

Chapter 1

The Study: Objectives and Methodology

1. NGO Programmes in Rural Development in Pakistan: An Overview

Approaches towards economic development and poverty alleviation through people's cooperation and participation in the sub-continent of India can be traced back to the efforts of the Christian missionaries around 1880 in the canal colonies of the Punjab. Subsequently, a formal system of cooperatives was introduced into undivided India around the 1920s. The work of Gandhi and the efforts of some British civil servants (around 1930) had their own impact and influenced ideals of rural reconstruction.

Following partition of the sub-continent in 1947, the efforts of the Village Aid Programme in the 1950s and the Comila Project in the 1960s in East Pakistan (now Bangladesh) were identified as appreciable successes in this context. Subsequently, the Daudzai Pilot project was introduced in

Peshawar in the 1970s. This project was headed by Shoaib Sultan Khan, and Akhter Hameed Khan acted as Adviser to it. Both of them became involved in the Aga Khan Rural Support Programme from its inception in the Northern Areas of Pakistan in 1982. Wider recognition for this programme by the donor community and its success, culminating in these two development practitioners winning Magaysay awards, led to replication of this rural support programme by NGOs in all the provinces of the country. Consequently, the NGO movement gained a momentum of its own.

When Pakistan was formed in 1947, many NGOs were active in rehabilitation and poverty alleviation. Increasingly, however, perhaps because donor funding is available and because NGOs are influenced by altruistic goals, NGOs are taking on the roles of institutional agents.

One of the principal reasons for the increase in NGOs and their involvement in institu-

tions is the perceived inadequacy of government departments and functionaries. During the last decade or so, government agencies and line departments have been severely criticised because of lapses in programme implementation and related issues of governance. Because of their mode of operation, administrative or managerial, the type of representation rendered by local government officials and members elected to the national government came into disrepute. Not only are these characterised as top-down, but pilferage of funds and widespread dishonesty are also allegedly a part of the government culture. Thus participatory approaches to development that involve communities and beneficiaries as programme managers are seen to be efficient; characterised as they are by a bottom-up approach in contrast to the conventional top-down mode of operation.

Increased recognition of NGOs as useful development partners led to a mushrooming of NGOs in the developing world. Currently, in Pakistan there are over 15,000 NGOs, half of these have been working for less than five years. Most of these NGOs are small, welfare oriented, and concentrated in urban areas.

1.1 NGO Classification

NGOs in Pakistan fall into four main groups.

1. Advocacy and lobby groups
2. Policy dialogue groups
3. Rehabilitation and emergency relief groups
4. Development NGOs

A small number of these organizations, however, is directly involved in develop-

ment activities in rural areas. Table 1 provides some details about seven major NGOs engaged in rural areas which also undertake participatory interaction with target groups. By the end of 1994, the estimated number of direct beneficiaries was around one million, while the total expenditure of these NGOs was around *Rs 1.7 billion.

1.2 The Current Study

This study assesses the impact of interventions made by NGOs on the local economy in the mountain areas of Pakistan with particular emphasis on micro-enterprise development. It is based on an examination of the efforts made by three NGOs, namely, Aga Khan Rural Support Programme (AKRSP), operating in the Northern Areas of Pakistan; Sarhad Rural Support Corporation (SRSC); and Balochistan Rural Support Programme (BRSP) – the latter two working in the NWFP and Balochistan respectively. The study gives a detailed account of the nature of interventions made by these NGOs and the progress achieved in terms of coverage and impact. It also assesses the scope and potential of such ventures for addressing the issues of poverty, employment, and income-generation as well as human resource development and entrepreneurship.

The study focusses particularly on (a) assessing the impact of interventions made on income-generating capacities, diversification of the local economy, and use of local resources (and this includes employment promotion), (b) the cost effectiveness of these programmes in the context of their replicability and sustainability, and (c) capacity-building in terms of human resource

* There are currently 42.45 Pakistani rupees to one US dollar.

Table 1: Consolidated Picture of Rural Support Programmes, as of December 1994
(Number, unless otherwise noted)

	AKRSP (1983)*	BRSP ^b (1991)	IRD ^c (1990)	KIDP ^d (1987)	NRSP ^e (1992)	SIAP ^f (1990)	SRSC ^g (1990)	Total
Districts	6	12	1	1	8	1	4	33
Village, community, and women's organizations	1,834	299	100	132	555	46	225	3,191
Women's organizations	768	124	46	7	232	--	98	1,273
Total organizations	2,602	423	146	139	787	46	321	4,464
Membership (male)	76,084	6,267	4,186	7,351	13,746	536	7,150	115,002
Membership (female)	26,089	1,744	1,780	215	6,237	--	2,769	38,834
Total membership	102,653	8,011	5,966	7,566	19,905	536	9,919	154,634
Average membership of village organizations and community organizations (CO) ^h	42	21	42	58	25	12	32	36
Average membership of women's organizations	34	14	39	31	27	--	29	31
VO/CO/VO savings (Rs in millions)	170.64	7.20	1.71	0.50	52.77	0.07	3.75	194.70
WO savings (Rs in millions)	32.96	0.66	--	--	0.94	--	0.73	35.29
Total savings (Rs in millions)	211.80	7.92	1.71	0.50	3.71	0.07	4.48	229.99
Infrastructural schemes	1,501	343	161	124	90	--	150	2,389
Infrastructural investment (Rs in millions committed)	285.00	57.40	47.41	10.00	6.64	0.73	30.00	437.18
Cumulative credit disbursed (Rs in millions)	349.53	19.79	--	0.18	8.30	--	7.82	385.81
Total investment (Rs in millions)	634.53	77.19	47.41	10.18	14.94	0.73	37.82	822.79

Table 1 Cont.....

Districts	AKRSP (1983)*	BRSP ^a (1991)	IRD ^b (1990)	KIDP ^d (1987)	NRSP ^c (1992)	SIAP ^e (1990)	SRSC ^f (1990)	Total
	6	12	1	1	8	1	4	33
VO/CO office-bearers trained	5,212	422	279		1,574		2,093	9,580
Village specialists trained	7,954	94	541	23	1,649		685	10,945
General training	1,454	103	471	1,600			325	3,953
Total village cadres trained	13,166	1,970	923	494	1		3,103	24,479
Management	13	5	4		9		9	40
Professional staff	179	84	6		58		92	419
Support staff	249	66	59		108		74	556
Total staff strength	441	155	69		185		175	1,015
Expenditure to date (Rs in millions)	1,197.29	279.55			145.60		95.24	1,717.68
Estimated direct beneficiaries	655,555	43,860	42,000	55,000	181,864	4,288	84,000	1,066,567

a. Dates in parentheses under programme names indicate year of programme inception.

b. The Balochistan Rural Support Programme (BRSP) is the successor institution of the Pak German Self Help Project implemented by the German Agency for Technical Cooperation and the Local Bodies and Rural Development Department. It was established as an NGO in 1991. Since the programme inherited the Pak German Self Help Project's assets, organization, and achievements, BRSP data include Rs 95 million expended during the PGTSP phase.

c. The Integrated Rural Development Programme (IRD^b) data are from April 1, 1995; IRDP does not disburse loans but supports internal lending from savings within village organizations.

d. Kalam Irrigation Development Project

e. National Rural Support Programme

f. Swabi Irrigated Agricultural Project

g. Sarhad Rural Support Corporation

h. Mixed community organizations (with male and female members) formed by the National Rural Support Programme have been included in the CO category.

Source: Rural Support Programme Network, Islamabad

development and training. While other programmes have also been covered, the focus of the study is micro-enterprise development through the initiatives taken by and assistance of the AKRSP, SRSC, and BRSP in the Northern Areas, NWFP, and Balochistan, respectively. Although most support to enterprises is given for the production and marketing of selected agricultural products, these NGOs have in recent years taken the initiative to promote enterprises both within and outside the farm sector; and these include eco-tourism, retailing, and cottage industries such as bee keeping, soap-making, welding, and high-value horticultural products.

The study had two phases. The first phase consisted of a general review of the activities of the three NGOs. In the second phase the progress and impact (particularly in enterprise development) were examined. Case studies of enterprises supported by the three NGOs were also undertaken. In-depth investigation of interventions and their effects was carried out. The information was collected by using a questionnaire.

The review of NGO activities included the following:

1. A description of physical conditions, natural resources, demography, and economic activities in the three mountain areas studied.
2. A discussion of the process of programme implementation, selection of beneficiaries, follow-up (credit recovery etc.), and organizational set-up (this includes the participation of beneficiaries in programme implementation).
3. A description of the nature and structure of the programmes in terms of micro-enterprise development, provision of inputs and services, and provision of credit,

training, and marketing facilities and so on.

To assess the impact, and particularly to study the enterprises themselves, a detailed questionnaire was used. The questionnaire covered the following aspects.

- a) The programme content in the field
- b) The delivery mechanism
- c) Extent of local participation
- d) Availability and use of local resources
- e) Income generation; types of individuals benefitted, gender, etc
- f) Employment generated and types
- g) Local expertise, available skills, levels of education, and training
- h) Any catalytic and demonstrative effect of these micro-enterprises in the area

To assess the sustainability of these initiatives and the enterprises we solicited information on the following topics.

- a) Cost of investments, developmental and non-developmental, and recurring expenses
- b) Revenue and income generated
- c) Extent of credit, cost of credit, and terms and conditions for repayment
- d) Profitability of the ventures
- e) Local resources available and their costs versus those of resources from outside
- f) Marketing of finished products
- g) Overall sustainability and replicability

The following methods were used to collect data and materials for the study.

- i) A review of available literature and records from each NGO to assess the broad objectives of their interventions
- ii) Discussions were held to elicit opinions and views of NGO personnel about the differences in coverage and effectiveness

by region, sector, and type of intervention with particular reference to micro-enterprise development.

iii) Relevant data were collected with the

help of local resource persons.

iv) A detailed questionnaire was used to collect data on the enterprises selected for case studies.