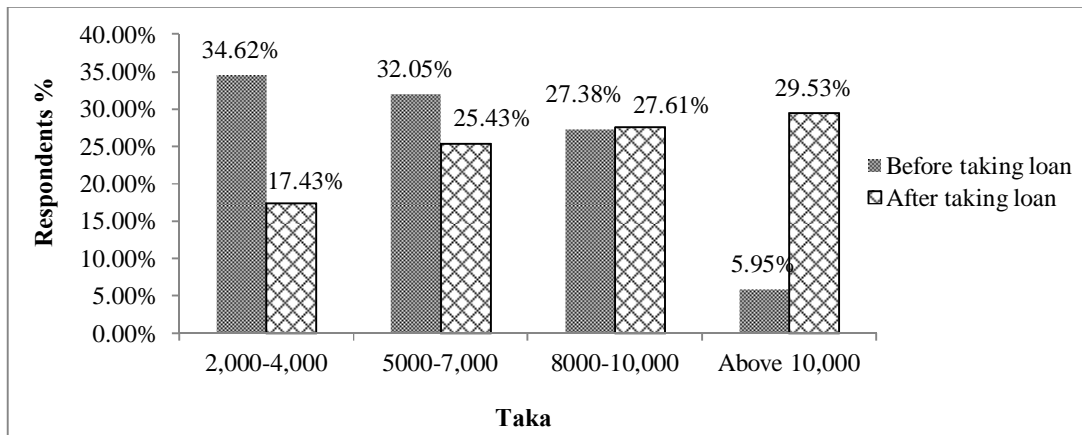


Fig. 4. Monthly Expenditure Changes of the Respondents (Source: Field Survey, 2017)

**Changes of monthly expenditure by sectors**

Survey data reveals that major portion of household income was spent for purchasing food items. A major share of their income was spent on food 71.34% before taking loan but it was decreased (64.28%) after taking

loan due to increase of respondents household income. As a result respondents would able to increase the allocation of others expenditure sectors like education of their children, treatment purpose, clothing etc. (Fig. 5).

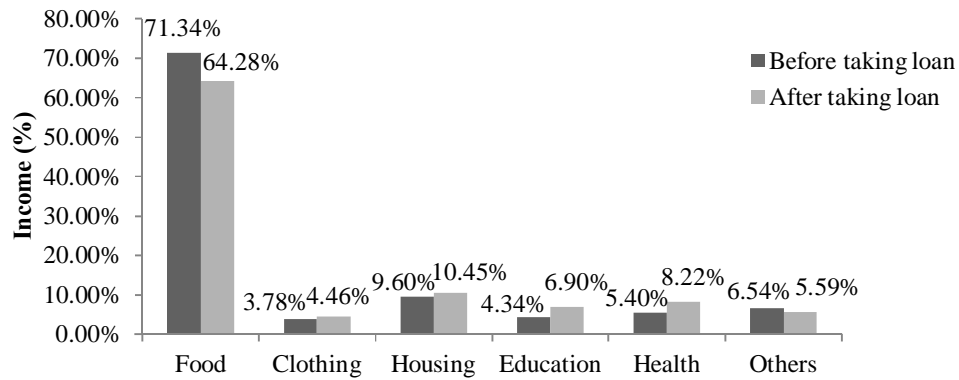


Fig. 5. Changes of Monthly Expenditure by Sectors (Source: Field Survey, 2017)

**Monthly savings of the respondents**

The income of the respondents was not enough for their daily livelihoods. As a result maximum respondents could not make monthly saving but some people made savings after taking loan from NGOs. From field survey it was observed that 40.6% of the

respondents had no monthly saving though taking loan from NGOs however 28.72% of the respondents could save 500-1,000Tk per month and 30.68% of the respondents could save more than 1,000Tk monthly after taking loan. (Fig. 6).

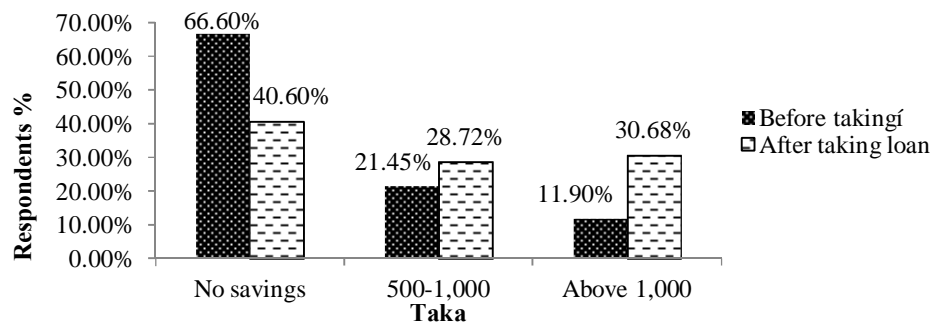


Fig. 6. Monthly Savings Before and After Taking Loan. (Source: Field Survey, 2017)

**Present economic condition in compared with past (before receiving loan)**

Before taking loan from BRAC and ASA NGOs, respondents had to go to the *Mahajans* (Landlord) for borrowing money. The interest rate was so high and it was difficult to farmers to repay the loan installments. After taking loan from NGOs (BRAC and ASA), their economic condition became changed because of low interest than *Mahajans* loan, creating more income

source. The figure 7. represents that 64.28% respondents said that their economic condition became increase after taking loan from NGOs (BRAC and ASA), 25% said no change and 10.71% respondents assumed that their economic condition decreased from past because it was difficult to repay money weekly of NGOs. Consequently, they had to borrow money from *Mahajans* with more interest.(fig-7)

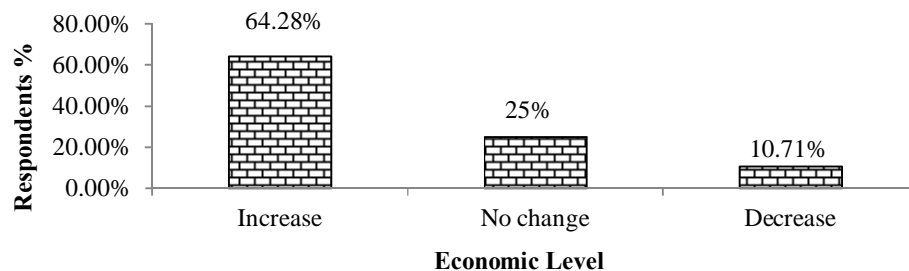
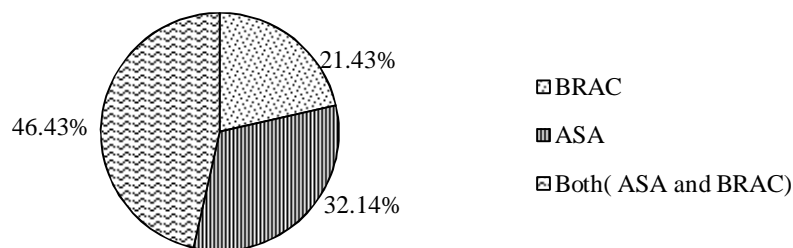


Fig. 7. Present Economic Condition of the Respondents in Compared with Past (Source: Field Survey, 2017)

**Types of NGO's in receiving loan**

From the survey it was observed that 21.43% respondents received loan from BRAC, 32.14%

respondents received loan from ASA and rest of them received loan from both NGO's (ASA and BRAC) (Fig. 8)



**Fig. 8.** NGO's from where Respondents Received Loan (Source: Field Survey, 2017)

**Satisfaction of the respondents after taking loan from NGOs**

It was assumed that 57.14% respondent was satisfied to get loan from NGOs because they changed their worse condition by creating more income source, 25%

was moderately satisfied mainly they did not clear about their satisfaction though they changed their condition and 17.86% was unsatisfied because they mainly faced problem when they repay their loan weekly (Fig. 9)



**Fig. 9.** Satisfaction of the Respondents (Source: Field Survey, 2017)

**Involvement of women in household decision making**

Involvement of women in household decision making is another important indicator of rural development. It was assumed that only women could receive loan from NGO's. To determine the role of women in household decision making process eight different indicators were selected under the present study. These were family planning, child care, child education, children marriage, household expenditure, materials purchase, loan taking and investment. NGO's activities helped 95% respondents to establish their role in family.

were lunched monthly in the study area. They taught them how to keep their environment healthy and clean, and encourage them about tree plantation program.

**Analysis of the case study**

According to detailed interview of four cases of two studied villages, it was found that, the socio-economic condition of beneficiaries was improved in compared with their past due to launch micro-credit programs of NGO's. Their monthly income was increased as they could fulfill their daily needs properly. After fulfilling their daily necessities and repaying their weekly installments, they also could save some money for the future. But some of them said that weekly installments caused burden due to high interest. At present, women have better access in household decision making. They are also concern about health, hygiene and

**Awareness about hygiene and environment**

From the study it was observed that 85.60% respondent was concerned about hygiene, sanitation and environment of their living place as health and environment awareness programs of BRAC and ASA

environment. Now they wish to improve their condition better than present if NGOs provide more facilities and improve their activities.

### Conclusions

Different development and awareness related programs and activities of NGOs in Bangladesh play a vital role in improving life style, raising awareness about right and environment, reducing poverty of rural people. Microcredit programs of BRAC and ASA have improved economic condition like increase monthly income and income source, monthly expenditure of respondents family of the study area. Moreover, maximum respondents were able to save money after expenditure their family after taking loan from NGOs. Different health awareness program, environmental awareness program, personal hygiene and sanitation program helped the respondents to change their lifestyle.

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