

WORKING PAPER

Volume **2009** Number **339**

Thinking Big, Going Global:  
The Challenge of BRAC's  
Global Expansion

Naomi Hossain and Anasuya Sengupta  
December 2009

### **About IDS**

The Institute of Development Studies is one of the world's leading organisations for research, teaching and communications on international development. Founded in 1966, the Institute enjoys an international reputation based on the quality of its work and the rigour with which it applies academic skills to real world challenges. Its purpose is to understand and explain the world, and to try to change it – to influence as well as to inform.

IDS hosts five dynamic research programmes, five popular postgraduate courses, and a family of world-class web-based knowledge services. These three spheres are integrated in a unique combination – as a development knowledge hub, IDS is connected into and is a convenor of networks throughout the world.

The Institute is home to approximately 80 researchers, 50 knowledge services staff, 50 support staff and about 150 students at any one time. But the IDS community extends far beyond, encompassing an extensive network of partners, former staff and students across the development community worldwide.



For further information on IDS publications and for a free catalogue, contact:  
IDS Communication Unit  
Institute of Development Studies  
at the University of Sussex  
Brighton BN1 9RE, UK

Tel: +44 (0) 1273 915637  
Fax: +44 (0) 1273 621202  
E-mail: [bookshop@ids.ac.uk](mailto:bookshop@ids.ac.uk)  
Web: [www.ids.ac.uk/ids/bookshop](http://www.ids.ac.uk/ids/bookshop)

IDS is a charitable company, limited by guarantee and registered in England (No. 877338).

IDS WORKING PAPER 339

# Thinking Big, Going Global: The Challenge of BRAC's Global Expansion

Naomi Hossain and Anasuya Sengupta

December 2009

Thinking Big, Going Global: The Challenge of BRAC's Global Expansion  
Naomi Hossain and Anasuya Sengupta  
IDS Working Paper 339  
First published by the Institute of Development Studies in December 2009  
© Institute of Development Studies 2009  
ISSN: 2040-0209 ISBN: 978 1 85864 908 0

A catalogue record for this publication is available from the British Library.  
All rights reserved. Reproduction, copy, transmission, or translation of any part of this publication may be made only under the following conditions:

- with the prior permission of the publisher; or
- with a licence from the Copyright Licensing Agency Ltd., 90 Tottenham Court Road, London W1P 9HE, UK, or from another national licensing agency; or
- under the terms set out below.

This publication is copyright, but may be reproduced by any method without fee for teaching or non-profit purposes, but not for resale. Formal permission is required for all such uses, but normally will be granted immediately. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, prior written permission must be obtained from the publisher and a fee may be payable.

Available from:  
Communication Unit  
Institute of Development Studies  
at the University of Sussex  
Brighton BN1 9RE, UK  
Tel: +44 (0) 1273 915637  
Fax: +44 (0) 1273 621202  
E-mail: [bookshop@ids.ac.uk](mailto:bookshop@ids.ac.uk)  
Web: [www.ids.ac.uk/ids/bookshop](http://www.ids.ac.uk/ids/bookshop)

Typeset by IDS, Brighton UK. Printed by Nexus, Brighton, UK.  
IDS is a charitable company limited by guarantee and registered in England (No. 877338).

## Thinking Big, Going Global: The Challenge of BRAC's Global Expansion

Naomi Hossain and Anasuya Sengupta

### Summary

Since 2002, BRAC, a non-governmental organisation (NGO) of Bangladeshi origin, has gone global. It has expanded its programme of 'microfinance plus' (education, health, enterprise support, etc) to Afghanistan, Liberia, Sierra Leone, Southern Sudan, Tanzania, Uganda, and Pakistan. It has established organisations in the UK and the USA to raise funds and its international profile. It is believed to be the largest NGO in Afghanistan, is growing fast elsewhere, and has long been the largest non-governmental entity in Bangladesh. BRAC's global expansion appears to be part of a trend of the 'South in the South', marked by the expansion of Chinese business in Africa, but also, it seems, by new forms of Southern non-governmental organisation transplanted across Southern contexts. This paper explores two challenges of BRAC's global expansion. The first is the challenges BRAC faces as it seeks to break new ground as the first International NGO of Southern origin to take its programme and managerial expertise to other countries. It is an ambitious agenda. A critical challenge is the need to attract financing and carve out regulatory room for service delivery programmes within new political spaces that are sometimes unfamiliar with and unwelcoming of NGOs on the BRAC scale. The second challenge of the title is the challenge to thinking about NGOs in development: discussions about NGOs in development currently emphasise disappointment with their performance, and a withdrawal, including among aid donors and discourses, from their 'magic bullet' heyday of the late 1990s. While BRAC's global expansion is facing challenges, its ambitious expansionary programme counters disappointment around NGOs, raising new questions about the roles of NGOs in development.

**Keywords:** NGOs; international NGOs; Microfinance; Bangladesh; relationships for aid.

**Naomi Hossain** is a Research Fellow in the Participation, Power and Social Change Team at the Institute of Development Studies. She is a political sociologist, with 12 years of research experience in South Asia. Naomi previously worked for the Research and Evaluation Division of BRAC, in Bangladesh, where she established a programme of research on governance. Her main areas of research interest are the politics of poverty and service delivery, gender and governance.

**Anasuya Sengupta** is currently a Research Assistant at the Institute of Development Studies, where she completed her Masters in Poverty and Development in 2008. Her research interests and professional experience include urban child poverty and violence in India. In 2008, she was an intern at BRAC in Dhaka, where she conducted field research on urban children and violence.

# Contents

Summary, keywords	3
Author notes	4
Acknowledgements	6
Acronyms	6
<b>1 Introduction</b>	<b>9</b>
1.1 Background: the new face of aid?	9
1.2 Approach, positionality and limitations	10
<b>2 Going global: the birth of an international organisation</b>	<b>12</b>
2.1 BRAC in growth mode: motives and critics	13
2.2 ‘Southern’ international NGOs: a growing trend?	19
2.3 How BRAC differs from other international NGOs	21
2.4 How BRAC scaled up: the Bangladesh story	23
<b>3 The challenges of going global</b>	<b>32</b>
3.1 Adapting to new contexts: how important is ‘Southern-ness’?	32
3.2 The end of alternatives? New ideologies of action	34
3.3 The aid regime	35
<b>4 Conclusions: graduation or metamorphosis: from NGO to social enterprise</b>	<b>37</b>
<b>References</b>	<b>39</b>
<b>Figures</b>	
Figure 2.1 BRAC budget and share of donor contribution, 1980–2008	28
<b>Tables</b>	
Table 2.1 A chronology of BRAC’s global expansion	15
Table 2.2 A rough typology of ‘Southern’ international NGOs	20
Table 2.3 A chronology of BRAC in Bangladesh	25

## Acknowledgements

Preparation of this paper was made possible through support from the SIDA and SDC-funded Participation and Development Relations (PDR) programme at the Participation, Power and Social Change Team, for which the authors are extremely grateful. The authors also gratefully acknowledge the generous time and inputs provided by Fazle Hasan Abed, Susan Davis, Sandra Kabir, Martin Greeley, David Lewis and Rabeya Yasmin, including lengthy interviews and follow-up questions and discussions. Particular thanks are due to Imran Matin, who has discussed these issues with the authors over a number of years and encouraged research on the topic, as well as to Martin Greeley, David Lewis and Penelope Mawson who provided valuable detailed comments on earlier drafts. Many thanks also to Mahbub Hossain, the Executive Director of BRAC, who encouraged the authors to be 'as critical as possible'. All errors remain those of the authors.

## Acronyms

ALP	Alternative Learning Programme
ALREP	Alternative Livelihood Rural Finance Programme
BEOC	Basic Education for Older Children
BPHS	Basic Package of Health Services
BRAC	Bangladesh Rural Advancement Committee
BRAC-RED	BRAC-Research and Evaluation Division
CBDRR	Community Based Disaster Risk Reduction
CFPR	Challenging the Frontiers of Poverty Reduction
CGAP	Consultative Group to Assist the Poorest
CHP	Community Health Promoter
CHVs	Community Health Volunteers
DevPro	Development Professionals Program
DOSTANGO	donor-state-NGO
EHC	Essential Health Care
ELA	Empowerment and Livelihood for Adolescents
FIDELIS	Fund for Innovative DOTS Expansion through Local Initiatives to Stop TB
FFTIG	Food for Training and Income Generation
FINCA	Foundation for International Community Assistance

HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
IDP	Internally Displaced Persons
ISDP	Infrastructure and Social Development Programme
MISFA	Microfinance Support Facility for Afghanistan
MFIs	microfinance institutions
MoPH	Ministry of Public Health
MoU	memorandum of understanding
MRRD	Ministry of Rehabilitation and Development
NFPE	Non-formal Primary Education
NGO	non-governmental organisation
NSP	National Solidarity Programme
NWFP	North-West Frontier Province
PDR	Participation and Development Relations
SME	small and medium enterprise
TA	technical assistance
TB	tuberculosis
WATSAN	Water Supply and Sanitation
WFP	World Food Programme



# 1 Introduction

## 1.1 Background: the new face of aid?

As the British media uses the term, an ‘aid worker’ refers to an employee of Oxfam, Save the Children or a similarly recognisable brand of international non-governmental organisation (NGO), usually working in emergency contexts in poor countries, and typically European (or English-speaking and white). The kidnapping of an aid worker in Afghanistan in 2007 was resoundingly ignored by the international press, even though the kidnappings of German, Danish, Italian, Canadian and French journalists and aid workers in the same year had been closely covered. The difference for Nurul Islam was that he works for BRAC.<sup>1</sup> And BRAC is not (yet) a recognisable brand of international non-governmental organisation; its staff are neither European, English-speaking nor white.

The issue of national origins, as well as matters of race and culture, are relevant to the story this paper tries to tell. These are not matters that development studies centrally addresses, despite their intrinsic significance in the cross-cultural, racially-charged face-to-face encounter that marks the development intervention.<sup>2</sup> But this paper also covers more conventional terrain of development management, poverty reduction models, finance, scaling up and impact. At the core of the paper is an attempt to grapple with how the unfamiliar issues of national origins, culture and race interact with these more tractable matters of development NGO interventions. It is motivated by the jarring sensation created by BRAC’s expansion to other poor developing countries since the 2000s: if Nurul Islam challenges notions of ‘aid workers’, BRAC more generally challenges development theories of NGOs and civil society.

The purpose of this paper is to offer an account of BRAC’s global expansion, a process underway since the 2000s, and to reflect on what this expansion may tell us about new directions in aid and development practice. The ‘challenge’ of the title is twofold. First, are the challenges faced by BRAC as it seeks to expand its activities to new countries.<sup>3</sup> The account discusses the new kinds of aid and development relationships that might, possibly, be engendered by the interesting fact of BRAC’s Southern origins, as well as the challenges this brings. It also considers the managerial challenges of transplanting managerial systems across contexts, and the impact of the aid regime in the new countries. The second

---

1 An account of the kidnapping of Nurul Islam (written as ‘Noor Islam’) is given in Smillie (2009: chapter 19).

2 Exceptions include Sarah White’s pioneering work on race in development. See also Eyben on aid and relationships (2006).

3 There are now eight programme countries, in chronological order: Bangladesh, Afghanistan, Sri Lanka, Uganda, Tanzania, Pakistan, southern Sudan, Sierra Leone and Liberia. Haiti is being discussed as the next country, and a BRAC programme to tackle extreme poverty is already being replicated there. There are also plans for BRAC UK to work in the UK with Tower Hamlets council in east London, on an initiative to employ community health-workers (along the lines of BRAC’s *Shasthya Shebika* model) (Sandra Kabir, interview, June 2009).

challenge is, perhaps, to current thinking about NGOs and development. The paper discusses BRAC's expansion in light of disappointment with NGO performance in terms of delivering development 'alternatives', framed in one recent account as NGOs having 'hit a wall' (Bebbington, Hickey and Mitlin 2008). While the NGO literature offers some entry points for the analysis of the BRAC case, there is little there to direct attention to the core distinctive aspect of BRAC's expansion: that it is a Southern organisation from a poor country expanding to other poor Southern countries. BRAC may be another instance of the South in the South – a transfer of development knowledge, technology or resources across and between poor countries; it may be a relationship to which Northern institutions and actors are secondary, other than as providers of finance. The many important and interesting dimensions to South-South transfers – as the growing literature on Chinese aid and investment in Africa demonstrates (Rohan and Power 2008) – have yet to be addressed in the NGO literature, most likely because this is such a new development within the NGO world.

The paper is in four parts. The introductory section outlines the approach taken to exploring these issues. The second section gives a brief account of BRAC's global expansion, discussing whether this marks a trend, and how BRAC International differs from other international NGOs. This section also offers an analysis of the elements of the BRAC approach that enabled it to achieve the scale it did in Bangladesh. The third section looks in some more detail at the challenges BRAC has faced in its expansion, reviewing these in light of some debates about NGOs in development. Section four concludes.

## 1.2 Approach, positionality and limitations

This paper was intended to be exploratory, and was motivated by the sense that there was something interesting and new about BRAC's global expansion, and an inability to pinpoint precisely what this was. This means the paper opens up more lines of inquiry than it is able to address, much space necessarily being devoted to documenting the facts of the case. Part of the appeal of the subject is that it forces 'attention to detail and the specifics of power, history and context', as we witness BRAC's attempts to transplant its programmes, honed in one particular set of power relations, histories and contexts to an entirely new setting (Lewis and Opoku-Mensah 2006: 670). The paper could have continued in a tradition of NGO research by focusing very tightly on the organisational dynamics of growth; instead, the paper brings into focus the policy and political context, including relations between donors, the state and NGOs (Tvedt 2002: 2006).

The NGO and civil society literature suggested two areas as of specific relevance. The first was a strong sense of disappointment among scholars and critical civil society practitioners with the performance of NGOs as 'alternatives' (Bebbington *et al.* 2008); in their volume, Bebbington *et al.* use the exact imagery of having 'hit a wall', even while acknowledging that many NGOs still struggle and negotiate to persist with alternative, transformational development strategies. This sense of disappointment is echoed in a shift in donor interest away from civil society in the 2000s (Lewis and Opoku-Mensah 2006). This shift reflects some disappointment with respect to the impact of aid to NGOs, as well as the rise of the security

agenda, which has meant reduced support for the liberal human rights agendas of civil society in developing countries (Howell *et al.* 2008).

The second issue is, broadly, that of NGO ‘transnationality’. This includes insights into how the emergence of ‘global civil society’ has re-shaped the role of NGOs within international development discourse (Townsend 1999). Mawdsley *et al.* document the surprising rapidity and ease of transfer of ideas and language across NGOs in the south (2002). It seems possible that ‘transnationality’ has supported – and perhaps motivated – BRAC’s expansionary project. There is some reference also to the phenomenon this paper aims to explore – that of Southern organisations expanding their activities internationally (Bebbington *et al.* 2008; Hulme 2008).

Transnationality is certainly relevant to the BRAC story, particularly if, as seems to be the case, BRAC is merely an unusually large and prominent example of a trend for ideas, technologies and resources to be transferred between Southern countries. It is less easy to see how a story of disappointment around the role of NGOs can apply to the present BRAC strategy; alternatively, it could be asked whether BRAC has succeeded in breaking through the wall of NGO incapacity. If so, why?

To tackle this question it is necessary to revisit, briefly, the question of BRAC’s ‘success’. It is beyond the scope of this paper to undertake a meaningful analysis of impacts on income poverty, health and education, or of how their interventions have shaped accountability in public service delivery. Overall, the paper avoids a strongly normative position on the question of ‘success’ in this sense; in this it hopes to avoid what Tvedt has roundly criticised as ‘a history of NGO activism, producing ideology in favour’ of NGOs (2006: 679). Instead, the paper concentrates on the question of why BRAC achieved what it has. This entails a focus on management, including the management of expansion, and learning and innovation, but also takes into account the issue of political space, which is always in effect an issue for BRAC because of the sheer size of its ambitions.

This paper was motivated by the desire to tell – and explore – a story of change in the real world on which to date no narrative structure or theoretical construct had been imposed. It is, nevertheless, a partial account in two senses. First, there is limited documentary evidence on BRAC’s global programmes to date.<sup>4</sup> This partly reflects the fact of BRAC’s unusual structure, size and orientation, and that, therefore, it merits being treated as a unique outcome of its particular historical and personal circumstances, rather than as a ‘hybrid’ type of organisation, a treatment that would contribute to learning from its ‘positive deviance’, instead of trying to pigeonhole it within a pre-set managerial category (Biggs and Lewis 2009). But perhaps because there has been so little attention to the issue, no independent critical literature on the specific issue of BRAC’s international programmes could be identified.

---

4 One journal article on BRAC Afghanistan (Chowdhury *et al.* 2006) explores the transfer of a development model from one poor developing country to another. Smillie’s (2009) book-length account of BRAC briefly documented the global expansion. A number of articles in the international print media, and in American business journals have also been published.

Second, the authors of the paper are both partial insiders to BRAC, as well as Bengalis. This predisposes both authors towards appreciation of the achievements of this Bengali-origin organisation. It also afforded the authors some insights from the position of having worked in the organisation, which permitted more first-hand experience of the constraints and rewards of the organisation than any amount of survey work could generate. This positions the research within a 'tradition' of close identification with the NGO being researched; while the present paper may not have entirely avoided the pitfalls of 'over-identification' with the NGO concerned, it is approached from a reflective awareness of our own biases (Lewis and Opoku-Mensah 2006: 670).

Third, as exploratory research, no primary field research in BRAC International Programmes was undertaken. The focus is on the views of senior management, and not the perspectives of field staff or beneficiaries. The paper draws on the following sources:

- Purposive interviews with BRAC Bangladesh and BRAC International managers, as well as long-term observers of BRAC
- Firsthand experience and observation of BRAC programmes in Bangladesh and Afghanistan. This included substantial interaction with management staff over a four year period (2004–2008) and previous discussions with international programme staff about the expansion experience
- Organisational material (annual reports, website material, research and evaluation outputs)
- Other secondary literature, including blogs from visitors to the BRAC International programme, academic and policy studies and documentation.

## 2 Going global: the birth of an international organisation

At the time of writing, in June 2009, BRAC International as a formal entity has just been established. This brings the organisational members of the BRAC group to 11: the eight 'new' countries that comprise BRAC International (Afghanistan, Liberia, Pakistan, Sierra Leone, Sri Lanka, Southern Sudan, Tanzania and Uganda), the parent Bangladesh organisation, where the Head Office remains, and BRAC UK and BRAC USA, both of which are primarily geared towards communications work and/or fundraising. Each new country organisation is also registered under the various national legal frameworks in place. The Board of BRAC International had recently met, and was beginning to develop the systems and practices through which BRAC International would be governed and managed. As the CEO of BRAC USA put it, they were involved in 'midwifing' the new organisation into life.<sup>5</sup>

---

5 Interview with Susan Davis, 24 June 2009.

## 2.1 BRAC in growth mode: motives and critics

Why is BRAC going global? It is difficult to get a very clear understanding of the full range of motivations behind taking BRAC to an international stage. One way of looking at the question is to reverse, and it to ask: why should a Southern NGO not do what large Northern NGOs take for granted? F.H. Abed, the founder and chairperson of BRAC, recounted how at a high-level international meeting, the former Prime Minister of Canada had asked: 'so has BRAC finished all the work in Bangladesh? Why is Abed going to Africa?' to which the former Prime Minister of Sri Lanka had responded, 'Do you think Southern NGOs can't go anywhere else? Is it only Northern NGOs that can go to other countries?'<sup>6</sup>

The clearest reason offered for expanding is confidence that the BRAC approach offers a tested, broad approach to the problems of rural poverty, with management systems flexible enough to adapt to the new country contexts, and with an in-built drive for scale. This confidence has been matched by an expectation that there is some space for BRAC with its ambitions of scale and extensive experience: few of the 'small and beautiful' programmes to tackle poverty in the poorest developing countries have gone to scale.<sup>7</sup> In addition, there was the expectation that fundraising would be relatively easy.

Going global does not appear to have been part of some grand strategy as much as a series of experiences in new country contexts, brought about out of differing circumstances. And it fit within a more generally global outlook, organisationally: in one view, BRAC had always been very open to learning from other country and other organisational experiences, to sharing in turn, and to 'getting the best from the world', including by bringing in non-Bangladeshi staff.<sup>8</sup>

The way the narrative is told by F.H. Abed, the global strategy emerged in fits and starts, with experience and lessons accumulating with each new country programme. The expansion started with Afghanistan in 2002, with (for BRAC) the advantages of the situation's close resemblance to the post-war refugee work with which BRAC started in Bangladesh, as well as the cultural and religious affinities between Afghanistan and Bangladesh. Another senior manager presented the expansionary motivations as those of a 'social entrepreneur':

*It is a mixture of opportunity and need, just like any entrepreneur. But in our case we look at opportunity and need not only in terms of being able to make money, but in being able to make a social difference. So... I don't think that its because there have been huge calls for support from these countries, you know, that 'come and help us', governments coming and telling us...<sup>9</sup>*

The use of the language of 'social enterprise' is problematic, including that some of its dominant usages are distinctively different from the sense offered in the

---

6 Interview with F.H. Abed and Sandra Kabir, 25 June 2009.

7 Interview with F.H. Abed and Sandra Kabir.

8 Interview with Imran Matin, 29 July 2009.

9 Interview with Imran Matin, 29 July 2009.

quotation above. BRAC does not, for instance, engage in ‘social business’, but sees ‘profits’ as reserves for growth. Similarly, its development projects are not the projects of corporate social responsibility, but its core ‘business’.<sup>10</sup>

The Afghanistan programme was considered a success, and by 2006, BRAC was reportedly one of the largest NGOs in the country. Four key lessons were drawn from this experience, as documented by some of the key actors in BRAC senior management at the time:

- 1 South-South collaboration worked, and that motivated, experienced Bangladeshi development professionals could work successfully with trained local staff to deliver a rapid programme expansion.
- 2 The basic elements of the BRAC development model worked and could be replicated, once adapted to local conditions. In Afghanistan, schools had to be for girls only, and the costs of delivering services were higher.
- 3 The value assigned to a philosophy of scale, to ‘serve as many people as possible’, has been important for staff motivation.
- 4 Resource constraints can be overcome. BRAC Afghanistan initially received a small grant from BRAC Bangladesh and donor funding followed once results were demonstrated.

(Chowdhury, Alam and Ahmed 2006)

For BRAC, the Afghanistan adventure

has been very rewarding. It has confirmed that its development model can be applied elsewhere, to great effect. Based on this positive experience, BRAC is now setting up programmes in east Africa and Pakistan.

(Chowdhury, Alam and Ahmed 2006: 680)

BRAC’s experience with disaster relief and rehabilitation then took it to Sri Lanka after the 2004 tsunami. While there had been no initial plan to remain in Sri Lanka, where the need for BRAC services was deemed less pressing than in other poorer countries, a gap in the microfinance market was identified, and BRAC resolved to stay and to establish its ‘microfinance plus’ programme. BRAC UK followed next in 2006, as did BRAC Uganda with microfinance and a non-formal primary education programme for IDPs in northern Ugandan camps. In 2007, BRAC Tanzania started work with microfinance and a health programme. Later that year, BRAC USA was formed, an MoU was signed with the government of NWFP in Pakistan to deliver a range of services, and credit work in Southern Sudan also started. In 2008, Sierra Leone and Liberia programmes were also started with microfinance activities. Essential health care, education, agriculture and livestock, and programmes for adolescent girls have all been set up across the five African country programmes (see Table 2.1 A chronology of BRAC’s global expansion).

---

10 Many thanks to Martin Greeley for these points.

BRAC's global expansion has its critics; perhaps because this process is not yet very widely known, these have to date mainly been friendly critics. One criticism that has been heard since the early period of expansion is that not only is there still room for BRAC to further its work in Bangladesh, going global jeopardises the management of both the home country programme and the new programmes, as senior staff become increasingly over-stretched. There certainly seems to be truth in the charge that management is stretched, and it is recognised within the organisation. But rapid scaling up also tested the management capacities of BRAC Bangladesh; to some extent, there seems to be a calculated risk that no lasting damage will be done from the rapid extension to new contexts of the responsibilities of senior managers.

While it remains too early to consider the question of the success or otherwise of BRAC's global adventure, it seems clear that parts of the Africa programme have created new challenges, which are absorbing a great deal of senior management energy and time. One is that resources have proven to be a constraint, or at least not being generated as fast to keep pace with BRAC's absorptive capacities. Ongoing conflict and security threats in Afghanistan and Southern Sudan have created significant difficulties for programmes and particularly staff in Afghanistan. However, the BRAC expansion continues apace; new country programmes are scaling up, new funding is being sought, and approaches are being experimented with, some to be discarded, others retained.

**Table 2.1 A chronology of BRAC's global expansion**

<b>2002</b>	<ul style="list-style-type: none"> <li>● BRAC is invited by the Government of Afghanistan to assist in post-conflict reconstruction of the country</li> <li>● BRAC establishes education programmes in Southern Sudan with UNICEF, providing technical assistance in curriculum design and operational management.</li> </ul>
<b>May 2002</b>	<ul style="list-style-type: none"> <li>● BRAC sets up their two main microfinance projects – Microloans and Small Enterprise Loans for women from poor households, assisted by Microfinance Support Facility for Afghanistan (MISFA) and the Ministry of Rehabilitation and Development (MRRD).</li> <li>● The Alternative Livelihood Rural Finance Programme (ALREP) is also set up to create counter the problem of opium cultivation.</li> <li>● Infrastructure and Social Development Programme (ISDP) is set up. The first project – National Solidarity Programme (NSP) in six provinces is set up to assist the Government in strengthening governance at the local community level.</li> </ul>
<b>July 2002</b>	<p>Educational Programme is started in Afghanistan</p> <ul style="list-style-type: none"> <li>● Basic Education for Older Children (BEOC)</li> </ul>

	<ul style="list-style-type: none"> <li>● Non-Formal Primary Education (based on the successful NFPE model implemented in Bangladesh)</li> </ul>
<b>2003</b>	<ul style="list-style-type: none"> <li>● BRAC becomes an active implementing partner with the Ministry of Public Health (MoPH) of Afghanistan, in three provinces for introducing the Basic Package of Health Services (BPHS). The programme subsequently expands to three more provinces.</li> <li>● Becomes a principal recipient of the Tuberculosis and Malaria Control Programme of Global Fund Round 8</li> <li>● Agriculture and Livestock Programme is initiated in 12 provinces</li> <li>● Afghanistan Training and Resource Centre is opened – consisting of training and non-training interventions</li> </ul>
<b>December 2004</b>	<ul style="list-style-type: none"> <li>● In response to the Tsunami, BRAC sets up disaster relief and emergency livelihood programmes in Sri Lanka. After the emergency, BRAC went on to establish microfinance programmes through capacity building of local NGOs</li> <li>● BRAC also agrees to provide technical support to establish microfinance programmes in Aceh, Indonesia, in the aftermath of the Tsunami.</li> </ul>
<b>January 2006</b>	<ul style="list-style-type: none"> <li>● BRAC UK is founded in London, UK, main areas of focus being – programme implementation among diaspora communities in the UK, advocacy for development led by the South and fundraising for BRAC programmes, primarily in Africa.</li> <li>● The FIDELIS (Fund for Innovative DOTS Expansion through Local Initiatives to Stop TB) project is set up in Afghanistan as part of BRAC's Health Programme</li> </ul>
<b>June 2006</b>	<ul style="list-style-type: none"> <li>● BRAC enters Africa for the first time, as it starts the Microfinance programme in Uganda, which now operates in 33 out of 83 provinces.</li> <li>● The Alternative Learning Programme, modelled on the NFPE Programme in Bangladesh, is set up at the request of local authorities to address the urgent need for educational opportunities for out-of-school children in Internally Displaced Persons (IDP) camps.</li> </ul>
<b>December 2006</b>	BRAC establishes the Girl's Education Project in Afghanistan to focus specifically on encouraging enrolment of girls into formal education and increasing literacy rates – which dropped to 15% during the Taliban regime.
<b>January 2007</b>	<ul style="list-style-type: none"> <li>● BRAC starts setting up Community-based Schools in 11 provinces in Afghanistan (till December 2008)</li> </ul>

	<ul style="list-style-type: none"> <li>● As part of the ISDP, Water Supply and Sanitation (WATSAN) Project is set up in 8 districts of Kabul and Badghis province</li> <li>● Community Based Disaster Risk Reduction (CBDRR) Project is set up in Samangan Province in Afghanistan.</li> <li>● BRAC also establishes Microfinance Programmes in Tanzania.</li> <li>● The Essential Health Care (EHC) Programme is set up in Tanzania to provide primary health care services to their microfinance members, their families and wider communities – focusing on Malaria, Tuberculosis (TB) and HIV/AIDS, the reduction of infant and under-five mortality rates, increasing access to healthcare services and improving utilisation of government health services.</li> <li>● As a part of the health programmes in Tanzania, modelled on the <i>Shastha Shevika</i> Model in Bangladesh, women from Microfinance groups are trained to become Community Health Promoters (CHPs).</li> </ul>
<b>March 2007</b>	BRAC starts the Agriculture, Livestock and Poultry Programme in Tanzania. The programme operates through trained agricultural extension farmers and model crop farmers, who are female volunteers from microfinance groups to help other farmers.
<b>April 2007</b>	BRAC takes a historical step by signing the memorandum of understanding with the Government of Pakistan to set up programmes in microfinance, education and health in two provinces – Punjab and North-West Frontier Province (NWFP).
<b>May 2007</b>	BRAC starts a microfinance programme in Southern Sudan, based on the success of its model in neighbouring countries, Uganda and Tanzania. The solid organisational base in Uganda helps to establish its operations smoothly.
<b>July 2007</b>	<ul style="list-style-type: none"> <li>● BRAC USA is officially registered as an independent, non-profit organisation in the USA, for increasing visibility about BRAC's successful community development model in the global North, mobilising resources and building business partnerships.</li> <li>● The Essential Health Care (EHC) Programme is launched in Uganda.</li> </ul> <p>As a part of the health programmes in Uganda, based on the successful replication of the <i>Shastha Shevika</i> Model in Tanzania, women from microfinance groups are trained to become Community Health Promoters (CHPs).</p>
<b>August 2007</b>	BRAC sets up 10 offices in NWFP in Pakistan for the microfinance programme.

<b>2008</b>	<ul style="list-style-type: none"> <li>● Launches an Essential Health Care Programme (EHC) in Southern Sudan, based on the similar model in Uganda and Tanzania.</li> <li>● As a part of the health programmes in Southern Sudan, women from microfinance groups are trained to become Community Health Volunteers (CHVs).</li> <li>● The Empowerment and Livelihood for Adolescent (ELA) Programme, aimed at teenage girls, is launched in Uganda and Tanzania, based on its successful implementation in Bangladesh. This programme focuses on providing income-generation skills and life skills training, and creating opportunities for earning their living. This is operated through peer groups called adolescent development clubs, assisted by microfinance groups.</li> <li>● A regional Research and Evaluation Unit for Africa is established in Kampala, Uganda.</li> <li>● BRAC signs a memorandum of understanding (MoU) with the Uganda's Vice-President's office, reiterating BRAC's role and involvement in the Bonna Bagaggawale (Prosperity for All) initiatives for eradicating poverty.</li> </ul>
<b>April 2008</b>	<ul style="list-style-type: none"> <li>● BRAC launches its own Education Programme in Southern Sudan, with the aim of opening of 1,000 non-formal primary schools within five years.</li> <li>● As an extension of 'microfinance plus'* approach, a pilot agriculture programme is launched in Southern Sudan, while funding is being secured for a greater Agriculture, Livestock and Poultry Programme.</li> </ul> <p>As part of this programme, The Food for Training and Income Generation (FFTIG) project, a combination of food aid and training, was initiated to help households headed by widows. It was an eight month initiative with World Food Programme.</p>
<b>May 2008</b>	BRAC initiates its Agriculture and Livestock Programme in Uganda, which is the most important source of income for women. Its operation is similar to that of Tanzania.
<b>September 2008</b>	MasterCard Foundation approves a two year partnership with BRAC Uganda to scale up the 'Microfinance Plus' approach.
<b>November 2008</b>	BRAC initiates its first programmes in Sierra Leone and Liberia, both post-conflict countries – in Health, Agriculture and Livestock.

<b>2009</b>	<ul style="list-style-type: none"> <li>● BRAC launches a \$15 million poverty alleviation initiative in post-conflict Sierra Leone and Liberia in partnership with the Soros Economic Development Fund, Open Society Institute West Africa, Omidyar Network, and Humanity United.</li> <li>● Microfinance programmes are started in both Sierra Leone and Liberia.</li> </ul>
<b>Ongoing</b>	Technical support is provided to India and Haiti on implementing the Ultra Poor programme of BRAC Bangladesh. Technical support is also given to Microfinance networks in Honduras and Peru.

\* 'Microfinance *Plus*' Approach involves provision of capital for credit in addition to livelihood development services that increases people's abilities to manage and expand their businesses.

## 2.2 'Southern' international NGOs: a growing trend?

One possibility that this paper aimed to explore was that the internationalisation of NGOs of Southern origin marked a growing trend of which BRAC is merely one example. This proved to be difficult to verify, but there are signs of a trend.

### 2.2.1 South-South development organisational expansion

BRAC is not the first such example of a South-South transfer of a development intervention model; the Grameen Bank replication model (through the Grameen Trust and the Grameen Fund) means that it is not even the first example of an organisation of Bangladeshi origin to have transmitted its knowledge, technology and resources to other Southern countries. But this is an example of what David Hulme has called 'institution breeding' as distinct from organisational expansion (Hulme 1990).<sup>11</sup> Among Bangladeshi microfinance institutions (MFIs), ASA has also been developing a replication system internationally, including through technical assistance to some 17 developing countries and the global MFI network being built by ASA International (a limited liability company registered in Mauritius) in Sri Lanka, India, the Philippines, Ghana and Nigeria, with plans to expand to Pakistan, Nepal, Yemen, Indonesia and Afghanistan.<sup>12</sup> Global microfinance networks have been particularly effective vehicles for spreading service provision models developed and refined in poor countries across other poor countries, through networks such as FINCA (Foundation for International Community Assistance) (whose founder is North American).

11 Many thanks to David Lewis for this point.

12 Information from ASA website ([www.asa.org.bd/global.html](http://www.asa.org.bd/global.html); accessed 26 June 2009) and from Martin Greeley (personal communication).

**Table 2.2 A rough typology of ‘Southern’ international NGOs**

	<b>Key features</b>	<b>Examples</b>
MFI replication networks	Learning about microfinance models replicated across developing countries through technical assistance, promotion, loan funds and grants	FINCA, Grameen replication, ASA replication
Diaspora-based organisation	Ethnic and religious minority communities in the developed world financing and staffing programmes in developing countries	MuslimAid, Islamic Relief, Aga Khan Foundation/Aga Khan Rural Support Programme
Decentralised Northern International NGOs	Northern International NGOs shifting the locus of organisational power south	ActionAid
Southern NGOs with offices in the North and other developing countries	Service delivery and advocacy NGOs originating in the South expanding organisationally into other Southern countries	BRAC International

While BRAC is not the first Southern organisation to transfer knowledge or resources to other countries in the South, evidence to support the idea of a trend is not readily available. See Table 2.2 for an initial attempt at typologising Southern international NGOs. Within the microfinance world BRAC’s Southern expansion is unremarkable, because global replication programmes are an established feature of the industry. However, these programmes are often minimalist ‘build-operate-transfer’ or technical assistance models,<sup>13</sup> and do not involve the transfer of full-scale management systems and organisational culture, including trained personnel. BRAC’s activity is distinct from other global microfinance networks in that:

- Unlike the Grameen replication programme, it has not replicated a technology or a model through partner institutions (although the BRAC Challenging the Frontiers of Poverty Reduction (CFPR) programme is also doing that), but through the creation of entirely new organisations. In fact, one explanation for BRAC’s organisational expansion is that it had a somewhat dissatisfactory experience with the provision of technical assistance (TA) to a UNICEF project in Southern Sudan on non-formal education; it was felt then that they might not have been very good at providing TA, and could do a great deal

---

13 Many thanks to Susan Davis for pointing this out.

more if it really got to understand the problems and tried to tackle them in its own way.

- Unlike the FINCA network, the origins of BRAC, including its founder and senior management, are Southern. As will be discussed below, the personal characteristics, including the national origins of staff, have some significance for their relationships.
- Unlike most microfinance networks, the expansion has involved a wide range of development interventions, at least some of which emerge from in-country (donor, government or other) demand. This entails that the BRAC expansion is more significant and complex than the neat sharing of the spare, elegant, globally tested microfinance models.<sup>14</sup> The BRAC model is increasingly being promoted under the rubric 'Microfinance Plus'. BRAC's global expansion, while strongly focused on microfinance, is far from an example of a pure microfinance institution internationalising its model.
- BRAC's global expansion has entailed an organisational expansion, with all the attendant complexities and scaling up of management, human resources, monitoring, research and evaluation that implies.

### 2.3 How BRAC differs from other international NGOs

In organisational terms, BRAC's international expansion resembles what happens when a Northern NGO (an Oxfam, HelpAge International, Plan International etc) expands into new countries, with two caveats. First, international NGOs increasingly work through local partners, rather than seeking to set up their own frontline service provision (Mawdsley *et al.* 2002). This has inevitably led to concerns that the relationship between local and Northern international NGOs has recreated the negative, power-laden dimensions of donor-recipient relations (Bebbington *et al.* 2008). BRAC's strategy is to create entire new frontline organisations in the new countries, rather than to act as brokers for international aid. Such a strategy is hardly problem-free; the numbers of Bangladeshi staff in the international programmes are small, but it is proving hard to retain good local staff in the new countries. Bangladeshis are still being recruited to work in other country programmes; this includes some freshly-recruited staff from Bangladesh, who therefore cannot be presumed to bring the experience which could arguably be claimed as a core component of their advantage in the service delivery market.

A second difference between BRAC and other international NGOs is that many of the latter have moved away from direct service delivery towards 'strategic' high-end policy or rights-based advocacy work since the 1990s. While the rationale, particularly the pursuit of rights-based and pro-poor policy agendas through 'civil society' type pressure activities, may have been sound, the withdrawal from frontline services – from 'doing development' – arguably comes at

---

14 The universal or template nature of microfinance models is testified to by the easy comparability and categorisation of MFIs in the information and other resources offered by the Consultative Group to Assist the Poorest (CGAP) and Mix Market.

some costs to organisational access to people's realities, and therefore organisational capacities to effect a significant difference. A relevant difference between BRAC and other international NGOs here is that BRAC's headquarters are in the same country as their biggest programme, which does not seem to be the case for other international development NGOs.<sup>15</sup>

It is with respect to the issue of the scale and ambition of their field activities – their service delivery – that BRAC management sees the sharpest distinction between its own international programme and those of other international NGOs. In the view of BRAC senior managers, BRAC International is more ambitious than other international NGOs. Some BRAC staff jokingly criticise INGOs as having 'flag-planting' tendencies, by which they mean that country programmes enable organisations to demonstrate that they 'work in X country', but these are in fact so modest in scale and ambition – 'small and beautiful', as Mr Abed ironically described them – as to be able to effect a very small difference for very few people.

It is interesting that in their expansionary move, BRAC did not appear to have considered that in other countries, there may be less space for NGO service delivery, national or international. In interviews with F.H. Abed and Imran Matin, it seemed that the possibility of resistance to NGOs delivering services, for example on grounds of undermining state accountability, had not been fully considered. The situation is different for global microfinance networks, but these appear to have become increasingly distanced from international NGO concerns, perhaps partly in response to new relationships to private sector sources of funding.

It is not that BRAC did not have to work to carve out the space for its programmes in Bangladesh. The joke is that BRAC is 'second government' – a half-admiring dig at BRAC's relentless expansion and diversification. But within BRAC, and among some who have directly observed the effects of their services on public service delivery, there is a belief that these have complemented government efforts through partnerships, 'demonstration effects', serving areas and groups government cannot or will not; possibly also, through competitive pressures on government to expand access to its services (mainly primary education).<sup>16</sup>

In this context it is interesting to consider how BRAC's global expansion may have been affected by the Paris Agenda. BRAC's experience to date appears to suggest that bilateral aid has been less easily available than had been expected, based on the Bangladesh and Afghanistan experiences. This is substantially because of budget support and sector wide programmes, but also because there is less space for NGO service delivery in these new countries than in Bangladesh, always with the caveat of post-conflict zones in which there is more space for effective service delivery organisations.

---

15 Many thanks to Penelope Mawson for pointing this out.

16 Smillie (2009) documents the partnerships around diarrhoea and tuberculosis treatment, as well as the challenges faced by the BRAC education programme in working with government. The rapid growth of BRAC non-formal primary schools in the 1990s has been cited as a competitive pressure on government to widen access to the government education system (Hossain, Subrahmanian and Kabeer 2002).

BRAC International may, then, be spearheading a trend towards the internationalisation of Southern NGO activity which is distinct from, and more extensive than the global MFI networks that have to date dominated the space for South-South development transfers. But there are as yet no close competitors. In its own language, BRAC is confident about its own unique position, a confidence which appears to be based on fundraising achievements to date:

With the success of BRAC USA and BRAC UK, BRAC will be the world's first international development organization initiated and led by people from the developing world with solidarity and support from the developed world.

(BRAC USA website: [www.brac.net/usa/about\\_us.php](http://www.brac.net/usa/about_us.php), accessed 26 June 2009)

This vision statement leaves no doubt that the critical points here are (a) the international dimension; and (b) leadership by the developing world; interestingly, (c) 'solidarity' with the developed world is also an important part of the story.

## 2.4 How BRAC scaled up: the Bangladesh story

The story of BRAC going global makes most sense with some understanding of the scale of BRAC operations in Bangladesh, and the factors behind its expansion nationally. This section will sketch BRAC's history in Bangladesh; readers who require more information may refer to more detailed accounts of BRAC's Bangladesh programme.<sup>17</sup> It should be noted that while BRAC is the largest, there are a number of other big Bangladeshi NGOs, many of which have 'scaled up' for reasons and in ways that resemble that of BRAC, and were enabled by similar factors, particularly the political space and availability of aid (see Zaman 2004 for an account of the scaling up of microfinance in Bangladesh).

BRAC was founded in the war-torn newly independent Bangladesh in 1972, initially as a committee of volunteers trying to contribute to rehabilitation among returning refugees in Sulla in Sylhet district. In the 37 years since its modest beginnings, BRAC has expanded and diversified into a large, complex organisation, covering all 64 districts of the country. The scale and complexity of its operations within Bangladesh make it difficult to capture; Box 2 summarises key highlights in its history.

BRAC currently frames its core approach as 'microfinance plus'. This means that BRAC provides credit and savings facilities, the returns from which support its other social mission. A key feature of this support is the physical infrastructure, human resources and managerial functions the microfinance office can provide. BRAC is by no means the lean credit machine that ASA, for example, has perfected. While there is a Fordist aspect to BRAC, in its homogeneous frontline offices and multi-level monitoring systems, it is a messier and more complex

---

<sup>17</sup> General accounts: Chowdhury *et al.* (2006) on the original motivations for the BRAC Afghanistan programme; Smillie (2009); Lovell (1992); Smillie and Hailey (2001); Chen (1986); DFID BINGO reviews (Thornton *et al.* 2000; Verulam Associated Ltd 2005); World Bank (2006).

organisation than 'pure' microfinance institutions like ASA. This messiness and complexity arises from the layering on to the basic microfinance platform a wide range of social services: livelihoods training; formal and non-formal, pre-, primary, secondary and higher education; sanitation and public health education; primary health care services; rights and legal education, legal aid, and institution-building and coalition-building. It has a large, complex programme for the ultra poor, which aims to tackle the multiple dimensions of the most severe forms of deprivation. Through its commercial activities BRAC provides backward linkages to agricultural inputs and forward linkages with markets. BRAC operates a commercial bank, initially with a small and medium enterprise (SME) focus, but now a widening range of products, including migrant remittance services.

BRAC started developing profit-making enterprises in support of its social mission early on (see Table 2.3). The dairy plant, for instance, was established in order to process and retail milk products from members' cows purchased using micro-credit.<sup>18</sup> BRAC appears to have been moderately effective at generating profits and recycling surpluses in support of its social mission (World Bank 2006). One study concluded that equity considerations were central to BRAC's enterprises, and that these 'often set a price floor even when market conditions change' to protect poor producers; this market distortion 'is justified on equity grounds, given the organization's overall poverty reduction mandate' (cited in World Bank 2006: 55). Widespread criticism has extended to legal challenges to BRAC Bank (ultimately over-ruled by the courts), and includes the implications for reputation, competition and commercial viability:

Relative to other NGOs, BRAC's significantly large portfolio is a manifestation of top management's corporate and business background, a conviction that such deviation from social development efforts is desirable both for the organization and society at large, and the belief that it will contribute to sustainability... A closer look at [BRAC businesses'] financial data suggests that their returns are only modest... The challenge of deficit financing, and in many cases exiting the market, is an important consideration that cannot be overlooked by NGOs contemplating business ventures. What also cannot be eschewed is the perception among many stakeholders that BRAC's wholesome image of an institution representing the poor, and an innovator in social development and empowerment, has been compromised. BRAC and others have deviated from their core objectives by involving themselves in business operations, which may undermine their acceptability and effectiveness, many allege.

(Verulam Associates 2005)

While the financial returns from BRAC's market ventures are limited and may contribute little directly to financing its social mission, profits from its microfinance programme are used to subsidise 'soft' and smaller sized loans for poorer people. In the mid-2000s it was estimated that BRAC loans were on average 40 per cent smaller than those of ASA (World Bank 2006), and a higher proportion were

---

18 See Smillie (2009) for detailed accounts of the origin of some of these enterprises.

reaching the very poor (Verulam Associates 2005: 29). BRAC's for-profit activities are relevant for its current move towards reframing its role as that of 'social enterprise' (see Table 2.3 – A chronology of BRAC in Bangladesh).

**Table 2.3 A chronology of BRAC in Bangladesh**

<b>1972</b> The Bangladesh Rehabilitation Assistance Committee was founded to help returning refugees.
<b>1973</b> From rehabilitation to development. After working with refugees to rebuild their livelihoods, BRAC was renamed Bangladesh Rural Advancement Committee, to reflect its new focus on long term rural community development.
<b>1974</b> First loans provided in the microcredit plus approach, with 300 staff. The programme began to expand beyond Sylhet.
<b>1975</b> Research and Evaluation Division set up.
<b>1975</b> BRAC starts to experiment with different approaches to rural development in Jamalpur and Manikganj.
<b>1975</b> BRAC
<b>1977</b> Member-based village organisations set up.
<b>1977</b> Aarong – retail outlet for handicraft producers – opened.
<b>1977</b> <i>Shasthya shebika</i> (volunteer healthworker) programme introduced
<b>1977</b> First training centre for staff and members established
<b>1978</b> Poultry and livestock activities started
<b>1979</b> Oral therapy extension programme (oral saline) developed.
<b>1980s</b> Business ventures to support BRAC programmes and add value to enterprises of members established, including cold storage facility, printing press, iodised salt factory, tissue culture laboratory, and a cattle breeding station.
<b>1984</b> Pilot TB control project started to complement Government programme
<b>1985</b> First BRAC one-room schools opened in 22 villages
<b>1986</b> Social development programme including training on human rights for women
<b>1989</b> Oral rehydration solution used in diarrhoea cases was reaching 13 million out of a total of 15 million households after a decade of the ORT programme.
<b>1991</b> Women's health development programme established

<b>1994</b> Tuberculosis treatment programme. BRAC implemented the Government TB programme
<b>1994</b> Replication of BRAC non-formal education programmes in Africa
<b>1995</b> Shushasthyas Health centres set up
<b>1998</b> Legal aid clinics
<b>1998</b> Dairy plant to process milk from members' cows. Now processing 70,000 litres per day
<b>1998</b> Programmes extended to indigenous communities in the Chittagong Hill Tracts
<b>1990s</b> Scaling up: microfinance, health, education and social development programmes scaled up to all 64 districts and 69,000 villages
<b>2001</b> BRAC Bank. Commercial banking supporting small and medium enterprises
<b>2001</b> BRAC University established
<b>2002</b> Targeting the Ultra Poor: an integrated programme to address extreme poverty was established in the northwest, expanding in 2007 to 15 districts

Source: Adapted from BRAC ([www.brac.net/index.php?nid=11](http://www.brac.net/index.php?nid=11); accessed 29 June 2009).

A more recent arena of growth has been civil society activism, through the establishment of the BRAC Advocacy and Human Rights Unit in 2002 and BRAC University and its associated research institutes.<sup>19</sup> Compared to other NGOs, including many international NGOs operating within Bangladesh, it is uncontroversial to argue that BRAC has to date been less prominent with respect to civil society advocacy, particularly around good governance issues, than might be expected from an organisation of its size and clout. But it would be to overstate the matter to suggest that BRAC focuses on service delivery to the exclusion of other, more deeply political structural issues. Underlying and informing BRAC's overall strategy has often been some grounded political analysis, although BRAC has never been known as a heavyweight in national governance debates. It has relatively recently entered the arena, however, with its Institute (formerly Centre) for Governance Studies, based at BRAC University, which has provided

19 These include (i) the Institute for Educational Development, which participates in the production of the annual *Education Watch* report by the Campaign for Popular Education since 1999; (ii) the Institute of Governance Studies, which has published an annual report on The State of Governance in Bangladesh since 2006; (iii) the James P. Grant School of Public Health, which is gaining a global reputation for innovation in public health education, and which also publishes the Health Equity Watch report; and BRAC Development Institute, which has a wider mandate, but is focused on research and training around practical solutions to poverty in the global South (BRAC 2009).

postgraduate training on governance and development to civil servants, as well as publishing the annual review, *State of Governance in Bangladesh* report series, since 2006. And in other ways BRAC's political analysis has had considerable influence, both within and beyond the organisation.<sup>20</sup>

#### **2.4.1 'Small may be beautiful, but big is necessary'**

It is impossible to tell the BRAC story without resort to statistics: it is substantially a story of large numbers. A much-favoured dig of Abed, the founder/CEO of BRAC, is at Schumacher's 'small is beautiful'; this may be so, he is quoted as saying, 'but big is necessary'. Figure 2.1 provides some sense of the financial size of BRAC, with 2008 expenditure reaching more than US\$500 million. Donor grants amounted to 34 per cent of total income in 2008, slightly less than the contribution from microfinance service charges (US\$144 compared to US\$150 million; BRAC 2009). It should be noted that the declining relative significance of donor support reflects the growing importance of cost recovery in the microfinance programme, rather than declining absolute donor support. In fact, between 2000 and 2005, BRAC's share of donor support to the 15 big NGOs increased from 55 to 60 per cent (Verulam Associates 2005).

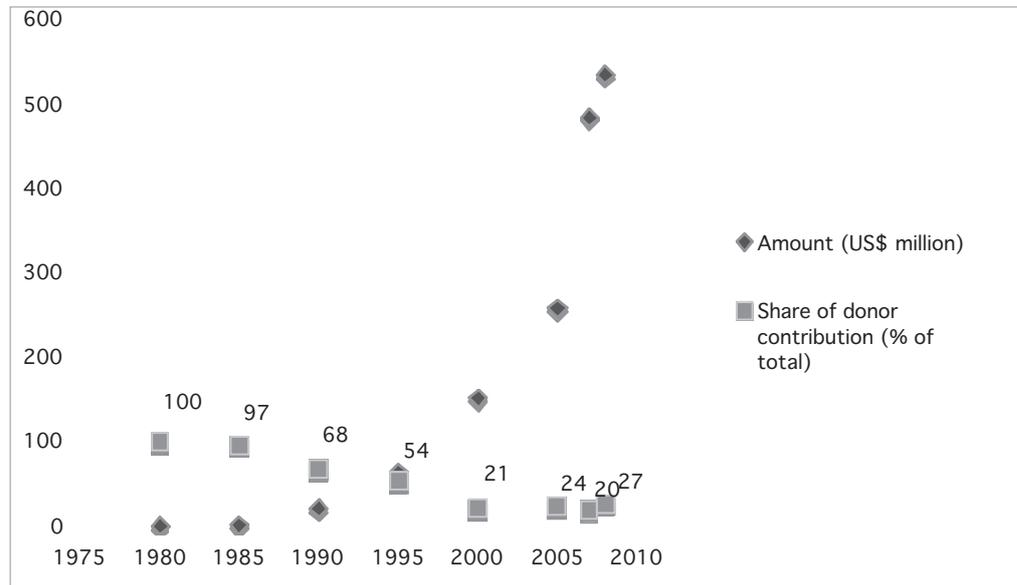
There are more than 115,000 BRAC employees, including teachers, in Bangladesh alone. This excludes volunteers and para-professionals (who earn on the job) and around 6,000 staff working in the international programmes. The scale of BRAC's activities is hard to capture; a recent monograph had to skim lightly across decades of development work and new international programmes in order to be able to tell a coherent story (see Smillie 2009). A DFID-sponsored report on the Big NGOs noted that BRAC 'is in a league of its own' in terms of size and budget (Verulam Associates 2005: 7). For many, BRAC's ambitions are consistent with its 20-storey tower in Dhaka, for others this is a symbol of the failure of NGOs to generate 'alternatives' – home-grown, transformational strategies of change, led by committed bands of activists. David Lewis and Nazneen Kanji's recent book *Non-governmental Organisations and Development* captures this contrast with a photograph of the undeniably corporate-styled BRAC tower early in the text: the caption reads: 'BRAC Headquarters, Dhaka, Bangladesh'; it seems that the image speaks for itself, as no other commentary is provided (Lewis and Kanji 2009).

Analysis of the factors behind the scale of BRAC's Bangladesh programme has centred on three aspects of the organisation: management, capacity development and innovation. A fourth, that of political space has to date, received less attention. We look now at each of these in turn.

---

20 *The Net*, an account of how patronage and power create dependency in rural Bangladesh, remains influential (BRAC 1980). Within BRAC, field-level political analysis of the local constraints to a programme for the extreme poor led to an important innovation in its activities (Hossain and Matin 2005).

**Figure 2.1 BRAC budget and share of donor contribution, 1980–2008**



Source: BRAC: *BRAC At A Glance* (March 2009) ([www.brac.net/index.php?nid=16](http://www.brac.net/index.php?nid=16), accessed 29 June 2009).

### **Management**

Those familiar with the highly professional financial operations of BRAC will be unsurprised to learn that its founder, F.H. Abed, had been a private sector executive (Shell Oil) with a background in accountancy. Financial accountability has always been an organisational strength, and the practices of financial accountability have extended to strong systems of performance accountability throughout the organisation, notable for its tight internal controls and close monitoring mechanisms at every level (Zaman 2004).<sup>21</sup> The organisation is audited internally and externally, and recently won a prize from CGAP at the World Bank for its financial transparency.

In their analysis of why microcredit programmes work so effectively, Jain and Moore conclude that while part of the answer lies in the nature of the service (homogenous, easily-quantifiable performance), two other factors matter: regular, close daily monitoring of fieldworkers, and encouraging good work performance by 'increasing the extent to which the staff identify with [the organisation] and its mission' (2003: 19). This management strategy of encouraging identification with the organisation's mission is clearly present in the BRAC case, and many of the features of effective microcredit programme management identified by Jain and Moore (2003) apply to BRAC, including:

<sup>21</sup> Zaman's point is not specifically about BRAC, but about big NGOs and MFIs in Bangladesh; it may also apply to Grameen Bank, ASA, Proshika and others (2004). See also Jain and Moore (2003).

- Celebrating organisational success (promotes staff identification with the mission)
- ‘Campus’-style living field arrangements, preventing staff from feeling socially isolated, creating a relatively flat frontline management structure in which living conditions and rules apply equally across all staff, and creating peer pressure for performance and maintaining rules
- A strong emphasis on field visits by headquarters or senior management staff (Jain and Moore 2003: 19–20). Despite strong monitoring systems for feeding quantitative performance indicators up to senior management, in BRAC management culture there is no substitute for field visits and grounded programme knowledge. In the authors’ experience, regular field visits are unquestionably a core management activity. Even top-tier managers can often display a highly detailed knowledge, not only of the overall programme, but of individual programme beneficiaries and their circumstances.

There have been concerns about the governance of the big NGOs, including BRAC, in Bangladesh, including that many are hierarchical organisations lacking the space for direct staff participation or for accountability downward, to clients or members. A recent DPhil thesis explored these issues in relation to gender equity, and concluded that formal mechanisms for accountability to women members were more or less absent in BRAC. However, it also found that some staff was responsive to pressures for accountability informally, based on their social connections to clients or members.<sup>22</sup> There have also been concerns that the visionary and charismatic first generation leaders of the NGO movement in Bangladesh continue to wield overwhelming organisational control (for example Verulam Associates 2005; Siddiqi 2001). However, one analysis of big South Asian NGOs undermines the view that strong, personality-driven leadership in Bangladeshi NGOs has led to authoritarian forms of management. Smillie and Hailey’s observations were instead that leadership of successful NGOs tends to be characterised by capacities for listening, responding, managing multifunctional teams and delegating (Smillie and Hailey 2001; also World Bank 2006). The Smillie and Hailey characterisation fits with what one of the authors has herself observed in five years of working for and with BRAC: the views of staff lower down the hierarchy feed effectively up the chain.<sup>23</sup>

### ***Staff capacity development***

A second strength of the BRAC Bangladesh programme is in its staff capacity development strategy. BRAC and other NGOs do not pay high salaries compared

---

22 Personal communication with Sohela Nazneen, based on her 2007 DPhil thesis, ‘Gender Sensitive Accountability of Service Delivery NGOs: BRAC and Proshika in Bangladesh’, Institute of Development Studies.

23 Mobile telephones appear to have facilitated this flow of information. When one of the authors was working for BRAC in 1994–5, communications between field and head offices were definitely constrained by the lack of landline telephones. Returning to BRAC in the 2000s, she found that the mass use of mobile telephones had sped up communications, and made a number of management functions easier and faster.

to government or other private sector employment, nor are there significant material perks of the job. BRAC's strategy has been to invest substantially in training, including external training opportunities for high-performing staff (Smillie 2009). This is partly significant because much middle and senior management has come up through the ranks (*ibid.*). The issue of staff capacity development emerges prominently in discussion of the challenges facing BRAC's global expansion. The LeAD and DevPro training programmes have been geared towards building middle management capacity with this in mind.<sup>24</sup> BRAC managers explain that they are exploring new ways of attracting and retaining national staff in Tanzania and Uganda; these are labour markets in which people with education and professional experience are in greater demand than was the case in Bangladesh, with its large supply of the educated unemployed.

### ***Innovation***

In 1980, when there were only 378 BRAC staff members, David Korten was the first to identify a striking BRAC quality – that it is a 'learning organisation'. Korten noted an 'unusual capacity for rapid learning through the constant identification, acknowledgement, and correction of its own errors' (1980: 488). The theme was taken up and further developed in relation to the BRAC expansion by Catherine Lovell in 1992. Smillie and Hailey (2001) and Smillie (2009) reiterated the idea that BRAC as an organisation has an unusual capacity to innovate and adapt based on learning about what works. Capacity to learn is supported by the proximity of senior management to the ground, which enables senior managers and field staff to communicate constantly about what is working (or otherwise). In one of the present author's experience, it can be a source of some frustration for programme evaluation teams that programme designs change so fast and so seamlessly that this complicates any simple impact assessment model, based on assumptions of a stable programme design being implemented in pre-planned ways. By the time a programme hits the ground it is likely to have gone through several iterations since its original proposal.

Capacity to learn has also been supported by the long-standing support – and often critical perspective – afforded by the fact of an in-house research and evaluation division. BRAC-RED was established early on during BRAC Bangladesh's expansion, and has been viewed as one important factor in its learning, auto-evaluation, and its innovations. Again, learning, adaptation and innovation seem likely to be critical to how BRAC International approaches the new challenges.

---

24 The LeAD training programme, which aimed to build a new cadre of development leaders to supply BRAC's growing needs for strong managers, emerged out of critical reflection and to support forward planning. Yet early on it lost its distinctiveness and separate status, and become folded into BRAC's regular staff training (David Lewis, personal communication). The present research could not confirm whether this was because LeAD itself lacked powerful champions within BRAC, or because it was concluded that there was more value to be had from learning-by-doing.

### ***Political space***

BRAC and other large NGOs and MFIs were able to go to scale in Bangladesh partly because of the unusual freedom with which they were able to operate. The space for NGO services first opened up significantly during the Ershad military regime of (1982–90), when donors, disappointed with the pace of progress on poverty reduction, began to push for more room for NGO activities (Barry 1988; Sanyal 1991). The lack of tight regulation on microfinance was another critical dimension of this space (World Bank 2006; Zaman 2004). The importance of the regulatory space has been brought home to BRAC in its efforts to expand microfinance activities in Africa, where regulations, particularly on savings services, are considerably tighter.<sup>25</sup>

There is no shortage of domestic criticism of NGOs and microfinance.<sup>26</sup> Given the sustained public critique of NGOs, both from the political left (seeking a more radical strategy; see Hashemi and Hassan 1999) and the religious-political right (who clashed with NGOs over their adherence to Western cultural values in the early 1990s) it may be remarkable that NGO services have been able to expand as they have in Bangladesh. Certainly, national elite involvement and support in a context of abundant aid have helped to maintain a significant space open for NGOs (Hossain 2005). This space has included a role in the provision of services for which there are strong arguments that the state should supply. This entails the critical ‘franchise state’ notion, in which the lines of accountability between citizen and state are blurred (Wood 1997).

The political space for NGOs raises questions of how governments of Bangladesh have come to accommodate these programmes – if we do not accept that donor pressure is absolute and that aid-dependent governments entirely lack agency. In this case, an unexplored question has been that of the degree of institutional ‘fit’ between government and BRAC (Houtzager 2005). At the frontline, relationships between NGO staff and government officials can be functional and friendly (see White 1999); while at higher levels, the line is officially hostile, particularly in the populist critique of microfinance interest rates. But in practice, it seems more plausible to argue that BRAC and the Government of Bangladesh enjoy a reasonably good ‘fit’, institutionally. The relationship varies across sectors – strong partnerships in public health, pre-primary education and social protection, compared to enduring antagonism in primary education, for instance. But as noted above, within BRAC, the view has been that their role complements public services. It is interesting that in an effort to defend NGO service delivery activities, David Hulme drew on the example of BRAC:

---

25 Imran Matin, BRAC International Deputy Executive Director, 29 July 2009.

26 In addition to widespread popular suspicion of organisations that handle resources intended for the poor, and of media exposés and other less serious critiques, there have been a number of more serious efforts to analyse the accountability of NGOs in Bangladesh, starting with Hashemi (1995). More recently, there have been a Transparency International Bangladesh study levelling serious charges of corruption against NGOs; the World Bank (2006) study; the two DFID Bangladesh Big NGO studies (DFID 2000; Verulam Associates 2005); and from the BRAC stable, the State of Governance in Bangladesh 2007 report (IGS 2008).

I have ‘changed my spots’ over the years... my concerns about NGOs undermining processes of public sector reform and state formation have reduced. For example, the concerns I had about BRAC substituting for the state in Bangladesh have evaporated. BRAC provides services that ideally I think the state should provide (primary education and basic health services) as well as services the private sector should provide (cash transmission and ISP services). However, I do not believe it is ‘crowding out’ the state or the market: there is plenty of unmet demand for such services if the public and/or private sectors in Bangladesh get their acts together. And the ideas, systems and staff of BRAC are resources on which the state and private sector can draw in the future.

(Hulme 2008: 338)

In at least some of its new countries, particularly those not experiencing post-conflict conditions, BRAC appears to have run up against the confines of the political space in which it must operate. These limits have included the obvious facts of the relatively tight microfinance regulatory regimes. But they also include the (compared to Bangladesh) narrower space for NGOs service delivery. This is not a space that BRAC is currently well-positioned to enlarge, as a new actor with markedly foreign (if not Northern) origins.

## 3 The challenges of going global

### 3.1 Adapting to new contexts: how important is ‘Southernness’?

The single most striking aspect of BRAC’s global adventure is the Southern identity of the new entrants. It is precisely because the management, both the senior operational management back in Dhaka and the frontline management in the new countries, are Bangladeshi, that the BRAC expansion merits attention. But in practice, how does this ‘Southernness’ play out in the key relationships that need to be forged, with communities, national staff, aid donors, national civil society and government actors? It may be too soon to judge this issue; only the Afghanistan programme has been in place longer than five years. But a number of issues emerge as of interest, keeping in mind the analysis above of the elements of BRAC’s expansion in Bangladesh.

One is that Bangladeshi BRAC staff do not receive what are by local standards, high international NGO salaries. They are paid twice what they would earn in Bangladesh, as well as modest expenses, a total which could not amount to half the salary of a UK-based international NGO. Nor does BRAC follow the stringent and costly security rules of other international actors, such as the UN system or international NGOs. Part of the reasoning behind this is that Bangladeshi aid workers are less obvious targets, even in Africa where they are racially distinct, than white aid workers would be. This is one reason BRAC offers to explain their success in establishing non-formal education programmes in the Internally Displaced Persons camps in northern Uganda, where other NGOs appear to have been unable or unwilling to base programmes.

All of this entails that BRAC staff rarely live amongst or socialise much with other actors within this system, with the possibility that this may curtail their acceptance within civil society and policy spaces. The 'Southern salary' advantages are not purely those of cost-effectiveness, however; it is possible that the smaller economic distance between Bangladeshi staff and the communities in which they work may bring the managerial advantages of closer contact with beneficiaries. That many Bangladeshi BRAC International staff speak limited English also matters with respect to how they engage at the centre; it is interesting that this is not a prominent concern for BRAC management, who consider it more important for their International staff to learn local languages than English: in Afghanistan, Bangladeshis tend to learn Dari (which has similarities to Bangla), and French language training is also being considered, with the planned Haiti expansion in mind.

Second, the implications of campus-style living arrangements, a core feature of the BRAC frontline office set-up, may differ when there are relations between national staff and their Bangladeshi managers to take into account. It will be instructive to see how the transplanted arrangement fares if national and Bangladeshi staff live and eat separately,<sup>27</sup> and whether they retain their management and organisational cultural benefits when marked with cultural difference (Jain and Moore 2003). These are issues that BRAC management appear to be considering while they experiment with adaptations to the new contexts.

Third is the possibility that solidarity around the shared experience of 'Southernness' will lead to different ways of relating. This appears to have been a feature of the Afghanistan experience, where BRAC was welcomed in part as from a fellow Muslim South Asian nation. There, BRAC staff emphasise the elements of their identity and national history that they believe Bangladeshis share with Afghans – Sunni Islam, conflict, poverty, a history of suspicion of the Pakistani state.<sup>28</sup> BRAC does not play up the Southern connections. It is diffident about its role in helping to establish the Afghanistan programme: Chowdhury *et al.* write that 'the name of Bangladesh, a Muslim country with some historic ties and with no strategic interest in Afghanistan, may have played a positive role' in helping to establish the programme (2006: 679). But it is clear, nonetheless, that this shared Southernness has some basis. Staff seem to find this common ground helps them to gain acceptance within communities, to the extent that BRAC depends on communities to protect their workers, rather than elaborate security

---

27 Imran Matin describes how the process of entering a new country starts with two BRAC staff being sent for six months to register the new NGO and find out how to get things done. An important part of this, he says, is finding the right food, and teaching someone to cook it. The BRAC office in Jalalabad, Afghanistan served excellent Bengali fish dishes to one of the present authors, in a region where fish is rarely eaten.

28 Cathy Shutt notes that similar claims of commonality are sometimes made among the community of Filipino aid professionals in southeast Asia (personal communication).

29 BRAC's security problems in Afghanistan appear to have related more to ordinary criminality rather than to political objectives, perhaps because as was seen in the opening paragraph, Bangladeshi hostages are likely to carry less weight than European or North American ones.

arrangements. As the kidnapping of Nurul Islam and the killing of two other workers has shown, this is not a perfect strategy.<sup>29</sup> But even in that instance, the importance of shared religion and culture was apparent:

Noor had learned Dari, but his captors spoke Pashto, so communication was almost impossible... On one occasion, he was taken to meet his captors' commander, a man named Abdullah... He told Abdullah, 'I am a Muslim, and I am in Afghanistan not to fight, but to promote microfinance for the development of the people.' He told them, 'My father's name is Abdul Gaffer Mollah.' They replied, 'Oh, you are a *mullah*... Good!'. But more weeks would pass in the dark cave.

(Smillie 2009: 223)

It has been far harder to establish such connections in the new countries, perhaps particularly in East Africa, where suspicion of people of South Asian origin has a long and troubled political history. That senior managers are predominantly from Bangladesh as well as male, while field staff and junior managers are often local women, created some initial suspicion, as well as an additional axis of difference between management and field staff.

In Sierra Leone, where the Bangladeshi peace-keeping mission has enjoyed great popularity, being Bangladeshi has positive popular associations. But elsewhere, it is not clear that – or how – being Bangladeshi (implicitly, instead of white) has shaped relationships on the ground. There are parallels here with Chinese engagement in Africa, as some within BRAC International management noted. It remains to be seen how this 'non-whiteness' figures politically:

Beyond this manipulated politics there are complex racial and cultural discourses of whether the Chinese are treated as different and 'other' by Africans or are somehow the same insofar as they are 'not white'... Whether and how this shared 'non-whiteness' and its linkages to the anti-imperialist agenda of the political leaders plays out is another issue for ongoing analysis.

(Power and Mohan 2008: 34)

### 3.2 The end of alternatives? New ideologies of action

With the caveat that much remains to be seen, BRAC's global expansion challenges expectation in a context of gloom about NGOs and the 'alternatives' they were once believed to promise (see Bebbington *et al.* 2007; Lewis and Opoku-Mensah 2006; Lewis and Kanji 2009). There are two distinct strands to the 'disappointment' theme. The first is declining interest in NGOs (and civil society more generally) among aid donors, partly brought about by a stronger focus on the state resulting from good governance, security, and aid coordination agendas

---

<sup>29</sup> BRAC's security problems in Afghanistan appear to have related more to ordinary criminality rather than to political objectives, perhaps because as was seen in the opening paragraph, Bangladeshi hostages are likely to carry less weight than European or North American ones.

(Lewis and Opoku-Mensah 2006; Howell *et al.* 2006). The second is disappointment with the apparent failure of NGOs to engage in radical transformative action to deliver positive social change (Bebbington *et al.* 2008; Tvedt 2002, 2006). This includes an increasing homogeneity of language and approach across NGOs, signalling a decline in local innovation and ownership of the agenda (Mawdsley *et al.* 2002). The role of NGOs in supporting neoliberalist economic agendas, particularly through service delivery activities believed to undermine political accountability between states and citizens, is an important element to this discussion (Tvedt 2002, 2006).

Against this backdrop, BRAC's ambition contrasts with the strong sense that far from being 'magic bullets', NGOs have 'hit a wall' (Bebbington *et al.* 2008, in the introduction to the latest of the Manchester NGO Conference books). Nevertheless, BRAC International does appear to have run up against the new coldness of aid donors towards NGOs. And while there may be a global sharing of development discourse, this has served BRAC only partially; the way matters have been viewed in Bangladesh is (inevitably) not how they are viewed in Uganda or Tanzania. The differences have been material, for BRAC's capacity to attract relatively low transaction cost, large-scale bilateral grant financing. In other words, national context continues to matter greatly, despite the structuring power of the international aid system. As Tvedt puts it, these are 'internationalised national traditions and... nationalised international institutions and ideas' (Tvedt 2006: 685): the globalisation of aid discourses and practices only goes so far in penetrating national institutions, and international institutions and practices are effectively domesticated in the countries in which they operate.

BRAC is certainly different from other big international NGOs, but it does not represent an 'alternative' in the tradition of radical, transformative struggles against structures of power that impoverish and oppress. BRAC does envisage a long-term engagement in the countries in which it works, seeing its role as in 'development', or deep processes of social, political and economic change, and not as the narrower 'Development' of aid interventions (Bebbington *et al.* 2008). This sense of engaging with long-term processes may help to explain why the challenges BRAC International currently faces are cast as teething problems; the perspective is not one of successful projects, but one of building frontline organisations that can deliver services. This long-term engagement in service delivery means that questions of political accountability will inevitably arise. While there are reasons to believe that in Bangladesh, at least, the impact of BRAC services has not been to undermine accountability, the new contexts mean the question merits revisiting (see Lewis and Kanji 2009 for an up-to-date review of the debates about NGO service delivery).

In its adaptive strategy, BRAC has begun to position itself as 'social enterprise', as distinct from an 'NGO' (although the term is not being abandoned). This repositioning is most noticeable within the activities and language of BRAC USA, whose President has a background in social entrepreneurship. This adaptation to a new, largely US-based sociopolitical ideology about development may be the result of several pressures: (a) the general criticism of and cooling off towards 'NGOs';<sup>30</sup> (b) the sense within Bangladesh that 'NGO' does not encapsulate what Grameen Bank, BRAC and others are doing: the idea of 'social business' has already been

taken to a global stage by the Bangladeshi Nobel Peace Prize-winner, Professor Yunus; and (c) the need to generate interest and attract foundation grant and commercial loan funding from within the US.

This repositioning as social enterprise is involving a considerable amount of communications work; arguably for the first time, a BRAC entity is taking on public relations in a serious way. BRAC USA plans to draw on its prominent supporters to raise awareness about BRAC's work around the world. One idea is for the Buffetts (who are supporters through the Buffett Foundation) to send a copy of Ian Smillie's book *Freedom From Want* to 100 influential people, to include the US President and celebrities. With respect to the question of 'alternatives' it is worth noting that while the idea of 'social enterprise' involves an ideological shift to the right from the perspective of a radical NGO social mobilisation agenda, within the US it is a more progressive notion emerging out of the non-profit world, which explicitly aims to build solidarity between the global South and the North.

### 3.3 The aid regime

It seems likely that BRAC's Southernness has also affected its capacity to mobilise aid in the new countries. That BRAC's reputation and brand have not preceded it into the aid circles of the new countries is a matter of some surprise and disappointment for BRAC management; it highlights, too, the incomplete nature of the 'transnationality' of aid to NGOs in development (Mawdsley *et al.* 2002). The Deputy Executive Director with responsibility for African programmes felt that they were often an unknown quantity, and that within aid agencies, knowledge of BRAC in Bangladesh and Afghanistan had not spread. Many aid donors in the new countries, he said 'seem to think we are stupid... or arrogant',<sup>31</sup> unaccustomed to requests for amounts like US\$50 million, for what they view as the untested programme of an unknown NGO. While no specific instance could be given, the overall low profile of BRAC as an international actor is likely to reflect its Southern origins. This low international profile seems to be part of the reason for the current branding exercise: the Dhaka Head Office has recently recruited a brand manager, and Nike provided some branding support in 2007 (BRAC 2009).

Bilateral aid to service-delivery NGO programmes appears to be less easily available to BRAC outside of Bangladesh than their domestic experience had led them to believe might be the case. Funds have been raised: in 2008, BRAC International (excluding BRAC Bangladesh) had a budget of US\$57.8 million, and the budget for 2009 was US\$118 million. But BRAC's plans for expansion mean it could absorb more. The transaction costs of working with smaller donors, from whom much recent BRAC International funding has come, can be high, at a time

---

30 We are grateful to David Lewis for pointing this out.

31 Interview with Imran Matin. Imran did not think that the fact of their nationality was an important factor in these discussions. But whereas for Sarah White, her 'whiteness opened me doors, jumped me queues, filled me plates, and invited me to speak' (2002: 408), it seems likely that the fact that BRAC staff are Bangladeshi means that such doors do not so easily open. Certainly race merits consideration as a possible aspect of the BRAC experience with the aid regime.

when senior managers are occupied with teething problems on the ground. Aid to service-delivery NGOs in Bangladesh has probably been more significant than in other countries, other than those in post-conflict conditions, so that BRAC's expectations of bilateral aid may never have been realistic. The Paris Agenda, particularly the move towards sectoral approaches, and the emphasis on NGOs as civil society actors rather than service delivery agents (which has been relatively muted in Bangladesh) have contributed to these challenges.

While BRAC's profile has proven to be surprisingly low among aid donors in the new countries, central political figures and government actors in the new countries appear to have more knowledge of and interest in BRAC programmes than had been anticipated. There have been some high-level government visits to BRAC Bangladesh from powerful people in a number of the new countries, as well as from the Gandhi dynasty. Despite this interest, the strategic focus has remained on concentrating efforts and personnel on the ground, rather than on (as one possible element of an expansionary strategy) cultivating a supportive constituency at the centre.

There is a sense that BRAC can gain entry into contexts in which other international NGOs, perhaps with prominent concerns about human rights, may not wish or be invited to enter: Sri Lanka is one such example. Not seeking direct political influence at the centre, neither being so constrained by security concerns, BRAC may find it easier to work in some of these sensitive political environments. Here again, there are parallels with Chinese engagement, with its 'older rhetoric of third world solidarity' and its *Africa Policy* 'premised on respect for sovereignty and "non-interference" in national political processes' (Power and Mohan 2008: 34).

The Southernness of BRAC International is relevant to thinking about power relations among NGOs, as international NGOs (possibly increasingly) behave as brokers of aid for smaller Southern NGOs. To date, the 'international NGO' has referred to large Northern-based organisations (McIlwaine 2007); these have enjoyed good access to official aid flows, particularly bilaterally, which is channelled to 'partner' local NGOs in developing countries. Some within the NGO world, both Southern and Northern, see this relationship as entailing that international NGOs increasingly behave like bilateral aid donors (Bebbington *et al.* 2008: 17). While the BRAC expansion model does not rely on such partnerships, it does set up new hierarchical relationships between culturally and racially distinct sets of actors.

## 4 Conclusions: graduation or metamorphosis? From NGO to social enterprise

This paper set out as a preliminary exploration of BRAC's global expansion. It quite possibly raises more questions than it answers. The big question remains unanswered: does BRAC International buck a trend of NGOs 'hitting a wall'? Is BRAC an 'alternative' development approach? Or merely the hand-maiden to

neoliberal development policy? BRAC is certainly not what we have become used to hoping an NGO might be. It now presents itself more as a hybrid form of social enterprise than as a social movement. But the enterprise is ultimately social mission critical: in its own terms, it does not matter how fast it grows or attains financial sustainability if it fails to demonstrate measurable, significant positive changes for poor people.

If we think of organisations like BRAC engaged in a competitive market for service delivery within Tvedt's DOSTANGO (donor-state-NGO) system, its expansion makes more sense. BRAC's social mission is layered on a platform of economic development and service delivery, at the frontline quite literally anchored within the infrastructure of microfinance. This is what makes it economical to reach so many with social services. Its ambitions of scale are another feature of BRAC's distinctiveness: the core BRAC philosophy is that is just not enough to do something useful on a small scale. And because it is necessary to be big, it becomes necessary to be businesslike in the service delivery market. One challenge for BRAC's expansion is that while concerns about the impact of NGO service delivery on public accountability have to some extent been allayed or neutralised in Bangladesh, the situation is different elsewhere. Very recently, BRAC's response has included a perceptible shift towards the language of 'rights-based approaches, with a focus on "enforceable rights" of access to resources' (BRAC 2009: 12–13).

Whether BRAC is merely different, rather than 'alternative', and the challenges it faces in carving out a space and securing financing for its expansion are issues rooted in its distinctive Southernness. The paper makes an initial survey of the ways in which BRAC's Southern origins seems to have shaped its global adventure. For reasons of focus and the lack of evidence, it unfortunately leaves untouched issues of frontline relations among Bangladeshi and national staff, the communities in which they work, and the local political and civil society context in which they operate; these will have to be the focus of future research. The paper does begin to sketch ways in which BRAC's distinctive Southernness introduces new dimensions to aid relationships; but the importance of this difference, and the advantages it may bring, are at times overshadowed by the material impacts of the aid regime. As BRAC reshapes itself to enter new non-profit markets as social enterprise, it is partly repositioning itself to frame its Southernness as a core advantage. If, as has been suggested by this review, BRAC International represents a trend towards South-South exchanges within development cooperation, it will continue to be of interest to see how this newest animal in the aid jungle fares.

# References

## BRAC official reports

BRAC (2009) *Annual Report 2008*, Dhaka: BRAC

BRAC Southern Sudan (2008) *Empowering Women and Girls in Southern Sudan*, Annual Report, Dhaka: BRAC

BRAC Tanzania (2008) *Empowering Women and Girls in Tanzania*, Annual Report, Dhaka: BRAC

BRAC Uganda (2008) *Empowering Women and Girls in Uganda*, Annual Report, Dhaka: BRAC

## Websites

BRAC International, *Where We Work, Timeline* (online), available from:  
[www.brac.net/index.php?nid=11](http://www.brac.net/index.php?nid=11) (accessed 26 June 2009)  
[www.brac.net/index.php?nid=66](http://www.brac.net/index.php?nid=66) (accessed 26 June 2009)

BRAC Afghanistan, *Activities* (online), available from  
[www.bracafg.org/activities1.php](http://www.bracafg.org/activities1.php) (accessed 26 June 2009)

BRAC UK, *BRAC UK is Launched* (online), available from  
[www.bracuk.net/reader.aspx?id=17&NgID=50](http://www.bracuk.net/reader.aspx?id=17&NgID=50) (accessed 26 June 2009)

BRAC USA, *About Us, BRAC's Work* (online), available from  
[www.brac.net/usa/about\\_us.php](http://www.brac.net/usa/about_us.php) (accessed 26 June 2009)  
[www.brac.net/usa/bracs\\_work.php](http://www.brac.net/usa/bracs_work.php) (accessed 26 June 2009)

## Publications

Barry, A.J. (1988) *Aid Co-ordination and Aid Effectiveness: A Review of Country and Regional Experience*, OECD Development Centre Papers, Paris: Organisation for Economic Co-operation and Development

Bebbington, Anthony J.; Hickey, Samuel; and Mitlin, Diana, J. (2007) 'Introduction: Can NGOs Make a Difference? The Challenge of Development Alternatives', in Anthony J. Bebbington, Samuel Hickey and Diana, J. Mitlin (eds), *Can NGOs Make a Difference? The Challenge of Development Alternatives*, London: Zed Books

Biggs, Stephen and Lewis, David (2009) 'Fair Trade and Organizational Innovation in Nepal: Lessons from 25 Years of Growth of the Association of Craft Producers (ACP)', *European Journal of Development Research* 21: 377–96

BRAC (2009) *BRAC Annual Report 2008*, Dhaka: BRAC

— (1980) *The Net: Power Structure in Ten Villages*, Dhaka: BRAC Prokashona

- Chen, M.A. (1986) *A Quiet Revolution: Women in Transition in Rural Bangladesh*, Dhaka: BRAC Prokashona
- Chowdhury, A.M.R.; Alam, M.A. and Ahmed, J. (2006) 'Development Knowledge and Experience – From Bangladesh to Afghanistan and Beyond', *Bulletin of the World Health Organization* 84.8: 677–81
- DFID (UK Department for International Development) (2000) *Partners in Development: A Review of Big NGOs in Bangladesh*, Report to Department for International Development, Bangladesh
- Eyben, R. (ed.) (2006) *Relationships for Aid*, London: Earthscan
- Hashemi, S. (1995) 'NGO Accountability in Bangladesh: Beneficiaries, Donors and the State', in M. Edwards and D. Hulme (eds), *Non-governmental Organisations: Performance and Accountability: Beyond the Magic Bullet*, London/West Hartford: Earthscan/Kumarian: 103–10
- Hashemi, S. and Hassan, M. (1999) 'Building NGO Legitimacy in Bangladesh: The Contested Domain', in D. Lewis (ed.), *International Perspectives on Voluntary Action: Reshaping the Third Sector*, London: Earthscan: 124–31
- Hossain, Naomi (2005) *Elite Perceptions of Poverty in Bangladesh*, Dhaka: University Press Limited
- Hossain, N. and Matin, I. (2007) 'Engaging Elite Support for the Poorest? BRAC's Targeted Ultra Poor Programme for Rural Women in Bangladesh', *Development in Practice* 17.3: 380–92
- Hossain, N.; Subrahmanian, R. and Kabeer, N. (2002) *The Politics of Educational Expansion in Bangladesh*, Working Paper 167, Brighton: IDS
- Houtzager, Peter P. (2005) 'Introduction: From Policycentrism to the policy' in Peter P. Houtzager and Mick Moore (eds), *Changing Paths: International Development and the New Politics of Inclusion*, Ann Arbor: University of Michigan Press
- Howell, Jude; Ishkanian, Armine; Obadare, Ebenezer; Seckinelgin, Hakan and Glasius, Marlies (2008) 'The Backlash Against Civil Society in the Wake of the Long War on Terror', *Development in Practice* 18.1: 82–93
- Hulme, David (2008) 'Reflections on NGOs and Development: The Elephant, the Dinosaur, Several Tigers but No Owl' in Anthony J. Bebbington, Samuel Hickey and Diana, J. Mitlin (eds), *Can NGOs Make a Difference? The Challenge of Development Alternatives*, London: Zed Books
- (1990) 'Can the Grameen Bank be Replicated? Recent Experiments in Malaysia, Malawi and Sri Lanka', *Development Policy Review* 8: 287–300
- IGS (2008) *The State of Governance in Bangladesh 2007*, Dhaka: Institute of Governance Studies, BRAC University
- Jain P and Moore, M. (2003) *What Makes Microcredit Programmes Effective? Fashionable Fallacies and Workable Realities*, IDS Working Paper 177, Brighton: IDS

- Korten, D.C. (1980) 'Community Organization and Rural Development: A Learning Process Approach', *Public Administration Review* 40.5: 480–511
- Lewis, D. and Kanji, N. (forthcoming 2009) *Non-governmental Organizations and Development*, London: Routledge Perspectives on Development Series
- Lewis, D. and Opoku-Mensah, P. (2006) 'Moving Forward Research Agendas on International NGOs: Theory, Agency and Context', *Journal of International Development* 18: 665–75
- Lovell, C. (1992) *Breaking the Cycle of Poverty: The BRAC Strategy*, West Hartford, Conn: Kumarian Press
- Mawdsley, E.; Townsend, J.; Porter, G. and Oakley, P. (2002) 'Knowledge, Power and Development Agendas; NGOs North and South', *INTRAC NGO Management and Policy Series* 14, Oxford: International NGO Training and Research Centre (INTRAC)
- McIlwaine, C. (2007) 'From Local to Global to Transnational Civil Society: Re-Framing Development Perspectives on the Non-State Sector', *Geography Compass* 1.6: 1252–81
- Mohan, G. and Power, M. (2008) 'New African Choices? The Politics of Chinese Engagement', *Review of African Political Economy* 35: 115, 23–42
- Nazneen, Sohela (2007) 'Gender Sensitive Accountability of Service Delivery NGOs: BRAC and Proshika in Bangladesh', unpublished DPhil thesis, Brighton: IDS
- Power, Marcus and Mohan, Giles (2008) 'Good Friends and Good Partners: The "New" Face of China-African Cooperation', *Review of African Political Economy* 35.115: 5–6
- Sanyal, B. (1991) 'Antagonistic Cooperation: A Case Study of Nongovernmental Organizations, Government and Donors' Relationships in Income-generating Projects in Bangladesh', *World Development* 19.10: 1367–79
- Siddiqi, M.S. (2001) *Who will Bear the Torch Tomorrow? Charismatic Leadership and Second-line Leaders in Development NGOs*, London School of Economics Centre for Civil Society International Working Paper 9, London: London School of Economics for Civil Society
- Smillie, I. (2009) *Freedom From Want: The Remarkable Success Story of BRAC, the Global Grassroots Organization That's Winning the Fight Against Poverty*, Sterling, VA: Kumarian Press
- Smillie, I. and Hailey, I. (2001) *Managing for Change: Leadership, Strategy and Management in Asian NGOs*, London: Earthscan
- Thornton, P.; Devine, J.; Houtzager, P.P.; Wright, D. and Rozario, S. (2000) *Partners in Development: A Review of Big NGOs in Bangladesh Commissioned by DFID*, Dhaka: Department for International Development

Tvedt, T. (2006) 'The International Aid System and The Non-Governmental Organisations: A New Research Agenda', *Journal of International Development* 18: 677–90

—— (2002) 'Development NGOs: Actors in a Global Civil Society or in a New International Social System?', *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 13.4: 363–75

Verulam Associates (2005) *The Impact of Big NGOs on Poverty and Democratic Governance in Bangladesh*, Dhaka: Department for International Development

White, S.C. (2002) 'Thinking Race, Thinking Development', *Third World Quarterly* 23.3: 407–19

—— (1999) 'NGOs, Civil Society and the State in Bangladesh: The Politics of Representing the Poor', *Development and Change* 30: 307–26

Wood, G.D. (1997) 'States Without Citizens: The Problem of the Franchise State', Chapter 5 in D. Hulme and M. Edwards (eds), *Too Close for Comfort? NGOs, States and Donors*, London: Macmillan

World Bank (2006) 'The Economics and Governance of NGOs in Bangladesh', *The World Bangladesh Development Series* 11, Dhaka: World Bank

Zaman, H. (2004) *The Scaling-Up of Microfinance in Bangladesh: Determinants, Impact, and Lessons*, World Bank Policy Research Working Paper 3398

