



## Creating Emerging Markets – Oral History Collection

**Sir Fazle Hasan Abed, Founder and Chairperson, BRAC**

Interviewed by Tarun Khanna, Professor, Harvard Business School

April 24, 2014 in Cambridge, Massachusetts, U.S.A.

Video interview conducted in English

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## Interview with Sir Fazle Hasan Abed

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**TK:** *I thought, if I may start at the beginning in some sense, and ask you to reminisce a little bit about the reason you began this journey, which I recall reading was a little bit serendipitous. But perhaps if you could reflect on that, it would be helpful.*

**FHA:** I used to work for Shell Oil Company, at that time, in Bangladesh, based in Chittagong, the port city. Shell's headquarters used to be in Chittagong. And Shell's main business was gas exploration and distribution. I was their Head of Finance. Things went on quite well. I was getting one of the highest salaries anybody could get in East Pakistan at that time, so I lived quite well.

But then suddenly, an incident occurred which changed my life in a way, and that was the evening of 11th of November, 1970. There was a cyclone, accompanied by twenty-foot-high tidal waves. And it is estimated that some 300,000 people died that night after being washed away to the sea. We didn't realize the extent of the damage the cyclone had caused.

The next morning, as I went out to the office, I saw trees uprooted and so on. But we never realized the extent of damage in the offshore islands of Bangladesh and the shore areas. Within two days, news started coming in from outside, and we thought we needed to do something about it. So I mobilized a speedboat from Shell Oil, and some oil, some kerosene and matches and utensils, food and so on, which we took to remote offshore islands where they lost everything. We loaded up a ship and went out to see what was happening.

The scene was just horrendous—bodies strewn everywhere—humans, animals, everything. That shocked me to an extent that I felt that the kind of life I led hardly had any meaning in a kind of context in which these people lived—the fragility of life of poor people.

So, the immediate reaction was to start a relief program as fast as we could. With the support of our friends, we raised money. Some organizations from abroad came in to try and help. The Germans came in with helicopters to drop food. My house became the center of all these activities—of packing food, taking it to the German helicopters, dropping it, and things like that. I was a bachelor at the time, so everybody could come in and do things.

Then we started an organization called HELP to try and do relief and rehabilitation in these areas. We chose one island called Manpura, which had a population of 56,000 before the cyclone. We did a census afterwards: only 16,800 people survived; more than two-thirds had died or vanished. We started working in that area to try and build houses; build life

again. We didn't know anything about trauma counseling in those days, but they needed help of all kinds.

And then, two months later, there was a general election in Pakistan, and Sheikh Mujibur Rahman, a Bengali leader, became victorious.

**TK:** *This is for all of Pakistan. This is East and West Pakistan.*

**FHA:** All of Pakistan. In East Pakistan he really swept, half the parliamentary seats were in East Pakistan and he got two or three seats in West Pakistan as well. He would have been the natural Prime Minister. Mr. Bhutto came second, with less than one quarter of the seats.

But then what happened is that President Yahya Khan was the military ruler of Pakistan in those days. He went to China, and he was doing diplomacy between Nixon and Mao. He didn't even stop in East Pakistan, where 300,000 people had died. You would think that the president of a country would come to where so many people of his country had died, but he didn't even stop. He went back to West Pakistan. So that kind of gave the feeling to East Pakistanis that West Pakistanis didn't really care about them. And so Sheikh Mujib swept through the election. And then, of course, from the election to March of next year, which was from December to March, in just four months, West Pakistanis were trying to stop Sheikh Mujib from becoming Prime Minister. All kinds of negotiations started happening between East and West Pakistan. But,

ultimately, it was clear that Sheikh Mujib would never be the Prime Minister, and they would like to keep the power among West Pakistanis.

And so what happened was that on the 25th of March—Sheikh Mujib started a noncooperation movement from the 7th of March. Civil servants came out for him in East Pakistan. Basically, the government was being run by Sheikh Mujib in East Pakistan. [Zulfikar Ali] Bhutto came to East Pakistan, to Dhaka, and tried to negotiate. But meanwhile, they were getting their army to East Pakistan by ship and so on. They were preparing for a showdown. And on the 25th of March, that happened. The army came out from the Dhaka cantonment, killed everybody in sight, went to Dhaka University, the police barracks, and killed all the Bangladeshi police. The East Pakistan Rifles, which was mostly East Pakistani Bengalis, were decimated. In Dhaka University, all the Hindu professors were identified. All our best Hindu professors were killed that night.

And so that was the end of Pakistan, in a way. Everybody realized that this could not go on. Sheikh Mujib, of course, was arrested that night and taken to West Pakistan. The entire leadership of East Pakistan had already left Dhaka for India. While they were doing that, they also formed a government called government in exile, and that was done in one liberated area in East Pakistan called Mujibnagar in Kushtia district. And then they went as a provisional government, as a guest of India, to Kolkata. That's what happened.

Kolkata's life started with the government there. They formed two groups, Mujib Bahini was one—the Awami Leaguers joined the Mujib

Bahini. The rest of the Bangladeshi population—Hindu, Muslims, peasants, students—joined the Mukti Bahini. And so the freedom struggle started.

I was with Shell Oil Company and I was appointed within five days of the army takeover as the head of the Army Liaison Department. I was the army liaison with the oil companies, because they wanted to keep the oil and gas flowing. And then, within two days, I decided that I could not really work with those army masters any more.

**TK:** *I was going to ask, it must have been a very conflicted time.*

**FHA:** It was a very, very difficult time. But then, as an officer within the military government, I had a pass with which I could go anywhere. That pass helped me to go to West Pakistan, and then to Kabul, and then I left for London, because I decided that I had a base in London. The headquarters of Shell was London. I left for London, and I thought that I might be able to mobilize resources and public opinion for Bangladesh.

**TK:** *Meanwhile, HELP still existed.*

**FHA:** HELP still existed, and they had three million deutsch marks raised from a German organization called Bread for the World. But then, before I left, I left it with a new board to keep working on that.

**TK:** *So how did HELP transition into BRAC?*

**FHA:** HELP didn't transition into BRAC.

**TK:** *Did not, OK.*

**FHA:** HELP remained there, and from what I understand, during the liberation movement, some of the people who took over HELP left Bangladesh. But the people who stayed back were trying to make more money out of it. There were three million deutsch marks there, and some people had become corrupted, and so on. When nine months later Bangladesh became independent and I came back home, I didn't even try to take over HELP. I decided I might as well start a whole new organization, rather than work at HELP, which I had created after the cyclone, because I didn't want the infighting to get rid of people who were corrupt.

**TK:** *So that's an interesting vignette itself; as an entrepreneur you had your first taste of building a relief organization, and then you chose to start a parallel one.*

**FHA:** A separate organization, because that organization became corrupted, and I would have had to fight a lot of battles before I took over. And that, to me, seemed not worth doing. I thought I might as well start afresh.

So I didn't have much money. I had a small flat in London, which I sold, got £6,000 after paying off all the mortgage, and this £6,000 was my stock in trade which I returned to Bangladesh with, in January 1972.

Two of us were working together at the time, one was a lawyer, who was a close friend of mine—we had been roommates in London in 1950s. He and I worked together during the interregnum of this nine months from March to December. He was sent to Kolkata to try and work with the refugees, and in the areas of Bangladesh which were not under the Pakistani army. There were some areas that still remained outside the Pakistani army's command, but they were not part of India, either. They were the liberated areas, as we used to call them. And there was an article in *Newsweek* saying that these liberated areas were going to be starved by Pakistan, because Pakistan would just stop going into that area, and unless India helped, or somebody tried to channel food, these areas would have real problems. So we decided that we'd try and do that, raise money, and build food warehouses, and see whether you could feed them in the liberated areas.

We worked with the government of India. I sent my friend—his name was V. I. Chowdhury—he went to Kolkata, worked with the Indian government to try and set up these food warehouses in liberated areas. And I stayed back in London trying to raise money, and also public opinion for the Bangladesh liberation movement. The two of us were working in the same organization. We called ourselves Help Bangladesh—not HELP, but Help Bangladesh.



It didn't last very long and liberation came in December. India recognized us on the 6th of December, 1971. I remember on the 6th of December, 1971, I was in Copenhagen and I was interviewed by Copenhagen television. I said, we got recognition from India. How about Denmark recognizing us? Then the next morning I went to see the Foreign Minister of Denmark. I went to the Foreign Ministry and gave my name as a Bangladesh liberation fighter who wanted to see the Foreign Minister. Surprisingly, he said yes, come and see me. I got an appointment immediately. The reason was that he had seen the television program the night before and he said, I might as well find out what's going on. We briefed him about what was going on, and we said that we'd like Denmark to recognize us, now that India had done that. He said, "I can't quite do that yet. You need to be completely independent of Pakistan, but then, I can assure you that we'll be the first country to recognize you as soon as Bangladesh became"—

**TK:** *Legally separate.*

**FHA:** Yes.

**TK:** *So tell me—it's clear that there were a variety of formative experiences, of course, in the crucible of the cyclone and the war.*

**FHA:** And the liberation war.

**TK:** *But when you started BRAC finally, how much of a vision did you have? Can you articulate what was in your mind at the time?*

**FHA:** I didn't have much of a vision at that time. It just was a survival question. How does Bangladesh survive in a country which is devastated, ruined by bombing? Some of the Mukti Bahinis, the freedom fighters themselves, had blown up bridges because they didn't want Pakistan to have access. We did some of the destruction ourselves, in the liberation struggle. But then everything was in ruins. There was no school running, there were no health facilities. Nothing was going on. And large numbers of people were going to India. Ten million refugees went to India. There were large tracts of uncultivated land. There were no seeds available. Cows were slaughtered by the Pakistan army, so there was no draft animal to plow your field.

When I went back on 17th of January, 1972, my friend the barrister also came back from India, from Shillong, into the Sylhet area. And he came with a group of people, mostly Hindus, into an area which was majority Hindu, and it was devastated by the Pakistan army. They had a special thing about getting rid of Hindus as well, because in Pakistan, you don't want any other religion. That had happened in West Pakistan, and they were trying to do it here. But of course, we had other kind of opinions. In Bangladesh, Hindus and Muslim had lived for centuries, essentially together. It was not something that we had wanted.

So anyway, there were some Hindu majority areas, and these were the areas which were hit most badly. My friend went with the refugees to their homes in Sylhet—in northern Sylhet, and found in one area, village after village, completely destroyed. And these people were just sitting under the shade of trees trying to think what kind of shelters they were going to build, what kind of life they were going to rebuild. That's the area that we took up to work in—200 villages in Sylhet.

I decided that the first thing to do was to do a survey of how many households had been destroyed and what was the minimum essential shelter need of people. If the family had four members, there was one type of house we were trying to build for them, if a family had seven members, then another slightly larger house, things like that. Basically, the shelters we were trying to build had a galvanized iron roof and bamboo walls. My £6000 was not going to do much. But that helped me in doing a survey. We took about half a dozen people from Dhaka University who were local youths, who were educated. We got about 40 of them to go and do a survey of the entire area first. The survey was done within a month, and then all the data came to my office in Dhaka, and we analyzed that: how many houses were destroyed, how many livestock killed, how many children were there. With that, I developed a project proposal.

**TK:** *So it sounds like your Shell experience is very much informing the creation of this organization.*

**FHA:** Absolutely. Because the question is, How do you go to a donor and say, look, give me money? I'll have to do it with a proposal, and tell them exactly what we are going to do.

I told them, the first year, we'll just build homes, keep the children alive, if we can, by distributing high-protein food, and help the farmers till their land. So I imported some power tillers to till their land, gave them seeds, collected seeds from India, took them to Bangladesh. I was traveling between India and Bangladesh all the time. Every month two or three times, I had to go to India, collect things, bring them back, things like that. And the bamboos had to come from Assam. I went to see the chief minister of Assam to get permission to take bamboos through the river into that area. In nine months, from February to October, we imported galvanized iron sheets from Japan, brought them into our project area, got millions of bamboos in rafts three miles long through the Kushiara River into our project area. And we built 16,000 houses.

**TK:** *And this was all done by volunteers, in effect?*

**FHA:** No, they were being paid. By that time, by March, Oxfam came to Bangladesh, and they said, we'll finance your project. So the project was £189,000, and they financed that. And then the government gave us some extra galvanized iron sheets, so we could do more than what we wanted. We estimated that we needed 10,400 houses, and ultimately we finished about 15,000 houses with extra iron sheets.

**TK:** *So you managed to overdeliver what you promised Oxfam.*

**FHA:** By the time we finished, there were still 500,000 taka left. I asked Oxfam, “Would you like to have your money back? There is surplus.” They said, “No, no, keep it, and if you have a next phase, then this will be the first installment of that new phase which we’ll try to fund.” Meanwhile, of course, I went to London, and I was told that ours was one of the best among 700 projects that they had funded all over the world. We were quite happy that we were thought well of. We were trying to do the best we could.

Then, of course, the time came for us to decide, should we continue—

**TK:** *As an organization?*

**FHA:** Yes. It was called the Bangladesh Rehabilitation Assistance Committee. The rehabilitation was done in that area. As it was a remote area, the government would never come there, so we decided to work on that.

And then, we had a strategy session after we finished the rehabilitation work, and I thought, the people are still so poor, if we just go away, leaving them to their own devices, poverty will remain just as intense as it used to be. We had been able to provide a little bit of help by building shelters for them, and keeping their children alive. But then they would,

again, need to build up their savings, buy their cows. Next year's crop had to be planted, and so on. So we decided since poverty was so endemic that we might as well commit ourselves for the long haul and try to do something about poverty in Bangladesh. And that was the real decision-making time for me.

**TK:** *So what year is this, or what month is this?*

**FHA:** That was in January 1973. That's the time we decided that, let's try and develop project proposals to do poverty alleviation. We looked at poverty from many different angles. It is not just income, or opportunities, or agricultural productivity, or health alone, or lack of education. All kinds of things constitute poverty. It's a multidimensional syndrome which causes people to be less productive, to be less efficient, to be miserable.

**TK:** *So you had a holistic view of poverty.*

**FHA:** Holistic view. We needed to work on many different areas. Agricultural productivity was very low. Of course, India, at that time had the green revolution, and they were already producing a lot more food. But Bangladesh hadn't really had a green revolution at that time. They were just starting. So, we started working on all kinds of things on agriculture: irrigation, fertilizer use, line sowing of rice. We also started working on

fisheries, livestock, poultry, cows, goats. We started working on water, sanitation, and hygiene, as well.

**TK:** *But you were addressing all these problems simultaneously in one geography, or how were approaching them?*

**FHA:** It was an integrated program that we started in one geography—in the same area we started with. We expanded it a little bit, not 200 villages but 350 villages, and we started doing an integrated development program. Along with water, sanitation, and hygiene, family planning became another very important area, because we thought that, in Bangladesh, if women were going to produce six children, then Bangladesh would never come out of poverty. Three percent growth of population and 3 percent GDP rise meant that you would remain poor throughout. So we put a lot of emphasis on family planning, on growth and on productivity. Microfinance was started. But initially, our microfinance was started as a collective: five, six, or 10 people collectively buying a big boat so that they could fish together, like that. It was a collective financing rather than individual financing at that time, in 1973.

That did quite well, and I think our donors were quite happy to see the results that we had obtained and with our family planning in that area. Bangladesh used to have less than 5 percent family planning acceptance rate, but in our project area, by 1975, we had reached a 20 percent acceptance rate. I remember, in those days, Bangladesh used to have a

meeting with the donors, called donor consortium meeting. It used to be held in Paris. One finance minister said that we had achieved a 20 percent family planning acceptance rate in one area of Bangladesh. And he said that, if it could happen in one area of Bangladesh, it could happen in other areas of Bangladesh as well.

**TK:** *So in that sense, the rest of Bangladesh was also using this as an exemplar already, even in the early days.*

**FHA:** Yes, it was said if BRAC could do it in that area, why not in other areas?

**TK:** *When you look at the evolution of BRAC, anybody who reads the public record will see that it has had an ever-expanding scope of activities. In some ways, at least in the minds of an observer, it seems like it's compensating for things that the state perhaps might have done but was unable to do for whatever reasons. I wondered if you could maybe just pick one of these—my favorite is the oral rehydration therapy—and reflect a little bit on how that was launched.*

**FHA:** What happened, you see—I also decided that, if we wanted to change Bangladesh, or develop Bangladesh, we needed to understand the dynamics of poverty; the dynamics of power relations in our villages. So we set up a research department. And for the first series of research



undertaken by the research department, we hired some anthropologists, sociologists, and economists, who would go in groups of three into a village and stay there for a whole month and interview people to try to understand how resources flow into the villages. That was something which was not done by many NGOs.

**TK:** *When did you do that?*

**FHA:** In 1975 we set up this research department. We called it RED, the Research and Evaluation Department. And we did a series of monographs on who gets what and why, how resource flows through Bangladeshi villages, and how it is captured by groups who are powerful, and never gets into the hands of the poor.

That was one series of monographs done. Another monograph series was done on peasants' perception on famine and other subjects. What happens during famine? Relationships break down. And there was a very interesting monograph written on what people feel and think about famine.

**TK:** *What were some of the findings?*

**FHA:** All the men go away. When the men leave, women have to look after the malnourished children. The men leave because there's nothing to do in that area to earn money. They leave for the towns. But in towns also

there are too many people trying to find jobs, and as they don't find jobs they can't send any money home, and the women have to fend for the malnourished children. So women and children are the emaciated lot that survives, or tries to survive, and children are the ones who die in large numbers. First they sell goats and livestock, then they sell their utensils, then they sell their bedding in order to survive. So you have a whole lot of understanding of what happens during famine.

**TK:** *So you can see deprivation setting in.*

**FHA:** Deprivation is in different stages. [We saw] peasants' perception of famine; peasants' perception on law. You say that you can't marry your daughter off at the age of 13; she must be 18. But what do they think about this law? They don't think it has any value at all, that law. They say, they're my daughters—is the law going to look after my daughter? Is she going to be protected by law? I have to marry her off because I want to give her to somebody who will look after her, because I can't look after her... something like that... so [we learned] peasants' perception on law, peasants' perception on sanitation, hygiene, all kinds of things. We did that in many different areas of the country. And then another very important publication came out of BRAC, which became world famous because Robert Chambers wrote about it. *The Net* is about how resources are captured at the top, and never allowed to go down.

**TK:** *But how did this translate into particular solutions?*

**FHA:** We were much more aware of what needs to be done there. A direct result of that work was that we decided that there's no such thing as community. We started community development. And in India at that time, you had community development going on. One of the union ministers of India who was a Bengali, Mr. S. K. Dey, came to Bangladesh to help as a UNDP consultant. He became a good friend of mine. And he was the community development minister in the Nehru government.

But then the whole idea of community changed with us. We said, there's no such thing as community. Poor people are poor, and they're a different kind of people. And the not-so-poor people, those who are landholders and landless, their interests are in conflict, so you can't really hold them [together] as communities. So we started organizing the target group, which was the landless people, or virtually landless people—people who sell their labor to third parties. They became our target group. We started working with the poorer half of the population. It was almost 50 percent of the people who were virtually landless and very poor.

In Bangladesh in those days people living under the poverty line was over 70 percent in 1975, '76. We said, we will work with the poorest 50 percent of the people. We'll organize the poor. The poor individually are powerless. The poor collectively could have some power, and could improve [their condition] if they came together.

And then there was a book written by Paulo Freire called *The Pedagogy of the Oppressed*, and that book also influenced our thinking about organizing the poor and giving them literacy on the basis of key words which were very important for them. When you say hunger, poor people understand hunger in a very different way than people who never have been hungry before, or never been through deprivation of hunger for days. So it's a different kind of perception. With that methodology, we started organizing people for power, giving them an idea why deprivation happens in society, why power relations are important to understand, and how you can also challenge certain power groups to get your rights established.

**TK:** *Was there not pushback from the powerful segments?*

**FHA:** There was. 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.

Then came the idea that we needed to do something for changing Bangladesh's face a little bit. For example, we found that in family planning—we probably reached the limit by achieving 20 percent acceptance rate. If we wanted to go further, we had to do many other

things. One, we needed to cut down infant mortality. That is important, because as soon as a child dies, the mother has another child. So infant mortality was very important. And I looked at infant mortality rates. It was 135 per 1000 births, and under-five mortality was 250. So a quarter of our children died before their fifth birthday. Mothers wanted to have more children in order that some of them survive to their old age. But that's the only savings they're doing: Children surviving them in their old age who will look after them.

So 1979 was the International Year of the Child. Then I thought, what could we do to get child survival in such a way that infant mortality could be cut down dramatically? And we looked at a number of different options. One was immunization. I went to see the president at that time. His name was Ziaur Rahman, Khaleda Zia's husband. He was my classmate at one point. We were born in 1936—and so I went to see him. He said that, yes, I think it's a good idea, but don't do it right now, because I'm trying to electrify all the—[what they] used to call the subdistricts, thana headquarters they used to call them. Once we have done that, then you'll be able to do it, because vaccines for immunization require cold chain maintenance, and you need fridges and flasks and things like that. So do something else, but immunization, hold it for five years, let me electrify all the subdistricts.

Then I decided that we should do something about diarrhea. Diarrhea was the biggest killer of children. And, of course, at that time, Marty's [Professor Martha Chen] husband Lincoln used to work for

ICDDR,B, which is the International Center for Diarrheal Disease Research, Bangladesh.

**TK:** *This is Lincoln Chen?*

**FHA:** Lincoln Chen. Lincoln was, at that time, in ICDDR,B, and so I asked Lincoln, “What should we do?” He said, “Well, the best thing BRAC can do—BRAC is very good at working in the villages, so maybe you could just train women, and tell them exactly how to make oral rehydration fluid at home, and see whether they use it and whether it cuts down diarrheal mortality. That might be the best.” So I decided, if we are good at this, we can go to every house in the country—that means 16 million households—and teach mothers how to make oral rehydration fluid at home.

**TK:** *This is—just to clarify—to replenish fluids and salts?*

**FHA:** Fluids and salts in the body, so the child doesn’t die. Diarrhea is a self-limiting disease anyway, so it’ll go away in three to five days. But if you can keep on rehydrating the body, diarrhea doesn’t kill. So that was the idea. We went from house to house teaching mothers how to make oral rehydration fluid at home.

Let me tell you one thing. The first 30,000 households we went to, we trained one woman in every household. [Later] I sent out a group of

monitors to go in and check what percentage of those households actually used oral rehydration when there was diarrhea in the household. And the results came out that only 6 percent did.

**TK:** *I see. This is after you trained them?*

**FHA:** After we trained them, yes, only 6 percent of those who had diarrhea in the household actually used oral rehydration. It was so disappointing. We very quickly found out the real reason was that the oral rehydration workers themselves did not believe in the efficacy of oral rehydration. If they had diarrhea, they would go and buy a pill which stopped diarrhea rather than use oral rehydration. We had to bring all of them—at that time, I think 180 oral rehydration workers, we brought them into Dhaka, took them to ICDDR,B, showed them exactly how children are revived with oral rehydration being administered through the mouth, and also told them exactly how the glucose in the sugar helps to transport saline water through the stomach wall. This was measured by [Professor] Richard Cash in 1968 at the Cholera Research Lab. So we taught the theoretical part of it as well as practically demonstrating what happens to a child if [he/she] is rehydrated through the mouth. And so they went back, convinced that was the most efficacious way of dealing with diarrhea.

Then another 30,000 households were done, and we sent out another group of monitors to check what percentage of women actually used oral rehydration. It went up to 19 percent.

**TK:** *Nineteen.*

**FHA:** Nineteen. So 81 percent of the household didn't use oral rehydration, and we were very disappointed and didn't know what to do about it.

I decided that I would hire a dozen anthropologists from Dhaka University, students, go to those households which didn't use oral rehydration and ask them why. It was a longer interview: Not why didn't you use it—but what was happening, what time did the diarrhea take place in your household, what happened, who did you ask whether to make oral rehydration, or did you try to make it and somebody stopped you from doing it. We found, almost universally, it was the men in the household who said, no, no, don't worry about this, I'll go get something, or it'll be OK, don't worry. So that meant that our program design was wrong. We completely ignored the men, and the decision-making role that the men exercised in the household.

So we went back to the drawing board again, and said, it won't do to just have oral rehydration workers, who were women, going to the women, and teaching mothers.

**TK:** *So you have to look at the power dynamic in the house as well.*

**FHA:** Yes, yes, the power dynamic in the house, the decision making was done by men. So you can't really ignore men while designing a project.



We then redesigned the project. So every time we went to a village, before our workers would go to a village, to a household, we would gather all the men together, and we explained to them exactly what we were going to teach their women, how oral rehydration actually works. We would teach them also: If your wife forgets, teach her that this is how it's done. And then we went to mosques, told the imams to talk about oral rehydration. We went to temples, we went to bazaars, haaths, everywhere where men congregate. And we followed it up with radio and television spots. And then it started moving up the acceptance rate and the user rate of oral rehydration.

And then, of course, we had other things. We paid our workers, not on the basis of monthly salary, but on the basis of retention of knowledge by the mother six weeks later, and whether or not she could make the oral rehydration fluid correctly within the recommended range. So we had field laboratories set up. For every woman [worker], if she covered 200 households during the month, 20 households would be chosen randomly, and a monitor would go in and check these 20 households: how many of the 10 points to remember were remembered by the woman, and whether she could make the oral rehydration fluid correctly. She would collect these samples, send it to the lab to see whether or not it was within the recommended range. And if all the samples were good, and she could remember more than seven points, each worker got 10 taka for every household. So like that. Incentive was given for results.

**TK:** *So what's so interesting about this is, there's a lot of iteration of effort as you try to find a model that works.*

**FHA:** Yes.

**TK:** *And there's an understanding of the psyche of the individuals that you're dealing with, the mothers and then the rest of the family. There's a community element in terms of outreach. And I was just struck by a lot of basic principles that I assume are coming from some of your own background and the way that you've tried to, over the years, build BRAC up in many ways.*

**FHA:** Right, right. So one thing was, I always thought that, whatever we do, we need to be effective. There's no point in doing work if it is not having the right kind of effects. And the second element is, once you are effective, you try to be efficient. So cut out those things which are not essential, and routinize those which are absolutely essential. That was my theory that we implemented on the ground.

**TK:** *And were you able to cut things off that weren't working?*

**FHA:** Yes, yes. This was the first year, so we did that. Then we cut out—we used to do 10 percent sampling to pay our workers. We decided that 5

percent sampling will do just as well. Instead of 30 households, we did 15.

We cut that down.

The other efficiency elements that we brought in were, instead of going from house to house, and in each house, one woman spending 45 minutes to an hour, we said, get three or four of them together, and then spend double the time. That would cut down time also. These were efficiency elements.

**TK:** *So I want to switch gears a little bit, because I'm conscious of time. So I want to switch gears a little bit away from that effort. And if you could reflect a little bit, after many decades of BRAC, on other attributes of the organization that you have tried to create, [whether they have] been successful or less so in your estimation?*

**FHA:** One thing that people tell me—I don't know from inside, why we are so different from others, people tell me that they find BRAC people very mission-driven. If you go to the field, you will be impressed by the dedication of the staff. How do I transmit that to them? That's the question I'm always asked. And I tell them that, look, I want the staff to feel that it is their work. It is not BRAC's work, owned by Mr. Abed, who is asking me to do things. It is my work. I'm helping my country to do this. I'm trying to achieve that. That is transmitted to them as fast as possible, as soon as they come. And while working in the field, working with the poor, they also develop that. So an ethos is created in such a way that everybody

feels, it is my work. If I succeed, I'm helping my people. That's what I consider is very important as a leader of a nonprofit organization, where you can't really measure your work in terms of profits. All you can measure is what kind of impact you have had on your society.

**TK:** *But it is interesting that many parts—that I think of BRAC, anyway, as an organization that has obviously learned to sustain itself on its own dime, in some ways. And so parts of your entity must be generating surplus to fund the rest of the enterprise.*

**FHA:** It does. It does, because I've never thought that you can do good only through nonprofit activities. You can do good also by doing business. Let me give you a couple of examples. One is that I remember in the early '90s, we were lending money to about 30,000 to 40,000 women who were engaged in vegetable gardening. They would grow okra, they would grow brinjal, and other kinds of vegetables that they had put in the plot, about half an acre or so they had leased, and then sell their vegetables. And we found that—I looked at the data on loan recovery from vegetable cultivators. It was 96 percent. I said, everywhere else it is 98 percent, 99 percent, why is it that they have 96 percent? So their productivity must be low. I then sent out a group of agronomists to try and find out their problem. Very quickly they found out that the seeds were the main problem. Seeds. Vegetable seeds. They could not find high-quality vegetable seeds. I thought, why not go into the business of vegetable seed

multiplication? Because there are no high-quality seeds available in the market. So BRAC went into the vegetable seed business. I got, from Holland, seed companies to come and help us in plant breeding to improve the quality of seeds.

**TK:** *Now, did these Holland companies do it as an act of charity, or is it a business proposition?*

**FHA:** No, no, we paid for them. Our donors paid for them. Then we went to India, looked at some of the Indian farms, got collaboration with them, so they also helped us. It's on a royalty basis. If we took their vegetables, we bought them. Some of them, we tried to produce in our own country and gave them a royalty. So all kinds of arrangements were done through various kinds of entities that we work with throughout the world.

Once vegetable seeds were done, I thought, why not maize, rice, and other kinds of seeds? China was producing 30 percent of its rice as hybrid, and we were doing less than 1 percent. India was just moving up in the scale. So we got into a joint venture with China, and started producing Chinese varieties of rice in Bangladesh. We had to first have two years. We had to get the seed first certified by the Bangladeshi government, to show that it worked in all ecological zones and productivity was higher. After two years, they were certified, and then we started production. Initially we imported, but later on we started producing ourselves in a joint venture with a Chinese company. Then we started producing our own

seeds. We started plant breeding, the science, the labs. We started creating agricultural science labs.

**TK:** *These labs are all over Bangladesh, or in some particular... ?*

**FHA:** In three locations. Yes. So we became the largest seed producer in Bangladesh. So it's not just poor people getting their seeds from us now, everybody's getting their seeds from us.

**TK:** *So that's a good transition to ask you about, again, with the benefit of hindsight and many decades, how would you characterize the effect of BRAC on Bangladesh as a society, either on the attitudes of perhaps young people or as a role model or exemplar for organizations, any aspect of it that you care to comment on, maybe?*

**FHA:** I don't know whether we have been able to influence a great deal in terms of Bangladeshi ethos in a significant way. But I would say that our impact has been more on poverty and development, education—many children, seven million children who would otherwise not have been educated, now are literate. Many of them are now becoming doctors in China and so on—very poorest of children who have done well in life. So we have had a big influence, I think, in agricultural productivity, in child survival, in poverty reduction. Microfinance has had tremendous impact in getting the poorest people access to money. Not everybody has done well,

but many people have done well. So I will say that there has been—I think, as a single organization, if any organization had a impact on a country’s macrostatistics, we probably had more than any other organization.

**TK:** *Yes, it’s incredibly impressive. Can I ask you a slightly difficult question about the relations with the state and the government? As an outsider and observer, it seems an incredibly convoluted political process, and you, as an entrepreneur and builder of an organization, have had to navigate that, presumably. What can you share about that experience?*

**FHA:** One thing about Bangladesh is that the Bangladesh government was not very strong when we inherited a government in East Pakistan. The power elite were the West Pakistanis. So we had a very weak government. And that meant that the government didn’t have the resources to provide services to all, and so they said, all right, you people do whatever you can. So the space was given to us to do the things that we wanted to do. During the first eight years of BRAC’s work, there was no permission needed from anybody to go anywhere and do work. In 1978, the first legislation came, and it was called the Foreign Donations Ordinance. And immediately I went to see the President of Bangladesh, who was Ziaur Rahman. I said, “Why are you trying to stop us from getting money from foreign countries?” He said, “This is not for you; this is for President Gaddafi trying to create madrasas in Bangladesh which I’m trying to stop.” But then he couldn’t stop President Gaddafi sending money to create madrasas

in Bangladesh. He stopped us from getting money without government permission.

What was intended and what actually happened was quite different. We became a little more restricted—every time we received money from abroad, we had to go to the government saying that this money was for this. A bureaucracy was added to our operations. We had to spend a little more for having one officer who would just go from one government office to another government office and wait to get permissions, and that wouldn't have been required if he hadn't [brought in this Ordinance].

So this was one. And then, of course, as we became larger and larger, some politicians became very jealous as to why these people were becoming so powerful and even controlled some of the votes. They thought that if I told our group members to vote for someone, he would get all the votes. So every time an election started coming, I started getting phone calls: Please ask your people to vote for me. I said, I can't do that. I'm neither for the BNP, nor for the Communist Party, nor for any of these parties, and our group members are not selected on the basis of which party they support in BRAC. We had this 30,000 staff, at the time. I never asked them which party they belonged to. It could be BNP, it could be anybody. How could I ask people to vote for a particular person or party? It was very difficult.

**TK:** *So you've managed to stay politically neutral.*



**FHA:** Managed to stay politically neutral. And I also try to do one other thing. 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.

**TK:** *I have time for one last question. BRAC, obviously, is doing incredible work in Africa and Afghanistan, in Haiti, in Burma. I wish I had more time to discuss that with you. But what are a couple of the key challenges that you see in expanding that?*

**FHA:** The challenges of working abroad—we are the only organization in the South, or poor country organization, let's say, which has gone global. And in our home base we can't raise money for Africa, so CARE, having a home base in the United States, can raise money here and send it to Africa, but we can't do that from Bangladesh to Africa. Firstly, even if BRAC were to raise some money in Bangladesh, the foreign exchange regulations wouldn't allow me to transfer money abroad. So we have to raise money abroad, we have set up a BRAC USA, a BRAC UK. And BRAC International is registered in the Netherlands. So we'll be setting up more of these entities or affiliates in the north, to be able to raise more money.

But nowadays, of course, money in development is mostly disbursed from within the country itself. If you work in Uganda, you might be able to find DFID [Department for International Development] in

Uganda will fund you, because they know you here in Bangladesh. We have a reputation of being able to deliver whatever we promise, and that helps us in also finding money in Africa to try and develop programs. As soon as we went to Afghanistan in 2001, everybody flocked to fund BRAC, because we had the reputation. And so we started getting funding from sources that we didn't know, we didn't want, so all kinds of money started flowing in. We became very quickly the largest NGO in Afghanistan. There are pluses and there are minuses. Minus is that we are not known there. The donors know us, but we have to establish our legitimacy with that country's government.

*TK: I would assume that the basic principles that you've effectively espoused in BRAC, which is getting access to the relevant information, going back to your very first surveys of needs and so on, to incentives, to understanding social structure, those sorts of principles should transfer fairly well.*

**FHA:** Yes, and I think—the other thing that I've noted is that poor people, their dreams, aspirations, and struggles are almost the same everywhere. Whether it is in Africa or Bangladesh or Pakistan or Nepal, it will be more or less the same. They are the neglected, disenfranchised people who need help, and they welcome any help that they can get.

**TK:** *Sir Abed, it's been a very great pleasure for me, and an honor, and I thank you very much for taking time to speak with me.*

**FHA:** Thank you very much.

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