

The Changing Balance of Power between the Government and NGOs in Bangladesh

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ABSTRACT. In recent years, while the significance of the state has diminished, the role of non-governmental organizations (NGOs) has increased in most developing countries. Although NGOs are often identified with powerless groups, they themselves have become powerful and influential, especially because of their external sources of financial support, cooperation, and advocacy. More specifically, NGOs have recently gained more prominence in comparison with government institutions. This article studies the case of Bangladesh where the number of NGOs has proliferated and some globally known NGOs have emerged. First, it briefly explains the structure of government, and profiles the major development NGOs, in Bangladesh. It then illustrates the basic dimensions and indicators of change in the power relations between the government and these NGOs. It also examines the major local and global forces enhancing the power and influence of NGOs. Finally, it analyzes the critical outcomes of this changing balance of power between the government and NGOs.

Keywords: Bangladesh • Government-NGO relations • Non-governmental Organizations • Women's roles

Introduction

In recent decades, there has been a massive proliferation of non-governmental organizations (NGOs) all over the world.¹ It is estimated that, since 1970, the number of international NGOs (mostly originating from within developed nations) has quadrupled to 25 000; the number of NGOs in the former communist countries has reached 75 000; and the number in Asia, Africa, and Latin America is claimed to be several hundred thousand (Fisher, 2000). According to Dichter (1997: 129), depending on the definition of an NGO, the total number in the developing world could amount to as many as one million. In the developing world, NGOs are

reckoned to impact on the lives of about 250 million people, with their diverse agendas and interest groups that include developmentalists, human rights advocates, gender and environmental activists, associations of landless and marginal farmers, ethnic minorities, and indigenous groups (Kabir, 2000; Weiss and Gordenker, 1996: 17).

There are serious implications of this for states in many developing countries, especially with regard to a restructuring of power shared between governments and NGOs. In recent years, compared to major government agencies, NGOs have gained prominence in terms of their societal roles, public image, and capacity to command external support. More specifically, while the scope of the public sector is being reduced, government spending is diminished, and state agencies are discredited, NGOs have proliferated, their membership has increased, and the assistance they receive from external agencies has multiplied. In fact, the local institutional linkages of government have been weakened by the growing networks of NGOs at the grassroots level. Moreover, a multitude of new concerns—including basic needs, human rights, gender equality, the environment, and sustainable development—have assigned greater power to NGOs while rendering the role of government relatively obsolete and even unwelcome in addressing these new issues.² This reconfiguration of authority and power shared between NGOs and the government—which has crucial implications for the means and strategies of socioeconomic development in developing countries—has failed to attract sufficient intellectual attention (Sanyal, 1994: 1). In an attempt to rectify this neglect, this article examines the impact of such a changing balance of power between the government and NGOs in the case of Bangladesh.

There are several reasons for selecting Bangladesh as a case study of NGO-related issues. Compared to nations similar in territorial and demographic size, Bangladesh has a huge number of registered NGOs (nearly 23 000), some of which are the largest and best-known in the world, and currently being replicated in other countries (Islam, 2000). One outstanding example of this worldwide expansion of the Bangladeshi experience is the Grameen Bank (Rural Bank), which has been replicated in certain Asian, African, Latin American, and European countries in terms of its objectives, structure, and process of delivering microcredit to the poor (Gow, 2000; Jolis, 1996; Rady, 1999). Other large development NGOs to become globally known for their success stories, include the Bangladesh Rural Advancement Committee and Gonoshasthya Kendra (People's Health Center) (see Lewis, 1993: 53). This global significance of Bangladeshi NGOs also makes the country a prime case for NGO studies, including the study of power relations between NGOs and the government.

On the basis of these observations, this article examines various dimensions of power relations between the government and NGOs, especially the development NGOs, in Bangladesh. In particular, it analyzes the extent and means of power exercised by the government over these NGOs, and explains how their autonomy from the government has increased in recent years. It also explores both the internal (local) and external (global) factors contributing to this change in relations in favor of greater autonomy and power for NGOs. The final section of the article evaluates major critical impacts of such a transition in power structure for society, politics, and the people in Bangladesh. Since most Bangladeshi NGOs are portrayed as success stories and are used as models or exemplars for other countries, especially by donor agencies, this last section concentrates on the adverse consequences of such an increase in NGO power. However, it is

illuminating to begin with a brief overview of the government and NGOs in Bangladesh before venturing into the nature of their relations.

Government and NGOs in Bangladesh: An Overview

In its brief history, the government of Bangladesh has been characterized by military intervention, one-party dominance, military–bureaucratic alliance, political conflict, and instability (IFDS, 1997). Bangladesh is known to be a breeding ground for NGOs with a variety of origins, objectives, and agendas. Only the large development NGOs, well known and capable of creating considerable impacts, are introduced here.

Government in Bangladesh: Past and Present

In 1947, following British colonial rule, Bangladesh became one of the two major territorial units of the newly formed Pakistan. Until 1971, Bangladesh was under Pakistani military rule (1958–71), an exploitative rule imposed by the military–bureaucratic oligarchy of Pakistan. Under this repressive system of governance, all forms of opposition politics and civil society groups were rigidly controlled. As a result, there was very little scope for NGO activities. However, such an exploitative rule, which heavily discriminated against the Bangladeshi population in terms of employment, income, language, and culture, led to popular uprisings and a demand for equal rights under the guidance of the Awami (National) League led by Sheikh Mujibur Rahman from Bangladesh.

Under intensive political pressure, the Pakistani regime eventually conducted a general election in 1970, but it denied the Awami League, as the winning party, its right to form the government, which led to violent conflict, and the eventual separation of Bangladesh as an independent nation in 1971 (Bangladesh Assessment, 1999). Ironically, the post-liberation government formed by the Awami League under Mujibur Rahman gradually took on an authoritarian character by disbanding opposition parties and moving toward a single-party presidential system until its fall in 1975 (US Department of State, 2000). There was limited scope for the development of autonomous NGOs under this elected but single-party-dominant system, and the worsening situation of poverty, famine, and hunger in the early 1970s began to attract some foreign donors to create certain rudimentary forms of NGO at the grassroots level to alleviate alarming conditions in Bangladesh.

At the same time, in the atmosphere of increasing authoritarianism under the ruling party and deteriorating socioeconomic conditions, the military found it opportune to intervene in politics, leading to another long period of military rule between 1975 and 1990. This post-independence phase of military rule also saw the declaration of martial law, suspension of the constitution, and disbandment of political parties, although during this phase, the two military rulers (Ziaur Rahman and Hossain Mohammad Ershad) allowed some political opposition, emphasized a civilian-state administration, got elected as presidents, and formed their own political parties, the Bangladesh Nationalist Party (BNP) of Ziaur Rahman and the Jatiya (National) Party of Mohammad Ershad (Bangladesh Assessment, 1999; US Department of State, 2000). Paradoxically, during this military rule, the number and activities of NGOs expanded considerably, which was largely due to the regime's efforts to enhance its legitimacy at the grassroots level,

coopt and use large NGOs as substitutes for opposition political parties and, more importantly, respond to the emerging global trend toward greater NGO power since the early 1980s.

However, the growing dissatisfaction of the public and political parties with military rule—which took the form of nationwide strikes and demonstrations—led to the credibility crisis of the Ershad government, the dissolution of parliament, the resignation of Ershad as president, and the beginning of a democratization process in terms of government formed through free and fair elections. During this current phase of democracy, there have been three well-contested parliamentary elections—the alliance led by the Awami League won the 1996 election, while the BNP-led alliance won the 1991 and 2001 elections. Unfortunately, there have been considerable clashes between the Awami League led by Sheikh Hasina (daughter of Sheikh Mujibur Rahman) and the BNP led by Khaleda Zia (widow of Ziaur Rahman) in the form of accusations, strikes, and demonstrations against each other. In other words, the phase of elected, democratic governments has been only marginally more stable than that of the military regimes. Perhaps it is this intensive competition between the two dominant parties which gave greater leverage to NGOs since both parties needed to expand their grassroots support. During this phase of democratization, the number and activities of NGOs have considerably increased in Bangladesh, which, once again, is in line with the current worldwide trend toward the proliferation of NGOs.

Beyond this political context in which development NGOs operate in Bangladesh, there are certain demographic, economic, and social factors that have important implications for NGOs. More specifically, Bangladesh is one of the most densely populated countries in the world with an estimated 128 million people in an area of only 55 813 square miles (US Department of State, 2000). With a per capita income of only US\$295, the 146th rank in the Human Development Index, and 40 percent of the population living below the poverty line, Bangladesh is also one of the world's poorest and least developed countries (Rahman, 2000). In addition, although 83 percent of the population live in rural areas, 50 percent of households are landless (*ibid.*).

Within this context of overpopulation, rural poverty, and landlessness, while the role of NGOs in poverty alleviation and income generation can be crucial, and may supplement the role played by the state in this regard, there are tensions between the state and NGOs in sharing power, which is the main focus of this article. Before exploring this dimension of the power structure, it is necessary to get familiar with some of the major development NGOs in Bangladesh.

Development NGOs in Bangladesh: Major Cases

In Bangladesh, although the origin of some NGOs began in the late 1970s, the real expansion and legitimation of NGOs as influential partners in socioeconomic development began largely in the 1980s. According to some sources, the proliferation of NGOs in Bangladesh has occurred only since 1990, due especially to their success stories, the growing pressure of aid agencies on the government to use them for development activities, and increased funding sources from both the government and foreign donors (Planning Commission, 1998; Rahman, 2000a). Today Bangladesh has thousands of NGOs, and in studying them, a major challenge is how to identify and classify them.

Categories of NGOs. In general, NGOs can be divided into various categories depending on their degree of autonomy, location, and scope of activities (Farrington and Lewis, 1993; Paul, 2000; Tvedt, 1998). However, a more common and convenient way to classify NGOs is to focus on their primary objectives and functions. In this respect, NGOs are categorized as welfare NGOs, development NGOs, service NGOs, environmental NGOs, advocacy NGOs, human rights NGOs, women's NGOs, and religious NGOs (Gallin, 1999; Tvedt, 1998; Wagle, 1999). However, these functional categories overlap—the service NGOs delivering rural credit also contribute to societal development; welfare NGOs for health and education are part of human development; and most advocacy NGOs cover diverse developmental issues like gender, human rights, and the environment. In the developing world suffering from poverty and underdevelopment, most NGOs related to these basic services, welfare programs, and environmental issues, which are collectively designated as “development NGOs” (Tvedt, 1998: 35). However, some of these development NGOs are multi-purpose in terms of their diverse development activities, while others are single-purpose, involved basically in one major function.

In the case of Bangladesh, many NGOs engage in various activities which can be classified according to the above-mentioned functional features. Broadly, there are single-purpose advocacy NGOs related to gender (Bangladesh Association of Women for Self Empowerment), human rights (Bangladesh Human Rights Association), and the environment (Friends of the Earth Bangladesh) (World Bank, 1996a: 69–71). However, the best-known are multi-purpose development NGOs involved in activities related to nationwide socioeconomic development in rural Bangladesh—such as poverty alleviation, income generation, skill development, primary health care, rural credit, and agricultural inputs. Major players among these well-known development NGOs include Bangladesh Rural Advancement Committee, Grameen Bank (Rural Bank), Proshika Manobik Unnayan Kendra (Proshika Human Development Centre), Association for Social Advancement; Swanirvar Bangladesh (Self-Reliant Bangladesh), Nijera Kori (Do It Ourselves), and so on (Planning Commission, 1998; World Bank, 1996a). Authors such as Hedger, Martinot, and Onchan (2000) and Buckland (2000) consider these large and influential NGOs to be development NGOs, and this section briefly introduces some of them.

Major Development NGOs. Bangladesh Rural Advancement Committee (BRAC) was created as a relief organization in 1972 by F.H. Abed. It gradually emerged as one of the largest NGOs in Bangladesh with the aim to assist and raise the consciousness of the rural poor, especially the landless, based on its assumption that the main cause of poverty was disempowerment, dependency, and lack of consumer credit (Khandker and Khalily, 1996: 137). The objectives and functions of BRAC cover a whole range of activities for the rural poor, such as education and training, leadership and entrepreneurship development, skills in irrigation and water management, and income generation activities such as poultry- and livestock-rearing, fisheries, forestry, and handicrafts (Newnham, 2000; Khandker and Khalily, 1996). It has programs for primary health care, family planning, informal primary education, and teacher training. In recent years, BRAC has expanded its rural credit program nationwide.

Organizationally, BRAC consists of two main branches—(a) Rural Development Program (RDP) responsible for mobilizing, organizing, and training the rural poor;

and (b) Rural Credit Program (RCP) engaged in providing them with credit and other financial services—working under the head office managed by an executive director. The process of RDP projects involves several steps: surveying and identifying the target households; encouraging them to form small groups (each with a selected chairman, secretary, assistant secretary, and cashier); and providing group members with the necessary education and training (Torres, 1993). The main target beneficiaries of BRAC are the disadvantaged population (the landless and the small farmers), especially women in rural areas (Chowdhury, 1990: 20). Increasingly, BRAC has moved toward profit-making commercial ventures such as printing presses, cold storage, poultry farms, retail outlets, and garment manufacturing.

Grameen Bank is a well-known organization, started by Mohamed Yunus as a small project in 1976, and then converted into a full-fledged bank for rural credit in 1983 (Levitsky, 2000). Working on the assumption that one of the most critical obstacles to the alleviation of poverty was lack of access to credit by the poor, the Grameen Bank began its nationwide microcredit program to provide collateral-free small loans to the landless (Rady, 1999). Beyond providing small loans to its members to generate income through small-scale, non-farm activities like livestock, poultry, and handicrafts, Grameen Bank also encourages its members to venture into larger economic initiatives such as owning and operating deep tubewells, rice and oil mills, and power looms (Chowdhury, 1990: 23). Thus, it has increasingly moved from single-purpose to multi-purpose development activities.

The process is quite lengthy and involves several steps: the selection of villagers to form a group consisting of five members; the training of group members and their making of small deposits for more than two weeks; the conformity of members to required rules; the issuance of loans only to two group members followed by loans to other group members based on the records of repayment and discipline shown by the first two loan receivers; and the regular payment of weekly installments by all members beginning shortly after they receive loans (Khandker, Khalily, and Khan, 1996: 25–34). In addition to the payment of 20 percent interest on loans by the group members of Grameen Bank, there are other stringent requirements.³ If one group member defaults, other members must pay the balance, and the whole group becomes ineligible for future loans (Torres, 1993). The main target of Grameen Bank is the rural poor, especially the women who represent about 95 percent of its total group members.

Proshika Manobik Unnayan Kendra is another major NGO in Bangladesh. It was created in 1976 with a special emphasis on human development based on self-awareness and confidence-building among the poor (Chowdhury, 1990: 21). From humble beginnings, Proshika now has nationwide networks covering 57 districts and nearly 17 000 villages. The primary objectives of Proshika are to alleviate structural poverty, enhance people's power and rights, promote the capacity and participation of the poor (especially women), achieve sustainable development, and eventually create an equitable, just and environmentally sound society (Proshika, 2001). The more specific functions or activities of Proshika include organizing the rural poor and educating them in health and nutrition; building infrastructures for health, sanitation, and clean water; providing training in agricultural services; extending educational facilities for formal and non-formal primary schools; and promoting income-generation activities like livestock rearing, fisheries, sericulture, and seed production and marketing (Chowdhury, 1990; Proshika, 2001).

The process of recruiting the members of primary groups begins with identifying functionally landless farmers, selecting and appointing village youth and women from middle-class backgrounds as the change agents to mobilize and train these newly identified group members, and using these change agents and training programs to enhance awareness levels among landless group members (Chowdhury, 1990: 111). The training programs encompass topics as diverse as development concepts and strategies, leadership and organization, communication skills, and effective participation. Similar to BRAC and Grameen Bank, the main clients of Proshika are the poor, especially the disadvantaged female population, in rural Bangladesh.

Other Development NGOs. In addition to the well-known NGOs discussed above, other development NGOs in Bangladesh are large and influential in rural areas too. For example, the Association for Social Advancement (ASA), created in 1979, aims to empower and mobilize the poor with a special emphasis on the role of women in development. For disadvantaged women, it reinforces management and leadership skills, emphasizes self-development, provides credit, and promotes income-generating activities such as livestock- and poultry-rearing, small trade, and handicrafts (ASA, 2001). Another NGO is Swanirvar Bangladesh, which organizes the assetless poor into self-help groups to provide loans without collateral. Nijera Kori is another NGO which is similar to Proshika in terms of raising awareness among the poor (mostly women) about the need for structural change, and providing them with small loans to generate incomes (Chowdhury, 1990: 23).

Without further describing the whole list of development NGOs in Bangladesh, it can be safely summarized that these organizations are already deep-rooted in the country, they have systematic and comprehensive institutional structures, and they encompass a significant percentage of the rural population, especially women. Although these NGOs cover diverse developmental functions—ranging from education and health care to leadership training and income-generation activities—the most common practice is to provide collateral-free credit or loans to the landless and the underprivileged. The nationwide scope of these development NGOs, and their involvement in the socioeconomic activities and services formerly handled by the state or private enterprises, have considerable implications for the power structure: however, there is a dearth of literature on this changing configuration of power.

Changes in Power Relations

In all countries, including Bangladesh, there is perpetual reconfiguration of power, conflict, and cooperation among various social forces such as the state, the market, the dominant class, the working class, and the NGOs. As far as the power relationship between NGOs and the government is concerned, there are internal and external factors that continuously shape and change this power configuration. It has been pointed out that the government–NGO relationship, in general, may take three major forms, including: formal collaboration (based on a joint mandate), formal or informal links (exchange of ideas and information), and formal or informal interaction (conflicting or supportive) (Farrington and Lewis, 1993: 20).

In the case of Bangladesh, it has been observed by Kabir (2000) that there have

usually been collaborative relations between development NGOs and the government. More specifically, the Awami League government under Mujibur Rahman (1971–75) saw only the setting up of some NGOs to play an indirect role in social works and family planning (Chowdhury, 1990). However, the number and role of NGOs slowly increased during the BNP government under Ziaur Rahman (1976–81), and significantly expanded during the rule of the Jatiya Party under Ershad (1982–90).⁴ This is evident in the growing recognition of NGOs in the two national development plans, including the Second Five Year Plan (1980–85) and the Third Five Year Plan (1985–90). Many NGOs were increasingly considered as collaborative partners of the government to implement programs undertaken in both the Fourth Five Year Plan (1990–95) during the BNP rule under Khaleda (1991–96) and the Fifth Five Year Plan (1995–2000) during the Awami League government under Sheikh Hasina (Kabir, 2000). However, examples from many developing countries show that underlying the apparently collaborative state–NGO relations, there are always tensions caused by various factors including the increasing intervention of foreign donors and agencies (Clark, 1997: 52). This section explains how the Bangladesh government has exerted various formal means of power and control over development NGOs; how the power of such NGOs has recently expanded in relation to the government; and what local and global political factors have contributed to such a reconfiguration of power relations.

Existing Formal Power of Government over NGOs

In the short history of Bangladesh, the government under all three ruling parties (Awami League, BNP, Jatiya Party) exercised certain formal means of power over all development NGOs, including various legal, institutional, administrative, and financial measures.

First, certain rules and regulations—inherited from the pre-independence period—are used by the post-independence regimes to regulate or control NGOs. For instance, inherited from British rule, the Societies Registration Act of 1861, the Trust Act of 1882, and the Cooperative Societies Act of 1925 are still used for the registration of NGOs. From the period of Pakistani rule, Bangladesh has inherited the Voluntary Social Welfare Agencies Ordinance of 1961, which still allows the government (especially its department of social welfare) to authorize or suspend NGOs. In the post-independence period, the BNP government introduced the Foreign Donations (Voluntary Activities) Regulation Ordinance in 1978, which was amended in 1982 under the Ershad regime. This Ordinance enables the government to control the flow of funds from foreign donors to NGOs, and requires all NGOs to have prior government approval to receive foreign contributions (World Bank, 1996b: 22–24). In fact, the Ordinance demands that in order to get registered, each NGO must acquire government approval of projects and external funding sources. All these legal measures assist the government to regulate the activities of NGOs.

Second, the government also has institutional means to exercise control over NGOs, including the NGO Affairs Bureau (NGOAB) created in 1990, and the Association of Development Agencies in Bangladesh (ADAB) established in 1974. On behalf of the government, the NGOAB maintains control over NGOs through the assessment of their performance, approval of their projects and expatriate appointments, monitoring of their programs, and inspection of their incomes and expenditures (World Bank, 1996a: 30–31; 1996b: xix). The NGOAB has the right to

reject any application for creating new NGOs, and terminate the registration of existing ones. On the other hand, the ADAB functions as the coordinating umbrella organization of which all major NGOs are members. The most crucial task of the ADAB is to coordinate and facilitate the relationship and interaction among NGOs, between the NGOs and the government, between the NGOs and the donors, and between the NGOs and other civil-society groups (World Bank, 1996a: 33). These institutional measures, especially the NGOAB, remain an effective means of power exercised by the government over all NGOs, including the development NGOs discussed above. In fact, the creation of the NGOAB to enhance state regulation led to considerable tension between the government and NGOs (Tvedt, 1998: 50).

Third, the government also wields certain financial power by providing low-interest loans to various development NGOs. In this regard, in order to reduce financial irregularities, the government created the so-called Palli Karma Sahayak Foundation (PKSF) or Rural Works Assistance Foundation in 1990 (Kabir, 2000). Since 1990, under both the BNP and Awami League governments, the PKSF has financed a large number of microcredit programs run by NGOs. During a two-year period (1993–95), the PKSF disbursed loans worth US\$15 million to about 105 NGOs (FDC, 1995: 35). In addition, it has been made mandatory for most development NGOs that they collect funds from foreign donors mainly through the PKSF. Recently, however, the exercise of such financial control over NGOs by the government has diminished due to the fact that large NGOs like Proshika, Grameen Bank, and Swanirvar Bangladesh, are now using alternative sources of finance, including various commercial and agricultural banks in particular (World Bank, 1996a: 47).

The above discussion shows that in the post-independence period, the government under all ruling parties (Awami League, BNP, and Jatiya Party) has used certain rules and regulations, institutional means, and financial measures to exercise some power and control over NGOs in terms of their legal status, resource acquisition, economic management, and internal and external linkages. But in recent years, due to various domestic and international factors, the power of these NGOs (in relation to the government) has considerably increased in Bangladesh. In the next section, some of the major indicators of this new configuration of power relations between NGOs and the government are discussed, followed by an analysis of various local and global forces or causes behind such a change in power relations.

Growing Power of NGOs in Relation to Government

It has been observed that in most developing nations, the power of NGOs has increased in recent years in relation to the state or government (Knickerbocker, 2000). In the case of Bangladesh, the NGOs have become a formidable force affecting the political and economic domains, especially the power and legitimacy of the government. There is a growing trend, in alliance with foreign donors, for the influence of NGOs to expand to the extent that they now compete with the government for scarce foreign assistance at the national level and for sharing political power at the local level (Sobhan, 2000; World Bank, 1996a: 42). Certain indicators support this assumption that the power of NGOs has increased in relation to the government.

First, a crucial indicator of the expanding power of NGOs is their takeover of some of the basic activities that used to be performed by various state agencies. As

discussed above, large development NGOs such as BRAC, Grameen Bank, Proshika, and ASA have become credible institutions to provide varieties of inputs and services related to microfinance, small industry, livestock, fisheries, sanitation, basic education, and health care. In addition, the state monopolies like telecommunications, printing, and computer software are already being threatened by some of the largest NGOs, and it is expected that they may get involved in other sectors such as gas and mineral resources. This trend implies a diminishing role for government ministries and agencies in such sectors and activities. According to Chowdhury (1990: 25), with this increasing involvement of NGOs in various sectors, there is a growing public indifference toward the roles played by government organizations. Furthermore, some of the larger NGOs have become so institutionalized and oligopolistic in various sectors (Torres, 1993) that they now exercise considerable power and influence in relation to government agencies.

Second, another indicator of the increasing power of development NGOs is the fact that the majority of their members are women who represent a formidable political force as a group participating in elections and shaping the election outcomes (especially at the local level). It has been noted that, on average, more than 80 percent of the members of NGOs in Bangladesh are women (World Bank, 1996b: 12). In the case of larger NGOs such as Grameen Bank, BRAC, and Proshika, the percentage of female membership ranges from 85 to 95 percent (Khandker and Khalily, 1996; Rahman, 1999). In local government institutions, these female NGO members are playing a significant role not only in mobilizing voters in favor of their candidates, but also in getting elected to such local bodies (World Bank, 1996b: xxi). In 1996, Grameen Bank alone had 200 elected local government representatives among its members (World Bank, 1996a: 59). In rural Bangladesh, beyond economic and administrative functions, local government institutions help shape the grassroots image of the central government in terms of its policy agenda. Since these politically crucial local bodies are increasingly being influenced by the organized female members of development NGOs, the government has become relatively dependent on these NGOs for public support, stability, and legitimacy.

Third, an increase in NGO power is also evident in greater resistance from NGOs to certain policy options devised by the government, and more involvement by NGOs in advocating or publicizing their activities in order to influence government decisions in their favor. With regard to some issues and events, including anti-poverty policies, control over non-state organizations, rehabilitation of sex workers, security of slum dwellers, and so on, some NGOs have recently taken a more confrontational stance against the government (Khan, 1999; World Bank, 1996b). In fact, there is a strong sense among NGO leaders that they should play a more active role in parliamentary committees and hearings related to NGO issues (World Bank, 1996a: 58). On the other hand, large NGOs such as Proshika and BRAC are engaged in directly advocating and lobbying for their respective objectives and policy agendas with the government. The poorer sections of society also use NGOs as an articulate lobby in pursuing their welfare interests (Kamal, 2000). The direct work experience of development NGOs with the poor gives them additional leverage over the government to shape public opinion in favor of their espoused objectives and policies.

Fourth, an essential indicator of the expanding power of development NGOs is their direct involvement in macrolevel political processes such as educating voters and affiliating with national political parties. During the recent national elections,

many local NGOs have played a crucial role in educating voters in the policies and programs of various parties, electoral rights of women, processes of vote monitoring, and so on (CIDA, 1999). This involvement of NGOs in national elections certainly enables them to influence the voting pattern, especially of their own group members, and thus increase their power in relation to the ruling party running the government. In addition, a significant percentage of NGO members are affiliated with the ruling parties. A recent opinion poll shows that 40.58 percent of elected female members in local government units are involved in NGO activities—most of them are also affiliated with the ruling parties (70.86 percent with the Awami League, 22.85 percent with the BNP, and 2.3 percent with the Jatiya Party) (*The Independent*, 2000a). Although this political affiliation of NGO members can be used by a ruling party to expand its grassroots political support, it can also be used by NGOs to expand their access to the state apparatus, and thereby increase their influence over government policies.

Finally, many development NGOs have gained further power by expanding the scope of their financial transactions and taking over various profit-making economic enterprises.⁵ This growing economic power of NGOs makes them relatively autonomous and independent of financial controls exercised by the government. By 1995, the cumulative disbursement of rural credit by NGOs reached nearly 65 percent of the total rural credit disbursed per year (including credit disbursed by the public sector and national banks) in Bangladesh (World Bank, 1996b: 12). By 1999, the annual budget of BRAC reached US\$106 million, and the total loans made by Grameen Bank amounted to US\$380 million (Barber, 1999; GBSG, 2000). Moreover, in line with the global trend of NGOs working as contractors for private firms and international organizations (Robinson, 1997: 59), many Bangladeshi NGOs are now involved in such business contracts and profit-making enterprises. For example, BRAC has ventured into printing presses, cold storage, garment manufacturing, retail outlets, and milk products (*Daily Star*, 1999; World Bank, 1996a). Similarly, Grameen Bank and Proshika are now into businesses such as banking, garments, shopping complexes, telephone systems, transport services, cold storage, fisheries projects, fertilizers, deep-tubewells, and biotechnology (GBSG, 2000; Islam, 1999). Such extensive business ventures undertaken by these NGOs not only make them financially independent of the government, but also enable them to influence government policies in the relevant economic sectors.

Local Forces Expanding the Power of NGOs

From the above discussion, it is clear that the power of NGOs has significantly increased in relation to the government in Bangladesh. Various local factors contribute to this recent increase in NGO power.

First, according to Wagle (1999), one of the internal strengths of NGOs that makes them influential in relation to local and national politics, is the increasing scope of their membership. Today BRAC has nearly 3.3 million members and 23 000 full-time and 57 000 part-time employees in more than 15 000 villages (Edwards and Hulme, 1996; Newnham, 2000). Grameen Bank has 2.3 million borrowers and more than 10 000 employees in 35 000 villages (GBSG, 2000; Khandker, Khalily, and Khan, 1996: 15). The total number of members or borrowers is 1.9 million in Proshika, 1 million in Swanirvar Bangladesh, and nearly 1 million in ASA (ASA, 2001; FDC, 1995: 14–15; Proshika, 2001). Such nationwide

networks of development NGOs and astonishingly large numbers in membership imply that these NGOs have a strong rural support base compared to the government, which lacks parallel networks and membership in rural areas. This paucity of government institutions at the grassroots level provides NGOs with a greater opportunity to influence the rural population in Bangladesh (Chowdhury, 1990: 74).

Second, compared to various state agencies, development NGOs have a more popular image, especially through their comprehensive educational and training programs that shape the orientations of millions of NGO members and, through them, other citizens. NGOs such as BRAC, Proshika, and Grameen Bank have extensive programs of non-formal education and training for their members, which not only provide basic literacy and skills but also enhance sociopolitical awareness. The use of these long-term programs on a continuous basis impacts on the attitudes of NGO members toward the government. It has been pointed out that it is the awareness-raising programs of certain NGOs that significantly contributed to the democratic movement and the eventual ousting of the Ershad regime in 1990 (Lewis, 1993: 55). In addition to these education and training programs, many NGOs have gained public support due to their proximity to local people, field experiences, and need-based services. Compared to state-provided services, those provided by development NGOs (such as health care, education, agriculture, and microcredit), are usually found to be more popular in rural areas (World Bank, 1996a: 37–43). Contrasting with the negative image of various state agencies, the favorable image of these NGOs—based on these education programs, publicity, and service provisions—strengthens their social power and influence in relation to the government.

Last, in response to the expanding power of NGOs based on the above factors, the Bangladeshi government has taken a more compromising stance to accommodate the demands of development NGOs, coopt them as partners, and allow them to play an increasing role in various sectors. Such compromise and cooptation by the government, in turn, helps these NGOs expand their power and influence. This trend is evident in the increasing frequency of partnerships, joint ventures, and contracts between the government and NGOs in sectors such as education, health, youth development, and disaster management (World Bank, 1996b: 16–17). The government has also contracted out certain services and franchised large donor-financed projects to NGOs in recent years (Lewis, 1993: 54; Robinson, 1997: 74). This shift in government policy from controlling NGOs to forming partnership with them, implies the state's diminishing role and the growing significance and power of NGOs.

Global Forces Affecting Government–NGO Relations

Beyond the above local factors, various newly emerging global forces played a crucial role in empowering NGOs, and thus changing the power configuration between the government and NGOs in Bangladesh. In fact, the local factors themselves—such as the expansion of NGOs in number and size, creation of their popular image, and recognition of their roles by the government—have been reinforced by global forces.

First, a major post-cold-war global force affecting government–NGO relations has been the rise of a market-biased neoliberal ideology that tends to de-emphasize the role of the state, and stresses the role of non-state actors such as private

enterprise and NGOs. In Bangladesh, the new policy agenda under the structural adjustment program—prescribed by global actors such as the World Bank, the Asian Development Bank, and USAID—emphasizes a reduction in state intervention by adopting market-based strategies like privatization and deregulation, and expanding voluntary institutions like national and international NGOs (Lewis, 1993: 50). It is highlighted by some scholars that neoliberal beliefs in market-led solutions, less state intervention, and a greater role for non-state actors have considerably expanded the prominence of NGOs in developing countries (Clark, 1997: 46; Haque, 1998; Farrington and Lewis, 1993: 331). In Bangladesh, in line with such a neoliberal global trend, the government formed by three political parties (Jatiya Party, BNP, and the Awami League) in the last two decades embraced a non-interventionist policy agenda encouraging private enterprise and NGOs to play greater roles.

Second, most foreign donors or aid agencies are increasingly portraying NGOs as the means of democratization, remedies for poverty, constituents of a civil society, and substitutes for state agencies in developing countries, although the government may often consider them a threat to its political power (Hulme and Edwards, 1997; Princen and Finger, 1994). The major international aid agencies—including the World Bank, the International Monetary Fund, International Finance Corporation, Asian Development Bank, World Food Programme, and the UN Economic and Social Council—are putting pressure on the governments of developing nations to use NGOs as an instrument of good governance, and to recognize them as legitimate players in global politics (Edwards and Hulme, 1996; Smalhout, 2000). Currently, many NGOs have gained consultative status in the UN, and according to UN secretary general Kofi Annan, NGOs are “the conscience of humanity” (Paul, 2000). This worldwide recognition of NGOs as partners in national and international politics by the major global actors, has created certain pressures on the government in Bangladesh to reduce its control over NGOs and allow them to manage various socioeconomic activities.

Furthermore, compared to NGOs in other developing countries, Bangladeshi NGOs have become more influential in relation to the government because of their worldwide recognition and replication. In the case of Grameen Bank, for example, over 4000 people from 100 countries have undergone its training program; and there are 223 Grameen replication programs in about 58 countries, including Asian examples such as India, Indonesia, Malaysia, and the Philippines (Getubig, 2000). Its founder, Muhammad Yunus is a western celebrity—he is greatly admired by corporate tycoons like Ted Turner and George Soros, and feted by many governments in North America and western Europe (GBSG, 2000; RAFI, 1998). The ASA model, on the other hand, is being used by some foreign aid agencies to deliver microcredit in Ethiopia, Jordan, Nigeria, Tajikistan, Afghanistan, India, and the Philippines (ASA, 2001). Similar examples can be found in the case of Proshika and BRAC. Worldwide recognition and popularity provides these Bangladeshi NGOs with a certain legitimacy to exert influence on national politics. The Bangladeshi government, which often suffers from lack of international legitimacy, can hardly afford to exercise extreme control over these globally recognized entities.

Third, in recent years, many local NGOs in developing countries have increased both their power and influence by setting up alliances or partnerships with foreign NGOs located in developed countries. Such foreign NGOs include Oxfam, World Vision, Caritas, Save the Children, Greenpeace, Interparliamentary Union,

Amnesty International, and Transparency International (Hobe, 1998; Remenyi, 1998). They are known to lobby for the missions pursued by local NGOs in various sectors, and advocate the autonomy of such local NGOs in developing countries like Bangladesh. Foreign NGOs also have the capacity and media access to put pressure on the government not to intervene in the affairs of local NGOs dealing with poverty alleviation, rural development, women's welfare, and so on.

In addition, many bilateral agencies from developed nations—including the British Overseas Development Administration, Canadian International Development Agency, Norwegian Agency for Development Cooperation, Swedish International Development Corporation, Netherlands Organization for International Development Corporation, and Danish Agency for Development Assistance—are increasingly in favor of working with local NGOs in developing countries. In Bangladesh, many of these influential bilateral agencies, which used to have direct relationships with the government, are now in favor of pursuing their objectives through local NGOs in sectors such as primary education, adult literacy, health care, rural banking, family planning, capacity building, gender issues, human rights, and the environment (CIDA, 1999; USAID, 1997; Wood, 1994). This growing partnership of Bangladeshi local NGOs with foreign NGOs and bilateral agencies certainly increases the power and influence of such local NGOs.

Finally, the economic power of Bangladeshi NGOs has been strengthened due to the fact that the above international bodies, foreign donors, and bilateral agencies have increased their financial support to these local NGOs while limiting their assistance to the government during the last two decades. In fact, it has become a worldwide trend for global economic powers, especially international agencies, to channel funds to NGOs rather than governments, creating adverse financial impacts on the state in developing countries (Bari, 1999; Clark, 1997: 50). In Bangladesh, large NGOs such as Grameen Bank, BRAC, ASA, and Proshika have received significant financial assistance from the World Bank, the Asian Development Bank, the European Commission, UN International Fund for Agricultural Development, UN Capital Development Fund, UNDP, Unicef, and Unesco (ASA, 2001; GBSG, 2000; Levitsky, 2000). In addition, Grameen Bank and BRAC have received funds from the abovementioned bilateral agencies and various private foundations like the Ford, the Rockefeller, and the McArthur (GBSG, 2000; Khandker and Khalily, 1996). In Bangladesh, the total flow of foreign aid to NGOs increased from US\$5 million in 1972–73 to US\$339 million in 1986–87; foreign funds disbursed through NGOs represented 20 percent of the overall public investment program in 1994–95; and foreign sources constituted nearly 70 percent of the total budget of many leading NGOs in 1993–94 (World Bank, 1996a: 43; b: 6).

This increase in external financial support to Bangladeshi NGOs from international sources seriously expands the power of such NGOs in relation to the government. Today NGOs are recognized as legitimate parties with which to negotiate external financial assistance. For instance, in its recent negotiation of a US\$1.5 billion loan to Bangladesh, the Asian Development Bank consulted both government officials and NGO representatives (*The Independent*, 2000c). Some of the officials have expressed concern that large NGOs are becoming a “shadow government” and diminishing the importance of national government in developmental decision-making (Clark, 1997; Islam, 1999). In addition, an indirect role is being played by western governments in the empowerment of such local NGOs. This is because Bangladeshi NGOs receive financial support from bilateral agencies and foreign NGOs which, in turn, get funds from their respective

governments in western Europe and North America.⁶ Thus, western governments, through financing their own NGOs and overseas agencies, have played an indirect but crucial role in reinforcing the power and influence of local NGOs in Bangladesh.

Implications of the New Government–NGO Relations

In the above discussion, the major indicators and causes of the increasing power of NGOs in relation to the government have been explored. This section is devoted to an analysis of the implications of such new government–NGO relations and power reconfigurations. In general, the rise of NGO power is considered favorably in terms of the expansion of civil society and democratization, a reduction in the authoritarian tendencies of government, an increase in citizens' political awareness, the empowerment of an underprivileged female population, and so on (Islam, 1999; Wagle, 1999). In Bangladesh, there is no doubt that the greater autonomy and power of NGOs enables them to play a considerable role in improving the economic, educational, and political status of a certain percentage of the rural poor, especially women (Hansen, 1996). However, to a great extent the friendly image of NGOs, vis-à-vis the pejorative image of government agencies and officials, is often reinforced by the above-mentioned global advocacy for NGOs and the massive publicity undertaken by NGOs themselves (for example, BRAC and Grameen Bank) through printed and electronic media. For Tvedt (1998: 128–129), much of the current rhetoric of the so-called “comparative advantage” of NGOs over government agencies has been based on global propaganda pursued by NGO advocates. To confront the overwhelmingly favorable accounts of NGOs in existing literature, this section explores the critical implications of their growing power in relation to the government in Bangladesh.

Government Responsibilities Marginalized

The takeover of various socioeconomic activities by NGOs in rural areas—including microcredit, education, health, sanitation, and so on—has led to a situation in which the government can avoid its obligations to deliver these services to the rural poor (Farrington and Lewis, 1993: 7). While the basic services provided by NGOs are focused on specific target groups and they remain minuscule compared to actual needs, claims of NGO success often distract the government from carrying out its own responsibilities in this regard (Jolis, 1996). Although there is a growing tendency to substitute NGOs for state agencies as the primary service providers, the evidence shows that NGOs have hardly been able to improve the conditions of rural poverty, because even the largest ones such as Grameen Bank usually fail to reach most of the poor (landless) rural households (Edwards and Hulme, 1996; Wood, 1997: 84). In addition, once NGOs like BRAC fail to deliver services such as basic education, it is unlikely that government agencies will take initiatives to reinstate such services themselves (Edwards and Hulme, 1996).

In fact, the current trend towards replacing the obligations and responsibilities of government with those of NGOs has adverse implications for the rights or entitlements of citizens to basic services. There is also a deeper concern that the “social contract” between the state and citizens is being rewritten due to the expanded role of NGOs replacing the state's obligations to deliver services (*ibid.*). In the past, low-income rural people had certain rights to public sector services

and they could hold public servants responsible, while in this age of NGOs, these rural people have become more reliant on the charity of voluntaristic NGOs (Wood, 1997: 91). In the opinion of some critics, the poor borrowers in Bangladesh are increasingly dependent on large NGOs such as Proshika, BRAC, and Grameen Bank (Chowdhury, 1990: 136; Khandker, Khalily, and Khan, 1996: 81) weakening their capacity to bargain for services from them, especially since these NGOs enjoy almost complete autonomy from the people who rely on their services.

Public Accountability Diminished

The growing power and role of NGOs in relation to the government have diminished the scope of public accountability in Bangladesh. While the elected government institutions are accountable to local constituencies and the public in general, the large NGOs show their obligations mainly to the multilateral institutions, bilateral agencies, and private foundations financing their activities (Buckland, 2000; Focus, 1997). Most NGOs in Bangladesh financed by foreign donors have adopted programs in line with the demands of these donors, although these programs have little relevance to the needs of NGO members (Aminuzzaman, 2000). More importantly, while the government is publicly accountable through various legislative, judicial, executive, and informal means and provisions, the NGOs are not elected, their incumbents are not publicly appointed, they do not hold any public mandates, and thus, they are not answerable to the general public (Paul, 2000). The accountability of NGOs becomes more problematic due to the growing monopoly of a few large NGOs in terms of membership, loans, revenues, and funds. For instance, among thousands of Bangladeshi NGOs, just three (BRAC, ASA, and Proshika) account for 60 percent of all NGO membership, 72 percent of outstanding loans, and 70 percent of the total net savings (Rahman, 2000a). Just eight of the largest NGOs receive 60 percent of total foreign funds provided to NGOs in Bangladesh (World Bank, 1996a: 45). The monopolistic nature of these few large players makes them too powerful for their poor and powerless members to hold their NGOs accountable to them.⁷

The accountability challenge of NGOs is accentuated via the uncontested dominance of their charismatic founding leaders, staff recruitment based on the personal preferences and networks of these leaders, use of nepotism and loyalty as the criteria for staff appraisal and promotion, centralized structure of management, and lack of participatory decision-making (Wagle, 1999; Wood, 1997: 88; 1994: 549–550). Despite the agenda of decentralization claimed by most NGOs, the lack of effective participation is evident in the under-representation of members at top-level management. For example, although more than 90 percent of the group members of large NGOs such as BRAC and Grameen Bank are women, in both cases, only 4 to 6 percent of branch managers are women, and female employees receive lower salaries than their male counterparts (Khandker and Khalily, 1996: 175; Khandker, Khalily, and Khan, 1996: 56). Lacking participation in top management, the members of NGOs are unable to make their leaders accountable. However, the worst form of accountability violation by NGOs is in the sphere of finance due to their relative immunity from regular financial scrutiny and monitoring by government. Recently, some top public officials—including the former ministers of finance, agriculture, and parliamentary affairs—mentioned that there were cases of accountability violation by NGOs through financial irregularities, receipt of foreign loans or grants without proper scrutiny, and

involvement in profit-making business ventures (Kibria, 1999; *The Independent*, 1999b; 2000b). These challenges to public accountability are very much related to the above-mentioned increase in the power and autonomy of NGOs in relation to the government.

Development Agenda Fragmented

The recent increase in NGO power to carry out developmental functions in rural Bangladesh may lead to the fragmentation of development agenda and the problem of policy coordination due to the divided and overlapping responsibilities shared by various stakeholders, including the ruling parties, the NGOs, and local government institutions. In the past, the government, despite its limits and flaws, had considerable command over rural development activities through respective field offices and local institutions. Today this developmental role is increasingly being shared between government organizations and NGOs. The government still has the nationwide networks of field offices of various ministries in sectors such as education, agriculture, fisheries, women's affairs, and so on, which pursue rural projects in their respective areas. It also has public corporations providing various inputs, loans, and services to low-income farmers (Chowdhury, 1990). On top of these, the ministry of local government, rural development and co-operatives has an extensive system of decentralized local government units and village cooperatives throughout the country, which are also engaged in delivering certain basic services to the landless and small farmers (Planning Commission, 1998). However, the developmental role of these government organizations has been largely replaced with an expansive role for NGOs pursuing their respective programs independently of the government.

This growing division in rural development initiatives between government bodies and NGOs with diverse perspectives and approaches, implies the fragmentation of developmental mission or direction. This is more critical in poor countries like Bangladesh where unity of direction is essential for effective mobilization and use of scarce resources. These resources are often wasted due to considerable overlaps between rural activities and services delivered by central and local government institutions and those provided by NGOs. More importantly, from the earlier description of major NGOs in this article, it is obvious that there are serious duplications of functions and services among these NGOs themselves. These duplications, usually caused by the absence of adequate government regulation and coordination, imply the wastage of material and human resources, although some NGOs may claim to have achieved piecemeal development in a few rural areas. As Chowdhury (1990: 20) has pointed out, even the "successful" NGOs like Proshika, Grameen Bank, and BRAC can only create "pockets of development" instead of realizing a comprehensive nationwide development.

Political Culture Deradicalized

Finally, according to some critics, the rising power of NGOs has implications for deradicalizing politics and depoliticizing society. Instead of promoting equality, NGOs allegedly play a conservative role by preserving class inequality, reducing pressure for radical reforms, and fragmenting the struggle of the rural poor (Tvedt, 1998: 6, 135). With regard to such deradicalization in Bangladesh, it is mentioned that the class dimension of political culture is being marginalized due

to an overwhelming emphasis on gender by most NGOs with more than 90 percent female membership.⁸ In fact, large NGOs like Proshika, BRAC, and Grameen Bank have hardly any agenda to redress rural poverty and inequality by means of fundamental land reforms that are so crucial for the landless and near-landless classes representing 65 percent of rural households (Torres, 1993). It is argued that, in developing countries like Bangladesh, the services provided by development NGOs often function as a stopgap measure substituting for a more basic structural change in landownership (Edwards and Hulme, 1996).

It has also been pointed out that under the influence of neoliberal donors, most development NGOs have become commercial in nature by placing excessive emphasis on individualistic microcredit that tends to depoliticize the poor (Petras, 1997). James Petras uses the examples of Bolivia, Chile, Brazil, and El Salvador to explain how under the auspices of international donors, the local NGOs are pursuing a neoliberal role to commercialize and depoliticize the public, especially by advocating an anti-state and pro-market agenda. In the case of Bangladesh, Rahman (2000b) notices an emerging process of commercializing NGOs by paying more attention to microfinance. For Tvedt (1998: 209), in Bangladesh, “the multi-level NGO network contributes to the paralysis of social and political action.” Well-known NGOs like Grameen Bank tend to oversimplify the issue of poverty as a pure economic problem, and interpret it in terms of people’s lack of access to credit (Rady, 1999). Such an economic approach, according to Chowdhury (1990: 164), demobilizes the rural poor in Bangladesh by diverting their attention away from wider political questions.

Chowdhury (1990: 17, 164–168) also suggests that, in Bangladesh, the massive microcredit services provided by large NGOs tend to disunite the poor by dividing them into receivers and non-receivers of credit. Among the credit-receivers themselves, their identities as members of respective NGOs may adversely affect their unity—because these NGOs themselves are mutually competitive and exclusive in terms of membership (Rahman, 2000b). The members of one NGO are usually not inclined to share a common cause with those of another. In other words, the competition and diversity among NGOs may constrain the formation of any strong unity among their members representing the rural poor. In this regard, Paul (2000) suggests that NGOs speak in diverse and conflicting voices, which may disintegrate and weaken the political action pursued by the landless poor. Thus, it is a paradox that although NGOs claim to empower people, their activities can often depoliticize and disempower the rural poor.

Concluding Remarks

In Bangladesh, the power and influence of NGOs have significantly increased in relation to the government. There are major adverse implications of this growing power of NGOs for the provisions of service delivery, entitlement of the rural population to basic services, scope of NGO accountability, fragmentation of development agendas, deradicalization of national politics, and depoliticization of the rural poor. Thus, although there are strong global trends toward questioning the credibility of state intervention, expanding the number and scope of NGOs, and advocating a greater role for NGOs, the above analysis of the Bangladesh case demonstrates that the increased power of NGOs also has critical implications. In this regard, some remedial alternatives are suggested below.

First, it is necessary to re-evaluate the current rhetoric that usually

overemphasizes the contribution of NGOs to society while overlooking the vested interests behind the “big business” of NGOs (Hulme and Edwards, 1997: 6). In the case of Bangladesh, although NGOs are always praised for their positive societal roles by local and foreign advocates, a more objective analysis would demonstrate that under the facade of helping the poor, many NGOs are now guided by economic self-interest (Islam, 2000). Large NGOs in Bangladesh are turning into rent-seeking institutions, because they charge among the highest interest rates (20–30 percent) on loans given to the poor, while they themselves receive massive financial assistance from government and foreign donors at rates as low as 3 percent (Kurien, 1996; Islam, 2000; World Bank, 1996a). In addition, as mentioned earlier, these NGOs are now aggressively pursuing profit-making business enterprises in major economic sectors. As a result, the original mission of NGOs like Proshika, Grameen Bank, and BRAC to eradicate poverty, has become marginalized (Wood, 1997: 91). In fact, some entrepreneurs in the private sector have complained that Bangladeshi NGOs enjoy unfair advantages in business, including tax exemptions, foreign assistance, and low-interest loans, which lead to uneven competition (Islam, 2000). An intensive critical debate on such vested interests behind the proliferation of NGOs in Bangladesh is essential to deconstruct their inflated positive images as they are putting pressure on the government to cede more roles and powers to NGOs.

Second, it has become essential to question the globally publicized success of Bangladeshi NGOs in eradicating poverty. Multiple agencies, including government agencies, local government institutions, and NGOs, are involved in addressing rural poverty, not to mention the private initiatives taken by the poor themselves to improve their living conditions. As a result, the unilateral success claims made by NGOs require re-examination. In any case, the pockets of development in those few selected rural areas where NGOs operate intensively cannot conceal the fact that, after three decades of NGO initiatives, Bangladesh remains one of the most impoverished countries of the world (Levitsky, 2000). Kabir (2000) goes further to mention that extreme poverty in Bangladesh is detrimental to the poor, but good for NGOs in terms of their continued existence and legitimacy. Moreover, in opposition to the claimed roles of NGOs in addressing gender inequality through greater female membership, some critics argue that the primary reason for such a high percentage of female members (over 90 percent) in these NGOs is the fact that, compared to men, women in rural Bangladesh are more vulnerable, immobile, and thus reliable and creditworthy (Rady, 1999). In short, the point here is that an open and frequent discourse on the weaknesses of NGOs is crucial to provide more balanced and rational explanations for their claims.

Third, beyond deconstructing the role and performance of NGOs, there is a need to adopt practical measures, especially to monitor the relationship between local NGOs in Bangladesh and global forces such as bilateral and multilateral agencies and donors. A closer scrutiny of the foreign linkages and fund sources of NGOs is not only essential to reduce the unfair advantages they derive from these external sources of power and influence, it is also crucial to make sure that the primary obligations of NGOs are to their group members and national stakeholders rather than foreign donors or financial patrons (Edwards and Hulme, 1996). The Bangladeshi government should ensure that NGOs comply with the common national standards in dealing with external forces such as foreign assistance agencies, in order to avoid financial malpractice by NGO leaders, and enhance coordination among all the receivers (government and non-government) of

foreign funds. Some control measures are also necessary to guarantee that the intensive interaction between NGOs and external actors does not exacerbate national vulnerability in any form, and challenge the realization of overall national development.

Finally, in addition to adequate control over the external linkages of NGOs, it has become crucial to adopt effective internal regulations in order to manage the excessive proliferation of NGOs, scrutinize their revenues and expenditures, assess their human resource practices such as recruitment and compensation, prevent them from ignoring the original agenda and digressing to business ventures, and ensure their accountability to the public. These measures may include appropriate rules for registering NGOs, guidelines delineating their scope of activities, procedures for auditing their accounts, and codes of conduct defining the behavior of NGO managers and employees (Kabir, 2000). Given the huge number of NGO employees and the colossal amounts of NGO finance, the government may need specific sets of rules and institutions to regulate recruitment, promotion, compensation, budgets, loans, and interest rates in various NGOs.⁹ Moreover, it may be necessary to withdraw the special privileges enjoyed by NGOs (such as tax exemptions and low-interest loans) once they venture into profit-making businesses. Finally, the anti-corruption laws and agencies that apply to public servants and private sector employees can also be used to regulate the behavior of NGO managers and employees. All these regulatory measures would help streamline the excessive scope, numbers, roles, and powers of NGOs, and increase their accountability to citizens. However, in adopting new laws and institutions to regulate NGOs, the government should be guided by the aim of ensuring discipline, transparency, and accountability of NGOs rather than pursuing its own political agenda.¹⁰

The above suggestions for a more critical evaluation of NGOs and a closer scrutiny and regulation of their operations and linkages—although they may seem less compatible with the strong worldwide support for greater autonomy of NGOs—are essential in the current era when the numbers, size, and networks of NGOs in Bangladesh have become unmanageable. Today there are so many Bangladeshi NGOs with extensive foreign connections, huge financial and human resources, and millions of citizens as members, that the government cannot afford to overlook their activities and continue to provide them with unbounded power and autonomy. It is necessary to re-emphasize that unlike ruling parties, public agencies, and local government institutions, NGO leaders are neither elected by citizens nor appointed by neutral bodies such as public personnel agencies. While citizens have the ultimate democratic means (right to vote), which can be used to support or oppose the government (Lawson, 1992: 24), they do not have such means to affect NGOs. Therefore, it is quite risky to allow these unique organizations to acquire excessive social power and influence without the set of effective control measures mentioned above. In this regard, being elected and represented by all citizens, the government in Bangladesh has not only the obligation to serve people through state agencies, it has also the duty to ensure that non-governmental institutions, including NGOs, comply with the principle of public interest.

Notes

1. NGOs are often interpreted as non-profit organizations that are outside the public and private sectors and that tend to address the needs of disadvantaged citizens (Paul, 2000;

- Farrington and Lewis, 1993: 20). However, there are conceptual overlaps among terms such as voluntary organization, charitable organization, grassroots organization, independent organization, civil society organization, civic association, community-based organization, informal sector, and non-governmental organization (Holloway, 1997; Paul, 2000; Tvedt, 1998; Wagle, 1999). Tvedt (1998: 13–16) identifies four major typologies of these diverse definitions of NGO—including the legal definition (depends on the law of a country), economic or financial definition (based on the sources of income), functional definition (emphasizing the nature of functions performed), and structural-operational definition (focusing on the nature of organizational structure). Synthesizing such diverse sets of interpretation, one can safely conclude that in general, NGOs usually originate from private initiatives; enjoy considerable structural autonomy from the state; operate in line with the rule of law; hold private status but pursue the common public interest; possess their own organizational rules without coercive power; and pursue humanitarian (not profit-driven) objectives like poverty reduction, sustaining basic human needs, environmental protection, and gender equality (Hobe, 1998; Holloway, 1997; Weiss and Gordenker, 1996: 20).
2. With regard to environmental management, Meadowcroft (1999: 226–227) mentions that there has emerged a new “multipartite governance” in which the state is no longer the dominant actor, it is in partnership with non-state actors such as NGOs and business enterprises.
 3. Each member has to make a small deposit at the weekly meeting, contribute 5 percent of the borrowed amount to the “group fund” for specific group initiatives, and contribute 25 percent of the total interest on loan to the “emergency fund” used as insurance against any potential default (Khandker, Khalily, and Khan, 1996a: 26).
 4. For some observers, it was pervasive corruption under the Ershad regime that was a major cause of the significant proliferation of NGOs funded by international donors in the absence of proper supervision and control (Tvedt, 1998: 50).
 5. With regard to the growing economic power of environmental NGOs, Princen (1994: 36) mentions, in general, that “environmental NGOs gain influence by building assets that, in the environmental realm, states, intergovernmental organizations, and profit-making organizations are hard pressed to match.”
 6. It is observed that government grants account for 50 to 90 percent of annual budgets of major foreign NGOs which eventually provide financial assistance to local NGOs in developing nations like Bangladesh (Edwards and Hulme, 1996).
 7. Tvedt (1998: 159) observes in general that the only measure available for the poor members of NGOs is not to participate in NGO activities, but they cannot directly penalize unaccountable NGOs, and these NGOs can still move from one place to another.
 8. It is mentioned, in general, that NGOs tend to view all women as “poor” regardless of class, caste, or ethnicity (Hulme and Edwards, 1997: 9).
 9. Although there are several laws or rules discussed in this article, including Foreign Donations Regulation Ordinance and Foreign Contributions Ordinance, they are quite ineffective, especially due to the lack of adequate institutional arrangements to enforce such legal measures. Although the NGOAB and PKSF are supposed to manage some of the NGO-related managerial and financial functions on behalf of government, they alone cannot perform such an insurmountable task given the number and size of NGOs in Bangladesh.
 10. In this regard, the managing director of PKSF, Salahuddin Ahmed, feels that a comprehensive regulatory framework has become imperative to ensure such discipline, accountability, and transparency of NGOs (*The Independent*, 1999a).

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