**ABSTRACT**

**Background:** Global poverty is one among the biggest crisis facing the world today. Half of the worlds’ population lives below the poverty line of two dollars a day. An estimated 22,000 children under the age of five die each day due to poverty. Reducing the global poverty especially in developing countries has been a discussion across the world capitals for the past several decades. Non-governmental organizations (NGOs) have been at the forefront in developing countries providing services, conducting emergency operations and development work. As a result, scholarly work on the work of NGOs in developing countries has grown. **Objective:** The aim of this article is to conduct a review of the scholarly work on the achievements of NGOs in poverty reduction. It specifically aims to tally whether there is more conceptual research or empirical work to support the work of NGOs. **Methods:** Retrieval of published work in this field using combination of various search words in different data bases. **Results:** There has been a surge of non-governmental organization (NGOs) to provide services and development programs in developing countries. NGOs have played a critical role including: providing social services, advocacy and institutional capacity building and development work. NGOs were celebrated for their critical role in serving the poor and providing services in areas where government could not serve. On the other hand, NGOs were criticized for their lack of focus and ‘one size-fit-all’ approach to development. **Conclusions:** This article provides a critical review of the normative and empirical literature on development work. It concludes with recommendations for future direction. More empirical work needs to be done that would build the body of knowledge and that would provide impetus for policies that will support the work of NGOs that are working on anti-poverty programs and will inform the policy making process. The lack of follow-up studies and evaluations and the resulting ignorance about which policies are effective has led to enormous lost opportunities. **Keywords:** Poverty, NGOs, International NGOs, Developing countries, Global poverty

**1. INTRODUCTION**

According to the World Bank’s annual world development report for 2005, half of the world’s population lives on less than two dollars a day, while 1.2 billion people live below a dollar a day poverty line [1] and more than eight million people around the world die each year because of extreme poverty [2]. Most of these are the most vulnerable population especially children. According a 2010 report, 22,000 children die because poverty every single day [3].

Extreme poverty does not only affect the poor but can generate global discontent and, therefore, poverty reduction is an important element in maintaining political stability around the world [4, 2]. For a long time, reducing poverty especially in less developed countries (LDCs) has been a concern among governments, non-governmental organizations (NGOs), and international development agencies. To accomplish this goal, international organizations such as World Bank and USAID have funded programs to strengthen governments’ capacities as well as programs administered by non-governmental organizations (NGOs) to reduce poverty in developing countries.

**1.1. Brief History and Growth of NGOs**

Historically, communities have been forming non-profit organizations, non-governmental organizations (NGOs), and other similar institutions to deliver human services, promote grass-root economic development, protect civil rights, and pursue other objectives important to local communities but left unattended to by the state [5, 6]. One result of this activity has been an upsurge of voluntary sector activity around the globe in both LDCs and more developed countries (MDC) in the past several decades. Salamon (1994) affirms even in developed countries like the U.S., all their major social movement from civil rights, environmental, women to consumer rights had their roots in the non-profit sector [7]. He considers the United States as the virtual seedbed of nonprofit activities [7].

The developing countries have also followed this trend. Their NGOs have rapidly grown in number and are taking larger roles. For example, by late 1980s, in Bangladesh, there were over 10,000 NGOs registered with various government agencies, over 130 in Kenya, over 1000 in Brazil and 800 in Zimbabwe [8, 9]. Their influence on local economies has also
grown as their numbers and the funding amount they receive [8]. NGOs from MDCs have also increased their efforts to support NGOs who are working in developing nations. Between 1983 and 1987 development organizations in MDCs disbursed $3.6 - $5.5 billion in grants to NGOs in LDCs [8].

2. MATERIALS AND METHODS

This article is a review of the literature of the work of NGOs in developing countries. A search of the literature was conducted using combination of keywords including: NGOs, development, developing countries, poverty, global poverty and poverty reduction. After conducting the search and selecting the relevant article first by title review followed by abstract review, the paper divided the literature review into normative and empirical research. The review was guided by the following research questions:

i) How have NGOs done so far? Are they effective in reducing poverty and providing services to the poor?

ii) Does the empirical scholarly work support the assumption that NGOs are effective in reducing poverty in LDCs?

iii) What needs to be done?

3. RESULTS AND DISCUSSION

3.1 Normative Arguments in Support of NGOs

The normative arguments have greatly supported NGOs as an alternative development models. Researchers acknowledge that much of the literature on NGOs is normative writing that imagines the potential contributions of NGOs to development and democracy given a favorable condition [10]. In developing countries, which is the emphasis of this paper, NGOs were regarded as agents of economic, political and social change in Africa, Latin America and Asia since the 1970s [11]. In the early 1990s, the post-socialist countries including Central and Eastern Europe, and the former Soviet Union have also joined the NGO world. Western countries and International Organizations have argued that NGOs will increase citizens’ political participation which was necessary for democracy in the newly-independent countries. Thus, NGOs have assumed some of the roles that were previously played by states as well as commercial organizations with the assumption that they bring more sustainable, participatory and efficient development [12].

The emergence of NGOs to the forefront of development discourse has come about for number of reasons. NGOs are said to have comparative advantage because of their flexibility, their ability to reach the trouble spots of the world, and their participatory approach to development [13]. In addition, NGOs are said to be innovative and cost effective [14, 15]. NGOs are value driven organizations whose staffs are highly motivated and committed to serving the needs of the poor [16, 17]. These qualities have helped to promote the view that NGOs are overall better choice and more effective as agents for change than governments. Many Larger development institutions favor some of the NGO principles of sustainable and participatory development.

Table 1 below is a summary of NGO activities in different regions in developing countries and what they are doing or have done so far as supported by the normative literature.

<table>
<thead>
<tr>
<th>Regions</th>
<th>Activities</th>
<th>Social Services (Health, water &amp; sanitation, &amp; Education)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>Few activities</td>
<td>Many NGOs are involved</td>
</tr>
<tr>
<td>Asia</td>
<td>Few activities</td>
<td>Lots of NGO activities</td>
</tr>
<tr>
<td>South and Central America</td>
<td>Some activities</td>
<td>Many NGOs involved</td>
</tr>
<tr>
<td>Former USSR</td>
<td>Some activities</td>
<td>A lot of NGO activities</td>
</tr>
</tbody>
</table>

USSR: Union of Soviet Socialist Republics; NGO: non-governmental organizations.

As shown in table 1, NGOs are involved in a wide range of activities from development to building the capacity of institutions, policy advocacy and provision of social services. In all the regions, NGOs have been widely involved in provision of social services. Many NGOs in Africa are involved in health services since the HIV epidemic. In Latin America and Asia, which have the bulk of NGO work, NGOs have a long history of providing both social services and advocacy work. Mercers (2002) affirms that, in these regions, NGOs have represented the interests of marginalized groups within the wider public arena, campaigned on their behalf and seek to influence public policy. In some African countries, NGOs have demanded to be part of the policy-making process [9]. NGOs have argued that because most of their work involves development, they can make important inputs to the policy-making process [9]. NGO leaders think that for governments
to formulate policies that are appropriate for sustainable development, their organizations might increase the likelihood of passing policies that are “appropriate to the needs of the people, feasible and implementable on the ground” [9-3]. While some have gone further to argue that NGOs provide ‘space’ to think about development and social change, an approach that would not be possible through government because of politics and bureaucracy [18].

In the past, international development agencies have used NGOs when they doubted the transparency, efficiency and accountability of governments [19]. Like other world regions, NGO activities have grown in the former USSR countries since the end of the Cold War in 1989. Bilateral and multilateral donor agencies have pursued what they called ‘New Policy Agenda’ in this region [20]. This new policy agenda gave renewed prominence to the roles of NGOs and grassroots organizations in poverty alleviation, social welfare and the development of civil society [20]. World Bank and the British Overseas Development Administration (ODA) have not only described NGOs as a development alternatives but also a key to democratization process which is an integral component of a thriving civil society [20]. They indicated in their policy statement that NGOs provide essential counterweight to state power, opening up channels of communications and participation, and promoting pluralism [20]. In Latin America, NGOs played a part in the dramatic political changes that happened between 1978 and 1994 where 15 of the 20 countries have turned from authoritarian to democratic regimes [21]. They did so by responding to change and catalyzing it: engaging citizen participation and providing services the state could not [21].

A conclusion that is clear from table 1 across the regions is that NGOs have played a larger role in providing basic services such as health services and sanitation. Their effectiveness in establishing sustainable primary health care (PHC) systems has been linked with promotion of community participation, having close links with the poor, being flexible and having committed staff [19]. NGOs are filling the gaps in public programs that states have failed to perform or withdrawn. The World Bank has also promoted NGO activities in countries where they did not want to channel funds directly to state. It is also evident as shown in table 1, activities directed towards development and anti-poverty programs have lagged behind in all the regions. Mehra, (1997) writes that, even though NGOs have been working in LDCs for several decades it is just in the past two decades that their activities have been directed towards development work and anti-poverty programs [22]. Recent macroeconomic reforms and development policies in India have began to recognize the needs to adopt more participatory approaches to achieve development goals, hence, working with NGOs at grassroots level with rural farmers and small-scale entrepreneurs [22]. NGOs have demonstrated an interest not only in improving people’s economic status but also empowering them so they can improve their lives themselves. For example, some NGOs, like the Self-Employed Women’s Associations in India have provided programs that were effective in improving women’s economic status [22].

In support for NGOs, USAID states that a flourishing NGO community is essential for effective and efficient civil society that organizes local participation which is essential for sustainable development [23, 24]. In addition, the World Bank has endorsed NGOs as alternative recipient to development aid. They were considered as the new alternative to funding to the bloated state structures. The developed countries considered NGOs as efficient institutional representative of civil society and ideal instruments to implement community-based natural resource management programs and began to channel large amounts of funding through these organizations [25]. The World Bank estimates that it distributed over $7.6 billion of aid to developing countries through international NGOs in 1992 alone [25].

Similarly, International aid, governments and other agencies of development have become more interested in NGOs as potential sources of development alternatives [26]. Many official agencies view NGOs as more efficient and cost-effective service providers than governments, giving better value-for-money, especially in reaching poor people [20]. Other discussions in development studies have also suggested that NGOs would foster forms of development that would be more empowering, more human and more sustainable [26]. Hence, NGOs are preferred channel for social welfare which Edwards and Hulme, (1998) call it a ‘fundamental change’. Other advocates emphasized that NGOs have not only been development alternatives but also represented the voice of the rural poor to policy makers by engaging in policy advocacy [27]. Mercer (2002) argues that, NGOs work with grass-root organizations that are often comprised of poor and marginalized groups; hence they widen the possibilities for citizenship participations [10].

This has given NGO a huge boost as many agencies started channeling their funds through them. For example; the proportion of total aid from member countries of the Organization for Economic Cooperation and Development (OECD) channeled through NGOs rose from 0.7 percent in 1975 to 3.6 percent in 1985, and at least 5 percent in 1993-94 [20]. For some bilateral donors, the figure was much higher; for example, 30% of total Swedish aid was channeled through NGOs in 1994 [27]. In the 1990s, the Dutch government invested between $90 to $100 million to NGOs working on poverty alleviation in South American countries and during the same period, other multilateral and bilateral support totaled $34.2 million [27].

3.2 Evidence/Empirical Work
The empirical evidence is not as convincing as the normative argument to support the work of NGOs in development. However, there is evidence on the work of NGOs in the areas of healthcare services as shown in table 2 below and the discussion that follows.

Table 2: Table presents NGO work in developing countries-empirical evidence.

<table>
<thead>
<tr>
<th>Regions</th>
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<tr>
<td></td>
<td>Development</td>
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<td>Few</td>
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<td>Former USSR</td>
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</table>

**Table Notes:**

- **USSR:** Union of Soviet Socialist Republics; **NGO:** non-governmental organizations.

As shown in table 2, there is little empirical research to support the work of NGOs in developing countries. In sub-Saharan Africa, there is little to no studies done on NGO development work. Other regions are not very much different except for healthcare activities. The most compelling study on NGO work was conducted by Mercer, et al., (2004) to examine evidence of the effectiveness of a large, well-established program in providing reproductive and child health services to the poor through small and medium-sized NGOs in rural Bangladesh. Using data from Management Information System (MIS), the results indicated high coverage of reproductive and child health services in the areas where services were provided by NGOs. The areas assessed included: coverage of reproductive health services, child health services and, infant, child and maternal mortality. Infant mortality rate has greatly decreased in areas where services were provided by NGOs in Bangladesh. For example, Infant mortality in the NGO areas was 64.3 per 1000 live births in 1996, which was lower than the national estimate of 66.3 per 1000 live births for Bangladesh for 1995–99. Between 1999–2002, infant mortality declined consistently in these NGO areas, from 52.8 to 28.3 per 1000 among the poorest, and from 41.6 to 28.2 per 1000 among other children, largely due to the decline in neonatal mortality [19]. The study suggests that NGOs can play an important role in health service delivery. The Bangladesh case has demonstrated that an NGO program can provide services effectively to a large, widely distributed rural population and achieve high coverage and relatively good health outcomes. The data from MIS provided evidence to support the view that local NGOs are able to reach poor women and children whose access to government or profit-making services is restricted.

There are also other studies that have shown success in NGO healthcare provision. For example, in their study, Loevinshn and Hardins (2005) have proposed NGOs as a means to improve health-care delivery and help achieve the health-care related Millennium Development Goals (MDGs) [29]. Evidence from their study suggests that, contracting with NGOs to deliver primary health or nutrition services seems to be very effective and impressive improvements can be achieved rapidly. Good results have been achieved in various settings and for many different services ranging from nutrition services in Africa to primary health care in Guatemala. Their results indicated that regions where immunizations were provided by NGOs in Cambodia had increased coverage by 40% compared to only 19% in government areas [29]. In India, an NGO achieved a treatment completion rate that was 14% higher than the public services in a nearby area at a lower cost [29]. The results from Cambodia also indicated that NGOs were better in reaching and improved the health services of people in very poor and marginalized areas. In Madagascar and Senegal, NGOs were contracted to run community nutrition services. The results indicated that severe and moderate malnutrition declined by six percent and four percent respectively and participation in the programs were 72% in NGO service area compared to only 35% in control areas [29]. In Bangladesh, rural community nutrition services, malnutrition rates decline by 18% in NGO services are compared to 13% in control areas (served by government) [29]. In India, urban TB control services in the city of Hyderabad NGOs identified 21% more TB cases and has 14% better treatment success rate than government programs at a lesser cost [29].

Other studies have associated participation in NGO development activities such as credit associations with increased demand for health care and seeking curative care for a sick child. Economic development programs that NGOs provide have had multiple positive effects on poor households. A survey conducted by Schuler and Hashemi (1994) to determine the impact of credit programs among its participants on the use of contraceptives in rural Bangladesh with two randomly selected groups of Grameen Bank and Bangladesh Rural Access to Credit (BRAC) members, and a third sample of a comparison group [30]. The finding from this research showed that, 50% of women younger than age 50 who were participating in the NGOs credit program were using contraceptive compared to only 40% of the women who were not participating in these programs [30]. A year later, a follow-up survey was conducted with the same groups of women. The use of contraceptive increased by 9% among women participating in the credit programs compared to an increase of only three percent by the control group [30].

NGOs have shown success in providing services in many developing nations from Africa, Asia to South America. In India, decentralization has been a key strategy to empower the excluded and reduce the disparity in society. For example, Mehrotra (2006) observed that when Community Based Organizations (local governance at village level) in India took the
responsibility of running primary schools themselves there was an increase of 20% in literacy [31]. In Mozambique, committed local NGOs working with local authorities doubled and focused on outreach for health services. This improved vaccination coverage and prenatal consultations by 80% [31]. Similarly, the Bamako Initiative that decentralized health services by putting community organizations in charge has also shown success in several countries such as Benin, Guinea and Mali. According to the UNDPs World Development Report, the approach has scaled up health facilities from 44 to 400 in Benin, 18 to 357 in Guinea, and one to 559 in Mali by 2002 from the time it began in the 1980s [32]. In Bolivia, NGOs are in-charge of management of national parks, reserves and protected areas. In Chile—since the mid-1980s, agricultural extension has been subcontracted to the private sector, and NGOs and farmers’ organizations have been allowed to bid for these contracts since the early 1990s [12].

3.3 Critics of NGO Work

It is worth-noting that despite the important work done by NGOs, there is a group that is skeptical about their work. Edwards and Hulme (1998) have expressed doubts about the abilities of NGOs to provide social and economic services and whether that is drifting them away from their initial purpose of institutional development and advocacy [20]. Bebbington (2004) also notes that even though the potentials of NGOs have been uncritically celebrated as development alternatives, there has been also growing body of scholars who are unconvinced about their work, especially about their performance, accountability, transparency and politics underlying their operations [26]. For example, in the post-socialist and the former USSR, NGOs from Western countries were interested in institutionalization and democratization which some have criticized their role as building capitalist economy rather than providing services or development activities. Critics have gone further to asserts that western NGOs working in the former USSR countries for building of a neoliberal capitalist economic system and political order that would support it in the region to the advantage of the Western capitalism but to the disadvantage of those in the region [11]. Some studies have confirmed some negative unintended consequences of NGO operations. Pfeiffer (2003) in his case study conducted in central Mozambique reveals that the surge of NGOs and their expatriate workers over the last decade has fragmented the local health system and undermined local control of health programs while contributing to growing local social inequality [33].

Some researchers are doubtful about the abilities of NGOs to conduct sustainable development work that could be scalable. Although NGOs have been successful in conducting massive relief operations, Abdel Ati (1993) asserts that they have not yet and are not expected to achieve any tangible results on the development front [34]. He states that the main reason for this is the apparent misconception of development on the part of the NGOs as an isolated, localized activity which they can perform. Furthermore, the NGOs' failure to recognize the difference in the methods, means and prerequisites necessary for relief and for development; and most importantly, the failure of NGOs to equip local institutions to absorb and/or sustain any achieved 'development', since most NGOs operate in complete isolation from governmental and traditional institutions [34].

Researcher like Mercer (2002) have argued that handing-over of social welfare activities to NGOs can be very damaging to state power and threatens states legitimacy as it diverts funds away from state to NGOs [10]. She further argues that NGOs undermine the ability of the state to play a role in social service provision. Additionally, Manji and O'Coil (2002) provide a critical observation of NGOs role in Africa [35]. They describe their role as a continuation of the work of their precursors, the missionaries and voluntary organizations that cooperated in Europe's colonization and control of Africa. They argue that their contribution to the relief of poverty in Africa is minimal and more so, they significantly undermine the struggle of the African people to emancipate themselves from economic, social and political oppression. They assert NGOs to be part of the "neo-liberal system that has resulted in widespread impoverishment and the loss of the authority of African states to determine their own agenda" [35].

4. CONCLUSION

As indicated by the literature review, there are comparatively few empirical studies of the effectiveness of NGOs and especially regarding their development work. There is need for research on the outcomes of development work managed by NGOs in developing countries. Few scholars have examined the actual contribution that NGOs make in terms of development. Therefore, more empirical work needs to be done that would build the body of knowledge and that would provide impetus for policies that will support the work of NGOs that are working on anti-poverty programs and will inform the policy making process. The lack of follow-up studies and evaluations and the resulting ignorance about which policies are effective has led to enormous lost opportunities. Unfortunately, the lack of evidence about which NGO programs are effective, leaves funding agencies suspicious that resources are either stolen or wasted. Thus, the lack of rigorous evidence about what works misdirects current funds and reduces total funding which is crucial for NGOs operations.

6. REFERENCES


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