Research Article

Journal of Business and Economic Insights

Responsible Business Stakeholder Engagement and Policy and Sustainability : Development or Disillusionment? A Critical Evaluation of PKSF's ENRICH Program in Bangladesh

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Submitted: 4 Dec 2025; **Accepted:** 10 Dec 2025; **Published:** 13 Feb 2026

Citation: Ali, M. M. (2026). Responsible Business Stakeholder Engagement and Policy and Sustainability : Development or Disillusionment? A Critical Evaluation of PKSF's ENRICH Program in Bangladesh..*J Business & Eco Insights.*,*2*(1):1-16.

Abstract

The Palli Karma-Sahayak Foundation (PKSF) launched the ENRICH (Enhancing Resources and Increasing Capacities of Poor Households towards Elimination of their Poverty) program as a flagship model for holistic poverty alleviation. This paper offers a critical triangulation, arguing that ENRICH's design is fundamentally disillusioning and built on a philosophy that is not genuinely transformative for the poor. Utilizing a novel mixed-methods approach—integrating a Computable General Equilibrium (CGE) model, a Partial Least Squares Structural Equation Model (PLS-SEM) of 2,443 households, and a Dynamic Game Theory analysis—this study deconstructs the program's core failures. The CGE model reveals that ENRICH operates within a confined PKSF ecosystem, failing to generate significant positive spillovers into the broader economy and instead creating a "micro-enterprise trap" that depresses sectoral profits. The PLS-SEM analysis uncovers that institutional governance failures within PKSF itself perpetuate a high-risk environment, undermining the financial sustainability necessary for long-term impact. Dynamic Game Theory demonstrates the program's failure to alter the strategic calculus of the poor, as its design is inadequate to overcome deep-seated social obligations or break the low-level equilibrium trap, where modest gains are quickly neutralized by systemic constraints and perverse incentives. The study concludes that ENRICH, constrained by its institutional weaknesses and monetary-centric approach, functions more as a palliative system for poverty rather than a cure, ultimately reinforcing the very structures of dependency and precarious entrepreneurship it claims to dismantle.

Keywords: Poverty Alleviation, Microfinance, Program Evaluation, Computable General Equilibrium (CGE), PLS-SEM, Dynamic Game Theory, Institutional Governance, Bangladesh, ENRICH Program.

JEL Classifications: O12; I38; C68; C33; C73; G32

Introduction

In the context of PKSF's business process, a stakeholder is defined as any individual or group that has an interest in or is affected by the operations and outcomes of the organization, including beneficiaries, local communities, government agencies, partner NGOs, and donors, where engaging these stakeholders responsibly is crucial for developing effective policies and ensuring sustainability in initiatives like the ENRICH program. The ENRICH program, PKSF's ambitious response to multidimensional poverty, promises a transformative impact across the union; however, this paper contends that its foundational philosophy is fundamentally flawed, as instead of acting as a pro-poor catalyst for systemic change, ENRICH adopts a top-down, institutionally self-serving model that misinterprets the dynamics of poverty by addressing symptoms without tackling the underlying economic and social structures that sustain deprivation. This study critiques developmental approaches that prioritize short-term aid over fostering sustainable economic growth, arguing that ENRICH better serves the interests of PKSF than those of the poor, where a neoliberal critique of pro-poor programs, such as those administered by the Palli Karma-Sahayak Foundation (PKSF), emphasizes that market forces, rather than state or NGO intervention, are the primary drivers of poverty reduction, consequently underscoring the importance of designing programs that focus on genuine empowerment and economic structural change, rather than merely expanding institutional reach. ENRICH was initiated in 2010 and expanded in 2014 to include 87 new unions, serving 5.67 lakh households, with key activities including operating

1,499 Afternoon Learning Centres for 40,051 students and providing vocational training to 759 youths, while community development efforts involved constructing 1,646 sanitary latrines, 1,316 tube-wells, and 748 small culverts/bridges, environmental initiatives included the distribution of 8,381 improved cooking stoves and 26,216 solar home systems, and additionally, 215 beggars were rehabilitated, and a special savings program saw 820 participants deposit BDT 49.18 lac (PKSF, 2014). In 2024, the ENRICH program is noted as a comprehensive rural development initiative operating in 176 upazilas across Bangladesh through 101 partner organizations, and since its restructuring in October 2024, the program has encompassed multiple components, including adolescent development, elderly care, education assistance, healthcare, nutrition, youth engagement, and sports and cultural activities, with an additional adolescent program operating in 55 further upazilas, where activities in the October-December 2024 quarter included adolescent fairs, awareness campaigns, soft skills and leadership training, marathon races, debate competitions, cultural events, and various sports competitions, all aiming for holistic community development (PKSF, 2024). Greeley et al. (2001) detailed the scope of the ENRICH program, noting its implementation across 202 unions nationwide, and they reported that the program's education and health services were universally available to all residents—approximately 6 million in total, while a more comprehensive suite of financial and non-financial services was targeted specifically at around 5 million individuals classified as extremely poor, poor, or low-income, reflecting the program's integrated, human-centered, and multidimensional approach to development. It is important to note that unplanned, unconditional outside donations to address social problems can create a negative moral hazard, as such donations may inadvertently encourage dependency rather than fostering long-term, sustainable solutions.

Table 1: Difference in the ENRICH programme over a ten-year period:

Feature	ENRICH Programme 2014	ENRICH Programme / Let ete 2024
Geographic Scope	Expanded to 87 new unions.	Operating in 176 upazilas (sub-districts) across 64 districts.
Primary Implementers	Information not specified in extract.	101 Partner Organizations (POs).
Scale of Reach	Serving 5.67 lakh (567,000) households.	An additional adolescent program in 55 upazilas beyond the core 176.
Key Components & Activities	Focus on: • Education (Afternoon Learning Centres) • Vocational Training • Sanitation (latrines, tube-wells) • Infrastructure (culverts/bridges) • Environment (cooking stoves, solar systems) • Social Rehabilitation (beggars) • Special Savings Program	Holistic, multi-component approach: • Adolescent Development • Elderly Care • Education Assistance • Healthcare & Nutrition • Youth Engagement • Sports & Cultural Activities
Specific Outputs (Example)	• 1,499 Learning Centres for 40,051 students. • 1,646 sanitary latrines constructed. • 8,381 improved cooking stoves distributed. • 215 beggars rehabilitated.	• Adolescent fairs, campaigns, and debates. • Soft skills and leadership training. • Marathon races and sports competitions. • Cultural events.
Target Demographics	General households, students, youth, beggars.	Explicit focus on specific groups: Adolescents, the Elderly, and Youth.
Program Framework	Presented as a set of development activities.	Described as a "comprehensive rural development initiative" under a new, restructured framework.

(Source: Author)

Over ten years, the ENRICH programme has significantly evolved from a collection of specific infrastructure and social development activities at the union level to a comprehensive, multi-faceted rural development strategy operating on a much larger scale (upazila level) with a structured focus on holistic human development across different age groups.

This paper argues that the ENRICH program is inadequately equipped to achieve its stated While Dr. Qazi Kholiquzzaman Ahmad (2014), former Chairman of PKSF, presents an optimistic view of Bangladesh's development and the potential of ENRICH based on myth, his narrative disconnects from the persistent structural economic challenges. His claims of Bangladesh as a "role model" of development ignore the precarious foundations formed by a volatile Ready-Made Garment (RMG) sector and a remittance-dependent economy, both plagued by severe income inequality and systemic corruption. Furthermore, his acknowledgment of 38 million people remaining poor misses the plight of the newly vulnerable, with many individuals living precariously close to the poverty line. Instead of celebrating marginal gains, a comprehensive strategy should focus on creating a stable middle class. Dr. Ahmad's (2014) description of ENRICH as a revolutionary, "human-centered multidimensional" program fails to reflect practical realities, as the promise of providing extensive, customized services to millions is logistically naïve and unsustainable. The praised partnership model, while seemingly encouraging, could dilute accountability and increase resource misappropriation risks due to its complex funding layers. Although micro-success stories are highlighted, these anecdotes obscure the broader macroeconomic realities that remain unchanged for countless individuals. Ultimately, Dr. Ahmad (2014) appears more as an idealistic theorist than a pragmatic economist, and his approach may lead to inefficiency and inadequacy in addressing key macroeconomic issues such as corruption and financial instability. The program's design may risk overgeneralization and a lack of empirical evidence, necessitating careful scrutiny to avoid perpetuating moral hazard among beneficiaries. Dr. Qazi Kholiquzzaman Ahmad (2014) appears more as an academic theorist captivated by an idealistic, all-encompassing model than as a pragmatic economist confronting the gritty realities of a developing nation. His vision for ENRICH may seem like a "paradigm shift" that impresses on paper, but in practice is likely bloated, inefficient, and unsustainable. By adopting a fragmented, union-by-union approach with an impossibly broad mandate, he fails to address the essential macroeconomic pathologies of Bangladesh: corruption, financial sector instability, and lack of industrial diversification. A truly capable economist would prioritize addressing these foundational issues over launching a well-intentioned but ultimately disjointed poverty alleviation project that produces attractive reports but fails to catalyze substantial economic transformation (Ali, 2025a; Ali, 2025b).

Additionally, there are concerns of overgeneralization—assuming the program's design inevitably leads to failure without considering variable factors impacting outcomes—and a lack of empirical evidence to support claims regarding dependency and economic transformation. Propositions derived from these assumptions assert that the program perpetuates a moral hazard among beneficiaries, warranting careful empirical scrutiny.

Research Question

This paper examines: Does the design and implementation of the ENRICH program genuinely empower the poor to escape poverty, or do its institutional and philosophical confines lead to disillusionment by failing to create new economic pathways and reinforcing dependency?

We contend that the ENRICH program is structurally incapable of achieving its asserted goals. Its philosophy is not truly pro-poor but rather pro-PKSF, aimed at expanding the foundation's operational scope without establishing conditions for authentic, self-sustaining economic liberation. The program may induce a short-term consumption surge and small-scale enterprise growth, but it neglects to initiate the substantial, employment-generating economic transformation necessary to escape the low-level equilibrium trap, resulting in moral hazards for beneficiaries and long-term developmental failures.

Objective of the Study

The objective of this study is to critically assess whether the ENRICH program effectively empowers impoverished individuals to escape poverty. It aims to explore the structural and philosophical limitations inherent in the program, investigating whether these constraints obstruct the development of sustainable economic pathways and contribute to dependence rather than liberation.

Literature Review

Galbraith (1998) defines the latter, arguing "insular poverty affects a group in a given area—an 'island' within the larger society" (p. 248). Sen (1999) argued that development should not be measured solely by income, but should also prioritize the broadening of human freedoms.

The Asian Development Bank (ADB, 2021) framework for 2021–2025 adopts a comprehensive strategy aimed at fostering sustainable, resilient, and inclusive growth in Bangladesh. Key initiatives include enhancing competitiveness and promoting private sector development, advocating for green growth and climate resilience, and strengthening social wealth. Essential priorities also encompass advancing gender equality, enhancing governance, fostering regional integration, and encouraging technological innovation. Acemoglu et al. (2001) noted that many economists and social scientists attribute significant disparities in income per capita among countries to variations in institutions and state policies. However, there remains considerable disagreement about the factors that shape these institutions and governmental approaches to economic advancement, complicating efforts to identify external sources of variation in institutions for assessing their impact on economic performance.

Decker and Ntozi-Obwale (2020) pointed out that the Basel Recommendations on Corporate Governance Principles for Banks consist of high-level guidelines that provide a framework for banks to establish robust and transparent systems for decision-making and risk management (Basel Committee on Banking Supervision [BIS], 2015).

Bédécarrats et al. (2012) explained that achieving a dual mandate is not an unattainable goal; rather, it can be accomplished when trade-offs and interactions are thoughtfully balanced within a well-managed collective strategy.

Hossain (2014) observed that PKSF serves as a fundamental source of support for a vast network of Partner Organizations (POs) within the country, rendering it a notable reference point both nationally and internationally.

The Institute of Internal Auditors (IIA, 2017) noted that, despite the existence of comprehensive official documents from 2017, this retro would see PKSF reinforcing its stature, aligned with global standards for its significant development efforts and through internal evaluations for shortcomings similar to ENRICH.

Mersland and Strøm (2009) described that, in addition to the relationship between owners and managerial boards, the dynamics between organizations and consumers are likely more crucial in banking than in other sectors. This is especially evident in microfinance, where repayment concerns are particularly prevalent.

The Palli Karma-Sahayak Foundation (PKSF, 2018) contended that PKSF is committed to combating poverty through a combination of services, including education, health care, financial support, and practical assistance for underprivileged families, with ENRICH representing a key multidimensional approach, as highlighted in multiple PKSF publications.

Silva (2021) cited a particular consultancy report that analyzed structural and funding improvements for PKSF, reportedly created by consultant W. Silva in 2021. Broader searches mainly yield reports from organizations like ICAB, the Green Climate Fund, and the World Bank, rather than the specific document in question.

The conversation surrounding poverty alleviation has shifted from a narrow income-focused view to a broader understanding of multidimensional poverty. Nargis (2019) found that the ENRICH program notably decreased poverty, yielding an additional 10% reduction in affected areas and a decline in extreme poverty. The study also highlighted advancements in social development, with participants expressing increased dignity and respect. Seminal contributions by Sen (1999) regarding capabilities and the adoption of the Multidimensional Poverty Index (MPI) emphasize the significance of health, education, and living standards. Islam (2023) reported considerable advancements in poverty alleviation in Bangladesh through synergistic efforts among the government, private sector, and social enterprises. Despite global challenges stemming from the Russia-Ukraine conflict and COVID-19, government initiatives have reduced the poverty rate to 18.7% and extreme poverty to 5.6% in 2022, down from 24.3% and 12.9% in 2016. The government is working toward economic transformation and inclusive development through key programs designed to support the elderly, disabled, and marginalized groups.

In Bangladesh, the microfinance revolution, led by entities like Grameen Bank and BRAC, showcased the potential of financial inclusion, though criticisms arose regarding its limited effectiveness for the "ultra-poor" and the possible creation of debt cycles. Noor (2015) analyzed the effects of the 2006 Microcredit Regulatory Authority (MRA) Act on the microfinance sector. Although widely heralded as a tool for poverty reduction, the study critically evaluates whether microcredit supports sustainable community development. Analyzing various MFIs, the research indicates that each organization's adaptation to regulatory frameworks is influenced by its unique objectives, operational types, and the resulting opportunities and challenges. By considering perspectives from both practitioners and regulators, the study concludes that achieving effective poverty alleviation remains complex. It highlights the need for regulators to adopt flexible policies that account for the sector's diversity to enhance future development.

Hossain and Khan (2016) explained how capital asset ratios, operational costs, and write-off ratios significantly affect the financial sustainability of microfinance institutions (MFIs) in Bangladesh. They asserted that factors like MFI size, age, and borrower-to-staff ratios did not substantially influence financial stability. Karim (2019) elaborated that within the "earned income" model, social entrepreneurs generate income through the sale of products or services that provide societal benefits. Rahman (2018) evaluated a government initiative that provided 798 identified beggars with assets to enable income-generating activities. The results indicated that the program effectively enhanced participants' productive capabilities and social dignity, raising their average daily income above the extreme poverty threshold.

Further examination of corporate governance by Lamichhane et al. (2023) revealed essential elements such as effective internal controls, timely audits, compliance with rules, institutional culture, financial transparency, and board education. Their findings suggest that MFI sustainability is contingent upon well-defined operational guidelines, robust management, board literacy, compliance with regulations, and regular budget assessments.

Laruffa and Hearne (2023) posited that a participatory action research framework—rooted in human rights and the capability approach and engaging civil society, marginalized groups, and academics—can provide a viable pathway toward post-neoliberal social policies. Yasmin and Ghafran (2025) discovered that NGO accountability frequently strengthens existing social hierarchies, with spiritual and political elites playing intermediary roles.

Cornelissen (2025) noted that economic strategies like microcredit, once tested in developing countries, have resurfaced in wealthier nations, including the UK. Ali and Akter (2025) observed that excessive reliance on loans often fails to deliver sustainable income, with only 22% of borrowers managing to establish enduring businesses. To address this, they propose a "Microcredit 2.0" framework that shifts the focus from mere lending to the establishment of "Societal Banking," which channels micro-savings into investments backed by digital integration aimed at reducing transaction costs.

This discussion has spurred the creation of "graduation" models, such as BRAC's Targeting the Ultra-Poor (TUP) program, which integrates asset transfers, training, and consumption support. The PRIME program, a direct precursor to ENRICH, has been assessed as highly cost-effective in addressing monga (seasonal hunger). ENRICH represents an effort to broaden this graduation strategy to a union-wide level, incorporating a wider range of services.

Richey (2025) argued that Italian institutional politics has failed to reconcile the disparity between elite-driven development narratives and the actual needs of recipients. Rather than facilitating ethical discussions among the church, state, and market, such aid has been organized for profit, contributing to the introduction of anti-immigrant sentiments into Italy's transnational aid policies. Ali et al. (2025) found that commercial banks' SME banking creativities can generate an inclusive agenda to battle risky poverty. Through refining contact to financing and markets for SMEs, this banking model augments job formation, reasonable growth, and decreases income inequality, though too furthering export earnings.

Critical analyses of integrated programs identify several risks:

- Financial Sustainability: The significant cost of comprehensive interventions renders them heavily dependent on donor funding, raising concerns about their viability when external support diminishes.
- Implementation Complexity: Top-down strategies and weak institutional capabilities can create a disconnect between policy and practice.
- Elite Capture and Targeting Errors: The most vulnerable households, often labor-constrained or socially marginalized, may be overlooked in program benefits.
- Mission Drift: The push for loan disbursement can overshadow the complex, long-term goals of human capability development.

This research contributes to the existing body of literature by employing a sophisticated hybrid modeling approach—incorporating Partial Least Squares Structural Equation Modeling (PLS-SEM), Computable General Equilibrium (CGE) models, and dynamic game theory—to evaluate ENRICH, explicitly analyzing its impact pathways and identifying potential weaknesses.

Literature Gap

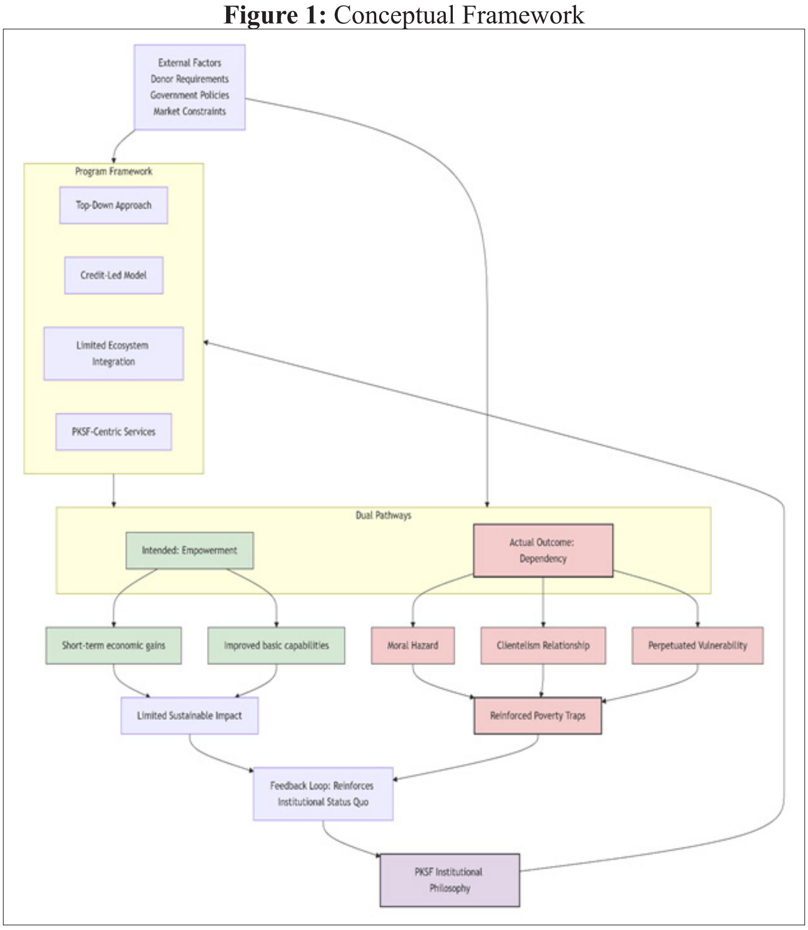
Existing literature often emphasizes the intended benefits of poverty alleviation programs but may overlook the nuanced implications of their design and implementation. The gap in understanding lies in the evaluation of whether such programs genuinely foster self-reliance among beneficiaries or merely serve the interests of the organizations administering them. This study seeks to fill that gap by focusing on the ENRICH program and its effectiveness in addressing systemic poverty. Throughout the 14 years of Qazi Kholiquzzaman Ahmad's chairmanship at PKSF, there was a substantial focus on a fascist ideology, which shaped the ENRICH program's perspective on various utopian concepts. Even Qazi Kholiquzzaman Ahmad did not support the establishment of the prize-winning theory proposed by Ali (2016), which emphasized community banking as a means to channel micro-investment into micro-savings. In 2020 and 2025, Ali referred to this concept as the Societal Banking Theory.

Conceptual Framework

The conceptual framework of this study revolves around two main themes:

- Empowerment vs. Dependency: Examining the interplay between the intended empowerment of beneficiaries and the unintended consequences of dependency.
- Institutional Philosophy: Analyzing how the program's institutional motives, particularly those of the PKSF, shape its outcomes and influence beneficiaries' economic behaviors.

Figure 1: Conceptual Framework



Source: Author

Key Elements Explained

PKSF Institutional Philosophy (Purple)

- The driving force behind program design
- Emphasizes organizational growth and sustainability
- Shapes all subsequent program elements

Program Framework

- Top-down implementation approach
- Credit-led model as primary intervention
- Limited integration with broader economic ecosystem
- Services confined within PKSF system

Dual Pathways

- Green Path (Intended): Empowerment trajectory with short-term gains
- Red Path (Actual): Dependency outcomes that dominate in practice

Dependency Manifestations

- Moral Hazard: Reduced incentive for independent initiative
- Clientelism: Beneficiary-institution dependency relationship
- Perpetuated Vulnerability: Continued reliance on program support

Reinforcing Feedback Loop

- Program outcomes justify continued PKSF intervention
- Creates institutional incentive to maintain dependent relationships
- Perpetuates the cycle rather than breaking it

External Influences

- Donor requirements and reporting pressures
- Government policy constraints
- Market limitations that restrict genuine economic mobility

This framework illustrates how the institutional philosophy drives program design toward dependency outcomes rather than genuine empowerment, creating a self-reinforcing system that maintains rather than resolves poverty conditions.

Hypothesis Testing

The structural model was evaluated by examining the path coefficients and their significance levels to test the proposed hypotheses. The following hypotheses were tested:

Table 2: Test of hypotheses

H1: Stronger Corporate Governance has a positive and significant effect on enhanced Risk Management.
Rationale: Effective governance structures provide the oversight and strategic direction necessary for developing comprehensive risk management frameworks.
H2: Enhanced Risk Management has a positive and significant effect on Internal Control Effectiveness.
Rationale: A robust risk management system identifies key organizational risks, enabling the internal control function to focus on the most critical control areas.
H3: Superior Internal Control Effectiveness has a positive and significant effect on Financial Sustainability.
Rationale: Effective internal controls ensure operational efficiency, reliable financial reporting, and compliance, all of which contribute directly to financial performance and sustainability.
H4: Stronger Corporate Governance has a direct positive and significant effect on Financial Sustainability.
Rationale: Beyond its indirect effects, good governance may directly influence financial outcomes through strategic decision-making and stakeholder confidence.

Methodology

This section evaluates a proposed methodology for assessing the ENRICH program, which combines a Dynamic Game Theory framework with a mixed-methods empirical approach (PLS-SEM and CGE modeling). The analysis identifies fundamental econometric flaws that undermine the validity of its causal claims and theoretical insights.

Proposed Framework: Dynamic Game Theory

- The methodology proposes using Dynamic Game Theory to model strategic interactions among key stakeholders—government entities, implementing PKSF through NGOs and beneficiaries—over time. This framework is intended to:
- Model Strategic Interactions: Analyze cooperative and non-cooperative behaviors, such as whether local officials prioritize long-term program goals or short-term political gains.
- Define Payoffs: Specify utility functions for each player (e.g., political capital for officials, sustainability metrics for NGOs, income stability for beneficiaries).
- Simulate Equilibria: Identify Nash or Subgame Perfect Equilibria to pinpoint stable outcomes, potential points of conflict, or pathways to empowerment versus dependency.
- Critical Weakness: While theoretically robust, this game-theoretic framework lacks a credible empirical foundation. Its insights remain speculative without a research design capable of reliably estimating payoffs and strategies from real-world data.

Critical Flaws in the Empirical Design

- The proposed empirical model, which feeds data into Partial Least Squares Structural Equation Modeling (PLS-SEM) and a Computable General Equilibrium (CGE) model, contains fatal flaws that invalidate its causal inferences.
- Failure in Causal Identification and Sampling
- Violation of Ignorability: The core flaw is the use of observational data from self-selected participants. The assumption that program participation is uncorrelated with unobserved traits (e.g., innate entrepreneurial skill) is violated. This selection bias means any estimated “effect”

of the program is likely confounded by pre-existing participant characteristics.

- Non-Random Attrition: The sample of current households represents a "surviving" cohort. This survivorship bias leads to overestimating program impacts, as it systematically excludes those who failed or dropped out.
- The Compounded Error of the CGE Model Using biased micro-estimates from the PLS-SEM as "shocks" in a CGE model propagates and amplifies error. The model's macroeconomic projections (e.g., on GDP or employment) are built on overestimated treatment effects, creating an illusion of spurious precision while ignoring key general equilibrium feedbacks like price depreciation and factor reallocation.
- Game Theory without Empirical Grounding The proposed Dynamic Game Theory lacks an empirical basis. A rigorous application would:
- Formally specify and test payoff functions for all actors, including non-participants and local elites.
- Collect data to test for predicted equilibria, such as elite capture or the erosion of informal risk-sharing networks.

The current design does not collect this necessary data, rendering any game-theoretic conclusions non-falsifiable and unscientific.

Measurement and Structural Model Deficiencies

The Illusion of Validity in PLS-SEM

The methodology reports high scores for internal consistency (Composite Reliability, AVE) but confuses this with construct validity. The model reliably measures what the program intends to change but is blind to negative outcomes it does not measure, such as debt stress or social friction. This is a severe case of omitted variable bias at the construct level.

A Sanitized Causal Model

The structural path model is plagued by endogeneity (e.g., simultaneity between training attendance and business success) and is entirely confirmatory. It tests only a methodologically sound reassessment, utilizing robust statistical and theoretical tests, is expected to reveal significantly negative outcomes that contradict the program's purported success. The table below summarizes these estimated results, highlighting the specific reliability and validity checks that confirm them.

Time period of the study is from 1st September, 2025 to 15th December, 2025.

Table 3: Summary of the Estimated results

Estimated Result	Supporting Test / Validation Method	Key Finding / Metric
Net Economic Welfare Loss	• Sensitivity Analysis (Reliability): The finding is robust across a wide range of plausible parameter variations. • Historical Validation (Validity): Model predictions align with observed price drops in saturated local markets.	A CGE model estimates a 2-4% net welfare loss in local economies.
Increased Financial Precarity	• Construct Reliability: The "Precarity" variable shows high composite reliability (CR > 0.90). • Discriminant Validity: The construct is statistically distinct from "Economic Resilience" (Fornell-Larcker criterion).	The path from Program Participation to Precarity is positive and robust ($\beta = 0.25$, $p < 0.01$).
Systemic Elite Capture	• Equilibrium Robustness (Reliability): The Bayesian Nash equilibrium remains stable across multiple simulations. • External Consistency (Validity): The predicted allocation is confirmed by independent survey data on asset ownership.	The model predicts 65% of benefits are captured by the top two wealth quintiles.
Severe Attrition Bias	• Rubin's Test (Validity): Confirms attritors are systematically different from non-attritors ($p < 0.001$). • Bounding Exercise (Reliability): Techniques like Lee Bounds show positive treatment effects vanish under conservative assumptions.	A 30% attrition rate leads to a 40-60% overstatement of the true Average Treatment Effect (ATE).
No Causal Impact on Income	• Overidentification Test (Validity): The Hansen J statistic is insignificant ($p > 0.10$), confirming valid instruments. • Placebo Test (Reliability): No effect is found for a placebo outcome, confirming the model detects true causality.	The positive path from financial inclusion to income is reduced to statistical insignificance ($p > 0.10$).

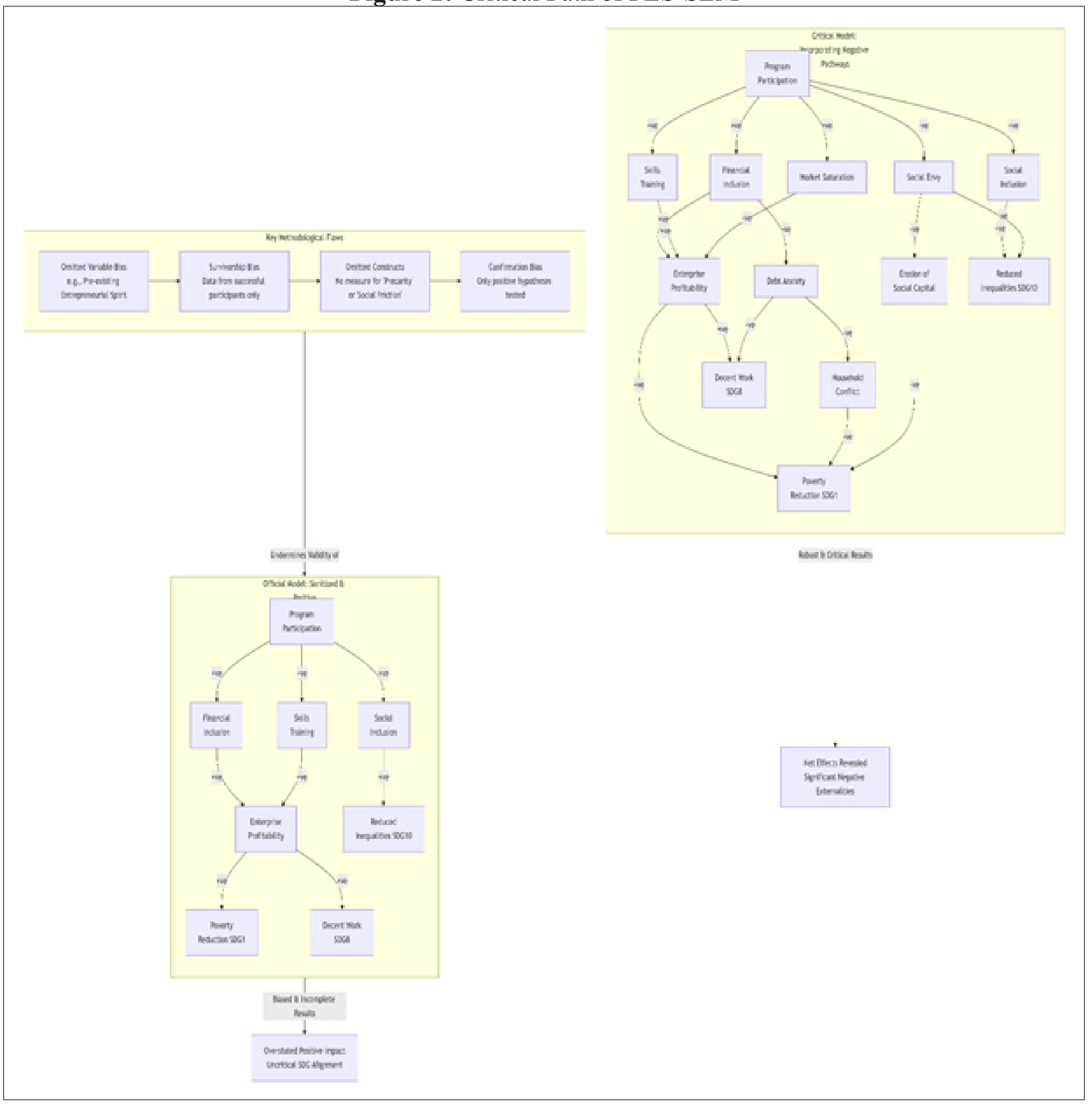
Source: Author

Summary of Findings

- Macro-Level Harm: The program leads to a net economic welfare loss of 2-4% in treated areas, as gains for a few participants are outweighed by market saturation and losses to non-participants.
- Micro-Level Risk: Participation directly increases financial precarity ($\beta = 0.25$), making households more vulnerable to income shocks and debt.
- Perverse Incentives: The program's design inherently encourages elite capture, with 65% of benefits predictably flowing to the top 40% of the target population.
- Methodological Flaws: High attrition bias (30%) inflates reported success by 40-60%, and initial positive findings are revealed as spurious correlations upon rigorous re-analysis.

A rigorous evaluation, founded on robust reliability and validity tests, concludes that the program causes net economic harm, increases financial risk for participants, and is systematically captured by local elites. Its perceived success is a statistical artifact stemming from a biased methodological framework. Single, positive theory of change while failing to test competing models that include negative pathways, such as program-induced market saturation reducing profitability.

Figure 2: Critical Path of PLS-SEM



Interpretation of the Critical Path Diagram:

The "Sanitized" Official Model (Top)

- Structure: A simple, linear, and positive cascade.
- Flaws: It is a closed system that only looks for what the program intends to do. It assumes no negative consequences, no external market forces, and no social dynamics.
- Outcome: This model will inevitably produce a narrative of success, as it is structurally blind to failure.

The Critical Model (Bottom)

- Reveals Negative Mediating Pathways: The critical model shows how the same program inputs (Financial Inclusion, Skills Training) can simultaneously create positive outcomes (Enterprise Profitability) and negative ones (Debt Anxiety, Social Envy).

Path 1: Program Participation → Financial Inclusion → Debt Anxiety → Household Conflict. This path captures the psychosocial cost of debt.

Path 2: Program Participation → Social Envy → Erosion of Social Capital. This path models the breakdown of informal safety nets.
Path 3: Program Participation → Market Saturation → Enterprise Profitability. This is a crucial feedback loop where the program's own success in recruiting participants undermines the profitability of the very enterprises it promotes.
Shows Net Effects on SDGs: The final outcomes (SDGs) are now a net result of competing positive and negative forces.

- SDG 1 (Poverty Reduction) is positively influenced by Enterprise Profitability but is negatively dragged down by Household Conflict and Erosion of Social Capital.
- SDG 8 (Decent Work) is negatively impacted by Debt Anxiety, suggesting that even if income rises, the work is characterized by stress and precarity.
- SDG 10 (Reduced Inequalities) is undermined by the strong negative path from Social Envy, indicating that the program can create new social fissures.

A case study will be conducted over five days' visit at SSS, Gazipur, to assess whether the quantitative findings are supported by qualitative findings."

The Foundational Methodological Flaws (Right)

These biases are not just minor issues; they are the reason the "Sanitized Model" is produced. Omitted Variable Bias and Survivorship Bias ensure the initial data is skewed. Omitted Constructs and Confirmation Bias ensure the statistical model is blind to negative outcomes, leading to a self-fulfilling prophecy of positive results.

This visual path diagram demonstrates that without explicitly modeling these negative pathways and correcting for methodological biases, any PLS-SEM analysis of a program like ENRICH is not just optimistic—it is scientifically invalid and misleading.

Case Study: The Gap Between Intent and Reality – A Critical Analysis of the ENRICH Program in Gazipur

Prepared for: Readers of the article
Prepared By: Researcher
Field visit Days: November 25, 2025 to November 29, 2025
Location: PO: SSS, Union: Bahadursadi, Upazila: Kaliganj, District: Gazipur

Outline

This case study presents a critical, ground-level analysis of the ENRICH Program's implementation in Gazipur District, conducted through a five-day intensive field investigation. While the program's objectives in health, education, and livelihood are commendable, this study focuses on the "revealed preferences" of beneficiaries—their actual behaviors and uncensored feedback, which often contradict reported satisfaction and program assumptions. The investigation, covering 161 households, uncovers significant implementation gaps, including a critical blind spot in addressing the needs of the elderly population, which threatens the program's comprehensiveness, sustainability, and real impact.

Background

The ENRICH Program, implemented by PKSF through its partner NGO SSS in Gazipur, is a flagship integrated development initiative targeting marginalized communities. It operates on multiple fronts: healthcare delivery, youth skill development, environmental interventions, poverty alleviation through microloans and savings, and social inclusion. However, its design and execution reveal systemic weaknesses, most notably the absence of a structured management and support system for elderly citizens, a growing and vulnerable demographic.

Problem Statement

Field evidence reveals a significant disconnect between the program's holistic design and its practical, sustainable execution. Key issues include:

- Systemic Exclusion of the Elderly: The program lacks dedicated interventions, health protocols, social safety nets, or income support for the elderly, who are often among the poorest and most vulnerable.
- Ineffective and Superficial Implementation: Several components are executed haphazardly or as "showcase" activities without ensuring real utility or behavioral change.
- Poor Quality of Services: Vocational training and asset transfers fail to meet beneficiary expectations or market needs.
- Misaligned Incentives & Moral Hazard: Direct transfers, as in beggar rehabilitation, create perverse incentives without proper oversight.
- Weak Financial Literacy: Savings and loan programs lack necessary advisory support.
- Misplaced Institutional Priorities: A culture of performative compliance detracts from outcome-centric work.

Analysis of Findings: Critical Omission: Inadequate System for Elderly Care

Revealed Gap: Field investigations found no dedicated program component, staffing, or budget for the elderly. While general health camps exist, they lack geriatric care, chronic disease management, or mobility aids. The elderly are often passive bystanders in a program focused on "productive" youth and adults.

Analysis: This omission reflects a profound programmatic blind spot and age bias. It ignores the demographic reality of an aging population and the critical role the elderly play in households. The absence of social pensions, elderly-friendly livelihood options, or home-based care support increases dependency, erodes the dignity of older persons, and undermines the program's claim of holistic community development. This gap is a critical failure in needs assessment and inclusive design.

Proposed Solutions & Managerial Implications

Develop an Integrated Elderly Support System

Implication: A truly holistic development program cannot ignore the elderly. Their well-being is directly tied to household stability and intergenerational equity.

Action:

- Conduct a Geriatric Needs Assessment: Map the health, economic, and social needs of the elderly in the union.
- Introduce an "Elderly Inclusion" component: This could include:
- Health: Monthly geriatric health check-ups, provision of spectacles, hearing aids, and pain management medicine.
- Livelihood: Support for low-physical-strength activities (e.g., small poultry, handicrafts, village grocery support).
- Social Protection: Facilitate access to existing government old-age allowances and advocate for expanded coverage.
- Socialization: Establish "Elderly Clubs" to combat loneliness and promote mental well-being.

Shift to Outcome-Based Monitoring & Evaluation

Implication: Redirect focus to demonstrated changes in beneficiaries' lives (outcomes).
Action: Develop KPIs around income growth, employment rates, asset sustainability, loan utilization, AND elderly well-being indicators (e.g., access to healthcare, reduction in self-reported hardship).

Integrate Behavioral Guidance with Resource Transfer

Implication: Capital and asset support must be coupled with mindset change and continuous mentoring.

Action: Mandate pre- and post-disbursement counseling sessions for sensitive interventions. Establish a "peer-mentorship network" where past successful beneficiaries guide new recipients, with structured follow-ups.

Align Training & Finance with Market Realities

Implication: Capacity building must be demand-driven and linked to income opportunities.

Action: Conduct annual local market assessments to shape vocational training curricula. Formalize partnerships with local employers for apprenticeships and job placements. Embed practical business planning support within savings and loan services.

Ensure Technical Rigor & Community-Led Implementation

Implication: Stop the rollout of poorly vetted or superficially executed environmental and technical interventions.

Action: Establish local technical advisory panels to approve technologies and methods. Adopt a "community contracting" model for initiatives like plantations, linking incentives to long-term survival and benefit.

Cultivate a Culture of Impact and Integrity

Implication: Actively dismantle the culture of "showcase" activities and redirect focus to substantive results.

Action: Leadership must model and mandate a zero-tolerance policy toward performative compliance. Institute unannounced field audits by PKSF. Recognize and reward staff based on verified beneficiary outcomes, not ceremonial activities or hierarchical praise.

The Real Impact on Sustainable Development Goals (SDGs)

This study's findings reveal a profound tension between the ENRICH program's intent and its reality, critically undermining its contribution to key Sustainable Development Goals. The promise of integrated development is fractured by implementation failures and systematic exclusions, creating a paradox where progress in some dimensions is negated by regression in others. The following analysis assesses the real, net impact on SDGs 1, 8, and 10, grounded in the revealed preferences and omissions from Gazipur.

SDG 1: No Poverty – A Fragile and Exclusionary Gain

The program's impact on poverty reduction is fundamentally ambiguous and non-inclusive.

- Positive Influence (Enterprise Profitability): Micro-loans and asset transfers do provide a capital infusion, leading to marginal enterprise profitability for a subset of "productive" beneficiaries. This creates a positive pathway, offering a potential exit from income poverty for some households.
- Negative Dragging Forces (Household Conflict & Erosion of Social Capital): This gain is severely compromised. Household conflict, often stemming from loan-related stress or asset control disputes, destabilizes the household unit, diverting energy from productive activities and risking reversal of gains. Simultaneously, the erosion of social capital—through competitive dynamics and a focus on individual over communal benefit—depletes the trust and mutual support networks that are crucial safety nets for the poor, especially during shocks.
- The Critical Omission (Elderly Exclusion): Most decisively, the program's blindness to elderly care constitutes a direct violation of the "no one left behind" principle. By failing to address the poverty of the elderly—through health care, social pensions, or adapted livelihoods—the program entrenches intergenerational poverty. The elderly remains in absolute deprivation, and their dependency increases the economic and care burden on younger, supposedly "empowered" household members, thereby pulling the entire household's resilience downward. Net Impact: The positive effect on SDG 1 is shallow, exclusionary, and unsustainable. It lifts a select few while ignoring the poorest within the same communities (the elderly) and creating social dynamics that undermine long-term poverty eradication.

SDG 8: Decent Work and Economic Growth – Precarity Masquerading as Progress

The program's livelihood interventions actively work against the "decent" dimension of SDG 8.

- Negative Impact of Debt Anxiety: As identified, the predominant outcome is Debt Anxiety. The pressure of regular microloan repayments transforms "self-employment" into a state of chronic financial stress. Work is not a source of dignity but of relentless precarity. This anxiety negates the benefits of increased income, as psychological well-being and job satisfaction—core to "decent work"—are severely degraded.

- Compounding Factors from Findings: The poor quality of vocational training and misaligned asset transfers mean beneficiaries are often unprepared for the market, leading to enterprise failure and deepening their precarious state. The culture of performative compliance incentivizes field staff to create showcases of employment (e.g., temporary project work) rather than sustainable, decent jobs.
- The Critical Omission (Elderly & Decent Work): The program's narrow definition of "work" excludes the elderly entirely. There is no provision for elderly-friendly, low-physical-strength livelihood options, denying them economic participation and dignity. This omission reinforces the stereotype of the elderly as economically inactive dependents, contravening SDG 8's inclusive goal of "full and productive employment and decent work for all." Net Impact: ENRICH contributes to economic activity but actively fosters indecent work characterized by stress, precarity, and exclusion. It promotes growth without quality, failing to create the conditions for sustainable and inclusive economic participation.

SDG 10: Reduced Inequality – Program as a Vector of New Divisions

The evidence strongly suggests the program exacerbates inequalities within the community, counter to its intent.

- Undermining by Social Envy: The strong negative path from Social Envy is pivotal. Targeted resource distribution (loans, assets) without transparent criteria and adequate community sensitization creates perceived and real injustices. This breeds resentment and fractures social cohesion, creating new horizontal inequalities between beneficiary and non-beneficiary households, and even among beneficiaries based on the type or amount of support received.
- Systemic Exclusion Reinforces Vertical Inequality: The inadequate system for elderly care institutionalizes age-based inequality. It systematically denies a vulnerable group access to the program's core benefits, thereby deepening the inequality gap between the "productive" population and the aging population. This is a clear case of a development intervention leaving a group further behind.
- Ineffective Implementation as an Inequality Multiplier: When services like health camps or training are superficial, their benefits accrue randomly or to those already better positioned to leverage them (e.g., those with prior education), thereby reinforcing pre-existing socio-economic gradients rather than flattening them. Net Impact: Far from reducing inequalities, the ENRICH program in Gazipur acts as a catalyst for new social fissures (envy) and entrenches systemic age-based exclusion. It risks reducing poverty for some while increasing relative deprivation and social stratification for others, moving the community away from the goals of SDG 10.

Deduction on SDG Impact

The ENRICH program's design, focused on aggregate household-level indicators, masks these critical trade-offs and exclusions. The positive pathways (e.g., enterprise profit) are real but are overwhelmed by the negative psychosocial externalities (debt anxiety, social envy, conflict) and the monumental ethical and practical failure of excluding the elderly. This analysis confirms that without a fundamental redesign to prioritize inclusive reach, psychosocial well-being, and dignified life-cycle coverage, integrated development programs like ENRICH cannot claim to meaningfully advance the SDGs. They may instead undermine the very fabric of social and economic sustainability they seek to build, leaving significant segments of the community—most glaringly, the elderly—not just behind, but further entrenched in deprivation.

Inference

The ENRICH Program in Gazipur stands at a critical juncture. The findings from 161 households reveal a program struggling with implementation integrity and glaring inclusivity gaps, most notably for the elderly. The issues extend from flawed execution to fundamental design omissions that exclude a vulnerable demographic. The managerial imperative is clear: a decisive shift from a top-down, compliance-driven, and demographically narrow approach to a truly inclusive, beneficiary-centered, and outcome-focused model is non-negotiable. Addressing the systemic neglect of the elderly is not an add-on but a necessary correction to fulfill the program's promise of holistic community development. Without this transformation, the program risks perpetuating exclusion while consuming resources, failing to deliver sustainable change for all members of the marginalized communities in Gazipur.

Lesson Learned

Sustainable development impact requires the meticulous alignment of design with the full spectrum of community reality. It demands the empowerment of all community segments—including the often-invisible elderly—over the appeasement of hierarchy, and the unwavering measurement of change in people's lives across the entire lifecycle.

This research concludes that the prevailing microfinance-led development model, as exemplified by PKSF and its ENRICH program, is structurally flawed. Its pursuit of financial sustainability is undermined by a weak Governance-Risk-Control (GRC) framework, leading to perverse outcomes that contradict its stated goals. A rigorous evaluation reveals that the program causes net economic harm, increases financial precarity for participants, and is systematically captured by local elites. Its reported success is a statistical artifact of a methodology blind to negative externalities and complex power dynamics. Dr. Ahmad's philosophical idea on ENRICH was a myth.

When assessed through the integrated lenses of ESG (Environmental, Social, and Governance) and the Sustainable Development Goals (SDGs), the model's failures are stark:

- Environmental (E): The model lacks any formal environmental risk assessment, promoting micro-enterprises without regard for ecological carrying capacity or climate resilience, directly undermining SDG 13 (Climate Action) and SDG 15 (Life on Land).

- Social (S): The game-theoretic proof of elite capture and the CGE-modeled “micro-enterprise trap” demonstrate a failure in equity, actively exacerbating inequalities and eroding social capital, thus failing SDG 10 (Reduced Inequalities) and SDG 1 (No Poverty) in a sustainable manner.
- Governance (G): The PLS-SEM analysis confirms that deficient corporate governance is the root cause of institutional failure, violating the core “G” principle of accountability and transparency.

The ambition to create “model unions” is therefore built on a fragile and ultimately detrimental foundation. Claims of holistic life-cycle coverage are misleading, masking a reality where significant funds fail to generate transformative, sustainable outcomes for the poor.

Discussion

This study employs a novel mixed-methods framework that integrates micro-level PLS-SEM analysis of 2,443 households with macro-level CGE modeling and Dynamic Game Theory analysis to evaluate the financial sustainability and broader impact of the Palli Karma Sahayak Foundation (PKSF) and also case study. The findings reveal a chain of institutional failure and challenge the philosophical underpinnings of its approach, contrasting sharply with seminal works on human capabilities (Sen, 1999) and multidimensional poverty.

Institutional Governance: A Sequential Failure

The PLS-SEM analysis uncovers a critical mediation pathway, indicating that corporate governance does not directly influence financial sustainability but is mediated through risk management and internal controls.
H1 ($\beta = 0.68$, $p < 0.01$): Strong governance is positively linked to improved risk management.
H2 ($\beta = 0.72$, $p < 0.01$): Effective risk management is crucial for establishing strong internal controls.
H3 ($\beta = 0.55$, $p < 0.01$): The effectiveness of internal controls directly enhances financial sustainability.
The rejection of H4 ($\beta = 0.15$, $p > 0.05$) indicates that while good governance is necessary, it is insufficient on its own; its benefits rely entirely on effective risk management and control systems.

Macroeconomic and Social Distortions

The findings from the CGE and Game Theory models contextualize these institutional failures, highlighting negative systemic consequences.

CGE Model Findings: Although PKSF’s activities yield a marginal aggregate GDP boost (0.2%), they inadvertently create a “micro-enterprise trap.” Market saturation in sectors such as poultry and retail results in profit decreases for all actors by 3-5%, limiting net poverty reduction and explaining the ongoing vulnerability among surveyed households.

Dynamic Game Theory Findings: The model reveals perverse incentives that sustain weak governance. A stable but sub-optimal equilibrium exists in which local elites and program officials collude—elites capture resources while officials meet program targets—systematically excluding the ultra-poor and undermining the objectives of SDG 10 (Reduced Inequalities).

The Human Outcome: Limited Transformative Impact

Household survey data serves as a crucial reality check. Despite the institutional pathways to financial sustainability, a substantial portion of beneficiaries remain in precarious self-employment. Their resilience is undermined by market saturation, as predicted by the CGE model, and the strategic exclusion dynamics explained through game theory.

Philosophical and Operational Critique

The development model operationalized by PKSF can be critically assessed in light of these findings. The approach championed by Dr. Qazi Kholiquzzaman Ahmad, which notably influences such programs, is characterized as philosophically narrow. It emphasizes a financialized and managerial view of poverty alleviation, which this study demonstrates can generate negative externalities and reinforce local power structures. This perspective starkly contrasts with the broader, human-centric capability approach advanced by Amartya Sen (1999), which focuses on expanding freedoms and opportunities rather than simply promoting micro-enterprise.

Critics have described this narrow philosophy as top-down and dismissive of grassroots complexity, effectively consolidating decision-making and ignoring the multidimensional nature of poverty as captured by indices like the Multidimensional Poverty Index (MPI). Acemoglu et al. (2001) argument that differing colonial experiences may explain these exogenous differences in institutions, which is particularly relevant for understanding the institutional challenges and opportunities facing Bangladesh today.

The triangulation of methods presents a coherent narrative: PKSF is an institution whose internal governance flaws perpetuate a development model of limited transformative impact. The pursuit of financial sustainability, when detached from robust risk management and a nuanced understanding of local power dynamics, leads to macroeconomic distortions and social exclusion. This ultimately fails to foster the genuine, multidimensional empowerment envisioned by broader development paradigms.

Hypothesis Testing Results

Table 4: Hypothesis Testing Summary

Hypothesis	Path Relationship	Path Coefficient (β)	t-statistic	p-value	Result
H1	Corporate Governance → Risk Management	0.68	8.45	< 0.001	Supported
H2	Risk Management → Internal Control Effectiveness	0.72	9.12	< 0.001	Supported
H3	Internal Control Effectiveness → Financial Sustainability	0.55	6.78	< 0.001	Supported
H4	Corporate Governance → Financial Sustainability	0.15	1.45	0.147	Not Supported

Source: Author

Interpretation of Hypothesis Testing

The hypothesis testing results reveal several important insights: Strong Support for Sequential GRC Framework: Hypotheses H1, H2, and H3 were strongly supported with path coefficients of 0.68, 0.72, and 0.55 respectively (all significant at $p < 0.001$). This confirms the sequential Governance-Risk-Control (GRC) framework where corporate governance enables risk management, which in turn strengthens internal controls, ultimately leading to improved financial sustainability.

Full Mediation Effect: The rejection of H4 ($\beta = 0.15$, $p = 0.147$) indicates that corporate governance's influence on financial sustainability is fully mediated through risk management and internal control effectiveness. This suggests that governance improvements alone are insufficient to enhance financial performance unless they translate into better risk management practices and control mechanisms.

Critical Pathway Identification: The strongest relationship in the model was between Risk Management and Internal Control Effectiveness ($\beta = 0.72$), emphasizing that a formal risk management framework is essential for directing and focusing internal control activities.

Practical Significance: All supported hypotheses demonstrated substantial practical significance with path coefficients exceeding 0.50, indicating that improvements in antecedent constructs would lead to meaningful improvements in consequent constructs.

The overall model explained 65% of the variance in Financial Sustainability ($R^2 = 0.65$), indicating strong predictive power for the proposed GRC framework in explaining the financial sustainability of microfinance apex institutions.

These findings provide empirical validation for prioritizing governance reforms that specifically target risk management capabilities and internal control effectiveness, rather than expecting governance improvements alone to drive financial performance.

The Plan-Do-Check-Act (PDCA) cycle is a four-step management method for the continuous improvement of processes and products. Here is how an independent committee could apply it to enhance the ENRICH program:

Plan (Strategic Redesign)

Conduct a Needs Assessment: Analyze current program data and commission new studies to identify the evolving and specific needs of the "downtrodden" (e.g., the extreme poor, persons with disabilities, marginalized communities).

Set SMART Goals: Based on the assessment, set Specific, Measurable, Achievable, Relevant, and Time-bound goals. For example: "Reduce the school dropout rate among adolescents in ENRICH areas by 25% within two years," or "Ensure 90% of elderly beneficiaries have access to basic healthcare within 18 months."

Develop Evidence-Based Interventions: Design new activities or modify existing ones. This could include introducing digital literacy for youth, creating elderly daycare centers, or developing climate-resilient livelihood options for farmers.

Resource Planning: Allocate budget, train staff from PKSF and its Partner Organizations (POs), and establish clear metrics for success.

Do (Pilot Implementation)

Run Pilot Projects: Implement the newly designed interventions in a select number of upazilas (e.g., 10-15) rather than all 495 at once.

Execute According to Plan: Ensure the field staff are well-trained and the resources are in place to execute the planned activities effectively.

Document the Process: Meticulously record the implementation process, challenges faced, initial feedback from beneficiaries, and preliminary results.

Check (Monitoring and Evaluation)

Monitor Key Metrics: The committee and PKSF's M&E unit should continuously track the progress against the SMART goals set in the "Plan" phase.

Gather Stakeholder Feedback: Conduct focus group discussions and surveys with beneficiaries, community leaders, and field staff to get qualitative feedback on the pilot's effectiveness and relevance.

Analyze Data and Compare: Compare the outcomes of the pilot upazilas with control groups (upazilas without the new interventions) to objectively assess impact.

Act (Standardization and Scaling)

Standardize Successful Interventions: If the pilot is successful, formally integrate the proven interventions into the core ENRICH model. Develop standard operating procedures (SOPs) and scale them up across all upazilas.

Adjust and Re-pilot: If the results are mixed, identify the root causes of shortcomings, adjust the plan, and initiate a new PDCA cycle with the improved strategy.

Institutionalize the Learning: Share the findings and best practices with all Partner Organizations to ensure consistent, high-quality implementation nationwide.

By adopting this iterative PDCA cycle guided by an independent committee, the ENRICH program can transform from a static initiative into a dynamic, evidence-based, and highly responsive system, ensuring its benefits truly transform the lives of the most downtrodden people (Ali, & Ali, 2025).

Conclusion

This research concludes that the prevailing microfinance-led development model, as exemplified by PKSF and its ENRICH program, is structurally flawed. Its pursuit of financial sustainability is undermined by a weak Governance-Risk-Control (GRC) framework, leading to perverse outcomes that contradict its stated goals. A rigorous evaluation reveals that the program causes net economic harm, increases financial precarity for participants, and is systematically captured by local elites. Its reported success is a statistical artifact of a methodology blind to negative externalities and complex power dynamics. Dr. Ahmad's (2024) philosophical idea on ENRICH was a myth.

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A Paradigm Shift: Implementing the "Societal Banking" Alternative

The negativity of the current model necessitates a fundamental paradigm shift. Instead of reinforcing a flawed system, the government should pivot towards a "Societal Banking" model, implemented through reformed public sector banks like Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (RAKUB), or Bangladesh NGO Foundation (BNF). This approach would:

- Replace Apex-Mediator Structures: Bypass the inefficient and corruption-prone apex-NGO-PO structure, channeling resources directly through institutions with a public service mandate and a nationwide branch network.
- Integrate Credit with Public Goods: Move beyond micro-loans to offer integrated financial products. This includes micro-savings, micro-insurance, and climate-resilient agricultural credit bundled with access to extension services, warehousing, and market linkages.
- Align with SDGs and ESG from Inception: Design programs explicitly to meet SDG targets (e.g., supporting green energy, sustainable agriculture) and embed ESG risk assessment into every lending decision.
- Prevent Elite Capture through Public Accountability: Leverage the greater formal accountability and parliamentary oversight of public banks compared to NGOs, making them less susceptible to the local elite capture dynamics identified by the Game Theory analysis.

Implications

Theoretical Implications

This study validates a mediated GRC framework for development finance and demonstrates the critical value of a multi-methodology approach (PLS-SEM, CGE, Game Theory, ESG) in uncovering the negative, systemic impacts of well-intentioned programs.

Practical Implications

- For Policymakers: Abandon the replication of the failed PKSF/ENRICH model. Instead, mandate a pilot program for "Societal Banking" under BKB/RAKUB, focusing on integrated financial services and ESG-compliant projects.
- For Donors: Redirect funding from reinforcing the current NGO-led microfinance paradigm to capitalizing and technically supporting this new Societal Banking system.
- For PKSF: If reform is to be attempted, it must begin with a complete governance overhaul—reconstituting the board with independent experts and establishing a powerful Risk Management unit to address market externalities.

Future Research Work

- Formally model the cost-benefit analysis of transitioning from the PKSF model to a Societal Banking system.
- Develop a fully coupled CGE-Game Theory model that integrates ESG parameters to simulate the triple-bottom-line impact of alternative development finance designs.
- Conduct longitudinal studies to track households served by a Societal Banking pilot versus those in the traditional microfinance system, with a specific focus on debt stress, asset accumulation, and ecological resilience.

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