

## IMPACT OF NGOS IN POVERTY ALLEVIATION: A CASE STUDY OF BADIN DISTRICT

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### ABSTRACT

*The objective of the paper is to discuss the rural poverty problems in Sindh and evaluate the joint reaction / response of NGOs - both national and international in alleviating poverty so as to assess their performance in terms of their output, efficiency and sustainability. The NGOs have emerged as an institution for contributing to poverty alleviation. Overall, the purpose of this research was to examine the role of NGOs in poverty alleviation and draw policy lessons. The study was conducted in Badin district using in-depth analysis, techniques such as case studies. NGOs working in Badin with the history of very old, old and new were used as criteria for selection. Using this criterion NRSP, LHDP, BRDS were selected for study purpose.*

*Data revealed that the training offered by NGOs is counterproductive as majority of respondents reported that these trainings were ineffective in terms of their application in professional life. It is mentioned that there are so many sectors which are ignored by NGOs for example corruption and motivating people for “Right Based Approach”. Data revealed that the selected NGOs have been duplicating the methods through which they operate in mobilizing the rural communities. For instance, each of three NGOs has visited VDO/CBO maintaining a symmetrical time period. The similarities in their activities result in similar output in the shape of perception, generating income creating awareness, and motivating people for saving.*

**Key words:** Poverty Alleviation; NGOs; VDO; Rural Poor.

### INTRODUCTION

There has been much debate on poverty in Pakistan in recent times, especially about the rural poor. In spite of various policy intervention and

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the projects undertaken for removal of poverty by public sector, absolute poverty in rural areas continues to be a complex problem in Pakistan. A number of attempts have been made to estimate the rural poverty. The governments, donor agencies, lending institutions, non-government organizations (NGOs) and civil society are very much concerned about poverty reduction.

The NGOs have emerged as an institution for contributing to poverty alleviation. Overall, the purpose of this research is to examine the role of NGOs in poverty alleviation and draw policy lessons.

### **DISTRICT PROFILE OF BADIN**

Badin is a district of Sindh. It was carved out in 1975 from Districts of Hyderabad and Thatta. Badin is situated between 24° 5' to 25° 25' North latitude and 68° 21' to 69° 20' East longitude. It is restricted on the North by district Hyderabad on the East by districts Mirpurkhas and Tharparkar, on the South the Rann of Kutch and Arabian Sea. The total area of district is 6,726 sq kilometers. The district is administratively sub divided into Badin, Matli, Shaheed Fazil Rahoo- SFR (Golarchi), Talhar and Tando Bago.

The climate of the district is moderate and is tempered by the sea breeze. In summer it is generally damp. The cold North-East wind brings an immediate fall in temperature. Agriculture is the primary source of livelihood and income. Livestock and fisheries are also the main activities of the district.

### **LITERATURE REVIEW**

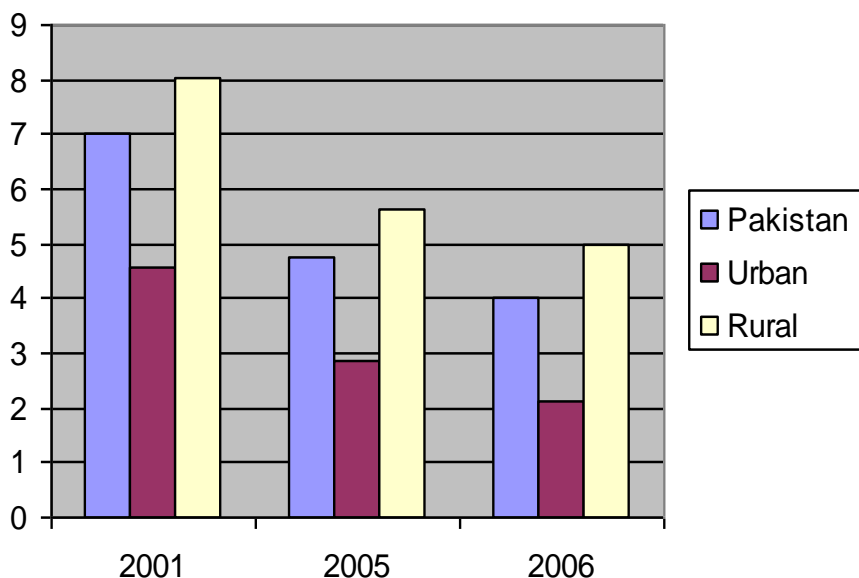
International Labour Organization (1995) defines poverty as lack of resources and inadequacy of the resources and under consumption of basic items such as food, shelter and clothing. World Bank (2000) defines poverty in terms of standard of living which are unacceptably low i.e. a situation where people are left without inadequate food and monetary resources. Bannock (2000) described that poverty was the situation faced by people whose material needs were least satisfied. For example, in relative terms the number of the poorest to percent of household.

Todaro (2000) emphasized on absolute poverty line i.e. a minimum income necessary to fulfill the basic needs requirements such as food, clothing and shelter for the survival of the people. World Bank in 1996 established One dollar per day as poverty line.

United Nation's Education Scientific and Cultural Organization (2003) explains that poverty is neither an economic nor a solely social problem but it is multifaceted with social, political, economic, cultural and demographic dimensions. It is a condition as well as a process, a cause and an effect.

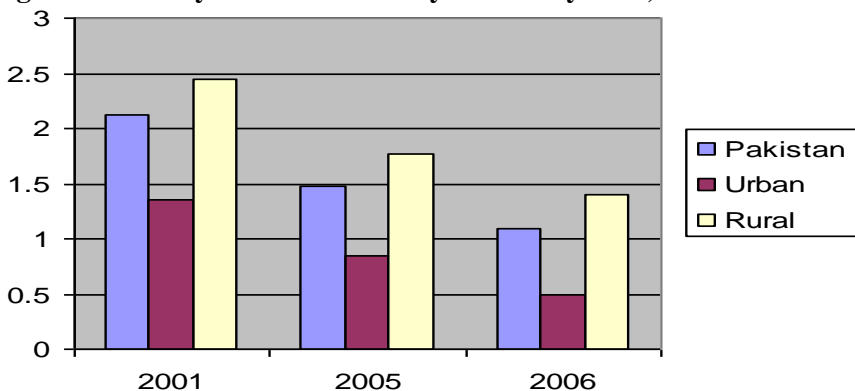
World Bank describes abject / extreme poverty as "*the poverty that kills*". Moderate poverty, as living on \$1 to \$2 a day, refers to condition in which basic needs are met, but just barely. Unlike moderate poverty, extreme / abject poverty now exists only in developing countries.

**Figure 1: Poverty Indicator Poverty Gap 2001, 2005 and 2006**



Source: Pakistan Economic Surveys 2006-07 to 2009-10

Figure 1 highlights extent of Poverty gap in 2001-2006. The figures are presented on urban rural basis.

**Figure 2: Poverty Indicator Severity of Poverty 2001, 2005 and 2006**

Source: Pakistan Economic Surveys 2006-07 to 2009-10

Figure 2 reviews the extent of poverty by urban and rural division in Pakistan. Data indicates that in all three reported years, rural poverty is significantly higher than the same in urban areas.

### THE GROWTH OF NGOs

The growth of NGOs is largely a phenomenon of the 1980s and 1990s. According to HAQ (2003), NGO is an independent voluntary organization that works with, or very often, on behalf of others.

Shireen (2002) defines an NGO as an organization formed for a certain purpose, geared towards focusing upon poverty. The NGOs largely work outside the government.

- However, very limited efforts have been made to examine the growing role of NGOs towards combating poverty in rural areas. Therefore, this research was designed to study the degree of NGOs intervention that has improved their lot by providing different services.
- In addition to Government's efforts to reduce poverty, there are over 100,000 NGOs presently working in Pakistan with major emphasis on poverty alleviation.
- Most of the studies aimed at linking poverty alleviation with NGOs intervention, lacked causal understanding and explanation because they were ad hoc in nature. Therefore, this study explored the

relationships through testing suppositions, and explaining in terms of quantitative measures.

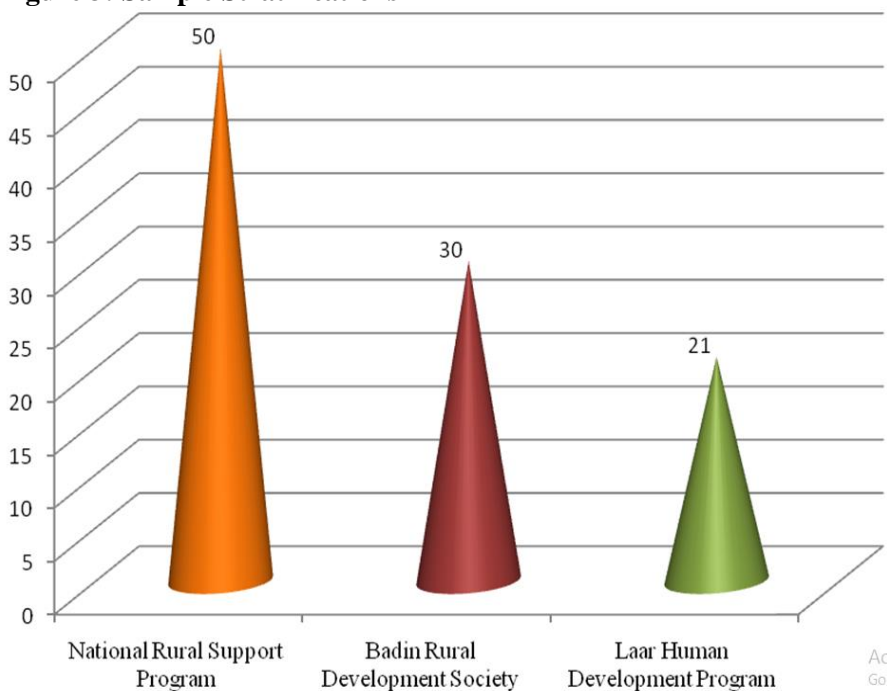
## RESEARCH METHODOLOGY

1. The study envisages multiple objectives i.e, poverty, governmental and nongovernmental interceptions towards combating poverty in rural areas. Therefore, a careful planning was needed towards formulating methodology to achieve the objectives.
2. The study universe is vast, thus, there was a need to make appropriate compromise between the study objectives and resources including the time at disposal to complete this study.

## THE SAMPLE SIZE

The total number of 101 respondents were selected from major NGOs as given below:

**Figure 3: Sample Stratifications**



The objective of the paper is to discuss the rural poverty problems in Sindh and vet the joint reaction / response of NGOs - both national and international in alleviating poverty so as to assess their performance in terms of their output, efficiency and sustainability.

### **Aggregate contribution of NGOs in development**

Over the last two decades, a significant growth has been seen in the number of Non-Governmental Organizations working in the development sector especially in developing countries including Pakistan.

The quantum of funds spent through the NGOs has increased tremendously which has raised people's eyebrows about their performance and efficiency in making changes in the quality life for better.

**Table 1: Goals and Targets set to eradicate extreme poverty and hunger in Millennium Declaration**

Goals and targets from the millennium declaration		Indicators for monitoring progress	
<b>Goal 1</b>	<b>Eradicate Extreme Poverty and Hunger</b>		
<b>Target 1</b>	Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day	1	Proportion of population below \$1 (ppp) a day
		1a	Poverty headcount ratio (percentage of population below the national poverty line)
		2	Poverty gap ratio [incidence x depth of poverty]
		3	Share of poorest quintile in national consumption

Source: World Bank, 2008

**Figure 4: The working of NGOs in different sectors is depicted in the following figure**



**Table 2: NGOs Focus in study area N=101**

<i>Facilities</i>	<i>Cases</i>	<i>Percentage</i>
<b>Primary School</b>	58	20.9
<b>BHU</b>	7	2.5
<b>Electricity</b>	56	20.1
<b>Water storage</b>	43	15.5
<b>Dug well</b>	1	0.4
<b>Credit</b>	36	12.9
<b>Vocational training</b>	71	25.5
<b>Others</b>	6	2.2
<b>Total</b>	278	100

Source: Survey Data 2010

Table 2 suggests that school education along with training for capacity building has been a major focus of all NGOs in the study area. It is mentioned that economic empowerment through creating employment opportunities has been ignored which is a major aspect of development. The philosophy of lending credit is mismatched with income generation.

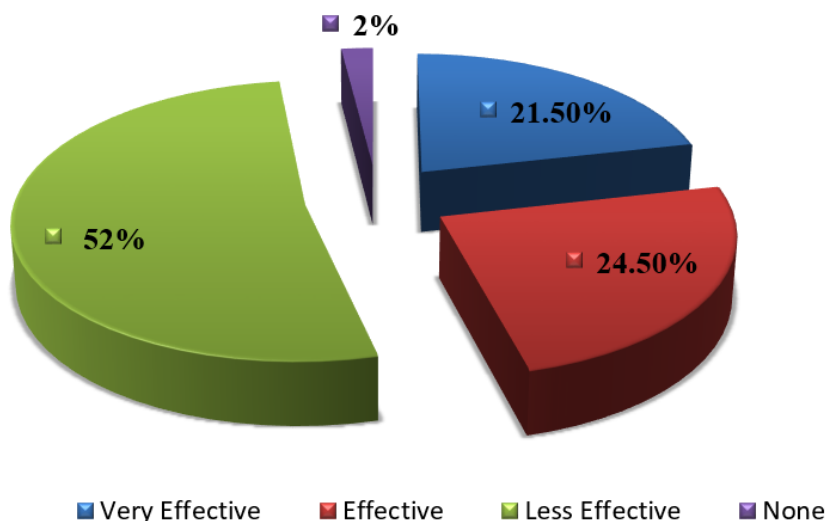
**Table 3: Extent of NGOs Support to Income Generations N= 101**

Rankings	Cases	Percent
Great Extent	12	11
Some Extent	25	25
Not Much	41	41
None	23	23
All	101	100

Source: Survey Data 2010

Table 3 reviews NGOs' role in creating income generation of respondents; only 11 percent reported that NGO's activities were effective in creating awareness of employment generation.

**Figure 5: Extent of Usefulness of Training by NGOs N=101**



Source: Survey Data 2010

Figure 5 reveals that 52 percent respondents were of the opinion that the NGOs trainings were not effective in finding skilled, semi-skilled jobs or in



keeping updated with the present job.

**Table 4: Recipients of Micro credit in study area N=101**

RECIPIENTS	CASES	PERCENTAGE
YES	27	34.2
NO	52	65.8
TOTAL	79	100.0

Source: Survey Data 2010

Table 4 highlights the recipients of micro credit in research area. The data indicates large number of respondents chose not to opt for micro-credit as they were not satisfied with the mark-up charges and other hidden costs.

**Table 5: Performance of NGOs in Research Area N=101**

NAME OF NGO	PERFORMANCE PERCEPTION TEST - %			ALL
	Good	Fair	Poor	Total
NRSP	65.5	8.5	26.1	100
BRDS	62.4	17.0	20.6	100.0
LHDP	58.0	15.2	26.8	100.0

Source: Survey Data 2010

Table 5 shows there was no significant difference between the performance, by respondents' perception, as all three NGOs scored invariably same at 95% CI.

## CONCLUSION AND RECOMMENDATIONS

- Research suggests that poverty in Sindh is growing in the study area i.e. Badin which is the most deprived district in Sindh and in Pakistan. There have been public policy interventions to alleviate poverty but these have not been able to tackle poverty issues in Pakistan. Major factors have been lawlessness; less investment in social indicators; literacy; and poor strategies for human resource development.

- Study was conducted in Badin district using in-depth analysis, techniques such as case studies. The NGOs working in Badin with the history of very old, old and new were used as criteria for selection. Using this criteria NRSP, LHDP, BRDS were selected for study purpose.
- NGOs focus has been structural in nature i.e., to participate in supplying electricity or else to overcome the problems of shortage of water. It is argued that their contribution basically is based upon the type of finance received by international NGOs. They operate on ad hoc basis like working for couple of years on education sector and then moving on to health or infrastructure. The reason is that when the focus of funding changes, they also move on to participate in other programs/projects for which they find funding.
- The research revealed that poor literacy rates are key impediments in terms of creating social mobilization process among the rural communities.
- NGOs lack quantifying of their contributions with the impact and outcome as a result of their intervention on sectoral basis such as education, health and etc. While quantifying their aggregate impact, they lacked quantitative measures/capacities in generalizing their contributions on holistic manner.
- Data revealed that the trainings offered by NGOs are counterproductive as majority of respondents reported that these trainings were ineffective in terms of their application in professional life. It is mentioned that there are so many sectors which are ignored by NGOs for example corruption and motivating people for “Right Based Approach”.
- Data revealed that the selected NGOs have been duplicating the methods through which they operate in mobilizing the rural communities. For instance, each of three NGOs has visited VDO/CBO maintaining a symmetrical time period. The similarities in their activities result in similar output in the shape of perception, generating income, creating awareness, and motivating people for saving.

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