

# **Social capital from sericulture? Actors, markets and power in a multi-agency project in Bangladesh**

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## *Summary:*

This chapter examines a multi-agency project funded by the World Bank in Bangladesh, focusing on the involvement of two of the participating NGOs with their grassroots producer groups or *samitis*. While the NGOs can in one sense be seen to be building social capital through their formation and support of these groups, our fieldwork revealed a more complex relationship. NGO groups of this kind in Bangladesh do form a foundation for income generation activities and social solidarity; but these groups were also found to be characterised by a dependence on the NGOs for technological assistance, access to markets (often restricted to the NGOs as buyers) and overall leadership and motivation. The element of patronage and dependence found in these NGO/*samiti* relationships caused problems for the project in a dispute over whether or not the groups should become more market-based sericulture 'producer groups' - an approach favoured by the World Bank and the Bangladesh Silk Foundation (and to some extent by the groups themselves) or whether they should remain multi-purpose, closely linked NGO *samitis* (the view of the NGOs, which have resisted such changes). In this sense, the project has been able to make only limited gains in the attempt to break from a long history of top-down, external control within the struggling sericulture sub-sector in Bangladesh.

## **Introduction**

Development projects increasingly involve a wide range of organizational actors and relationships. This chapter examines a recent case study of the Silk Project, a multi-agency project funded by the World Bank in Bangladesh which aimed to increase incomes and build empowerment. While the project was judged to have contributed to improved livelihoods of low income women in some important respects, it also generated a set of problems which affected its performance in relation to sustainability and empowerment objectives. The chapter analyses key areas of the project activities in the light of the wider backdrop of power, structure and social networks in which such projects are embedded.<sup>1</sup> While the concept of social capital did not form an

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<sup>1</sup> This paper draws on research undertaken as part of the 'Organisational cultures and spaces for empowerment' research project, which undertook qualitative project case studies in three countries during 2000-2002, focusing on the role of organisational culture as an influence on multi-agency project performance. A more detailed discussion of the concepts and assumptions which inform the original research project can be found in Lewis et al (2002). A more detailed report from the research is provided in Lewis and Siddiqi (2002).

explicit part of the rationale for this project, an analysis of project practices, inter-organizational relationships and cultural tensions of the Silk Project may be instructive in helping us reflect in general terms on the World Bank's overall approach to working with local 'organisations of the poor' within a project setting in Bangladesh, and on the usefulness of the concept of social capital as a way of understanding processes of empowerment and poverty reduction.

Such projects are inevitably highly complex in their operating structures, the diverse objectives of the different organizational actors involved and in the various intended and unintended outcomes which emerge (Lewis 1998). Depending on one's perspective, the sericulture project in question definitely achieved certain results which can be judged to be positive in terms of poverty reduction - as various evaluation reports show - but there were also a distinctive set of problems and 'failures' too. The strengths and weaknesses in the performance of the project can be attributed both to 'internal' and 'external' factors. One set of explanations follows from the wider structural and historical factors related to public efforts to intervene in the sericulture sub-sector in Bangladesh, and the overall context of political struggles between government and international donors over public sector 'restructuring' and reform. Another concerns intra-and inter-organisational relationships among the project partners themselves, such as multiple and conflicting actor objectives about project aims and activities, and a set of tensions about balancing income and empowerment aims and claims.

One of the distinctive features of the institutional landscape in Bangladesh is the large and relatively well-developed non-governmental organisation (NGO) sector. NGOs are in practice the key partners with the government and the World Bank within this project. Unlike in some other parts of the world where NGOs operate, NGOs in Bangladesh tend not to work with pre-existing grassroots people's organisations or - in the World Bank's term, 'organisations of the poor' - which are for a wide range of historical and political reasons, very limited in scale and capacity in rural areas. Instead, Bangladeshi NGOs have opted to form their own community level groups across the country. These are known locally as '*samitis*', and can be characterised analytically as a form of 'induced social capital' (Bebbington and Carroll 2000). Although many NGOs would in theory see a time when they would 'exit' and leave self-sustaining federated *samiti* group structures behind, this has only rarely taken place to date and in cases where it has, the autonomy and sustainability of such organisations has been somewhat limited. Within some NGO *samitis*, the emphasis is on a range of services, self-help initiatives and proactive discussion about issues which are of importance to the poor, but as Devine (2003) points out, there is evidence that many *samitis* are in practice mainly 'collection meetings' concerned with gathering loan repayments from the credit programmes which now tend to dominate the agendas of many NGOs.<sup>2</sup>

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<sup>2</sup> One of the main themes in the research literature on NGOs in Bangladesh is what might be termed the 'de-radicalisation thesis': the idea that many NGOs had their origins among left-leaning activists who were influenced by activist traditions such as the work of Paolo Freire and BRAC's influential analysis of structural inequalities in the rural power structure (written up as 'The Net' in 1986), but that this radicalism gradually dissipated - through a combination of local elite resistance and foreign donor pressures for sustainability - towards the ubiquitous micro-credit agenda which forms the bulk of most NGOs activities these days (cf Hashemi and Hasan 1999; Devine 2003).

The concern of this chapter is on the usefulness or otherwise of the concept of social capital in relation to understanding the story of the silk project. Although the original research project analysed a wide range of project actors in detail, the emphasis in this chapter is primarily on the role of NGOs in the project, whose small-scale grassroots groups - known in Bangladesh as *samitis* - play a central role in structuring the ways in which sericulture production activities are supposed to create spaces for low income women to pursue income generation activities and empowerment opportunities.<sup>3</sup> Yet these *samitis* are located within a set of social relationships in which there is intense competition for scarce resources - between the individual members of the *samitis*, between *samiti* members and leaders, and between *samitis* and 'their' NGOs, respectively as clients and patrons. In the context of wider debates about social capital, the conflicts which were apparent over the exact role and purpose of the grassroots *samiti* groups in the Silk Project, and the nature of the overall relationship between these groups, the NGOs and the market, illustrates a number of tensions which highlight the difficulties of any straightforward process of social capital 'strengthening' in support of income generation and empowerment objectives within the project framework.

Two sets of observations in relation to the social capital debate begin to emerge from these findings. The first is that the *samitis* we encountered in our research do not fit easily into 'standard' definitions of social capital as horizontally-structured, trust-based sets of relationships or units in the 'Putnamian' sense. There are certainly elements of these norms of trust and reciprocity, but the NGO groups are also simultaneously characterized by vertical patron-client relationships both internally in relations between members and leaders and in their relationships with 'their' NGOs. The second is that while there may be truth in the 'depoliticizing' critiques of social capital (e.g. Harriss and de Renzio 1997, Harriss 2002), it is interesting to note that the formation of social capital in these cases - however imperfect in relation to the ideal type - also plays a role in 'de-marketizing' project processes. This is because the NGOs are usually anxious to preserve their relationship with 'their' *samitis* (for a variety of reasons) and to guard them from the broader market-based business thrust favoured by the World Bank in the silk project. Whether these relationships contribute to income generation and empowerment objectives by providing producers with a degree of economic security and protection from a volatile or potentially hostile market<sup>4</sup>, or whether such vertical relationships and ties ultimately 'disempower' the poor because they restrict market-based economic forms of empowerment, is a critical question.<sup>5</sup> The question cannot be answered conclusively by our data, and to some extent depend on the personal priorities and viewpoint of the observer.

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<sup>3</sup> Two NGOs out of the nine participating NGOs were selected for fieldwork. These two NGOs were small local NGOs rather than the better known NGOs such as BRAC or Proshika, which also participate in the silk project. Although broadly similar in their approaches to working with grassroots groups, one NGO (Welfare for Women) operated in a more charitable, paternalistic style while the other (Organization for Empowerment) worked nominally within a Freirean, empowerment and development tradition. The names of the organizations studied have been changed to preserve anonymity.

<sup>4</sup> One view of this practice could be to help to 'embed' group members in a Polanyian sense in order to reduce their vulnerability.

<sup>5</sup> The definition of social capital developed by Lin (2001: 19) as 'investment in social relations with expected returns in the marketplace' raises the question as to *who* - in the case we discuss here - is

## The sericulture sector in Bangladesh

There is a long history to silk production in Bengal and, for many centuries, it was a major agro-industry. Rural households who specialised in this area of work produced silk yarn for local weavers, who then produced textiles for sale locally and for export. Changing market conditions during the last century led to a massive decline in the industry. According to the World Bank, the market changed due to advances in technology which brought forms of mechanisation which dramatically reduced production costs along with the emergence of imported washable silks which improved the durability of finished garments. Silk quality in Bangladesh slowly declined due to lack of investment in production and increasing pressure from imports. There have been a series of governmental and non-governmental efforts since the 1970s in Bangladesh to 'revive' the industry (Van Schendel 1995). According to this viewpoint, the production of silk is well-suited to a labour-abundant economy since it is highly employment-oriented and low capital intensive. However, it is highly skilled work which requires the careful rearing by hand of silkworm larvae and the management of delicate silkworm cocoons (Sinha 1990).

These efforts to revive sericulture in the Indian subcontinent provide an opportunity to study 'long-term development in Third World conditions' since they represent an encounter between 'the secure confidence of hereditary experts' and 'the bearers of technical improvements' within planned development efforts (Charsley 1982). Writing about the success of sericulture in South India, Charsley argues that this has been achieved through

... the realistic adjustment to local circumstances achieved by its practitioners, on the one hand, and on the other, major technical innovation achieved by research and the development of systems ...' (p.68)

Results in Bangladesh have been rather less successful. The Bangladesh Sericulture Board (BSB) was created as a coordinating body in 1977 and began to initiate development programmes for the silk sub-sector. Mulberry acreage grew from 500ha in the early 1970s to 3,000ha in the late 1980s but this was still less than a quarter of the figure for neighbouring West Bengal. In the 1980s, Bangladesh was producing 460 tonnes of cocoons and 30 tonnes of raw silk per year but this again was less than 5% of West Bengal's output (Van Schendel 1995).

From 1978, the primary source of international support to sericulture in Bangladesh had been from the Swiss government, but according to Van Schendel, the results were disappointing: a large bureaucracy was created (with a thousand people in the BSB alone, 'many of them poorly trained, poorly motivated for the work they were supposed to do, or frustrated'); extension efforts intended to spread silk production

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actually doing the 'investing'? Is it the group members who wish to participate more fully in the market but are prevented from doing so, or the NGO, which is arguably using the *samiti* groups to protect its own investment in the market place through the sale of silk products, but doing so outside of the control of the groups themselves?

beyond the Rajshahi area had met with little success;<sup>6</sup> and there was considerable spending on forms of 'scientific research' which had yielded few results, in the sense that most producers continued to use low-yield mulberry varieties and traditional silkworm varieties. Furthermore, the BSB depressed prices for sericulture producers because it was the monopoly buyer of cocoons. It was also the view of the Task Manager for the project at the World Bank, that by the 1990s the Swiss had tired of working with the mainstream public institutions of sericulture development with little achieved in the way of productivity increase and poverty reduction.<sup>7</sup>

Under this system, silk production was akin to a 'putting out' industry. Producers received silkworm eggs from the BSB, reared them, and then sold the cocoons to the Rajshahi Silk Factory:

Neither transaction took place in an open market. Silk producers were not allowed to buy silkworm eggs or mulberry saplings from any other source nor could they sell their cocoons to any other buyers (Van Schendel, 1995, p.119).

There were no written contracts, and producers were generally poor households in search of a little extra income. The 'silk bureaucrats' sometimes used violence to prevent private sale of cocoons. Continuing losses at the factory and by BSB did not reduce the government and donor flow of funds into sericulture, but were on the contrary used as an argument for more resources to overcome 'the technological backwardness of the producers'.

Although proto-NGOs such as the Salvation Army had sericulture projects in the subcontinent as early as 1915, modern NGOs became involved in the Bangladesh sericulture sector from the late 1970s. NGO efforts have centred on the creation of 'non-traditional' silk producers - driven by the idea that sericulture could provide a new source of income for poor and marginal households needing to supplement low incomes from marginal agriculture or labouring.<sup>8</sup> However, according to Van Schendel (1995) 'their dispersed and uncoordinated projects could not effect a breakthrough in silk production on the national level' (p.86). Some NGOs have been relatively optimistic about sericulture, such as the Bangladesh Rural Advancement Committee (BRAC), which sees substantial benefits for the status of women and has invested in technical innovation for sericulture as part of its income generation programmes (Lovell 1992). On the other hand Proshika - another large Bangladeshi NGO - concluded in 1993 that its rearing projects 'were still to contribute

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<sup>6</sup> Rajshahi District in Bangladesh remains famous for its silk and is the traditional centre of silk production.

<sup>7</sup> Telephone interview with Task Manager for the project, World Bank, Dhaka, April 3rd 2002.

<sup>8</sup> There are now two different sets of sericulture producers in Bangladesh. One group is the 'traditional' household rearers, reelers and weavers who have worked with silk for generations and who are highly skilled but increasingly lack up to date technologies. Most of these people do not have access to NGO services. The other group are 'non-traditional' sericulture producers which have been established and trained by NGOs and are predominantly female, supported by male household members, and organised into groups by the NGO to receive credit and undertake a range of joint activities. Income from sericulture supplements other household income. Due to lack of skills, shortage of mulberry leaves and low quality inputs, average cropping levels remain low.

significantly' to the income generation efforts of the poor. The reasons given were: poor quality and timeliness of eggs from BSB, weak follow up by extension staff, inadequate facilities for drying and poor transportation to the weighing centre.

The result of this history is - according to Van Schendel - a continuing tendency among government and development agencies to see silk as an unrealised source of potential for income generation, economic growth, and exports in Bangladesh. This potential is generally interpreted by the government as a need to spend more on 'technology and administration', along with a tendency to see 'uneducated' or 'ignorant' producers as the main source of the sector's problems. There has been little or no interest by silk officials in 'the view from below' and there has been a history of top-down implementation, poor extension and weak policies (p.181). Van Schendel argues that the history of silk production in Bengal is characterised by a tradition of 'authoritarian developmentalism'. In one sense, the World Bank Silk Project can therefore be seen simply as the latest in a long line of more or less top-down attempts to reinvigorate the silk sub-sector in Bangladesh. However, as we shall see, elements of the project design also sought to challenge this tradition, since the central role accorded to NGOs and their grassroots groups in the project design was an attempt to build in more of a 'bottom up' perspective. We turn now from the sericulture sub-sector to the World Bank project itself.

### **The project in theory**

This section examines the rationale of the project based on a reading of relevant World Bank documents and interviews with World Bank and NGO staff of participating agencies.<sup>9</sup>

The sericulture sector in Bangladesh is still perceived by some international donors and NGOs to have the potential to provide improved livelihoods for the poor. According to the World Bank, by the mid-1990s average sericulture productivity and output from silkworm rearing and cocoon processing in Bangladesh was 'much lower' than India, south-west China, or Thailand despite similarities of agro-climatic conditions. The reasons for this disparity, states the Bank, include the Government's continuing monopoly over silkworm egg production and the lack of new research in support of revitalising the sub-sector, both of which prevented the introduction of improved varieties. This argument sees a reduction in the public sector role in sericulture in Bangladesh as a means to unlock significant economic potential for the country.

As we have seen, NGOs have long worked with sericulture as an income generation activity with their locally-formed beneficiary groups. Despite the difficulties due to its technical complexity, high risk and unfavourable economic climate, many NGOs see sericulture as worth persevering with because - at least in theory - it offers potentially high rates of return for poor households, and involves both male and female members of the household in relatively light, skilled work. At the moment, though, the NGOs

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<sup>9</sup> In the field, our study was based mainly on semi-structured interviews with a range of staff from NGOs, the World Bank and the Silk Foundation who were involved in the silk project. Focus group discussions were also held with a sample of NGO field staff, and with *samiti* group members.

effectively subsidise silk production. One reason for this is because there continue to be donor funds available for sericulture initiatives, on the basis of the success of sericulture elsewhere in the region and the argument that it is an underutilised and potentially productive sub-sector for Bangladesh.<sup>10</sup> Another reason is that many NGOs are now seeking to generate additional institutional income which can contribute to their own sustainability as availability of donor funding to NGOs begins to decline. The production and sale of silk products both in Bangladesh and internationally is seen by some of these NGOs as part of a potential resource mobilisation strategy.

The Silk Project was approved with a US\$11.35 million IDA credit by the World Bank in November 1997 and was a five year project intended to revitalize silk production in Bangladesh.<sup>11</sup> The aim was to improve the quality and value of silk production so that the incomes of poor rural women, who form the bulk of small-scale silk producers, would be increased along with the value of silk exports on the world market. A key element of the project was support to the Government's efforts to restructure the parastatal BSB and its technical wing, the Bangladesh Sericulture Research and Training Institute (BSRTI). This 'restructuring' would involve abandoning its commercial activities - aside from continuing to manage a small number of grainages, and instead focus BSB on the technical matters of research, extension and training, working together with the BSF. In addition to the restructuring process, the project was set a number of ambitious production and income targets. Annual domestic silk output which was 29 tons in 1994-5 was expected to rise to 36 tons by 2002. Exports of silk products were expected to increase by at least 30% by the end of project from their current levels. The income of rearers was expected to triple over the project period and employment in all areas of silk production was to increase.

As we have seen, the development objectives of the Silk Development Project were firstly to increase the incomes of small-scale silk producers through improved technology, and creating institutional and policy improvements designed to encourage sustainable development of the silk sector; and secondly to address the institutional, economic and technical constraints that are affecting silk development in Bangladesh. There were also important empowerment objectives to the project:

Since around 80 per cent of small-scale silk producers are women, the project will have a positive impact on the empowerment of women, helping them not only to become financially self-sufficient, but also to become established entrepreneurs.

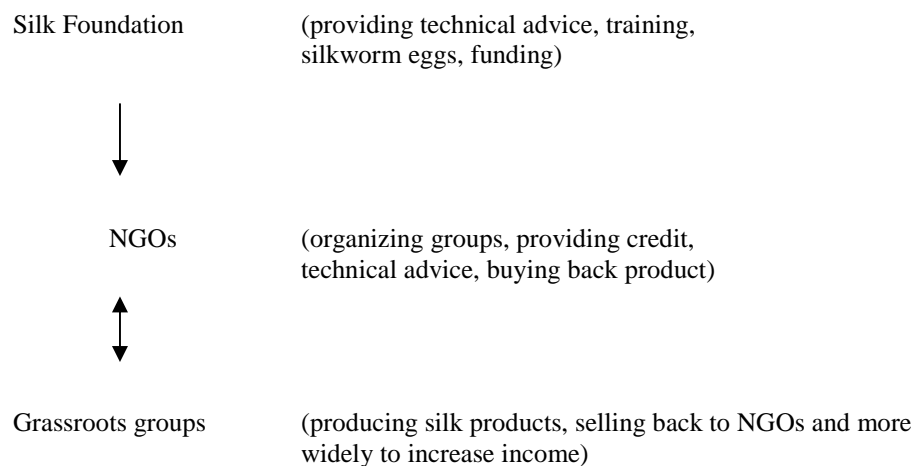
The way that this was to be achieved was through the participation of a group of large and small local NGOs which would be supported by a newly created private Bangladesh Silk Foundation (BSF) to strengthen their sericulture work with their *samitis*. The basic operation of the project is set out in Figure 1 below.

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<sup>10</sup> The resource 'under-utilisation argument' is perhaps similar to that made in respect of the aquaculture sector in Bangladesh, but in aquaculture such views are over-optimistic because they ignore or downplay important social and political constraints (Lewis 1998).

<sup>11</sup> The formal name of the project is the Bangladesh Silk Development Pilot Project.

The BSF was established in 1997 as an autonomous not-for-profit company owned by the government, and is designed to respond with technical assistance to demands from sericulture clients brought 'up' to it through the NGOs. The Foundation is in theory supporting and advising the NGOs which are directly fostering improved sericulture as an income generation strategy for *samiti* members. The Foundation has indeed been active in providing some training and inputs, but in practice, the links between the Foundation and the NGOs were found to be rather one way, which is why the arrow in the diagram is unidirectional. The NGOs' involvement with their members runs very deep, and it is common to find that they provide training, inputs, credit and arrangements for the 'buy back' of produce from the *samitis*. Finally, the *samitis* themselves are grassroots groups, organised by the NGOs with elected group leaders. These tend to be multi-purpose groups which help structure participation in other NGO activities beyond sericulture such as functional literacy work and health education.



*Figure 1: A simplified outline of the sericulture project*

### **The project in practice**

Within a few years of the project's inception it became clear that despite many micro-level gains, the macro-level objectives of the project were not going to be achieved due to political resistance within the project's wider institutional context.

In November 2001, there was an internal Project Implementation Review Mission which reported to the IDA management. There were three basic findings in this document, summarised in a covering letter from Frederick T. Temple, Country Director, to the Secretary, Ministry of Textiles (19th December 2001): (a) the project's development indicators were judged 'broadly achievable' in terms of outcomes such as increases in silkworm rearing productivity, raw silk output, rearers' daily income and employment generation, with the BSF 'continuing to perform well', now that it successfully operates 'an expanding extension service through NGOs' and



supplies 20% of the demand for silkworm eggs; (b) the BSF would not become financially self-sustaining by the end of the project and would require continued financial support from government after project completion - earlier expectations had proved to be 'overly optimistic'; and (c) however, overall project implementation 'has been rated unsatisfactory because of the continued failure of MOT [Ministry of Textiles] to implement the restructuring of the BSB/BSRTI'. This part of the project was cancelled and US\$4.4 million cancelled from the credit in order to allow the government and IDA to focus on the BSF component of the project.

At the micro-level, the project therefore performed well in some respects. An evaluation report (Bentvelsen and Hena 2001) found that poor rural women had on average increased their cocoon production due to the better quality silkworm eggs available, leading to increased yields. However, there were wide variations in production level and therefore income. The status of women involved in silkworm rearing had improved, due to the additional knowledge, skills and income they gained from the project, which helped them gain respect, self-confidence and more mobility. The report found that the project was arguably successful in (a) setting up the Silk Foundation as a participatory alternative to the old BSB for producers and NGOs, (b) creating modest improvements to the livelihoods of poor, female, non-traditional silk producers, and (c) building links between NGOs involved in sericulture and other actors in the silk sub-sector.

Despite this, the report also found that the women tended to remain 'more dependent on NGOs than would be necessary'. The review recommended - among other things - that the BSF should consider 'whether and under which conditions sericulture can be economically and financially sustainable, without depending on subsidies'; that the NGOs should improve the transparency of cocoon pricing in order to make rearers more aware of costs and benefits in sericulture, and pay more attention to 'graduating' beneficiaries towards reduced dependence on NGO services; and that the formation of producers' associations was not viable under present conditions, and required NGO support and homogenous membership. There were also significant problems related to important macro-level factors. The first was the reluctance of the Government of Bangladesh to undertake the agreed institutional reforms in relation to the BSB and the BSRTI. The second was the continuing importation of higher quality cheap silk, both legally and illegally, into Bangladesh.

### *Selected findings from the fieldwork*

During the research, we learned a great deal from our face to face discussions with NGO group members, who were articulate about their experiences with sericulture and their interactions with the NGOs. One of the surprising issues which emerged from our research 'on the ground' was the nature of the relationships between group members and 'their' NGOs, which were characterised by higher than expected levels of paternalism and quite low trust, as the following extracts from our conversations illustrate.

One important area in which this paternalism was manifested was in the high level of control by the NGOs of the production process and the marketing of sericulture products generated by the *samitis*. There were complaints from *samiti* members that

the NGOs practiced a form of 'tied' market transaction in its dealing with the groups, preventing them from taking produce to sell in the market to the highest bidder or going to other NGOs active in sericulture to compare the prices paid. This was because each NGO was effectively subsidising its producers, and was unwilling to forego recouping its 'investment'. As one group member observed

Because we take the eggs from the NGO, the condition is that we must give them what we produce. Even if another organisation gives a higher price, we cannot sell our *gutis* [silkworm cocoons] to them.

These tied transactions are a feature of wider rural society in Bangladesh, where markets are frequently imperfect and transactions of many kinds are permeated by patron-client relationships (Wood, 1981; Lewis 1991) but we did not expect to find such relations reproduced to such an extent within development NGO activities. What is also distinctive here is the high degree of continuity with the earlier history and tradition of top-down control of producers in the sericulture sub-sector, as observed by Van Schendel (1995) and discussed earlier.

Related to this, there are a range of areas of dependency on the NGOs faced by the *samitis*. The first is a strong sense of dependence shown by the producer groups on the NGO for technical support and inputs. There was a low level of trust, in part created by a perceived lack of responsiveness on the part of NGOs to producers' requests for improved sericulture technologies and infrastructure. The leader of one group remarked:

One of the biggest problems is that we don't have a separate shed for rearing silkworms. The NGO had promised us the money to build a shed and to bring in electricity, but then they didn't provide it. Now the NGO tells us we won't get the cash. Nor will we now get payment for tree planting work beyond just one year, even though this was first promised for a longer term.

While the producers say they have shown a readiness to learn new skills and techniques, and most are committed to sericulture, some nevertheless point out the continuing technical challenge they face in producing high quality *guti* and the limited scope for sustainability which exists beyond the life of the project.<sup>12</sup> When asked whether or not the group of rearers could continue in the future without the support of the NGO, one person pointed out:

It's not as simple as just saying we'll continue. We will need appropriate skills and technical know-how. For example, when the silkworm is sleeping someone cannot unknowingly dump mulberry leaves on them - if you do, all

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<sup>12</sup> The NGOs and the BSF are effectively subsidising the silk sector in the hope that it can once again become productive and profitable. Since non-traditional silk producers do not tend to have access to their own mulberry supplies, it is seen by the NGOs as necessary to support investment in local mulberry plantations. Some NGOs say that planting mulberry on *khas* (unowned land which is distributed by the government to the landless) or jointly-purchased land (as opposed to roadside mulberry) would form a sound basis for strengthening the viability of any future attempt to build producer associations. However, in the case of *khas* land, it is often difficult in practice to prevent land ear-marked for redistribution to be occupied in practice by more powerful local interests.

the silkworms will die. If it goes to sleep at 2 o'clock, the rearer has to know exactly when it will wake up, and check from time to time.

The discussions that we held with *samiti* group members suggested that these groups relationships with 'their' NGOs were closer to those between patrons and clients than the more evenly balanced partnerships described as the ideal by NGO staff. Aside from the implications of these limitations for building a cohesive and empowering relationship between organisations of the poor and organisations for the poor (to return to the language of the Bank), such tensions as we shall see can also produce negative implications for building economic sustainability.

While there are problems in the relationships between the *samitis* and the NGOs, there are also some tensions within the *samitis* themselves, particularly in relation to group leaders and members. There a challenge for NGOs and members to maintain the coherence of these groups, which can quickly become fragmented as a result of conflict brought about by intra-group factors such as conflicts over resources or personality clashes or through wider social tensions related to roles and identities in the broader community. One group was explicitly pessimistic about the ability of *samiti* leaders to continue to run their groups without the explicit support of the parent NGO:

No, not really, if the NGO is not there, the *samitis* won't work... if the people from the organisation are not there, having only money will not be enough. The root of a tree is very important. If the NGO is not there, it will be hopeless.

Another group showed tensions as group members became distrustful of the benefits which the group leader received from the NGO when she responded to incentives to collect loan repayments.<sup>13</sup>

At the root of many of these problems are both structural and cultural factors. At a structural level, as we have seen, patron-clientelism is a dominant form of relationship in Bangladesh, where there are high levels of social hierarchy both within community relationships and within institutions such as the state. These relationships are further reproduced within many NGOs, as Wood (1997) has argued, and between the NGOs and their grassroots groups. There is an emerging critique of NGOs as 'the new patrons' as it becomes clear that rather than offering a comprehensive challenge to such deep-rooted structural relationships NGOs are all too easily fitted into them, sometimes with changed local power dynamics but other times merely reinforcing them. McGregor (1989a and b), Karim (2001) and Devine (2003) have each drawn attention to different aspects of these processes in relation to NGOs. At a cultural level, we have already seen the ways in which tensions have emerged between the income generation or market-related aims of the project and its empowerment or social development objectives.

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<sup>13</sup> This example is perhaps reminiscent of the powerful disciplinary regimes increasingly practiced by NGOs identified by Fernando (1997). His research in Bangladesh highlighted the perception by users that NGOs were less flexible in their dealings with the poor than 'traditional' patrons and moneylenders.

One of the key areas of disagreement between the World Bank/Silk Foundation and the NGOs was the World Bank's view that the NGOs should gradually encourage their groups to move towards an independent business model as relatively autonomous 'producer groups' or associations. This would mean reconstituting these 'organisations of the poor' as dedicated sericulture 'producer associations' which would have the autonomy to specialise in sericulture and sell their produce on the wider market to whoever offered the best price. This idea was completely opposed by the NGOs, who saw it as both unrealistic and contrary to their wider group-building agenda. First, it was perceived as a 'top-down' idea which has clearly come from the WB/BSF and it ran counter to the NGOs' own approaches to organising which was based on the development of multi-purpose *samitis*. The non-traditional silk producers were mostly drawn from existing NGO *samitis* which are used as the basis for a wide range of income generation, education and credit purposes. This made the wisdom of creating specialised silk producer groups rather questionable. In the words of one NGO manager:

Our groups are not sericulture groups or apiculture groups or fishing groups or anything else, they are formed for the development of the members as people...

Second, the NGOs wished to discourage their grassroots groups from moving into the wider market and still expected them to both buy inputs and sell the majority of their produce to them. This was voiced in terms of 'protecting' the producers from market competition, but it may also be linked to the NGOs' need to make sericulture profitable for the NGOs themselves. Thirdly, the fear of trade unionism is strong among the NGOs in their reluctance to allow producers to form autonomous associations, and one large NGO had the experience in 1979 of closing its silk factory for this reason.<sup>14</sup> Fourthly, NGOs argue that the producers were still thinly spread (with one or two in each *samiti*) making it logistically impossible to organise these people into groups.

It also became clear that there was tension around the business aims of sericulture. The tension was between the need to build sustainable, viable enterprise with the beneficiaries of the programme, and the more 'political' vision of supporting the poor which was implicit in the views of the staff. For example, one NGO field staff member with the Organization for Empowerment said that because his NGO was about 'development not profit', he felt very much at ease in the organisation. In discussions, staff emphasised the social welfare aims of the NGO and said that they saw themselves '*as development workers not managers*'. This NGO also had the unusual policy of 'graduating' group members from an initial dependent ('target') to a more independent ('non-target') status as they become more self-reliant. For example, in the credit programme certain forms of assistance - such as help with basic shelter - may be given in the form of grant, while later the individual - if he or she improves their condition - becomes ineligible for such forms of welfare-based support and become part of a credit programme which aims to recover its costs. This is designed to reduce the dependence of *samiti* groups on the NGO over time. This contrasted

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<sup>14</sup> Trade unions in Bangladesh are widely regarded by NGOs not as fellow 'civil society organisations' but as predators strongly characterised by patron-client relationships and penetrated by party politics.

with the Welfare for Women approach, which had a stronger tradition of bringing its group members under its overall protection in a more 'top-down' manner.

## **Conclusions**

### *Actor perspectives on the project: fragmented meanings*

As might be expected, the incentives and relationships which structure the sericulture project 'on the ground' look somewhat different from the ways the original project documents set out its planned functioning. In practice, the perspectives of each of the participating actors is different, or at least, places a different *emphasis* in its view of 'what the project is about'.

For the World Bank, the project is as much a part of its drive to encourage public sector restructuring as it is an instrument that contributes to poverty reduction and empowerment objectives. Its view of NGOs is still a mainly functional one, which emphasises the NGOs' capacity to 'deliver' resources to the poor. The Bank's vision of the NGOs' role in the project seeks to combine their role as organizations engaged in broad empowerment of the poor with a strong emphasis on their ability to foster market-driven results, even though there is a cultural tension around these issues within many NGOs. Such a view places more emphasis on the NGOs' private, service delivery character than on their wider social, political or charitable objectives. NGOs are strongly seen as organisations which can strengthen the technical and business aspects of sericulture production and marketing. During our fieldwork, it became quite clear that the Bank was ambivalent about the motivations and the capacities of the NGOs - though there was a very wide diversity of views on NGOs among different Bank staff - and indeed about the project itself. From our discussions with Bank staff, it seems logical to assume that while the Bank was aware of the difficulties likely to be encountered with this project, the wider political imperatives of public sector restructuring and the priorities to 'move money' took precedence over the over the details of operationalising an empowerment strategy.

For the NGOs, participation in the sericulture project is linked partly to a genuine belief that sericulture can form one element in a wider portfolio of income generation activities for their group members. But it is also part of an agenda which seeks opportunities for funding to support their wider work with 'their' groups, including credit provision, literacy work and a range of other activities not directly related to sericulture. At the same time, the Silk Foundation is interested in pursuing its new organisational mandate which is to support production within a private sector reorientation of the sericulture sub-sector, by contributing to improved technologies development, training and extension to NGOs and other organisations including commercial companies. But since the Foundation is supposed to be self-financing once the project has ended, it is now also increasingly concerned with the need to secure further funding and legitimacy for itself. Finally, for the members of the NGOs' groups, participation in sericulture is seen partly as an aspect of the struggle for employment and livelihoods, and partly as a part of the support that they negotiate from 'their' NGO within a long-term, ongoing relationship with a range of external patrons. For example, we sometimes found clear tensions between group leaders and

relatively passive and even resentful group members, and clientelistic vertical linkages between NGO staff and group leaders.

### *'Cultural' tensions in relation to project purposes*

The fieldwork data collected from these different project actors reveals the high level of internal complexity of the project as compared to the rather functional logic set out in the project design. A tension or conflict exists between the cultures of business, of 'helping the poor' and of 'empowering the poor', but such conflicts remain veiled and obscured within various forms of 'neutral' project language. Indeed, there are quite fluid perspectives within these different agencies. For example, the issue about whether or not NGOs should focus more on commercial, charitable or empowerment type activities varies between different NGOs, and between different staff members within the same organisation. At the same time, the ways in which NGOs manage relationships with 'their' organisations of the poor, may not be at all straightforward. On the one hand they speak of empowerment and increasing autonomy, but at the same time they may seek to control the levels of autonomy which these groups are allowed, whether in terms of their freedom to take commercial decisions and participate in the market, the amount of information and transparency they are 'allowed' in the course of their sericulture work, or whether they wish to develop more autonomous decision making about their overall wider direction. Within the wider framework of power and relationships, the logic of social capital as a form of horizontal solidarity and trust can only be very weakly reproduced, if at all. For example, while the debate about the 'producer groups' resulted in a stand-off which was in the end acceptable to both the World Bank and the NGOs (who could publicly remain committed to their different viewpoints) the *samiti* members themselves were unable to influence the debate or take matters into their own hands to advance themselves economically. Only one *samiti* was found to have taken this route, based on the sympathetic support of one or two junior NGO field staff. While one critique of the idea of social capital relates to its tendency to depoliticize development, it may also be the case that certain forms of social capital can also serve to 'de-marketize' forms of empowerment which may be open to the poor.

### *Social capital from sericulture?*

Can the Bangladesh model of 'social capital' embodied in the initial assumptions and the subsequent outcomes of the silk project ever lead to genuine empowerment outcomes? There is reason to be pessimistic here, because the NGOs involved in the project find themselves unable in any real sense to 'set their *samitis* free' for three main reasons. The first is that the NGOs in a sense need 'their' *samitis* to legitimise themselves, since the groups demonstrate to funders and to the government that NGO is engaged in meaningful poverty reduction work. At the same time, the NGOs remain strongly tied to these groups because of the nature of the patron-client relationship which binds them to their groups, as a result both of conscious strategy and wider social norms which lead both sides to frame much of their relationship in this way. Finally, there is a market logic in the NGOs' need to pursue a strategy for institutional sustainability which makes it an attractive option to keep hold of as much of the economic value produced by sericulture activities as possible.

The construction or strengthening of social capital in the form of grassroots 'organisations of the poor' as part of initiatives such as the Silk Project may be achieved in a formal sense through the incorporation of NGOs and 'their' groups into such projects. However, the lens of social capital does not in the end tell us as much as we may need to know about the wider relationships of power, culture and structure which contribute to or constrain both income generation or empowerment objectives. For example, the anthropologist Angela Cheater (2000: 7) has written of the 'mystifying rhetoric of empowerment' which can unhelpfully blur the distinction between the language of empowerment claims and meaningful changes in the control of resources. She discusses the ways in which empowerment processes which are *mediated* - in our case by NGOs - can all too easily result in people who are dissatisfied with their resultant state of partial empowerment, brought about by the uncertain rules and meanings which have been mostly constructed and handed down from above. *Samiti* members in the silk project can be understood as being in this frustrated state - since they are both partially empowered and simultaneously constrained by the rules and meanings of empowerment which have been negotiated within the project. While the concept of social capital may help draw attention to the importance of relationships, networks and resources it does not take us far in understanding the subtleties of the negotiations, contests and struggles - both 'successful' and 'unsuccessful' - which may take place. Long's (2001) understanding of power as 'an outcome of complex struggles and negotiations over authority, status, reputation and resources [which] necessitates the enrolment of networks of actors and constituences' (p.71) would provide a richer set of insights into the workings of the silk project.

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