Bangladesh: An Analysis of BRAC’s Shift from Freire’s Critical «Conscientization» to a Neoliberal Self-Optimization Approach of Development

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Abstract: This article provides a critical analysis of a Bangladeshi development-NGO BRAC’s shift from Paulo Freire’s «conscientizing» education to a neoliberal self-optimization approach of development. Focusing on BRAC’s founder Fazle Hasan Abed’s intentionality and BRAC’s adult literacy programs, I examine why BRAC abandoned Freire’s conscientizing education rooted in Catholic-Marxist social movements in Brazil, and embraced a market-driven development strategy based on market capitalism. In the analysis I place BRAC at the intersection of the international context of the early 1980s, examine BRAC’s relationship with the Bangladeshi regimes, and investigate the ramifications for BRAC and the people to whom this institution offered programs. My findings suggest that, although Freirean philosophy was foundational to BRAC’s organizing principles and the design of its adult education curriculum (Smillie, 2009; BRAC, 1977), BRAC deserted Freirean philosophy to submit to the local power structure and hegemony of the international aid industry. At the dawn of neoliberalism (1980–1995), BRAC adopted microfinance, microfinance literacy and profit-driven development initiatives to capitalize on the struggle of the poor in favour of its organizational growth and sustainability. In the process of evolving into the largest and most business-like NGO in the world (Economist, 2010), BRAC modified and depoliticized Freire’s radical conscientization in its curriculum and development strategy to align itself with the local power structure, the Bangladesh state, and international donors.

Keywords: conscientization; microfinance; neoliberalism; hegemony; apolitical; aid industry.

Received: 29/10/2021
Accepted: 31/01/2022

1. Introduction

BRAC is a home-grown Bangladeshi, development-NGO that is well-known in the international aid industry and among neoliberal organizations. Its focus is poverty alleviation, non-formal education, microfinance, and empowerment of the
poor. BRAC’s poverty reduction initiatives, especially its innovative microfinance campaign and education projects, are celebrated globally as tools to fight poverty and socio-economically empower poor women. BRAC began its journey in 1972 as a tiny relief organization in a remote village in Bangladesh, then quickly shifted its focus to development projects. Initially, BRAC sought to empower the rural poor through conscientizing education to bring about structural changes. However, this approach was abandoned in the late 1970s.

BRAC has grown exponentially in last four decades on the wave of the neoliberal economy. It is now the largest hybrid non-government development organization in the world (BRAC, 2021). In 2011, BRAC’s founder Fazle Hasan Abed was awarded the WISE prize for education, in recognition of his 40-year career dedicated to alleviating poverty through education (BRAC.net November 1, 2011). BRAC is also known as a global leader in innovative microfinance enterprises, having disbursed USD$4.5 billion in 2020. It has more than 8 million clients and operates in 11 countries across Asia and Africa (BRAC.net, 2021). BRAC is currently an AAA credit-rated financial entity, highly invested in profit-making business ventures including banking, insurance, IT, agriculture, food processing, dairy, poultry, livestock, private education, fisheries, cold storage, handicraft, iodized salt, decorative materials and clothing.

In the early 1970s, Fazle Hasan Abed was influenced by Freire’s seminal work *Pedagogy of the Oppressed* (1970) (Smillie, 2009) and adapted Freirean concepts to the Bangladeshi context (Rafi, 2003). BRAC’s adult education program (BRAC, 1980) used Marxist pedagogue Paulo Freire’s critical literacy as the basis of its curriculum design and practice (BRAC, 1977; Smillie, 2009; Mohammad, 2020). However, in the 1980s BRAC shifted to a neoliberal capitalist approach to education (read «training») and development, and embarked on a microcredit program. This strategy alleviated poverty without addressing the core and complex structural causes of poverty (Fateh, 2020). By aligning with a neoliberal capitalist development approach and donors’ agendas, BRAC focused mainly on poverty reduction and poverty-related employment opportunities. Whereas Freire’s critical pedagogy was aimed at addressing socio-economic concerns, deprivation, dehumanization, political liberation and structural change in favour of the poor and oppressed, BRAC’s initiatives largely focused on the material status of poverty and the development of market-oriented safeguard mechanisms for the poor. Freire was a critic of neoliberalism and neoliberal interventions in education (Letter for Christina, 1996), but BRAC embraced neoliberalism and focused on neoliberal training and skill development initiatives to tackle poverty contrary to Freirean philosophy and pedagogy.

In summary, although Freirean philosophy was foundational to BRAC’s organizing principles and the design of its adult education curriculum (Abed, 2011; Smillie, 2009; BRAC, 1980), BRAC shifted away from Freirean philosophy and embraced neoliberal market-oriented development ideology (Muhammad, 2018; Mannan, 2015; Ahmed & Hopper, 2007). The issue worth investigating is why BRAC, once inspired by Paulo Freire’s critical pedagogy for its humanizing and liberatory approach, switched to a market-driven, business-like development strategy rooted in the neoliberal ideology strongly criticized by Freire.
Researchers of NGOs have studied BRAC’s development projects and its success in alleviating poverty. Analyses of BRAC’s adult education programs, village organizations, and its microcredit, community and human development initiatives have also been undertaken (Chowdhury, Ahmed & Hossain, 2019; Nawaz, 2010; Mannan, 2009; Muhammad, 2018; Fateh, 2020). And there are studies of BRAC’s business of poverty (Banerjee & Jackson, 2016), poverty alleviation tools (Ali et al., 2017), microcredit operations (Ali, 2014), and its rise as a corporate NGO (Muhammad, 2009). Yet, most studies focus on BRAC’s performance in income-generating activities, its innovative tools for sustainable development, and its microcredit program to empower rural women. However, there is no study of BRAC’s shift from a social-value organization to a market-based neoliberal organization.

This paper investigates why BRAC pivoted away from Freire’s radical conscientization education rooted in Catholic social movements with Marxist influences to a neoliberal functional education (read «training») and market-driven program support enterprises (PSEs) or businesses, a hardcore facet of market capitalism. This is achieved by analyzing BRAC’s documents and Abed’s published interviews, public statements, and speeches. I consider the international context of the early 1980s, the relationship between BRAC and the Bangladeshi regimes, and the ramifications for BRAC and the people to whom this institution offers programs.

The central questions of this paper are: what was Abed’s intentionality behind BRAC’s shift from a social-value organization to a neoliberal organization, and why did he decide to engage BRAC in this shift. In examining Abed’s intentionality, I follow Quintin Skinner (1969) and Martyn Thompson’s (1993) theoretical frameworks of reception and interpretation of history. To analyze BRAC’s transformation to a neoliberal development organization, I am informed by Frantz Fanon, Andre Gunder Frank, Anibal Quijano, post-colonial theories, and critiques of neoliberalism including the work of Byung-Chul Han.

2. Freire’s Critical Literacy and Neoliberalism: A Brief Discussion

Freire’s critical literacy is an instructional approach that contains essential features for its learners to bring about structural changes or a «model of an alternative society» (Mayo, 1995, p. 363). It also refers to an emancipatory process through which a person is empowered to uncover and decode social and political aspects of texts, organizations, social status quo, and cultural practices to expose concerns relevant to their immediate environment (McLaren, 1994). Freire’s critical literacy is designed to incite consciousness among learners and encourage them to undertake critical interventions to address exploitation and oppression in their social context.

According to Mayo (1995, p. 1), «cultural action for freedom» and «cultural revolution» are the key concepts of Freire’s critical literacy. Freire states that education and politics are connected, and teaching and learning are thereby profoundly political (Freire, 1970). He argues that political force is required for liberating education, and that oppressors or dominant groups are against any humanizing or liberating education. Since freedom will not automatically be bestowed on the oppressed by the oppressor, Freire urges the oppressed to take responsibility for their own struggle to liberate themselves and their oppressors (Freire, 1970).
Neoliberalism is an extension of capitalism and a prevalent political-economic theory. It promotes privatization, fiscal austerity, reduced government interventions and less spending on social programs. Neoliberals view the world as a vast supermarket and emphasize the value of free-market competition; one in which the world is intensely competitive economically. Maximum freedom for the market is promoted and profit is placed ahead of ethical values (Harvey, 2005). Neoliberals argue that the markets determine and distribute benefits to consumers in a way that cannot be achieved by centralized planning (Manibot, 2016), and human well-being is best achieved by providing commercial and entrepreneurial liberty and skills in the framework of an institution prescribed and characterized by «strong private property rights, free markets, and free trade» (Harvey, 2005, p. 2). Regarding government welfare and social-welfare programs, neoliberals believe that «private charity is no longer sufficient to support the poor» (Boyce, 2020, p. 1). They propose that the state should support legal actions and use the military and police (if needed) to secure individuals’ rights to private property. However, they also argue that the state should not go beyond that and «state interventions in the markets must be kept to a bare minimum» (Harvey, 2005, p. 2). They consider economic rationality as more powerful than any other rationality (Apple, 1999) and reduce citizens to consumers «whose democratic choices are best exercised by buying and selling, a process that rewards merit and punishes inefficiency» (Manibot, 2016, p. 1). In this way, neoliberalism results in economic efficiency, lower taxes, cheaper goods, and higher levels of investment.

But neoliberalism has its critics. For many, neoliberalism undermines democracy and transforms democratic political concepts into economic concepts. It undermines the state and the government and «increases economic inequality and subordinates all values to an economic rationality» (Whyte, 2019, p. 19). It has also become a hegemonic discourse with its extensive impact on the common sense of many human individuals (Harvey, 2005). Harvey (2005) argues that the process of neoliberalization caused «creative destruction» to prior organizational frameworks, traditional state sovereignty, divisions of labour, welfare, social relations and ways of life and thought. He criticizes neoliberalism’s efforts to transfer all human activity into a market place. By promoting market trading as an ethic in itself, neoliberalism emphasizes contractual relations in the market domain, supplanting «all previously held ethical beliefs» (Harvey, 2005, p. 3). Its depoliticizing and economizing strategies interrupt people’s understanding of the growing inequalities in resources and power in societies, where people with less economic, political and cultural power, and those who need to deal with real-life struggles, suffer the most (Fraser, 1989).

Neoliberals intervene in education and reduce education to a consumer commodity similar to television, cars and bread (Apple, 1990). For neoliberals, the purpose of education is to teach employable skills. Schools are required to «meet the needs expressed by capital» (Apple, 1999, p. 205). Students (human capital), as future workers, must be trained in the required skills to compete efficiently and cost effectively in the market.

Freire was a critic of neoliberalism. He saw the connection between neoliberalism and development, and was concerned by its widespread acceptance. Freire observed the manipulative practices of the dominant class who were indifferent to the need
for a critical reading of the world and who insisted on the purely technical training of the working class (Freire, Letter from Cristina, 1996, p. 83). For Freire, education is political and no progressive ideology can separate education from politics «just as it cannot separate the practice of reading the world from reading the discourse» (Freire, 1969, p. 83). He criticizes neoliberals who preach that there is no need to talk about class struggle, utopia, dreams, oppression and social justice (Freire, 1969). Freire opposes the neoliberal position that it is the duty of the capitalist to create special ethics based on the market and production. He rejects the neoliberal concept that we are all consumers and possessive individuals, and its associated de-politicization. Regarding the neoliberal notions of production and consumption in education, Freire states that a pedagogy that does not critically inform its learners about what they are producing, for whom they are producing, who benefits and how it hurts others, can not be a critical pedagogy. Therefore, Freire warns us not to be charmed by neoliberal ideology and states that, «an ideology of privatization that never speaks about costs, the costs are always absorbed by the working class» (Freire, 1996, pp. 84, 85).

3. Abed’s Intention is BRAC’s Intention: Start of Corporatization

BRAC’s organizing principles, mission and vision were guided by Abed’s intention. From the time BRAC was founded in 1972 to Abed’s death in 2019, he led the organization and was the key decision maker. He was highly visible, informed, and charismatic. He maintained a significant role in the organization’s daily activities where «authority flows downward and loyalty upward» (Siddiquee & Faroqi, 2009). As executive director and chairman, his dominance in BRAC and its subsidiaries was uncontested for more than four decades (Ahmend & Hopper, 2006). Even after 47 years, he retained central and absolute power over all subsidiaries of BRAC. Only a few people, including his family members and his «clan» (Ahmed & Hopper, 2015), shared his management authority over all of BRAC’s business concerns. It was «just like a corporate group of companies» owned by a family (Muhammad, 2018, p. 3). Therefore, Abed’s intentionality to define, operate, and direct BRAC was intertwined with and reflected in its (BRAC’s) strategies, planning, and growth. By intentionality, I mean Abed’s personal thoughts, beliefs, desires, and hopes that directed BRAC’s evolution to a market-driven organization.

To analyze Abed’s intentionality, I use Quentin Skinner’s (1969) theory of interpretation to examine his speeches, statements, and written documents. In his article Meaning and Understanding in the History of Ideas (1969), Skinner states that the understanding of meaning cannot be achieved by just studying the text. The societal context and intentionality of the author are also relevant when determining the meaning of a text. Skinner’s approach helps us understand the intentionality behind utterances, and I embrace his notion that «historical differences over fundamental issues may reflect differences of intention and convention» rather than differences in values (1969, p. 52).

BRAC evolved from a relief organization into a social development organization with the goal to help the rural poor. BRAC’s programs were intended to strengthen agricultural productivity, deliver basic health services, and provide literacy education.
It was simply a support and service delivery initiative to help the rural poor after the post-war relief and rehabilitation phase was over. Its education program was designed to provide occupational skills and promote higher productivity. Abed stated in the proposal to Oxfam: «We believe that an adult literacy program is critical to the success of all development efforts and that it must be functionally related to the improvement of the occupational skills of the people so that literacy can directly contribute to higher productivity» (BRAC, 1980, p. 1).

To help the poor, BRAC’s provided training, developed institutional infrastructure, increased organizational capacity, delivered logistical support, and provided literacy training. Initially, there was no radical or revolutionary thoughts of social-mobilization and political interventions. The intention was to fight poverty and hunger, and to provide basic knowledge of health and hygiene. Although a new functional curriculum was then designed based on Freire’s methodology, I argue that Abed’s intention remained to help the poor increase their agricultural productivity and to address health issues and illiteracy, but was not concerned with social transformation or structural change.

BRAC’s first development initiative was unsuccessful in terms of engaging the poor, providing adult literacy, and organizing groups (BRAC, 1977; Smillie, 2009). Learning from the failure, BRAC looked for other ways to engage people and develop associations. During the mid-1970s, once Abed became familiar with Freire’s Pedagogy of the Oppressed (1970), BRAC moved toward empowering the disadvantaged. Khusi Kabir, an early BRAC employee, stated that Abed read Freire in 1973 and started to implement Freire’s ideas in BRAC shortly thereafter (Smillie, 2009).

Abed acknowledged that he was inspired by Freire’s work and that it influenced his thinking about organizing the poor and providing literacy training. Referring to Freire, Abed said: «He made us realize that poor people are human beings and can do things for themselves» (Interview – Fazle Hasan Abed, 2005). After the failure of its first literacy drive in Sulla, Freirean concepts were used to design BRAC’s functional education curriculum for adults, which was piloted in 1974 (BRAC, 1977).

BRAC designed the new curriculum based on Freirean pedagogy (BRAC, 1980) and started to organize the poor to empower them, by explaining why deprivation exists in their immediate society (Interview – Fazle Hasan Abed, 2005). This new curriculum contained topics and lessons related to social exploitation such as moneylenders, land, loans, mortgages, village touts, corruption in cooperatives, interest, traders, starvation, and social status (BRAC, 1977). Although they did not provide empirical evidence, BRAC claimed in its report «Development of Innovative Methodologies in Functional Education for Bangladesh» (BRAC, 1977) that the functional curriculum program created awareness among its learners to organize, initiate, and react for change.

Ironically, although Freire’s pedagogical structure was followed in the new curriculum, it was intentionally depoliticized and deracialized (Mohammad, 2020). The curriculum lacked the humanized approach and freedom rooted in Christian liberation theology, class struggle and social praxis influenced by Marxism as suggested in Freire’s critical pedagogy. Rather, Abed led BRAC to an economized Freirean pedagogy and attempted to conscientize students about topics related to
income generation, health, and agricultural activities. By implication, Abed did not want the new curriculum to have revolutionary radical and political elements. He did not intend to mobilize the poor to oppose traditional power structures and challenge the status quo (Mohammad, 2020). Abed’s associate and BRAC employee Rafi (2003) stated that Abed’s inspiration by Freire’s liberating education is reflected in BRAC’s conscientization (বিশ্লেষণাত্মক/সমালোচনামূলক সচেতনত) and development initiatives. However, this was not the case in the field where BRAC’s focus was on developing occupational skills to create opportunities to generate income (Mohammad, 2020). Although there were some topics and lessons related to social exploitation, Abed’s intention when he adopted Freire’s ideas was not radical, political, or revolutionary (Mohammad, 2020).

Shivji (2007) argues that despite the good intentions of NGO leaders and activists, it is the effects of their actions in the field that are important. Therefore, I argue that although Abed wanted to end the hunger and poverty of BRAC’s clients, his objective was not to implement Freire’s politically charged radical pedagogy in BRAC’s adult literacy program. Freire demanded complete freedom for the poor and he challenged the established social status quo. But Abed limited the scope to economic opportunities and took a personal redemptionist approach to make changes within the system of oppression. Abed’s vision was more economical, developmentalist, and capitalistic than political, radical, socialistic, or even Marxist. Abed’s struggle for the poor was largely limited to the material gain in a capitalist structure and support for the production systems of rural people.

Abed’s intention is also reflected in BRAC’s involvement in financial matters. Even before implementing the new curriculum loosely based on Freire’s concepts, BRAC began to give small loans to fishermen in 1973 to buy boats (Interview – Fazle Hasan Abed, 2005). These loans were not made to individuals but to groups of six to ten, so that they could fish together. According to Abed, this collective microfinancing «did quite well» (Interview – Fazle Hasan Abed, 2005). Ironically, BRAC shifted to individual microfinance through volunteer organizations (VOs) in later years, which opened up business opportunities for BRAC.

In the mid-1970s, BRAC established businesses such as printing presses and shops to sell products produced by the villagers to generate income. This raises an important question about BRAC’s intention to disburse loans without conscientizing and organizing the poor, and how it managed to combine non-profit social development programs and for-profit business enterprises. Abed stated: «I’ve never thought that you can do good only through non-profit activities. You can do good also by doing business» (Khanna, 2014, p. 27). This implies that Abed’s struggle for the poor was confined to material gain in a capitalist structure and support of the production systems of rural people. Therefore, I argue that Abed’s intention was to get involved in economic activities from the beginning of BRAC’s journey as a social-development NGO.

On many occasions, Abed stated that he understood the complex nature of poverty and how poverty is deeply rooted in established social structures (Abed, 2006; BRAC, 1980; Mohammad, 2020; Smillie, 2009). He acknowledged that poverty is not only the lack of resources, low agricultural productivity, and the lack of education or health, but all kinds of deprivation (Mohammad, 2020).
Abed set up a research division to explore the dynamics of poverty and its relation to power in villages (Khanna, 2014). Although BRAC studied the complex structure of poverty and tried to generate income opportunities related to poverty, it never intended to address the root causes of structural poverty (Mohammad, 2020). Instead, BRAC gradually became more involved in profit-making, credit-based economic services (Ahmed & Hopper, 2015) and attributed poverty solely to the lack of resources. This raises a few questions. If Abed understood the intense and complex nature of poverty in Bangladeshi villages, why did he reject Freire’s radical philosophy and pivot toward business initiatives? Did BRAC surrender to donor, local and government hegemony? Did BRAC ever mean to change the social status quo and fight oppression?

Abed’s associate Rafi (2003) stated that BRAC used a modified version of Freire’s conscientization model in Bangladesh which then became fundamental in BRAC’s organizing principles (Smillie, 2009). However, it is important to note that conscientization cannot be separated from radical political ideology because it aims to challenge the status quo. There is a revolutionary struggle for freedom from oppression and a process of humanization embedded in conscientization. Therefore, conscientization is dead when it devolves to income-generating activities created by free-market actors with a view to economizing every subject.

Mohammad (2020) argues that instead of propagating freedom, humanization, and class struggle, BRAC equated poverty alleviation with freedom. There was no attempt in BRAC’s programs to humanize the rural poor and make them complete human beings, as suggested by Freire. In later years, especially after the mid-1980s, program participants were taught how microfinance would work to solve their problems of suffering, poverty, and exploitation. But the participants were intentionally not told how they were being made dependent on BRAC and becoming economized subjects in its internal market. For obvious reasons, they were also not told how they were being made sellers-customers-consumers to support BRAC’s business and growth (Mannan, 2009). In this way, BRAC chained program participants and linked them to the market.

Although Freire criticized the oppressive capitalist structure and urged the oppressed to challenge it radically, Abed actualized Freire’s ideas with a different meaning and intentionality. Abed never questioned the capitalist mode of production; he wanted to mobilize the rural poor to fit into the capitalist system to support their financial activities. Unlike Freire’s questioning of systemic oppressive structures, Abed created a system that was carefully and deliberately politically unengaged. Freire argued that the oppressed should not be integrated into the exploiting social structure. Instead, the structure should be changed to liberate the oppressed as fully formed and complete human beings (Freire, 1970). Abed drew on this and recognized that the rural poor of his literacy project were dehumanized, despite being as capable and competent as their oppressors (Mohammad, 2020). He understood that the landless poor of BRAC’s project area were victims of exploitive social structures established by rural elites. Yet unlike Freire, Abed wanted to alleviate poverty without agitating and transforming the power structure. This is apparent in Abed’s use of language. He referred to the «poor» not to the «oppressed», and did not talk about dehumanization or how to become fully human, as Freire did. Abed and BRAC’s
primary goal was to help the poor earn money without disrupting the established oppressive social structure of rural elites in the Bangladeshi context.

4. Do not Upset the Rural Power Structure

During the early period of NGOs in Bangladesh after 1971, mainstream NGOs’ primary aim was to work in the area of social mobilization (Barakat, 2008; Muhammad, 2018). They were committed to mobilizing the rural poor to challenge the existing power structure, inequality and exploitation (Muhammad, 2018). In principle, in its first phase BRAC was similarly altruistic. It tried to establish associations and villages organizations to bring about political and structural transformation using long-term development programs. Abed understood that poor people were poor because they were powerless and should be organized to rid themselves of poverty (Armstrong, 2008). He stated: «…at the heart of BRAC’s approach to development is organizing the poor» (Microfinance Gateway, 2008). Abed worked to reduce poverty and combat exploitation by building power at the grassroots level (Zafar, 1988).

As discussed, BRAC did not aim for structural change. Instead it concentrated on tackling pressing social issues such as poverty, illiteracy, lack of health services, and agricultural productivity. BRAC wanted to establish VOs, organize the poor and engage rural women. Abed recognized that wealthy farmers, mahajons (money lenders), and other rural elites were the exploitive dominant groups, and that poverty in Bangladesh was a complex issue rooted in a neo-colonial power structure (Mohammad, 2020).

Having familiarized himself with Freire’s liberatory education and Andre Gunder Frank’s dependency theories (Smillie, 2009; Rafi, 2003), Abed knew that unless deprived people realized they were exploited and structurally oppressed by the rural elites, their freedom from poverty and exploitation would never be achieved. If the poor do not become critically aware of the root causes of their poverty, economic supports provided to them would be misappropriated by the elite in society (Rafi, 2003). Abed also knew that illiteracy was a barrier to development (BRAC, 1980) and that education was the great equalizer. He correlated these facts to sustainable socio-economic growth (Mohammad, 2020).

BRAC started experimenting with Freire’s conscientizing education when it piloted the functional education curriculum project in 1974 (BRAC, 1980). The curriculum was intended to conscientize VO members about the root causes of their suffering; to stimulate self-motivated initiatives to solve their problems; and to teach basic literacy (Rafi, 2003). However, analyzing BRAC’s adult literacy curriculum, Mohammad (2020) argues that the program was designed to stimulate people to engage in economic initiatives.

Some studies (BRAC, 1980; Streefland,1986; Hashemi 1995; Rafi, 2003) indicate that BRAC’s early conscientizing education for the rural poor had positive outcomes but was resisted by the rural power structure. Rafi (2003) stated that «conscientization education was a direct challenge to the rural power base, whether or not the participants (the poor) demanded economic, political or social justice with or without changing the system» (p. 3909). The elite regarded the NGO
conscientization programs as a threat to their power structure of domination (Rafi, 2003). This resulted in pushback and pressure to eliminate BRAC (Khanna, 2014).

Local businesses, administration, government agencies and political parties were all dependent on rural elites to maintain influence and implement their agendas. For that reason, they were not supportive of the conscientization program. Fundamental religious groups were also unhappy with what BRAC was doing. Autocratic military governments and local administrations did not want to disrupt the rural power structure. In the face of such resistance, BRAC and other NGOs abandoned conscientization in the late 1970s and moved away from the goal of empowering the poor to fight poverty. They switched their focus to market-oriented activities in line with microfinance-related growth and sustainability programs (Rafi, 2003; Muhammad, 2018) that would not upset the rural power structure or challenge the systemic oppression of the rural poor. In this way, Abed shifted BRAC’s focus from social development programs to microfinance and more passive social development interventions. Eventually, BRAC came to focus on institutional building and involve itself in establishing business enterprises and PSEs. I argue that this was the primary motivation for Abed to shift his focus to poverty-related development initiatives.

Rafi (2003) claims that Abed’s shift did not undermine the need and importance of Freire’s conscientization, even though it promoted poverty-related credit-based economic activities. He argues that BRAC maintained a holistic development approach to help the poor through its development initiatives where «social mobilization and conscientization efforts continued to run hand in hand with its microcredit interventions» (Rafi, 2003, p. 3). However, analyzing BRAC’s functional education curriculum, the main vehicle of conscientization of the poor, Mohammad (2020) counters that BRAC actually depoliticized and de-radicalized Freire’s revolutionary concepts because social mobilization was not the priority. BRAC engaged its participants in poverty-related income-generating employment opportunities, distracting them from the root causes of their suffering and pacifying them so they would not challenge rural power structures.

BRAC’s gradual reorientation to microfinance and economizing social development initiatives caused a rift among its employees. In protest against BRAC’s microfinance activities and its cessation of any meaningful struggle of the poor, a group of employees left BRAC at the end of 1970s (Smillie, 2009).

5. Survival of the Organization First

The organization’s survival in times of uncertainty was another reason for BRAC to shift its focus from Freire’s conscientization to corporatization. During the 1970s and 1980s, BRAC was dependent on external funding to run its operations. Its project proposals were subject to approval by international agencies and donors. BRAC could not act independently; its projects had to meet the needs and requirements dictated by the aid industry. BRAC would write proposals and if approved, would get funds on a project-by-project basis (Ahmed & Hopper, 2007). New programs and existing projects were funded by donors, but BRAC was never sure of the funding for its next project.
In this climate of uncertainty, Abed communicated his concerns to his colleagues at BRAC, and employees worried about getting paid (Smillie, 2009). Because BRAC was fully dependent on donor funding and had no income of its own, it took on any project that came along and never declined to comply with its donors. At any cost it wanted to survive whether the projects were in line with its organizing principles or not. Ahmed and Hopper (2015) note the following from a senior BRAC official, who is quoted as saying: «We wanted to survive any way we could. We needed funds for that. When donors told us to work with the government we didn’t think much. We took the jobs».

BRAC did not take an ideological stand about whether they should partner with the military-autocratic government. To execute donor-funded projects they needed government support, which was a challenge. Choosing pragmatism over idealism, Abed selected projects for which funds were available along with government support. BRAC did not want to defy government policies; they were willing to comply with them. They worked with both democratic and military-autocratic governments, and never criticized them. BRAC did not get politically involved but maintained covert relationships and complied with the authoritarian hegemony of governments and political elites of any belief or stripe to survive (Ahmed & Hopper, 2007).

Regarding BRAC’s vulnerability and its submission to dominant hegemony, Ahmed and Popper (2018, p. 42) commented that «...when BRAC was vulnerable, dependent on external resources and worked on short term goals it consented to the prevailing hegemony of dominant groups». As BRAC accepted its lack of power and submitted to the hegemony of donors and government, a bilateral relationship was built. BRAC used this understanding to capitalize on opportunities that emerged from these relationships (Ahmed & Hopper, 2015). Such calculated moves by BRAC were well rewarded with resources and support. This helped transform BRAC into a market-driven organization and grow exponentially. I argue that uncertainty, insecurity and survival as an organization were critically connected to BRAC’s transformation into a market-oriented entity.

6. BRAC Embraces Neoliberalism

The rise of NGOs in Bangladesh was directly connected to a massive influx of Western aid and foreign funds after the war of independence in 1971 and coincided with the liberal new world order agenda including structural adjustment programs (SAPs). SAPs aimed at «adjusting peripheral economies to the need and direction of the dominant ideology» (Muhammad, 2018). However, with the growing popularity of neoliberalism from the 1980s to 1995, neoliberal agenda «poverty alleviation» replaced «development» and promoted poverty-related income-generating activities. During this time, in line with the Washington Consensus, neoliberal organizations such as the World Bank, IMF, and USAID included NGOs in their agendas and promoted their role in poverty alleviation. As a result, neoliberal organizations supported the commercialized microfinance interventions of the NGOs instead of subsidized microfinance interventions mainly provided by governments.

Following the lead of Washington-based financial institutions and policy prescriptions, the international aid industry also changed their development strategy
and funding policy. Aligning with the neoliberal agenda, donors urged governments and NGOs to adopt market-based poverty solutions. Soon after this, the NGO model of development through microfinance intervention emerged as a convenient tool to support the poor, that ultimately ignored systemic causes of poverty and oppression. However, this development for NGOs was advantageous in terms of donor funding, resources, and policy support. In such an environment, BRAC also shifted toward market-driven poverty solutions to conform with neoliberal hegemony.

According to Ahmed and Hopper (2007), after the neoliberal policy reforms in early 1970, the World Bank focused on poverty alleviation programs. Following the agenda of neoliberal hegemony, governments started to withdraw from services, spend less on social safety nets, reduce taxes, limit interventions, privatize companies and deregulate markets. Such initiatives caused a gap between basic government services and the needs of people, and in turn demonized state governments. Although this resulted in more suffering, inequality, and discontent among the people, it also resulted in a favourable environment for the growth of development NGOs (Muhammad, 2015).

In the absence of government services, NGOs provided better services and quality of delivery. Being propagated by the neoliberal media and supported by large funds, policies and the weakened capacity of governments, people saw hope in the development NGOs. Bangladesh, the newly liberated, war ravaged, poverty stricken «international basket-case», was an ideal environment for BRAC to shift from social-mobilization to market-driven solutions to poverty alleviation.

By the early 1980s, BRAC was already engaged in for-profit businesses. It initiated the organization of cooperatives, established marketplaces, and provided microfinances to support employment and income-generating opportunities related to poverty. BRAC now concentrated on economic activities such as poultry, cold storage, learning and training centres, horticulture, and outlets to sell and distribute products. In this way, BRAC had already linked the poor to the financial market and created an internal market for them and its clients as well. With the increased influence of neoliberalism from 1980 to 1995 and the patronage of neoliberal aid industry, BRAC aligned itself with neoliberal capitalist ideology and dealt with poverty and economic exploitation without addressing the root causes of structural poverty and oppression. Because Bangladesh was a weak state, highly dependent on foreign aid and loans from neoliberal institutions such as the World Bank and IMF, it had to bend to the policies of lenders.

To access aid and loans, international agencies required states to work with NGOs. They also promoted NGO activities nationally and internationally using neoliberal tools like global agencies, forums, and the media. BRAC did not challenge this neoliberal fatalism informed by the market ethics. It did not want to be in conflict with social and political elites or risk the government’s anger. BRAC’s aim was to access continuous support from donors. With its groundwork and involvement already in business, BRAC capitalized on this opportunity to transform itself into a predominantly market-driven organization aligned with neoliberal ideology.

After embracing neoliberalism (more precisely, commercialized microfinance as a tool to reduce poverty), BRAC enjoyed gradual but exponential growth. It actively sought business opportunities and partners to accrue funds for economic stability.
In its search for sustainability and its shift to neoliberal markets, BRAC devised a strategic plan in 1997 to become more of a business corporation than a development-driven organization (Terry & Muller, 1997). BRAC became a profit-seeking market-driven organization that competed with other commercial players in the market to provide services at a competitive price (Mannan, 2009). Mannan (2005) suggests that BRAC was inspired by the orthodoxy of neoliberal market.

Microfinance saw a remarkable growth in the 1990s, becoming a popular tool to reduce poverty in Bangladesh. However, the market was highly concentrated in a few leading NGOs. By 2006, BRAC, ASA, and Proshika served 58% of all clients and held 36% of total savings and 53% of loans in the market (World Bank, 2006). They received 72% of the funds provided by foreign donors and international agencies to Bangladeshi NGOs in 2009 (Kabeer et al., 2009).

Using their accumulated capital, NGOs began to partner with multinational corporations. Muhammad (2015) stated that NGOs became global players and partners with the World Bank and multinational companies in joint venture businesses that transformed the NGOs «into corporate companies, whether formally or not» (p. 41). BRAC earned huge amounts of capital through their microfinance activities which they gradually invested in different business enterprises. During this time, BRAC became visible with its multi-storey buildings and significant business ventures in different parts of country. It also earned a name in neoliberal national and global media, and civil society. Like multinational companies, BRAC promoted its products and services using print and electronic media. They also became strong actors in civil society. BRAC successfully established its brand name as a hybrid organization of social development and business. Referring to the transformation of NGOs such as BRAC into corporations, Muhammad (2015, p. 41) commented that «the formation of the «corporate NGO» is certainly a new phenomenon, not only in the NGO sector, but also in the corporate world, resulting in a new form of private ownership and monopolization/oligopolization of certain business areas».

7. Grow Big and Sustainable

BRAC’s desire to become big, independent, and self-sustainable explains its switch from a social-mobilization organization to a market-driven organization. In the beginning, when working with refugees returning from India, Abed understood that providing relief and rehabilitation were not permanent solutions and would only temporarily meet the immediate needs of the poor. To have a meaningful impact on the lives of these people, something had to be done that would have a long-lasting effect (BRAC, 1980). Abed recognized that poverty was not only the result of a lack of income and employment opportunities but also the result of exploitation, inequality, and the rural power structure (Mohammad, 2020).

There were many pressing issues related to poverty in Bangladesh that needed immediate attention, including health, hygiene, sanitation, safe drinking water, illiteracy, malnutrition and family planning (May 1, 2014, mittalsouthasiainstitute.harvard.edu/2014/05/sir-fazle-hasan-abed-shares-lessons-from-bracs-success/). Abed recognized that government services were insignificant, largely limited to urban areas, and did not usually extend to rural areas. Reflecting on the crisis
of basic government services and BRAC’s need for growth, Joker stated (2009): «Growth was particularly important to Abed because the population of Bangladesh had tremendous unmet needs» (Case Study: In the Black with BRAC, p. 75).

Abed saw that Bangladesh as a whole was ravaged and that focusing on any one region would not be helpful (Jonker, 2009). There was a need for large-scale projects that could serve as many people as possible across the entire country (Ahmed & Rafi, 1999). As a result, BRAC scaled up its activities (Lovell, 1992).

Regarding BRAC’s drive to address the needs of more and more people, Abed commented that «small» is beautiful but «big» is necessary (Smillie, 2009). He also compared BRAC’s expansion initiatives to sowing seeds of change and wanting them to multiply manifold (Ahmed & Rafi, 1999). To grow big, to run more projects, and to support more people, BRAC needed money and resources, but they did not want to be solely reliant on donors and government support. Therefore, BRAC initiated its own businesses to generate cash flow to supplement donations to support its projects. They established a printing press in 1975 which made a profit of US$17,400 in its first year. They used these profits to pilot an Oral Rehydration Program (ORP) then establish an Oral Therapy Extension Program (OTEP) in 1979. Later, with the help of donor funds, BRAC launched a nationwide OTEP to teach women ways to fight diarrhea, a disease that caused high child-mortality rates in Bangladesh.

OTEP was a successful program that helped BRAC gain donor trust and get more projects. According to Ahmed (2004), BRAC’s success in OTEP motivated them to think larger and grow bigger. Ahmed and Hopper (2007, p. 34) quoted one of BRAC’s founding members as saying: «OTEP helped us gain confidence. After successfully completing this program, BRAC…believed that it could go for bigger projects. We received more positive responses from donors and governments to work with them in other collaborative projects».

In 1978 BRAC established aarongs, retail village craft shops, to market and sell products produced by village artisans. Aarongs were very successful and generated enough cash to invest in other enterprises. In 2007, the printing press generated a profit of US$340,000 and aarong sales totalled more than US$50 million (Muhammad, 2018). Emboldened and enriched by the success of these two early initiatives, BRAC was free to experiment with new ideas, crucial for its growth and sustainability. Abed also realized that «BRAC could use funds from social enterprises to pilot and spread other types of programs throughout Bangladesh» (Jonker, 2009, p. 75).

Resistance from powerful interests in the villages was another reason for Abed to think and grow big. He knew that if BRAC remained small, it would be unable to deal with the existing power structure. For BRAC, small was beautiful but big was necessary (Ahmed & Rafi, 1999). Abed stated:

There was a lot of pushback. A lot of people wanted us to be eliminated. I decided at that point that I could not remain small and beautiful. The thing to do was to become large and powerful enough to be reckoned with. So I deliberately started expanding our program, going to donors, and so on. By 1979 we had a staff of 400. As an organization it’s substantial but not big (Khanna, 2014, p. 20)
I argue that BRAC’s insight to the need to grow big and be sustainable led it to invest in other pilot projects and commercial ventures such as agriculture, food, and dairy, which are known as PSEs. Eventually, these business ventures guided BRAC’s transformation into a market-driven organization.

8. Pilot Project and Donor Independence

Abed’s intention to invest in pilot projects and be donor independent explain BRAC’s shift from a social-mobilization organization to a market-driven entity. As discussed, BRAC was highly dependent on donors to run its operations in the 1970s and 1980s. Although BRAC got significant funds in the beginning, donor funding remained challenging. Donors did not want to fund pilot projects; they were more interested in projects that were already tested, had shown positive outcomes, and would work (Jonker, 2009). Increasingly, donors were eager to see how funds were used and how grassroots people were benefitted (Ahmed & Rafi, 1999). Abed soon realized that charitable donor funds would not always be there to support BRAC’s innovations and experiments that were critical for its growth.

Referring to donors’ lack of interest in pilot projects and why new projects were important for BRAC, Abed commented that «pilots are important for us so we can know what will work and what will not, so that we can grow responsibly and in the right ways» (p. 75). Abed believed that pilot projects were critical for the organization’s learning, and to know what to do and how to do it in the field. Since donors could be «unreliable and even fickle» (Case Study: In Black with BRAC) and disinterested in test projects, Abed knew he had to move away from reliance on donor support.

Getting funds for projects by showing the outcomes of the pilot projects was another important objective of BRAC. Since donors were clearly interested in funding projects that were already tested and had shown positive results, Abed understood the importance of experimenting with pilot projects to use the results to convince the donors to fund their projects (Abed’s interview with Nobonita Chowdhury, 2019). Further to that, BRAC was not the only player competing for funds in the saturated aid market. Donors were becoming more selective and prescriptive, and pushed their own agendas. They also increasingly asked for detailed proof of achievements through activity reports.

To get funded, BRAC had no option but to submit to the hegemony of the donors. Ahmed and Hopper (2015, p. 15) quoted a senior BRAC official, who said: «We had to compromise with the donors’ agenda as they had money … Had we not been reactive we could not have survived». BRAC had to be hyper-aware of donors’ priorities. They had to design projects with donors’ objectives in mind and to include the things donors wanted. They also had to submit detailed budgets and plans to satisfy donors. When they failed to comply with donor requests, BRAC shifted the blame onto other issues to reduce the risk of losing funding for the next projects. Ahmed and Popper (2007) quoted a senior BRAC official, who said: «We carefully put what donors wanted to see in the reports… When we could not meet budgets, we blamed other things for failure like politics, fundamentalism, disasters, bureaucracy, and bribes» (p. 15).
Donors’ disinterest in pilot projects, the uncertainty of funding, and increasing donor demands made BRAC want to reduce its dependence on donors and become financially independent. BRAC consequently started to invest in commercial enterprises and evolve into a market-driven organization.

9. Submission to Government Hegemony: Reap the Reward

BRAC’s submission to government hegemony was another aspect of BRAC’s evolution to a corporate NGO. BRAC regularly negotiated with the government and partnered with them on many projects, especially after the success of OTEP. For example, BRAC was given responsibility to distribute rice and wheat to vulnerable people with the government’s Union Parishad Council, and run rural community schools that were failing to perform. By working with the government, BRAC gradually established a close partnership with successive autocratic military governments. To retain government favour, BRAC remained voiceless against undemocratic state mechanisms and did not promote democracy in support of the poor and marginalized.

Although BRAC was a major social-development NGO in Bangladesh, it was not a strong civil society agent that preached good governance and social justice. For example, BRAC was silent when Sheikh Mujib’s government (1971–1975) amended the constitution, banned newspapers, formed Rakkhi Bahini (the oppressive paramilitary force), and introduced a one-party state. They remained silent even when Sheikh Mujib and his family were brutally killed in August, 1975. Abed was a classmate of President Zia (former military general) and had easy access to the government to get favourable projects. BRAC was partnered to help with the Zia government’s (1976–1981) multi-million-dollar adult education project (Ahmed & Hopper, 2011). After Zia was assassinated and General Ershad took over, BRAC, along with the Association of Development Agencies in Bangladesh (ADAB) and USAID, held a grand reception to legitimize the military dictator’s government. Ershad repaid the NGOs by helping to define and coordinate NGO functions and roles in their favour (Kalimullah 1991).

BRAC was never involved in mass protests and played no role against any military-autocratic or dysfunctional governments. Ahmed and Hopper (2015, p. 15) quoted a senior BRAC official, who said: «...how could you expect that we would go against governments and hit our own feet». For their compliance with military governments, BRAC was awarded projects including the Expanded Program on Immunization (EPI), Facilitation Assistance Program on Education (FAPE), and Vulnerable Group Development to support poor women (Haque, 2004).

BRAC also bent to the corruption of government agencies when they had difficulties accessing funds. They bribed officials and commented that, «government’s regulations sometimes created delays in releasing funds…but you know how to release funds from government officials (indicating a bribe to officials)!» (Ahmed & Hopper, 2015, p. 15).

In 2003 BRAC split from ADAB, the association of Bangladeshi NGOs. With the support of the government, BRAC formed another association of NGOs called the Federation of NGOs Bangladesh (FNB), led by BRAC’s executive director. BRAC’s flagrant submission to state hegemony, divided the NGO community and...
weakened their collective voice (Daily Star, February 18, 2003). When asked about this in an interview, Abed responded that «if we didn’t form a new association of NGOs, the government would destroy the whole NGO sector. We had to go with the governments for the sake of the NGO sector” (Hossain, 2006, p. 245). BRAC’s support for the government and the establishment of BNF was rewarded. After discussions with BRAC leaders, the then-finance minister gave US$750,000 to BNF that was supposed to have been distributed among the NGO members of ADAB (Agarwal et al., 2007).

BRAC was also accused of supporting the military-enforced caretaker government (2007–2008) when one of its advisors ran the ministries of Primary and Mass Education, and Women and Child Affairs. In return, BRAC got projects and a major role in National Women Development Policy for empowering women. Although BRAC does not enjoy a smooth relationship with fundamental Islamic groups connected to governments and political parties, it declined to support NGOs that mobilized thousands of beneficiaries against a blasphemy law proposed by fundamentalist groups (Mannan, 2010). Clearly, BRAC did not want to upset the government or the fundamentalists.

Abed acknowledged that he stayed politically neutral and tried to maintain a balance between ruling and opposition parties. He said: «…whenever I went to see the Prime Minister, I also tried to visit the leader of the opposition within a few days, so that people can’t say that I’m closer to the Prime Minister» (Khanna, 2014, p. 3).

It was feared by scholars and donors that BRAC’s strategic relationships might cause corruption in governments and incompetence in NGOs (Haque, 2002; Khan, 2003). In response to the government’s decision in 2008 to give BRAC responsibility for training the government’s primary school teachers, the teachers’ community commented that BRAC was working with government to privatize primary education. Referring to BRAC, the secretary of the teachers’ association commented: «It’s just another business by BRAC» (bdnews24.com, 2008). Radical NGOs that targeted social mobilization for structural change, criticized BRAC for its lack of commitment to association development and its links to governments and political parties (Ahmed & Hopper, 2015).

10. Conclusion

In my analysis I found that, although BRAC initially advocated for Freirean pedagogy and the rural poor, they abandoned this approach in the late 1970s to embrace neoliberalism as did the international aid industry. Abed’s intentionality was to capitalize on the shift of the international aid industry to neoliberalism and to abandon BRAC’s adult literacy program, the main tool to conscientize its clients. BRAC adopted microfinance and market-based solutions to poverty, and ignored the root causes of poverty and oppression that was at the centre of Freirean philosophy. For BRAC, Abed adopted a neoliberal self-optimization approach of development, abandoning Freirean philosophy rooted in Christian social movements influenced by Marxism that advocated for social transformation and economic and distributive social justice over individual charity.
Although Abed facilitated income-generating opportunities for the poor with microfinance interventions, his plans for the betterment of the poor were not in line with Freire’s notion of liberation and the subject as political agent. Freire wanted to raise the consciousness of the oppressed through critical pedagogy, in order to transform society and shift the balance of the power structure. Abed wanted to raise the consciousness of participants about financial activities and income opportunities. He understood the complex nature of rural poverty and acknowledged the conflict of class struggle. But BRAC’s conscientization, cultural circles, generative theme, and praxis (action and reflection of its clients) did not challenge the root causes of oppression, dehumanization, and social injustice. BRAC’s programs were designed around entrepreneurship, employment, income generation, health, skills development, and literacy and numeracy training to support the production system within the capitalist framework.

At present, BRAC is a purely profit-driven poverty enterprise in the field of development. Its focus is on providing innovative market-based solutions to poverty alleviation in line with the objectives of donors, governments, and international agencies. Although Abed was once inspired by Freirean philosophy, he did not want to upset the rural and established power structures. Instead of Freire’s radical, revolutionary, liberatory, political, and humanizing critical literacy, BRAC’s functional literacy curriculum was rooted in a community development approach based on a co-opted version of Freire’s critical pedagogy. BRAC recognized that the poor were victims of exploitative social structures established by elites. But, their curriculum guided the rural poor to engage with single, micro, personal, and community issues.

Abed’s primary intentionality was for BRAC’s survival as a development organization, even at the cost of its submission to donor or government hegemony. Instead of attempting to make the poor complete human beings and mobilize them to fight poverty and oppression as suggested by Freire, Abed economized Freire’s radical concepts and weakened the struggle of the poor. Although Abed wanted BRAC to grow and be sustainable to have an impact on the greatest number of people, they ignored the greater fight of the poor and oppressed for true liberation as suggested by Freire.

Abed did not want BRAC to be solely dependent on donors; he wanted to be financially independent and sustainable. To achieve that, he compromised Freire’s politically charged revolutionary concepts and submitted to neoliberal agendas and government hegemony. For the sake of its growth and sustainability, Abed remained politically apolitical and worked with governments of any stripe and belief (undemocratic, military, fascist, oppressive). In the process of growing, becoming sustainable and achieving donor independence, BRAC heavily invested in money-making PSEs especially microfinance, a neoliberal tool of poverty alleviation. Consequently, BRAC’s microfinance interventions, businesses, and development strategies rooted in neoliberalism, transformed them into a market-driven business organization.

BRAC used external and internal markets to generate capital. They also used the savings of the poor and loans to the poor to grow. They transferred money from its non-profit to its for-profit business ventures and vise versa. To grow and become profitable and sustainable, BRAC took out loans from commercial banks to invest

BRAC’s market-based approach to poverty and poverty alleviation has made it financially very successful. I argue that Abed grew BRAC by linking the poor, poverty, and local and global markets to ensure its organizational sustainability and growth. In this process, BRAC became a classic example of business-like poverty enterprise, which has created new forms of management, capital accumulation, microfinance, engagement, market, client relationships and capacities (Abed & Matin, 2007) rooted in neoliberal doctrine.

This study has limitations. I do not claim that BRAC’s adult literacy program had no impact on the poor, and microfinance does not benefit the poor. The ideal would have been to interview Abed and his staff, as well as the employees who left BRAC in protest of BRAC’s change in direction. Sadly, that was not possible. More research is needed to examine the transformation of BRAC from a social-value organization to a market-driven organization in the socio-political context of Bangladesh.

11. References


Bangladesh: An Analysis of BRAC's Shift from Freire's Critical «Conscientization» to a Neoliberal Self-Optimization Approach of Development


