



## Political economy of role of income generating programs of selected NGO's creating Entrepreneurs in Rural Bangladesh: An Empirical Analysis

**Nawazeesh Muhammad Ali**

International Economics and Development: Economics, Rangsit University, Pathum Thani, Thailand  
E-mail: nawazeeshmuhammadali111@gmail.com

### Abstract

Political economy attempts to take part in fundamental responsibilities standard participate in influence entrepreneurship which can choose to generate income especially in the rural Bangladesh. As such Income Generating Programs (IGPs) facilitate beneficiaries to obtain skills and allow them to engage in activities that generate income through creating entrepreneurs. NGOs have been arranging the benefits to the needy people of the society by giving hose loans to their own entrepreneurial activities by engaging them in the production process. Based on the objective of this study estimated four null hypothesis: Beneficiaries are not getting more earnings from the income generating programs after joining; IGPs do not helped to fulfill the SDG-8 for the beneficiaries of the selected NGOs; IGPs do not deliver benefits to those people who are below the poverty line; Political economy did not lead to economic progress due to IGPs in the rural areas of the country. Political economy in Bangladesh needs to lead to economic progress due to IGPs in the rural areas of the country through innovation and creativity and entrepreneurship with stimulating economic growth as recommended by the author. With all shortcomings, the study recommends to decentralize development policies with the main focus on the rural areas which require implementation and participation of the rural poor. IGPs need to be encouraged for the empowerment of the rural people which has positive impact on economic growth and related to political economy. A wider survey and examination including factor analysis and structural equation modeling analysis may yield more information on the feasibility of these IGPs was suggested by the author.

**Key Words:** Dynamics of the economy, Economic Growth, Income generating Programs, Entrepreneurship, Political economy, Analysis of Poverty, Informal labor market, Human relations in the enterprise, Shadow Economy.

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### **I) Introduction**

Political economy is serving for the society where as a part entrepreneur using political and economic activities can interact in determining to arrange income for the communities of the society. Ward (2007) argued that "Political economy" takes into account the economic, political, cultural and historical factors that contribute to the growth or the decline of NGOs." "Bangladesh's economy is projected to maintain strong growth backed by sound macroeconomic fundamentals and progress in structural reforms"(World Bank,2019).The economy grew at a rate of 7.86 percent in FY2017-18Ministry of Finance, GOB (2018) In Bangladesh, the population living below the national poverty line dropped to 21.8% in 2018 from 24.3% in 2016<sup>1</sup>.With the effective implementation of different government and non-government development programs poverty rate is declining and the growth of economy is going to be sustainable gradually. Among these programs, income generating programs (IGPs) are vital for the economic growth of the country. NGOs require increasing additional efficient processes, center resting on the mainly feasible forms of enterprise composition, but devoid of behind their main anxiety of looking for advantage the deprived and other under privileged cluster. Gibson (1993). To come out from poverty and fulfillment of basic needs, income generating activities are creating entrepreneurs in the rural areas of the country. An income-generating program (IGP) helps participants to acquire or upgrade vocational skills and enables them to conduct income generating activities. They also stated that IGPs are those vocational continuing education programs delivered in a variety of contexts and which are directed in particular towards those people who are currently not self-sufficient in a modern world that is those persons at or below the poverty line UNESCO (1993). NGOs (Non-Government Organizations) are working to implement income-generating program sand creating entrepreneurship which ultimately helps economic growth of the country. The change maker of a country is tinny and small entrepreneurs. They are working for social development and economic growth of a country. A number of the explanations of a victorious entrepreneur necessitate to be incorporated: enthusiastic; ground-breaking; constant - doesn't obtain no for an answer; imaginative; risk-taker; regulation. Entrepreneurial formation seems to be regaining the economic relevance of previous industrial revolutions Thurik, Wennekers, Uhlaner, (2002).Entrepreneurship is usually identified as the proceeds of preliminary of an innovative business on the base of a definite personality dependent approach, hopeful outlook about fresh ideas and assurance to resolve obtainable requirements to sell the product. The community who puts effort into this fresh business is branded as an entrepreneur. IGPs creates opportunities for earnings through both farm and non-farm activities. But as the participation of the rural people in non-farm activities is much lower, it is necessary to focus on empowering them through greater participation in non-farm activities.

Types of Income generating programs (IGPs) are mentioned below in Table:1:

**Table:1 Types of IGPs**

1. Agriculture
(i) Rice
(ii) Wheat
(iii) Jute
(iv) Potato



(v)	Pulses
(vi)	Vegetables
(vii)	Spices
(viii)	Fruits
(ix)	Bee keeping
(x)	Horticulture
(xi)	Cereal production
(xii)	From lease/ sharecropping
(xiii)	Others
2. Livestock	
(i)	Cow rearing
(ii)	Milk
(iii)	Goat/Sheep
(iv)	Poultry
(v)	Eggs
(vi)	Others
3. Fisheries	
4. Non-farming activities	
(i)	Services/Labour
(ii)	Rickshaw/Van
(iii)	Crafts includes sewing, terracotta, basket making, spinning, knit, woodwork and metal work
(iv)	Small-scale trading comprises of buying and selling at small shop, retailing, hairdressing, tailoring and preparing local food and medicine;
5. Others	

(Source: Computed from literature survey by the author)

Bangladesh's continuous spotlight on rural development over a number of decades has been working to come out of poverty Daily Sun (2019). Rural advancement comprises of policies and processes to allow a particular cluster of community who may be small scale of farmers, the renters, the landless, the deprived men and women who are able to add value when they desire and require for themselves and their family. The rural poor often lack the opportunity make contribution due to the limited availability of work compared to their high population. Bangladesh is trying to develop rural economy but still we are not sure how much progress has been made. Faster and more inclusive rural growth with job creation will require greater agricultural diversification together with more robust rural non-farm enterprise development and they also observed that investment in and expansion of the rural non-farm enterprises (or RNFEs) is a parallel priority for Bangladesh (World Bank, 2016).

Bangladesh is trying to devolve income generating programs that identifies and includes the rural non-farm sector. However, no proper evaluation has been made in Bangladesh to assess IGP's impact on rural areas and how the beneficiaries of NGOs can be benefitted. Normally there is both social cost and social benefit which is important for the rural non-farm sector and helpful

to add micro foundation of macro factors at the national income and encourage a more fairly distributed sharing of that income. Currently 2553 NGOs are in operation but all are not income generating NGOs.<sup>2</sup>All micro credits are not income generating programs as only those who lead to raise the income from different programs. But besides IGPs, there are some various sectors where microcredit is being used for social and political will. Vegetable cluster, fisheries and livestock rearing, computer operating as sources of freelancing, vocational training session, sewing activities are working as a part of income generating projects of NGOs (Ali, et al., 2017).

For the tough dedication of the government to allow women and employ all the potentials of the country necessitate carrying concerning sustainable development (Bayeh, 2016). SDG (Sustainable development goal) -8 refers to promote inclusive and sustainable economic growth, employment and decent work for all. Actually, in a country like Bangladesh at the grass root level it also needs to find out whether IGP helps to achieve SDG-8 by the end of 2030<sup>3</sup>. Asian Development Bank (2019) described that SDG-Target 8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product per annum in the least developed countries in case of Bangladesh 8.1.1: Annual Growth Rate of Real GDP per Capita at Constant 2010 \$ in the year 2000 was 3.9 and in 2017 was 6.2. Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors 8.2.1: Annual Growth Rate of Real GDP per Employed Person at Constant 2011 \$ was 2.4 and 5.3 in the year 2000 and 2018 respectively. For Bangladesh, Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value- 8.5.2a: Unemployment Rate for Age Group 15+, by Sex was 3.3, 3.3 and 3.2 total, female and male respectively in 2000 while 4.4, 6.7, 3.3 respectively in 2017. Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value- 8.5.2b: Unemployment Rate for Age Group 15-24, by Sex 10.7, 10.3, 11.1 against total, female and male respectively in 2000 while 12.8, 16.8 10.8, respectively in the year 2017. Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.5.2c: Unemployment Rate for Age Group 25+, by Sex in 2000 0.9, 0.7, 1.0 and in 2017 2.6, 4.4, 1.8 for Total, female and male respectively. Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education, or training Target 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers; and, by 2025, end child labor in all its forms in Bangladesh. 8.6.1: Proportion of Youth (Aged 15-24 Years) not in Education, Employment, or Training 31.0 in 2005 and 27.4 in 2017. Target 8.7: Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers; and, by 2025, end child labor in all its forms 8.7.1: Proportion of Children (Aged 5-17 Years) Engaged in Child Labor, 2015 5.9 in 2013; 5.2 2013; 6.4 in 2013-total, female and male respectively. Target 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all-8.10.1: Number of Commercial Bank

Branches and ATMs per 100,000 Adults- commercial banking in Bangladesh 6.9 in 2004 and 8.6 in 2017 while for ATMs 0.1 in 2004 and 8.1 in 2017. 8.10.2: Proportion of Adults (15 Years and Older) with an Account at a Bank or Other Financial Institution or with a Mobile Money Service Provider in 2004 was 31.7 and 2017 was 50.1 in Bangladesh.

NGOs are trying to ensure human dignity and develop socio economic stability to their beneficiaries by empowering rural and urban poor and ultra-poor people. As a part of that process Income generating programs of NGOs are offering micro credit and also appropriate credit to reduce the poverty level of this country. But most of which are not friendly to the poor households and at the time of credit refunding, for a large amount of interest and unfriendly credit collection strategy they have to suffer. Now the problem is, as the study stated earlier the proper use of these programs for creating entrepreneur should have to critically analyze so that, the level of involvement in the economic growth with entrepreneur creation can be measured. Further, to promote inclusive and sustainable economic growth, employment and decent work for beneficiaries of selected NGOs these need to be measured. As such the study requires to test the effectiveness of vocational continuing education programs which are delivered in a variety of contexts to those people who are currently not self-sufficient in a modern world (below the poverty line). However, poverty measurement is somehow politically sensitive (World Bank, 1997).

## **II) Research questions**

For the study purposes following research questions are being used:

- Whether beneficiaries who turn to become entrepreneur can earn more after joining at the income generating program rather than before?
- Whether IGPs are helping to fulfill SDG-8's through attaining decent work for the beneficiaries?
- Whether Political economy can lead to economic progress due to IGPs in the rural areas of the country?
- How IGPs can deliver benefits to those entrepreneurs who are earlier below the poverty line?

## **III) Objectives of the study**

Objectives are given below:

- To examine the involvement of IGPs in the process of rising of beneficiaries of the NGOs in Bangladesh.
- To assess the engagement of decent work asper SDG-8 through the IGPs
- To observe whether funds of IGPs are distributed as entrepreneurship was created by those who have recently risen above the poverty line.
- To witness political economy can lead to economic progress due to IGPs in the rural areas of the country
- To provide some suggestions in creating more entrepreneurs with IGPs of NGOs.

#### **IV) Data and Methodology**

The study will apply deductive approach. The study will be based on both primary and secondary data sources. For primary sources, the study will prepare one questionnaire based on the definition of income generating programs of UNESCO (1993) and considering three hypotheses mentioned below. For selecting NGOs, the study will use the IGPs activities mentioned in UNESCO (1993) in which the study will select samples based on the subjective judgment of the researcher rather than random selection. Collection of data of beneficiaries of income generating programs of at least 5 selected NGOs' of the country who must be involved in the process of IGPs and they will be selected randomly provided that they have income generating programs for their beneficiaries who are actively participating in the process of IGPs and also working towards fulfillment of SDG-8. From each NGO, beneficiaries of the study will be selected based on random sampling technique. A two parts of a questionnaire was designed to collect the responses of beneficiaries of five NGOs. These NGOs are based on their active participation in the process of income generating programs. The first part measures demography of the respondents. The second part measures responses of the beneficiaries. The study provided the questionnaires to five NGOs and obtained 53 questionnaires from the respondents out of 60 questionnaires. Following table indicated the name of NGOs, areas of study and also numbers of the respondents.

**Table: 2 NGOs, areas of study and numbers of the respondents**

<b>SI No.</b>	<b>Name of NGOs</b>	<b>Area where the study was done</b>	<b>Respondents</b>
1.	THANGAMAA MOHILA SABUJ SANGHA(TMS)	Chottgram	10
2.	DESHA	Kusthia	11
3.	BASTOB	Narayangonj	10
4.	SANGRAM	Barguna	12
5.	SAJIDA Foundation	Jamalpur	10
	Total:		53

(Source: Prepared by the author)

For primary data collection one questionnaire will be prepared. In the questionnaire besides demography of the beneficiaries, for structured some open-ended questions will be used. Proposed collection of data, coding, tabulation and writing report will be from the period of June 2019 to August 2019. Number of male respondents are 21 while female respondents are 32 people. For the collection of the primary data - the researcher visited following districts: Chottgram, Kusthia, Narayangonj, Barguna, Jamalpur districts in Bangladesh.

Frequency distribution of the respondents which will consider gender, education, monthly household expenditure, household size, number of children, decent job, and poverty line (no. of respondents above poverty line and below). To determine poverty line, the study estimated following manner:

Daily expense (in dollar) = monthly expenditure of family/ (number of household member\*30days\*dollar conversion rate)

For this study the dollar conversion rate is considered as 85 as \$1 = 85 BDT,

Below Poverty Line =  $\begin{cases} \text{Yes} & \text{if Daily expense (in dollar)} \leq 1.90 \\ \text{No} & \text{otherwise} \end{cases}$

Secondary data will be collected from research reports, journals, newspapers, text books, websites, unpublished research thesis and published PhD thesis, Govt. publications and statistical reports of various organizations (Micro credit regulatory authority, Bangladesh NGO Bureau, BNF, PKSF, OXFAM etc.) as indicated in the references. Exact sources will be mentioned. The study will follow strictly ethical considerations. Time period of the entire study is tentatively from June, 2019 to September, 2019. Statistical software such as SPSS will be used.

### V) Hypothesis Testing

Four hypothesis testing will be done. The study will accept or reject the null hypothesis based on findings, which are given below in Table: 3

Table: 3 Hypothesis Testing and Nature of Test

Sl. No.	Hypothesis Testing	Nature of the test
1.	Ha1: Beneficiaries are getting more earnings from the income generating programs after joining.	T stat. test
	H01: Beneficiaries are not getting more earnings from the income generating programs after joining.	-do-
2.	Ha2: IGPs helped to fulfill the SDG-8 for the beneficiaries of the selected NGOs	McNemar Test
	H02: IGPs do not helped to fulfill the SDG-8 for the beneficiaries of the selected NGOs.	-do-
3.	Ha3: IGPs deliver benefits to those people who are below the poverty line	Chi-Square test
	H03: IGPs do not deliver benefits to those people who are below the poverty line	-do-
4.	Ha4: Political economy can lead to economic progress due to IGPs in the rural areas of the country.	Chi-Square test
	Ho4: Political economy did not lead to economic progress due to IGPs in the rural areas of the country.	-do-

(Source: Prepared by the author)

The study will do mean, standard deviation, frequency distribution of the respondents. In a priori model the study assumes that total income before attending IGPs are lower than total income after attending IGP in a year which is assumed to be negative relationship. For hypothesis: 1, the study will determine through t stat. as it is continuous data which will be collected from the questionnaire.

In cases where the study collected data for IGPs who help to fulfill SDG-8 through arranging decent work for the beneficiaries of the selected NGOs and as data were dichotomous the study will test McNemartest. Aforesaid test is a non-parametric test for paired nominal data and applied if one is interested in finding the change in proportion for the paired data. For third alternative hypothesis data were dichotomous for which the study will test chi-square test will be

done. For fourth alternative hypothesis data were dichotomous for which the study will test chi-square test based on gender will be done

## **VI) Literature Review**

Bangladesh, the integrated rural development efforts came with the aim at attaining multi-sectoral effort in 1960s as experiment in Comilla Kotwali Thana (Momin 1987). Inside the restriction of the formal and informal institutions of rural Bangladesh, credit programs have options about whether or not, and how to, empower women borrowers (Ackerley 1995). In Bangladesh microcredit reduces poverty, a much hoped for possibility. Agricultural and non-agricultural segments of the rural economy, evaluating the significance of the rural non-farm activities inside the multifaceted income approaches which was taken up by rural domestics in the developing countries and their association with poverty and inequality (Roodman, & Morduch 2014). Policy issues and challenges faced by the Central Asian countries in trying to strengthen their *income* and also in implementing income and employment generation programs (UNESCAP 2005).

Current discourse on microfinance, with its exclusive focus on innovations in financial products, is important. Successful NGOs are those that offer quality entrepreneurial skills with adequate knowledge of doing businesses (Abed and Matin, 2007). NGOs are increasing to importance on the beginning of their forces as local, grassroots-level expansion organizations contribution the possible for ground-breaking bottom-up schedules dazzling the requirements and wishes of local group of people and underprivileged group (Banks and Hulme, 2012). Tremendous economic development of the country in recent years, Bangladesh is still a very poor country with an estimated 47 million people living below the poverty line. In recognition to this challenge the government has adopted a long-term development strategy under Vision 2021 and has set solid development targets to be achieved by 2021. If these targets are achieved Bangladesh is to transform from a low-income country to a middle-income country by 2021 (Ahmed 2012).

Deepika and Pandey (2015) depicted that "The MSME i.e. Micro, Small and Medium Enterprises is an important part of the economy which contribute in the growth and development by creation of job opportunities ,developing industrial infrastructure and encourage entrepreneurial development through market encouragement and financial support to entrepreneurs."

Health improvement programs must be implemented, monitored and evaluated (Buettgenet et al. 2015). NGOs are playing a key role in achieving SDGs 1 (No Poverty) and SDG 5 (Gender Equality) (Ali, et al. 2017). Poverty reduction efforts may be strengthening further by supporting activates of smaller NGOs (Razzaque, 2010). "Widening of income inequality has not worked and obstacle to poverty reduction in rural Bangladesh because microcredit has served to decouple consumption distribution from income distribution by increasing the scope for consumption smoothing, and it is the distribution that matters poverty (Osmani, and sen 2011)." Unskilled workers significantly prefer permanent migration over temporary on (Sengupta 2013). Microcredit driven livestock projects implemented in Bangladesh, have a tendency to become a microcredit project first and then a livestock project (Iqbal, et al. 2011). Given pervasive poverty, malnutrition and unemployment in Bangladesh, it is quite logical that the public development strategy includes programs to generate employment, especially among the poor (Khuda 2011). They require to offer investors with a least amount financial profitability might show the way



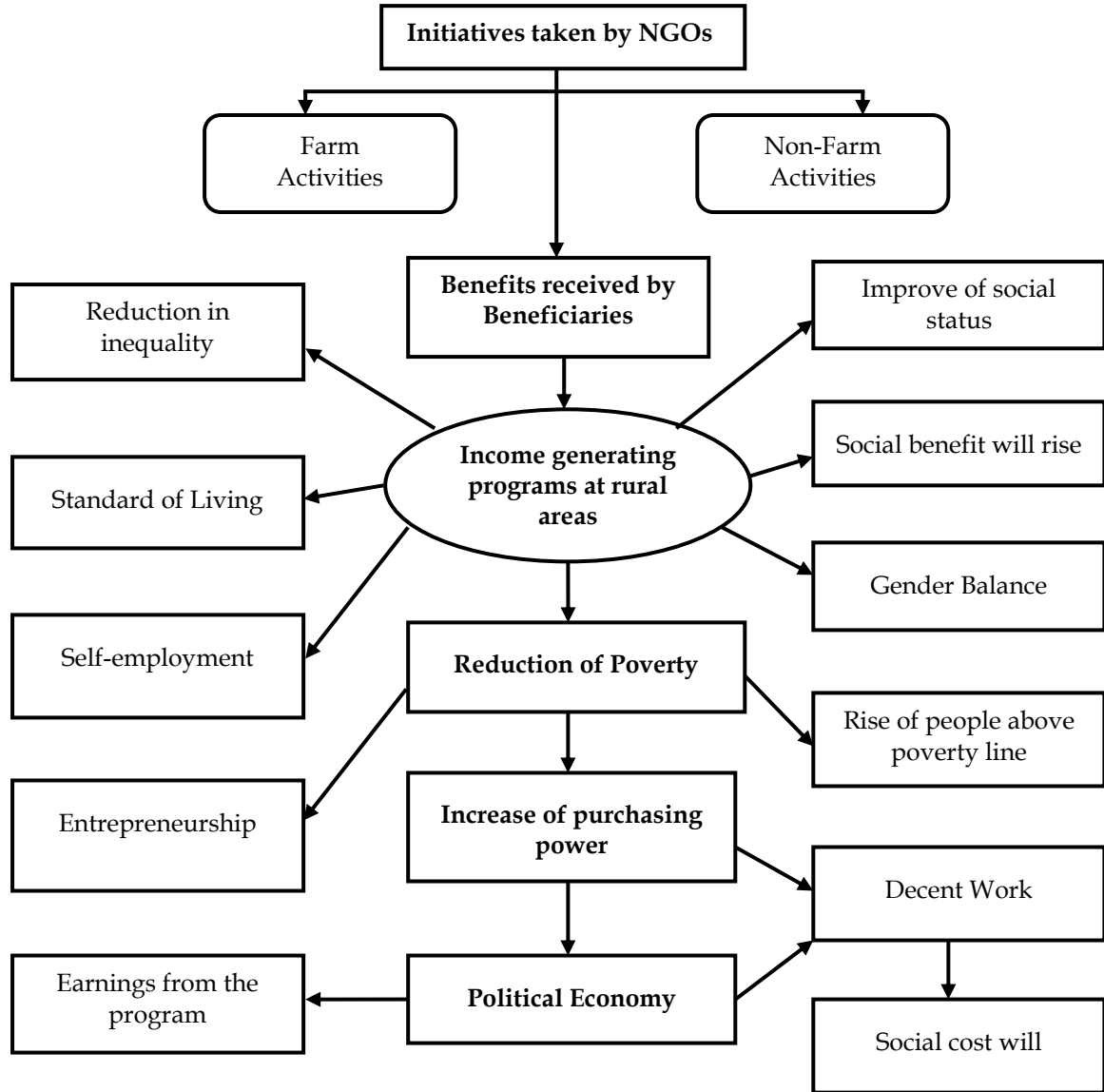
micro financial institutions to reorganize their method of choose schemes for funding and to move toward the management technique of commercial banks (Bangoura 2012).The most important business success variables are the entrepreneurs' reputation for honesty and friendliness and social skills and good customer service were also cited as critical success factors (Benzing et al. 2008). Income and non-income indicators of poverty, as well as improvements in GDP (both in terms of levels and decreasing volatility), provide evidence of sustained poverty reduction in Bangladesh. (Sen, Mujeri and Shahabuddin 2007).

Rural non-farm employment of the poor tends to be the low-paid nonfarm equivalent of semi-subsistence farming (Reardon, Berdegue and Escobar 2001). The current per capita GDP Growth Rate of 6 % per annum is not sufficient to achieve the SDG targets set to be achieved by 2030. Greater economic contribution through higher employment opportunities, job creation and income generating programs which gives the scope for self-employment is necessary for sustainable development (Mujeri 2016). Generating projections to add in non-farm performance all through enterprise of small and medium industries, predominantly agro-based industries in the rural areas are being required (Salam, Bauer and Palash 2019). Salahuddin (2001) states that occurrences demonstrate that in the rural locality the poorest households be seriously reliant on female income. Political costs, economics costs and legal costs are very much involved in the income generating programs.

“Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.”<sup>4</sup> This may lead to earnings from the IGP. Rise of people above poverty line: The World Bank currently sets the international poverty line at \$1.90 per day.<sup>5</sup>

From the aforesaid literatures the study observed that the aforesaid researchers did not describe role of income generating projects of NGOs in economic growth, and did not observe that beneficiaries are getting more earnings from the income generating programs after joining or not; whether beneficiaries are getting decent job i.e. tends to fulfillment of SDG-8 and whether IGP's delivered to those people those are below the poverty line. From the literature review, the study observed that most of the literature review did not consider the impact of IGP's on also is to increasing the economic growth in Bangladesh. But studies on political economy of income generating programs of NGOs are required to determine. The respective NGOs beneficiaries. Rather most of the researchers are considering NGOs performances in crowd funding, microcredit financing, funding of NGOs, impact of microcredit program on rural women of Bangladesh, involvement of NGOs in socio economic development. Creation of entrepreneurs of a small level to ensure the best possible utilization of their existing resources and capacities and whether these provides integrated support to improve income level, getting decent work and to come out from the vicious circle of the poverty as IGP's are given to the people who are below poverty line.

**VII) Conceptual Framework**



(Source: Drawn by the author)

**Figure:1** Conceptual Framework of the study

**VIII) Specification of the model**

The study provided the questionnaires to five NGOs and obtained fifty-three questionnaires from the respondents. In a priori model, the study assumed that total income before attending IGPs are

lower than total income after attending IGP in a year which was assumed to be negative relationship. As such alternative hypothesis will be: Beneficiaries are creating earnings from the income generating programs. For the aforesaid alternative hypothesis, the study will test the t stat. as it is continuous data which will be collected from the questionnaire.

In cases where the study collected data for IGPs which helped to fulfill SDG-8 through arranging decent work for the beneficiaries of the selected NGOs and as the data was dichotomous the study will test the chi-square test. For third alternative hypothesis i.e. IGPs deliver benefits to those people who are below the poverty line the study determine the poverty line based on standard procedure. However, the data was dichotomous for which the study will test chi-square test. Further the study also did McNemar tests which is a repeated measures version of a chi-square test of independence in case one hypothesis.

### IX) Estimation procedure

Besides frequency distribution, mean with standard deviation of the quantitative analysis, the study will do t-test stat. for hypothesis 1(Ha1) at 95% confidence interval while for other two hypotheses i.e Ha2 and Ha3 the study will do chi-squared test. Frequency distribution of the respondents which will consider gender, education, monthly household expenditure, household size, number of children, decent job, and poverty line (no. of above and below respondents). To determine poverty line, the study used to estimate following manner:

Daily expense (in dollar) = monthly expenditure of family/ (number of household member\*30days\*dollar conversion rate)

For this study the dollar conversion rate is considered as 85 as \$1 = 85 BDT,

Below Poverty Line =  $\begin{cases} \text{Yes} & \text{if Daily expense (in dollar)} \leq 1.90 \\ \text{No} & \text{otherwise} \end{cases}$

### X) Analysis of the Results

**Table: 4 Frequency distribution of the respondents**

Variable	Categories	Frequency	Percent
Gender	Male	21	39.6
	Female	32	60.4
Education	can sign only	12	22.6
	up to Class 8	26	49
	SSC or more	15	28.4
Monthly household expenditure	<BDT10000	12	22.6
	BDT10000 -- 20000	22	41.5
	BDT20000 - 30000	7	13.2
	>BDT 30000	12	22.6
	Mean with standard deviation	33716.98 ±45311.90	

Household size	3	7	13.2
	4	21	39.6
	5	15	28.3
	>=6	10	18.9
	Mean with standard deviation	4.62	
number of child	1	10	18.9
	2	25	47.2
	3	10	18.9
	>=4	5	9.4
	Mean with standard deviation	2.22± 0.93	
Decent Job	Yes	43	81.14
	No	10	18.86
Poverty line	Below poverty line	34	64.2
	Above poverty line	19	35.8
Political Economy and Economic progress due to IGP	Yes	33	62.27
	No	20	37.73

(Source: Computed by the author)

From the table:4 ,the study observed Frequency distribution of the respondents .It indicated that gender of the male were 39.6% while female were 60.4%.In case of education of the respondent 22.6% can sign only while up to class Eight study were only 49% and SSC or more were 28.4 % .Monthly household expenditure less than BDT ten thousand were only 22.7% while in between BDT 10,000 and 20,000 were 41.5 % .Mean with standard deviation were in between 33716.98 and 45311.90 .This indicated that monthly household expenditures dispersion from the mean were significantly varied.

Household size of three were 13.2% while four persons will be 39.6 percent and more than or equal to six persons were 18.9%. Mean with standard deviation were 4.62.No. of child was 18.9% while two were 47.2 percent and three were 18.9 percent and more than or equal were 9.4 percent. Mean with standard deviation was 2.22 and 0.93. Decent job was supported by 81.14%while not supported by 18.86percent. Below poverty line were 64.2 percent while above poverty line were 35.8 percent. Political Economy and Economic progress due to IGP was supported by 62.27% out of which 11 male and 22 females while disagreed by 37.73% out of which 10 male and 10 females disagreed.

Ha1 refers to Beneficiaries are getting more earnings from the income generating programs after joining which estimated result was given in Table: 5(a, b). In Table: 5(a) the study showed paired sample statistics while Paired Samples Test in 5(b).

**Table:5 (a) Result of Hypothesis: 1**

**Paired Samples Statistics**

	Mean	N	Std. Deviation	Std. Error Mean
total income before attending IGP in a year	742322.23	53	1579067.74	216901.63
total income after attending IGP in a year	969498.0189	53	1613052.13050	221569.75032

**Table:5 (b)**

**Paired Samples Test**

	Paired Differences					t-stat	No. after deducting df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
income before attending IGP in a year - total income after attending IGP in a year	-227175.79	665841.14	91460.31	- 410704.342	- 43647.24	-2.48	52	.016

(Source: Computed by the author)

From the table:5(a,b), t-stat. we observed beneficiaries are generating income from income generating programs t stat. is 2.484 (p value: 0.016) which is significant at 5% level of significance. As such alternative hypothesis is accepted. As such the study can said that beneficiaries are getting more earnings from the income generating programs after joining.

Ha2 refers to IGP's helped to fulfill the SDG-8 for the beneficiaries of the selected NGOs which estimated result was given in Table:6(a,b). Now result of the Hypothesis:2 is given below:

**Table:6 (a) Result of Hypothesis: 2**

	Frequency	percentage
Decent job before IGP	35	66%
Decent job after IGP	43	83%

(Source: Computed by the author)

**Table:6(b) Result of Hypothesis: 2**

Decent job before IGP	Decent job after IGP		McNemar
	No	Yes	P value
No	7	10	0.039
Yes	2	33	

(Source: Computed by the author)

Since the p value is 0.039 (<0.05), the number of has increased after attending IGP among the participants as the before and after attending IGP, the percentage of working decent job was 66% and 83% respectively. That is IGP's help the beneficiaries of the NGOs to achieve SGD 8.

Ha3 refers to IGP's delivered benefits to those people who are below the poverty line, which estimated result was given in Table:7

**Table:7 Result of Hypothesis: 3**

**Status of participants in IGP based on poverty line**

	Observed N	Expected N	Residual	Non parametric Chi square	P value
Below poverty line	34	26.5	7.5	4.245	0.041
Above poverty line	19	26.5	-7.5		
Total	53				

(Source: Computed by the author)

The table:7 indicated that Chi square value is 4.245 and the p value is 0.041 (<0.05), so status of participants in IGP based on poverty line was found significant association. As such IGP's delivered to those people who are below the poverty line were agreed. The study observed that alternative hypothesis was accepted. This implies that beneficiaries of the IGP's can access to have better livelihood, can attain decent work and come out of the below poverty equilibrium trap.

Ha4 refers to political economy can lead to economic progress due to IGP's in the rural areas of the country. The estimated table is shown below in Table:8

**Table:8 Result of Hypothesis: 4**

	Political economy can lead to economic progress due to IGP's in the rural areas of the country.	Political economy did not lead to economic progress due to IGP's in the rural areas of the country.	Chi Square Stat. and p value	Chi Square Stat. with Yates correction and p value
Male	11	10	1.4459 (.229182 as such not significant at p<.05)	0.8332 (.361356 as such not significant at p<.05)
Female	22	10		

(Source: Computed by the author)

The table:8 indicated that Chi square value is 1.4459 and the p value is .229182 ( $>0.05$ ). The study also did Yates correction and found that Chi square value is 0.8332 and the p value is .361356 ( $>0.05$ ).

So, Political economy did not lead to economic progress due to IGPs in the rural areas of the country. The study observed that null hypothesis was accepted. This implies that political economy cannot lead to economic progress due to IGPs in the rural areas of the country were agreed. This implies that greater incentives for innovation and entrepreneurship through the IGPs have been arranged in the village of the country which in turn develops the local economies in Bangladesh but political motivation is being required to improve further enhancement of the economy. As such entrepreneurship development needs to go-ahead through using both social and emotional intelligence which in turn can make acquainted with the politically strong minded recognized framework within which it performs and need to be formalized from informal sector for which strong political will is being needed.

### **XI) Discussions**

The recipients of non-farm activities are achieving the succeeding participation in the IGPs. Political economy of the country has tremendous influence on income generating programs to access in the economic main stream. But mostly it is done in the informal sector. This may help the rural poor beneficiaries enhance their social status and lead to rise of social benefit. All the way through they may generate earnings, develop skills, increase of abilities and may be better off than previous situation before engaging with the IGP. As a result of this improvement in social status, social benefit will rise while social cost will decline. This will result factor as a favorable business setting towards advancement, enterprise development, and economic growth have been feasible.

IGP generally have given more priority to the women than men as they are economically venerable position in the rural areas and so that women can ensure benefit of no gender discrimination. Equal benefits and costs are shared by all beneficiaries irrespective of their gender. Higher priority is given to poor widowed women with children when allocating IGPs as men are more capable to earn by other sources. Thus, a gender balance is required to be maintained.

Through job creation and development of entrepreneurial skills via participation in IGP the poor beneficiaries are able to achieve sustainable earnings from the programs and lift themselves up from the poverty line. As such purchasing power will rise. Thus, the standard of living rises, which is the key to achieving economic sustainability.

IGP may create self-employment for the beneficiaries by giving them loan to start their own income generating activities and as the IGP is supposed to be compliant with a no discrimination policy, ensuring equality for all they are aimed at reducing inequality in all forms among their beneficiaries. For this IGP may lead to entrepreneurship creation as self -employment opportunity rises, standard of living increases.

From the analysis of the results, the study observed that beneficiaries are getting more earnings from the income generating programs after joining; IGPs helped to fulfill the SDG-8 for the beneficiaries of the selected NGOs who were closely associated; IGPs delivered to those people who are below the poverty line as theorized. Political economy can lead to economic progress

due to IGPs in the rural areas of the country. This has positive impact on the villages of the country for economic growth. NGOs are arranging training for the beneficiaries of the IGPs which are quite necessary. The shadow economy is working in the rural areas of the country where economic activities are involved in the informal labor market. Therefore, the government cannot take taxes which need to be paid. When after coming out of the vicious circle of poverty line through IGPs, as per, rule taxes should have been paid by the entrepreneurs. IGPs can act as a note worthy situation at the rural areas through reducing joblessness dilemma. Job prospects and rising of earnings for the rural people are rising in the informal sector as higher income level after joining the program by the beneficiaries are feasible. By engaging in decent work through involvement in the process of IGPs those who are below poverty line can be better off as per practical implications of Pareto optimal theory. Earning members of the households involved in the IGP do have prospect for job or self-employment opportunities.

Disguised unemployed are gradually involved in the process of nonfarm activities. Though informal sector, but positive impact on channeling saving -investment in the earnings, multiplier effect was seen. As a resultant factor, these rural communities can take variety in their labor forces seeing that glowing as grounds of positive returns. Policy makers need to give additional importance on non-farming activities. Question of sustainability in the long run is a challenge as beneficiaries must be aware of cost cutting technique such as rearing of a cow at high cost but effort may go in vain if they fail to sell the cow during the Eidul Azha, thus he/she may incur losses.

Majority of the rural people don't have knowledge or skill for nonfarm activities which needs at least some sort of trainings for doing IGPs program. While talking with the NGOs, their officials claimed that they train the recipient before providing money. "Pull" and "Push" factors should contribute simultaneously to get decent job through demand pull for employing job and pressure from the unemployed side to get job as a push factor which will help them to come out from the poverty. Financial access to the underprivileged can be attained through income generating programs.

Diverse expansion and consciousness connected with plan and actions of NGOs in Bangladesh is participating a very important function in humanizing existence approach, lift consciousness concerning exact plus surroundings, dropping deficiency of rural populace. It was found that IGPs delivered to those people who are below the poverty line. Jobs must be created at the rural areas under local level planning. IGPs have indeed improved the lives of the beneficiaries by allowing them to engage in the entrepreneurial farm and non-farm activities and thus create earnings and develop skills. Rural expansion needs an integrated policy framework to facilitate an exact cluster of community at the rural areas to add value while they desire and require establishing welfare of the society by the policy makers of the country. After coming out of the vicious circle of poverty line through IGPs, entrepreneurs who are capable need to pay taxes. Rural progress strategies often need to consider the function of countryside non-farm activities and their linkage with cultivation. Knowledge gap between non-farm activities and their linkage with cultivation has been reflected in the rural areas while data collection was going on as there is no guiding principle which is familiar with and comprise of the countryside non-farm area. There is a social cost which may be higher than that of social benefit as a result of smaller magnitude of non-farm work in rural areas. Diminishing of rural-urban relocation is needed. Most of the rural



people's perceptions are to migrate to the district towns especially at the Dhaka city for getting better jobs. Their desire to migrate from rural areas to the urban sectors increases the pressure on the already densely populated city, which needs to be stopped. Decentralized development policies with main focus on the rural areas require to be implemented and participation of the rural poor on IGPs need to be encouraged. Those who are involved with the process of IGPs, need fund to start a tinny or small business activities in a systematic manner. As such when they desire to connect them in non-farming actions, they require to be trained up by the NGOs which will provide them fund and they also require entitlement to financial inclusion which may work in the informal sector. NGOs and rural bank branches can also engage intended entrepreneurs through training and permit them simple right of entry to economic activities even at a tinny, micro or small area.

Earnings from the agriculture sector are not sufficient to allow the rural populace to keep savings. Financial weakness is another factor that hinder while investing in a new sector due to shortage of fund. However, economists have identified this as a capacity to make use of this great deal of inhabitants for coming out from the pauperization process or even not becoming part of the marginalization process. Digitalization processes at the rural areas are being benefit for the local community. Though digital technologies are increasing productivity by aiding the rural workers, we must make sure over dependency on technology doesn't arise and automation does not take over the jobs of manpower. However, trained manpower is requiring for further enhancement of the digital progress and it may also be included to IGPs so that poor people can earn more after getting training in the field of techno-entrepreneurship. IGPs may encourage the beneficiaries to invest in technologies that would enable them to be more productive and generate higher earnings.

## **XII) Implications**

Policy makers should utilize political economy to take steps for rural non-farm actions to improve the efficiency and add to the relationship with practitioners with the nature and expansion of rural non-farm enterprises. Activities of IGPs should include rural non-farm activities by tinny, small, mid-level firms in the formal and informal sectors. NGOs are taking activities to expand skills so that they can be capable to discover non-farming actions as a substitute of agriculture for their occupation. Furthermore, the study wants to provide following recommendations: decentralized development policies with the main focus on the rural areas which require implementation and participation of the rural poor. IGPs need to be encouraged as they helped to create new entrepreneurs in the informal sector and assisted for empowerment of the rural people. At present people are working in non-farming actions at a tinny scale but enormous jobless populace is there who might be working in this segment. NGOs and rural bank branches as well as Government organizations should come forward with holistic approaches to develop the rural poor and rural non-farm actions, but their actions still necessitate supplementary harmonization to get better competence, effectiveness and long run sustainability. Respondents revealed their better economic situation like higher monthly earnings and monthly spending. NGOs should reduce interest rate so that taking loans for income generating activities becomes much easier for the rural people. The loan allows beneficiaries to become entrepreneurs, e.g. through non-farm activities such opening their own tea shops. NGOs can extend their service

in more remote areas where as bank branches can't operate. They also can provide all kinds of financial services which can facilitate rural entrepreneurial activities.

Substantial promotional work on farm and rural non-farm activities need to be done by NGOs and their behavior demanding supplementary coordination with government institutes to recover efficiency and keep away from replication. All earnings actions need to be bound for towards supportive. Individuals' skills were unable to set up themselves, because they lack of credit, seed money, startup cost, crowd funding, business techniques and appropriate implementation process. Empirical evidence shows that IGPs helped to ensure increase of earnings as well as decent work at the rural areas. Non-farm work's contribution and its impact in the expansionary process at the rural areas, and household are fairly responsive of income, consumption and savings along with sustainability. The function of farm and non-farm actions in earnings leads to decrease poverty at the rural areas.

### **XIII) Agenda for further Research**

A wider survey and examination may yield more information on the feasibility of the political economy of IGPs and more NGOs which provide IGPs and their beneficiaries should come under the purview of the research work. But if at least one-year time can be managed and sponsorship/financial assistance can be obtained then more in-depth research work can be done. In future study may be done on, whether recipients of the fund from the IGPs utilize the fund properly or diverted to other activities. Wider investigation may be required as well as to evaluate whether high rate of interest charged by the NGOs can help sustainability of the beneficiaries or not. Including factor analysis and structural equation modeling analysis may be done with large number of data set. Furthermore, a more comprehensive study needs to be taken to find out whether IGPs prevent or allow Dutch disease or not in the economy. The overall contribution of IGPs to the development of Bangladesh can be evaluated through a more comprehensive study.

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