

The Impact of Non-governmental Organizations (NGOs) in Alleviating Poverty in Bangladesh*

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INTRODUCTION

Non-Governmental Organizations or NGOs describe organizations in Less Developed Countries, which are founded independent of government initiative and conduct their business without any discernable governmental direction or influence. Generally, these are civil society organizations that spontaneously come into existence to address specific needs in a community, without a direct involvement or support of the State. With increasing globalization, some of the most successful NGOs are based in the Developed Countries (DCs), but cater primarily to the needs of communities in developing countries.

Although NGOs have existed as indigenous self-help organizations throughout history in all nations across the globe, it is only in the 20th century that this sector or industry has demonstrated sustained vitality, growth, and success. Most NGOs operate legally in the informal, non-commercial sector. Often they work closely with established institutions in the public and private sector, foreign governments, and international organizations such as the United Nations and the World Bank. Amnesty International may be one of the best known NGOs with a global presence whose work has earned the organization worldwide admiration and even a Nobel peace prize. While NGO activities often complement the public sector, they seek out the marginalized, the poor and the needy, whom the bureaucratic or market mechanisms fail to reach. There are occasions when NGOs can be seen as substituting for the State, as in upholding the legal rights of their clients. NGOs operating in local, regional, national, and international levels have been highly successful in meeting needs in the social, religious, advocacy, and political arena.

Bangladesh, widely considered as one of the poorest nations on the planet with one of the highest population densities for any major nation, has done surprisingly well in social and economic development in recent years. Long considered by many as a hopeless basket case perpetually dependent on foreign aid due to its vulnerability to natural disasters and structural problems, the nation has in recent years surprised many foreign observers with the strength of its institutions and speed of progress in female primary education, garment exports, and population control. What has been the role played by the myriad of NGOs in the recent success of Bangladesh in poverty reduction and social development? The paper investigates this important question.

NGOs IN THE THEORY OF DEVELOPMENT

What does the literature on economic development and sociology have to say regarding the role of NGOs in poverty alleviation?

According to Todaro and Smith (2003, page 658-659):

“While there is much debate about the pros and cons of multinational corporate investment and public foreign aid in developing countries, few people doubt the value of one of the fastest-growing and most significant forces in the field of

development assistance, private nongovernmental organizations (NGOs). NGOs are voluntary organizations that work with and on behalf of mostly local grassroots organizations in developing countries. They also represent specific local and international interest groups with concerns as diverse as providing emergency relief, protecting child health, promoting women's rights, alleviating poverty, protecting the environment, increasing food production, and providing rural credit to small farmers and local businesses. NGOs build roads, houses, hospitals, and schools. They work in family planning clinics and refugee camps. They teach in schools and universities and conduct research on increasing farm yields."

NGOs include religious groups, private foundations and charities, research organizations, and a federation of doctors, nurses, engineers, agricultural scientists, and economists. Many work directly on grassroots rural development projects; others focus on relief efforts for starving or displaced peoples. Some familiar NGOs include Save the Children, CARE, Oxfam, Planned Parenthood, World Vision, World Wildlife Fund, Habitat for Humanity, Ford Foundation, Christian Aid, Project HOPE, and Amnesty International. Between 1970 and 1990, funding devoted to developed-country NGO projects and programs in LDCs grew from just under \$1 billion to over \$5 billion. Almost half of that total came from the United States, even though the highest per capita contributions to NGOs came from Sweden, Switzerland, Norway, and Germany. Many give full local control to their LDC affiliates or other local groups that they support.

The great value of NGOs is twofold. First, being less constrained by political imperatives and motivated largely by humanitarian ideals, most NGOs can work more effectively at local levels than massive bilateral and multilateral aid programs. Second, by working directly with local people's organizations, many NGOs are able to avoid the suspicion and cynicism on the part of the mostly poor people whom they serve. NGOs in developing countries are affecting the lives of 250 million people; the fact that their voices are increasingly being listened to in the halls of developed country governments and at international conferences on development, such as the 1992 Rio Environmental Summit, the 1994 Cairo Population Conference, the 1995 Copenhagen Social Summit and the Beijing Women's conferences, and Copenhagen +5 follow-up meetings in Geneva in 2000, makes it clear that the nature and focus of foreign aid are changing rapidly. A striking illustration of this changing environment was the pledge by the U.S. government at the 1995 Copenhagen Social Summit that within five years it would channel nearly half of its foreign aid to private NGOs (both in developed and developing countries) rather than directly to the LDC governments. Although this objective was not achieved, it points to promising direction for future enhancements of NGO capabilities.

The authors (Todaro and Smith 2003) go on to say:

"The rising proportion of development assistance funds now being channeled through multilateral assistance agencies like the World Bank, whose political motives are presumably less narrowly defined compared with those of individual donor countries, and especially through a growing number of private NGOs in both developed and developing countries is also a welcome change. It tends to

minimize one of the major criticisms of past foreign aid practices, the linking of economic and political conditions.” (page 660)

In the general literature, the reasons given for the success and rapid growth in the NGO sector include:

- The rise of NGOs is a response to the societal demand that economic development be a part of human development.
- The market mechanism has many virtues, but it is limited in that it counts every dollar as being equal while the human imperative is to count every person as equal.
- One of the reasons for the persistence of underdevelopment is the existence of many weak and corrupt states. The NGO can be seen as a response to poverty in the absence of these preconditions such as a functioning civil society and a strong caring State, which were met by a variety of means in the developed countries of the world.
- Individuals are so poor that they live in a regime of need, not of choice. Decisions are made not by all individuals, but by a selected subset, typically the males, and hence the voices and needs of the women and children are seldom directly expressed. The preferences of individuals are directed by social forces and manipulated by market greed. When the poor wish for equity or redress, they find legal methods are hard to approach or implement.
- The need for NGO activity arises from a consideration of all these limitations of the market. This may be seen by some examples: young girls are married off before they are adults, education and jobs are scarcer and pay less for women, etc. Therefore, NGOs for women form a significant part of the NGO movement.
- Children are largely voiceless and their future is stunted by a lack of education and by elementary deficiency of public health; NGOs for primary education, inoculation, and childcare cater to this gap in the market.
- In recent decades, partly due to the spread of the Internet and globalization along with an increased distrust of governments, the NGO movement seems to have come of age.
- In almost every nation and continent from Ethiopia to Bangladesh, from the Urals to the Andes, thousands of NGOs addressing every conceivable area of need in civil society have cropped up.
- The process of NGO growth began earnestly in the 1970s and by the mid-1980s NGOs were so prominent that special issues of development journals were dedicated to them and there was serious talk of funneling aid through the NGOs so as to bypass the reputedly corrupt State.

Some indication of the breadth and depth of NGO activities can be gleaned from the following summary figures. Globally, there should be about 50,000 NGOs but the exact number is unknown because the small, informal nature of a large number of NGOs makes them hard to count. These NGOs cover every aspect of social, political, economic, and civic life and they can be roughly categorized as providing environmental and gender-related services and catering to developmental needs—health, education, and economic. As a single NGO often works in all fields, it may be misleading to seek a division of the NGOs into each type. According to one estimate, Bangladesh is said to have over 3,000 NGOs; as many as 1,200 deal with problems affecting children.

A BRIEF HISTORY OF NGOs

The history of organized international efforts to provide welfare services to the needy can be traced back several centuries. As early as in the mid 17th century, Irish Protestants shipped food relief to white settlers who were fighting native Indians in North America. Furthermore, during the 17th and 18th centuries, British charities helped run many Christian missionaries and schools for the poor in America. Several major international relief organizations were created in the late 19th and early 20th century (the American Red Cross in 1882, the Save the Children Fund in 1919, etc). The aftermath of the World War II necessitated the creation of many more international NGOs in the 1940s (the Catholic Relief Service, CARE, OXFAM, etc.). In the 1960s, the independence of former colonies in Africa and Latin America and the inability of their new governments to adequately address the much-needed development projects caused the international NGOs to increasingly realign their mission with development work. This trend has continued to date, especially in the Indian subcontinent where many NGOs have become pioneers in administering social projects such as adult education, healthcare, rural credit, etc., that empower the rural poor (Begum 2003).

THE BANGLADESH ECONOMY – A BRIEF OVERVIEW

Bangladesh, once a land of prosperity and peace, is now known as the land of poverty. Much of its present day economic woes can be traced to its colonial legacy—a period of two hundred and fourteen years of successive ruthless exploitation by Great Britain and Pakistan. The colonial rulers routinely extracted the entire agricultural surplus to promote their industrial development and disregarded the need of domestic industrialization. As a result, in 1971 an independent Bangladesh emerged without an adequate industrial base.

The British Colonial Administration or Raj (1757-1947): The economic history of Bengal during the first half of the 18th century, prior to the British takeover from the *Moguls*, was marked by uninterrupted peace and prosperity under the firm rule of the powerful *Nawabs*. The concurrent history of the rest of India is dominated by ravaging wars. After the British takeover, the British treated East Bengal as a backwater area whose main value was two-fold: to provide raw materials for the English and Scottish factories, particularly in textiles and jute industries, and to serve as a market for cheap British manufactured goods. The establishment of the British *Raj* proved disastrous to local economy, which gradually lost its traditional commerce and industries. As a consequence of colonial economic policies, agriculture became the only occupation available to an overwhelming majority of the population. Dependence on agriculture gradually became more entrenched and it took Bengal a long time to recover from the decay of its rural industry and commerce (Humphrey 1992).

The Pakistani Era (1947-1971): During the Pakistani rule, the economy of East Pakistan generally languished. As a consequence of economic discrimination and exploitation by the West, the economy experienced severe downturns that caused mass grievances. Low agricultural growth, increasing unemployment, underemployment, and poverty, etc., contributed to further deterioration of the socioeconomic plight of East Pakistan that eventually led to the civil war and subsequent independence of Bangladesh in 1971.

Post-Independence Era (1971-Present): The economic course of independent Bangladesh can be analyzed in the context of two distinct phases: pre-1975 and post-1975. During the pre-1975 era, economic policies were laid out with an overtly socialistic overtone, while the post-1975 period, especially the years of the early 1980s and 1990s, witnessed a gradual institutionalization of the elements of a free market economy. After independence from Pakistan, the new government assigned the state agencies the key role of attaining the development goals of the newly independent country. The government also nationalized the industrial and financial sectors, which soon turned out to be a political liability. Instead of generating surpluses, the public corporations drained resources on a large scale. This led to declining production, increased smuggling, high rates of chronic unemployment, falling per capita income, runaway financial mismanagement, and a tragic famine. Following the change in administration in 1975 and succeeding initiation of a more capitalistic policy-making regime, the development strategies underwent radical changes. The World Bank and the major bilateral donors had been pressing for fundamental changes in economic policies for several years and now they found a willing partner in the new political leadership. The principal strategies prescribed by the donors were: privatization, withdrawal of subsidies, liberalization of credit facilities to the private sector and withdrawal of all restrictions to the private sector investment activities, and allocation of the public development funds primarily for building the infrastructure. Successive governments in Bangladesh have since pursued economic strategies to bring about these changes with varying degrees of success.

The foreign trade account has remained persistently negative in Bangladesh due to two factors: plunging real prices of traditional export commodities and, more importantly, the economy's heavy reliance on imported essential goods. Export earnings in 2003-04 were \$7.6 billion (of which garments and knitwear products accounted for nearly 75%). The U.S. and the European Union remain the main markets for exported commodities. Import expenditures in the same year were \$10.9 billion. The East Asian countries, which supply nearly 40% of the commodities, are the principal sources of imported goods (GOB 2004).

The government has launched the Bangladesh Export Processing Zones Authority (BEPZA) and several EPZs to encourage export-oriented enterprises. These EPZ enterprises are offered a host of incentives, such as off-shore banking facilities, "One-Stop Service" that clears all customs formalities, etc. The foreign enterprises are mostly from South Korea, Japan, Hong Kong, and the U.S.A., but Bangladeshi entrepreneurs have also invested heavily in the EPZs. In recent years there has been a phenomenal growth in the non-traditional export sector, e.g. garments, fisheries, fertilizers, etc. The garments and knitwear enterprises earned nearly \$5.6 billion in 2003-04. In addition to the availability of low-wage workers, easy market access to the U.S. and European markets, and a wide range of government incentives, e.g. bonded warehouse facilities, subsidized credit, export bonus benefits, etc., are the critical catalysts that have contributed to the mushroom growth of the garments industry. There are, however, signs that the garments industry is facing an uncertain future due to weak international prices, increased competition, sluggish economic growth in major export markets, and protectionist measures in several importing countries. With the phasing out of the Multi-Fiber Arrangement (MFA) and lifting of import quotas, the garments exporters are expected to face new challenges.

Appalled by the socioeconomic perils of enormous proportions that prevail in Bangladesh, numerous donor countries and agencies have doled out massive aid packages to help promote its economic development. During its post-independence era, the country has received a staggering total of almost \$42 billion in foreign aid from all bilateral and multilateral donors, while another \$10 billion wait in the aid pipeline. In 2003-04, Bangladesh received new commitments of \$1.9 billion in foreign aid, which amounts to about 3.4 percent of its GDP. The massive influx of aid has led to substantial indebtedness of Bangladesh, however foreign exchange earnings have generally kept up with the debt servicing liability. In recent years, largely due to the substantial growth in export earnings, the ratio of debt servicing to foreign exchange earnings has somewhat declined (GOB 2004).

The principal aid donor to Bangladesh is the World Bank. It conducts detailed research on various aspects of the Bangladeshi economy and actively wields its influence (as the official coordinator of the Western donors) to pressure the government to follow its prescriptions for transition to free market economy. Other major donors include the U.S., OECD countries, the European Union, ADB, and IMF. All major donors have generally allocated substantial portions of their aid funds to finance projects in rural development and employment, rural infrastructure, rural banking and housing, education, sanitation, agricultural research, water resources development, telecommunications, and the energy sector .

Aid given to Bangladesh can be primarily classified as grants (which are provided *gratis*) and loans (which typically carry low interest rates, long grace and repayment periods). Aid is also classified as Food aid (provided to offset domestic food deficits), Commodity aid (provided to help maintain a steady flow of imports of industrial raw materials, agricultural inputs, and essential consumer goods), and Project aid (provided to undertake specific development projects). Aid can also be classified as tied and untied aid. Most bilateral donors generally offer tied aid, while the Arab donors usually provide aid packages in untied form (Quazi 2000).

The slow pace of aid utilization has also been of pressing concern to the donors as well as the Bangladesh government. A number of studies have been undertaken to investigate the causes of poor time management in completing the aid-funded projects. World Bank (1990) put the blame on the excruciatingly complex bureaucracy supervising the development plans and the aid-funded projects in particular and over-stretching development plans by undertaking too many projects with limited local resources. A GOB study reports that the principal cause of the slow pace of aid utilization is the low rate of domestic resource mobilization and the consequent lack of counterpart funds to finance the local cost components of aid-funded projects (Quazi 2000).

A major World Bank study of the effectiveness of its aid programs in selected developing countries including Bangladesh found that although these programs have generally achieved their objectives satisfactorily, they have, however inadvertently, generated an inequitable flow of benefits that have accrued mostly to the middle and upper income classes. Another study found that, although the rural poor were the primary target group of most aid projects, not more than 15% of the direct aid benefits reached them (Browne 1990). A separate study found that as high as 20% of the total aid benefits have accrued to wealthy farmers and landowners (Sobhan 1982). Most critics generally agree that, while the vast majority of people remain the minor beneficiaries of the aid regime, it is ironically the consultants to donor agencies, contractors of

aid-financed projects, and the corrupt bureaucrats presiding over aid negotiations who emerge as the principal aid beneficiaries. The aid regime has allegedly created an enormously wealthy and powerful elite group in Bangladesh, which plays a significant role in influencing the economic policies and thereby continually demanding more aid (Sobhan 1982).

The early political scene in Bangladesh was plagued by chronically unstable political regimes. In its brief but volatile history of 35 years, two elected heads of state were killed by the army, nearly 25 unsuccessful army coup d'état were staged, one president was forced out of office by popular uprising, and all but four governments were either elected by dubious elections or propped up by the army. In recent years, the root of democracy seems to have taken hold as successive elected governments have completed their terms, and were replaced via free and fair elections. This is an admirable record. One hopes that these successes will translate to more dialogues between the political parties and a functioning legislature.

NGOs IN BANGLADESH

From the time of the early British *Raj*, missionary NGOs had been active in the erstwhile East Bengal running schools, hospitals, and orphanages. Among the early NGOs, the Baptist Missionary Society was created in 1794 and the Christian Mission Hospital was established in 1800. The Kumudini Welfare Trust, a pioneer among the native NGOs, was established much later in 1944 (Begum 2003). The catastrophic cyclone of 1970 and the ravaging liberation war in 1971 caused the NGOs and foreign aid donors to scale up their developmental efforts significantly.

Bangladesh became independent after a brutal civil war, which left the population exhausted, the countryside ravaged, the economy shattered, and an inexperienced leadership in power who faced a host of serious problems. The immediate post-independence inflow of foreign aid was primarily for relief, rehabilitation, and repairing infrastructure damages in the war-ravaged country. Once the immediate post-war threat of economic disaster had been diffused and the worst damages were repaired, foreign aid became a fundamental component of annual development expenditures. Confronted by the sheer inadequacy of domestic resources and the concurrent need to sustain a minimal level of development activities, the government decided not only to accept foreign aid on a continuing basis, but also to welcome the helping hands of the international and local NGOs (Begum 2003).

Presently, Bangladesh has become home to one of the largest southern-based development NGOs (SNGOs¹) group that is playing a very important role in the socioeconomic development of the country. Over the last fifteen years the growth of NGOs, particularly local, has been intense. The country probably has more NGOs than any other country of the same size in the world (Lewis 1993). Such significant growth has been particularly facilitated by the increase in foreign direct assistance. The foreign assistance that the NGOs received in 1990 was 6 percent of total aid disbursed to Bangladesh in 1990, which had risen to 17.9 percent five years later and has remained around the 17 percent mark ever since (Thornton et al. 2000).

¹ SNGOs are indigenous NGOs working in developing countries and Northern NGOs (NNGOs) are non-governmental development agencies in the developed world that fund SNGOs.

Though approximately 45,000 NGOs are registered with the Ministry of Social Affairs, the vast majority of these NGOs are not active development NGOs (World Bank 2005). In order to receive foreign funds, an NGO has to be registered with the Bangladesh government's NGO Affairs Bureau. The number of such foreign-funded NGOs that have formally registered over the years is rather small (See Table 1).

Table 1: NGOs Registered with the NGO Affairs Bureau (NGOAB)

Year	Local	Foreign
1990-1991	395	99
1991-1992	523	111
1992-1993	600	125
1993-1994	683	124
1994-1995	790	129
1995-1996	887	134
1996-1997	1002	141
1997-1998	1102	149
1998-1999	1221	152
1999-2000	1354	164
2000-2001	1455	169
2001-2002	1500	171
2002-2003	1613	178
2003-2004	1691	184
2004-2005	1779	187
2005-2006 (Up to Jan 06)	1807	190

Source: NGO Affairs Bureau, Bangladesh Government, March 2006.

There are many excellent NGOs in Bangladesh, but a review of the development and success of two famous NGOs will be illustrative. Since its birth, Bangladesh, widely recognized as a disaster-prone poor nation, has seen a rapid and sustained growth in the NGO sector. Despite rather tight control maintained by the government, there is a separate department in the Ministry to deal with NGOs. Many NGOs such as the Bangladesh Rural Advancement Committee (BRAC) and the Grameen Bank (GB) are a direct response to widespread poverty that has haunted the people of Bangladesh for many years. The genesis of BRAC and GB can be traced directly to the violence, scarcity, and hunger that gripped the nation in the early 1970s. Their success is a testimony to the determination and ability of the human communities, however desperate, to solve their problems on their own.

Bangladesh Rural Advancement Council (BRAC)

BRAC is a private NGO focused on development efforts in rural Bangladesh. BRAC may be the world's largest NGO, which many also consider to be one of the best known and managed of the genre. Founded in the early 1970s, BRAC and its founding Executive Director, F.H. Abed, have received numerous awards for its work including the Rotary International Award for community development, the World Hunger Award, the UNESCO award on adult education, and the Ramon Magsaysay Award, considered the Asian equivalent of the Nobel Prize. These awards recognize the success of BRAC in teaching oral rehydration as a treatment for diarrhea to 13 million women in 68,000 villages, establishing over 30,000 primary schools in the countryside especially for girls, and for its reputation as a learning organization that is able to scale up rapidly and effectively (Lovell 1992). By 1991, BRAC employed over 4,700 full-time staff and 6,000 part-time teachers and carried on its educational and developmental work amongst the "poorest of the poor" with an annual budget of \$20 million. In the early 1990s, its projects spawned 4,000 villages, involved over half a million citizens in 7,000 voluntary organizations. Members of the BRAC micro-credit programs, mostly women, saved \$3 million and received in excess of \$12 million in loans. Each year, over 100,000 new members in 2,000 additional villages are brought into these programs, which amounts to nearly 30 percent annual growth rate.

The Grameen Bank

The Grameen Bank (GB) is one of the largest and most successful NGOs in Bangladesh. It is also one of the best known NGOs in the world, highly regarded for its innovative programs in micro-financing and technology (cell phones) to empower women entrepreneurs in rural Bangladesh. Established in the late 1970s by its charismatic founder, Professor Mohammad Yunus, the bank counted over two million members by 1994. The success of the Grameen Bank has spawned micro-finance banks and programs not only in Asia and Africa but also in Europe, Canada, and the United States in what may be called a first "Third World Technology Transfer" to the industrialized nations. The GB philosophy rests on the principles of self-reliance, entrepreneurship, collective efforts, and viewing the poor as customers rather than simply beneficiaries or welfare recipients. The bank operates in over 35,000 villages and is an example of what Dr. Yunus calls socially conscious capitalist enterprise (Bornstein 1996). A clearer picture of the role played by NGOs can be presented by examining the following pledge all new members give and are expected to adhere to. In 1984, at the national meeting of the Grameen Bank, members adopted a document called the "Sixteen Decisions" which was to be recited at every meeting.

1. We shall follow and advance the four principles of the Grameen Bank—discipline, unity, courage, and hard work—in all walks of our lives.
2. Prosperity we shall bring to our families.
3. We shall not live in a dilapidated house. We shall repair our houses and work towards constructing new houses at the earliest opportunity.
4. We shall grow vegetables all the year around. We shall eat plenty of them and sell the surplus.
5. During the plantation season, we shall plant as many seedlings as possible.

6. We shall plan to keep our families small. We shall minimize our expenditures. We shall look after our health.
7. We shall educate our children and ensure that we can earn to pay for their education.
8. We shall always keep our children and the environment clean.
9. We shall build and use pit-latrines.
10. We shall drink water from the tubewells. If it is not available, we shall boil water or use alum to purify it.
11. We shall not take any dowry in our son's wedding, neither shall we give any dowry in our daughter's wedding. We shall keep the center free from the curse of dowry. We shall not practice child marriage.
12. We shall not commit any injustice, and we shall oppose anyone who tries to do so.
13. We shall collectively undertake larger investments for higher incomes.
14. We shall always be ready to help each other. If anyone is in difficulty, we shall help him or her.
15. If we come to know of any breach of discipline in any center, we shall go there and help restore discipline.
16. We shall introduce physical exercises in all of our centers. We shall take part in all social activities collectively.

It will be seen how all the bases of functioning in a participatory democracy are encouraged: health, education, civic rights, and economic cooperation are all covered. While gender equity is not explicitly mentioned, it is well known that the overwhelming majority of successful GB members are women. The point that needs to be emphasized, and it is one that becomes inescapable if one views any of the videos showing actual GB meetings and activity, is that people are being motivated to change themselves, their communities, and their lives. Not everyone is willing to make such a commitment and plunge into a lifestyle-altering venture. But for those who do, it is rewarding, both on an individual and social level. Such explicit raising of awareness is not unique to GB. Each member of BRAC also has to learn some seventeen points that bind him or her to certain kinds of social behavior. These points are repeated at the beginning of each meeting and are printed at the back of each member's savings book.

THE SUCCESS OF NGOs

The NGOs in Bangladesh have been generally successful in building an alternative institutional framework that can effectively reach the poor, bypassing the centralized, corrupt, and inefficient public bureaucracy. The aid donors have become increasingly confident in the ability of most NGOs to provide services to a large number of rural poor with transparency and accountability. The NGOs are also better able, vis-à-vis government agencies, to identify the appropriate target groups and secure their active participation in project implementation, which is particularly important for long-term sustainability of development projects (IOB 1996).

By capitalizing on the donors' generous patronage, the NGOs have created an enormous service network by operating in virtually all critical sectors such as family planning, education, public

health, women's development, child development, orphanages, relief and rehabilitation, legal aid, human and civil rights, income generation and training, agriculture, fisheries, environment, forestry, and integrated rural development. They have also made significant contributions in the areas of social and institutional empowerment. Many NGO projects rely on the group-based mobilization of the target groups, which also raise social consciousness and community strength (Begum 2003).

Through their many social development programs that focus on social and economic rights of the target groups, the NGOs have in recent years created an institutional framework for participatory development that has helped raise political awareness at the grassroots level. The high voter turnout and voters' orderly conduct, especially in rural areas in three successive national elections in 1991, 1996 and 2001, can be partly attributed to the success of NGOs in empowering the disenfranchised.

CRITICISMS OF NGOs

Despite their success, and, indeed, perhaps because of their success, developmental NGOs are not without critics. Some hold that these organizations are beholden to foreign interests and agendas since they derive the bulk of their financing from foreign sources. They have been called the tools of international capitalism because they allegedly attempt to subvert the inevitable revolution. Skepticism of NGOs is now spreading in the contemporary literature. Indeed, nestled as they are between the state and society and attempting to change both, NGOs almost invite critique. The Left believes that such organizations can only dissipate radical energies by effecting cosmetic change while the Right wants all recipients to rapidly become self-sufficient and avoid social or political radicalism. NGOs cannot be radical or neither the Government nor the foreign donors will tolerate them for very long; if the NGO projects really were financially viable, the market will serve to do the job.

There are also systemic problems. As NGOs need to compete for funds from Donors, this strips them of much-needed autonomy. Current NGO culture has been critically described as follows: "They are apolitical, professional, accountable to foreigners, and often very large and wealthy relative to other civil society actors" (Stiles 2002, p. 111). The NGOs frequently become captive clients who have to undertake whatever the foreign donor decides to finance. While this is stated about NGOs in Bangladesh, it probably reflects a wider problem. In such circumstances, the needs of the poor can become secondary to the need of the NGO to survive. The list of criticisms can be extended. Others have charged that NGOs represent foreign interest and undermine national interests, culture, and agenda. They introduce alien ideas, religious and others, and agenda harmful to the indigenous culture. NGOs are too small and localized to make a substantial dent in poverty that necessitates macro level and substantive interventions. Finally, NGOs operate below local laws in a non-transparent manner and are not accountable—conditions that breed corruption and mismanagement.

NGOs are often unable to fulfill their mission of bringing the disenfranchised under their functional coverage due to a variety of organizational deficiencies such as weak planning and management capacity, insufficient technical and professional skills, inadequate attention to

monitoring and evaluation, etc. (IOB 1996). In the context of Bangladesh, the critics point out that many NGO projects often fail to reach the extreme poor.

Lack of coordination among the NGO community often leads to overlap, duplication of efforts, and a waste of resources. The capital city of Dhaka has a high concentration of NGOs, many of which limit their activities to a short perimeter of the city; this has resulted in many reported cases of project duplication in the same area (IOB 1996). Lack of coordination between the NGO community and government agencies led to similar problems before the 1990s. The emergence of a more democratic political regime in the early 1990s helped diffuse the tension. Now, there is close NGO-government collaboration in many areas such as disaster relief, public health, family planning, non-formal education, environment, and micro-credit (Begum 2003).

Although the NGOs are generally considered more transparent, vis-à-vis the highly corrupt public bureaucracy, they are not entirely immune to corruption and irregularities. There are allegations of bogus NGOs, which are created only to siphon off funds from unsuspecting foreign donors as well as self-serving NGOs, which are propped up by publicity-seeking politicians and others. Some NGOs are even established by unemployed professionals as a means of self-employment. Monitoring the NGO activities is generally poor. Some believe that successive governments have generally taken a *laissez faire* approach to this sector, partly due to pressure from the donors.

The NGOs in Bangladesh face criticism from another quarter—the religious parties are particularly opposed to the NGO work related to the empowerment and employment of rural women. These critics believe that by mobilizing the rural women to pursue income opportunities outside the home, the NGOs undermine the traditional customs and values of the society and its culture.

CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

According to various sources, development specialists, and aid agencies, Bangladesh has done very well in recent years in some areas of human progress. A decrease in population growth rate, education of children, especially of females, has been mentioned among others. Although, these are multi-faceted issues and dependent on many factors, the role played by the NGOs should not be overlooked as an important factor behind these positive developments.

This paper takes a systematic look at the issue. Given the plethora of materials on the Internet, there is an opportunity for researchers who can look into many interesting questions in this area of study. For example, what is the connection between size and success of NGOs? What is the nature of the industry? What is the ownership structure? What is the governance structure? We raise these questions to pique the interest of other researchers—economists, political scientists, and sociologists.

Indeed, given the significance of the NGO sector, much more research and dialogue between the experts, the policy makers, and the practitioners is called for. We hope this paper will convince others in academia, the donor community, and in government to take up this challenge.

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