FOREIGN AID AND NGOS IN BANGLADESH: A WAY TOWARDS SUSTAINABILITY

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(Abstract: NGOs in Bangladesh have emerged as important actors in national development in general and poverty alleviation in particular. In the past, NGOs received very little attention in the development discourse. But there has been spectacular growth of NGO activities over the last two decades. This paper focuses on why and when international donations were extended to the NGOs in Bangladesh and the change from aid dependency to self-sufficiency of the NGOs. The war of liberation in 1971 took a heavy toll of human lives and shattered the infrastructure and economic base of Bangladesh. The NGOs came forward with relief and rehabilitation programme. The majority of these NGOs were foreign ones. Later, they switched over their operation to sustainable development activities aimed at raising the socio-economic condition of the disadvantaged. A number of national NGOs, which originated at the initiative of some committed individuals also, flourished during that period. Today, there are more than 19,000 NGOs in Bangladesh but only 1,000 are getting foreign aid. NGOs have been operating a variety of development programmes for poverty alleviation as well as for their self-sufficiency. Micro-credit programme has proved to be effective in poverty alleviation in countries like Bangladesh.)

Introduction

The number and volume of activities of non-governmental organizations (NGOs) have increased dramatically in recent years. This is true in the realm of producing social services but also very much in development cooperation. One of the main reasons for their growth is that new types of situations have arisen. One of the major reasons for increasing use of NGOs in developmental activities is to find an alternative and better channel for development aid in the third world countries.

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among 131 countries in literacy (WPDS, 1996). After two decades of independence the health status of Bangladeshi population is still tragic. NGO help needed to reach the landless and poor women to give them urgent attention to job creation, education, health and family planning.

Despite an unprecedented change and progress in the developing world some 800 million individuals continue to be trapped in absolute poverty, a condition characterized by malnutrition, illiteracy, diseases, squalid surroundings, high infant mortality and low life expectancy (Robert S McNamara).

One of the major reasons for the increasing use of NGOs in developmental activities is to find an alternative and better channel for development aid in the third world countries. The aim of this search is to pluralise the actors or stakeholders involved in the development activities so that the poorest of the poor could be reached more effectively, by bypassing the oligarchic state structure of most of the developing countries. Thus, disappointment and criticism with public sector performance, in both donor and recipient countries, has had an important impact on this development. From a more general perspective the issue is also related to the continuously declining environment of the third world development, characterized by recurrent financial crisis, population growth, environmental degradation, poor agricultural and industrial production, growing corruption, bureaucratic complexities, inadequate policies, lack of democratic exercise in the politics. Total development task of a poor country like Bangladesh can not be expected to be carried out by the government alone for obvious reasons. Some others both from within and outside the country, should come forward with helping hand. NGOs have been doing that for fairly long time.

**Typology of NGOs**

Various types of NGOs have been working in Bangladesh. Classification of NGOs could be made through the role of NGOs in different countries. Basically the NGOs are of three types: local NGOs—those work locally to look after the local problem with a small fund. Its work span is not much wider. National NGOs work nation-wide, and the
international NGOs work globally. NGOs are also classified based on the hierarchical and value-loaded thought.

A people's NGO is a civic organization that gives voices to people's deprivations and demands, and engages citizens in collective action. It is an instrument for distributing power within society, and strengthening the position of the poor.

A development catalyst NGO is closely related to the previous group, but it is more narrowly focused on a particular constituency and aims at empowering a much wider community that means the women.

An empowering NGO supplements political parties as mechanism through which citizen define and articulate their interest, meet local needs and make demand on government.

An educative NGO provides training grounds for democratic citizenship and educates the broader public on a wide variety of public interest issues.

An advocacy NGO operates as an advocate of local people when taking cases into courts.

A watchdog NGO observes circumstances and incidents in the society.

A public service contractor NGO's primary interest is to become pursing contractual work from donor.

A charity NGO does also the same as the public service contractor NGO does.

A family NGO tries to have strong influence on the community.

The women with aristocratic background establish a white glove NGO.
A politician’s NGO is established by a person who attempts to win supporter’s votes and,

A bureaucrat’s NGO consists of people working in the public sector; those who have found the bureaucracy to be a profitable channel by which they can increase their own personal income (Dicklitch 1995; Korten 1990).

There are some 19,000 NGOs registered with the Department of Social Services and Women Affairs under the Voluntary Act 1961. About 1,078 NGOs are funded by external donors of which 135 are foreign and 943 local NGOs (World Bank 1996). These include a wider variety of women, youth and religious groups, humanitarian, charitable and relief organizations, professional and commercial associations, trade unions, credit institutions and development agencies. The great majority of these organizations are either small clubs or cultural groups. Many exist in name only. It is difficult to determine the active NGOs from the record of Department of Social Welfare of Bangladesh as it does not have a system of periodic renewal of registration.

A trend is also seen here in Bangladesh that small NGOs get very little attention from the donors. As they consider the small NGOs to be inefficient and not capable. Donors concentrate on the big NGOs.

**Role of NGOs in Bangladesh**

Poverty is not only a state of deprivation, but also a state of vulnerability. NGOs are trying to alleviate poverty and confirm sustainable development beyond the governments development programmes. A perception is recently gaining ground that NGOs are committed to poverty alleviation activities and are prepared to work for the disadvantaged rural poor at the grassroots level. With the passage of time role of NGOs have been increasing in different development sectors and their activities have been proved to be highly effective although doubts have been generated among a section of the public regarding the roles and enhancement of NGO activities. While the NGOs have reasonably succeeded in development efforts and their roles have been recognized in the development community.
As far as the role of NGOs in the third world countries are concerned, there are three different perspectives; first the notion that NGOs represent a force toward democratic pluralist civil society; and, second a view that NGOs have particular strengths in poverty alleviation and sustainable development, and third, that the NGOs offer the prospect of enhancing efficiency of public sector service delivery.

With a view to liberating the rural poor from the clutch of poverty a good number of NGOs have been working year in year out, probably the time frame spans almost two decades in the third world. A dramatic change was observed during the post liberation period when a number of NGOs came forward with their respective programmes. The NGOs have been playing very important role in changing the lot of the rural poor. They had been able to rebuild and repair over 200,000 destroyed houses in Bangladesh (during 1971-1972) before the government programme got underway at all.

The NGOs identified three enormous problems facing the rural population of Bangladesh. There was a general and desperate lack of resources, massive unemployment and underemployment, and there was the breakdown of social cohesion. The NGOs recognize the poverty and unemployment are closely intertwined and that increasing employment is one of the keys in reducing poverty. The burning question for Bangladesh is how to create nearly 20 million jobs before the end of the century. The NGO programmes are underway and more are planned to create employment. Human development is a very important ingredient for the job creation especially among the poor.

Improvement of human resources is a pre-requisite for successful implementation of development programmes. NGOs have concentrated their efforts on building human infrastructure for initiating meaningful development efforts. The major condition of the NGOs lies in developing human potentials through building organizations of the poor, through structural analysis and continuous education and social action. NGOs are trying to develop capabilities in certain survival skills, in order to promote the development of human qualities.

NGOs organize the landless into small groups at the village level, arrange adult literacy programmes, provide necessary training and arrange
regular discussions on planning. NGO interventions now cover almost all
the 86,000 villages in all the 64 districts of Bangladesh. They have, so far,
organized nearly 8 million poor people into groups. Credit is disbursed
among the members of these groups to develop their income generating
capacities. Nearly 60 million population of Bangladesh have been brought
under different health programmes of NGOs. These programmes aimed at
reducing childhood and maternal morbidity and mortality; increasing
awareness about sexual health; reducing prevalence of RTI/STD/HIV.
NGO’s non-formal primary education programme has covered about three
million children from poor families. The majority of the children are girls.
Non-formal primary education programme of BRAC, one of the largest
NGOs in the world, is regarded as the world’s biggest private sector
educational system and is being replicated in other countries of the world
(BRAC Research 1997).

NGOs have fostered solidarity and cohesion among their group
members, thereby, strengthening the organizations of the poor. They also
encourage the poor to fight against deprivations and social injustices
perpetrated upon them. The contributions of the NGOs in the development
of appropriate techniques have been notable. Treadle pumps and bamboo
tube-wells also developed by some NGOs for the marginal farmers who
earn significant economic returns.

Substantial role has also been played by the NGOs in mobilizing
destitute women and involving them in various income and employment
generating activities. In the field of agriculture NGOs like CARE and
MCC, etc. have introduced new crops and cropping patterns. They intend
to compliment the government efforts to improve the conditions of the
rural poor, and towards the development of workable concepts and models
through field level experiments.

NGOs in Bangladesh have pioneered a number of approaches to
poverty alleviation. There are some notable examples of NGO innovations
that have been tried, tested and replicated (The World Bank Report 1996).

- Group-based mobilization and beneficiary participation
- Micro-credit for the poor
• Women as beneficiaries
• Access to common property resources
• Health education
• Non-formal primary education
• Non-traditional agricultural extension, and
• Development of appropriate irrigation technologies.

**NGO efforts in Bangladesh: a case of BRAC**

BRAC was set up in 1972. Its original purpose was to provide emergency relief to people of small area in northeast Bangladesh. The country had been devastated by a cyclone, one of the worst in the history of Bangladesh. The situation was particularly bad for people who lived in inaccessible areas. BRAC needed to change its focus, but it was not sure how best to go about building up self-reliant village institutions. BRAC adopted a target group approach in 1977. Households owning less than half an acre of land that also sell manual labour for survival (Abed and Chowdhury 1997). BRAC’s programme organizers spent time talking to each poor household separately, inviting them to join BRAC’s village organizations and convincing them to break from their dependency relations with rich patrons.

BRAC’s Rural Development Programme (RDP), one of the core programmes, has organized over 2.2 million poor landless people into 62,000 groups called villages organization. RDP has been operating a number of development interventions. BRAC felt that only disbursing credit was not enough to bring the poor out of their low-level equilibrium. Hence started a variety of development programmes.

BRAC’s ten-year National Oral Therapy (ORT) programme was the first major effort to work closely with the government agencies. ORT is a homemade remedy to combat dehydration among children, a cause of many infant deaths. By 1990, every single village had been covered by this programme. BRAC also assists public-sector programmes of child immunization and family planning in those districts where government programmes are performing poorly (Abed and Chowdhury 1997).
BRAC’s health interventions cover a population of 25 million throughout Bangladesh. It has two distinct directions like, Reproductive Health and Disease Control and Nutrition and Family Planning Programmes.

The public sector’s performance record in education in Bangladesh is dismally poor. Major problems have been low enrolment and high dropout rates. Since 1985 BRAC has been experimenting with a new non-formal school system. Today, BRAC runs 35,000 non-formal primary schools. The current enrollment is over 1.2 million, 70% of whom are girls from rural poor families. This programme has been quite successful with dropout rates of 10 percent or less during the three-year cycle (Abed and Chowdhury 1997). BRAC has also set up 2,625 adult education centres in collaboration with the government. BRAC’s Training Division operates 12 training and Resource Centres. Research and Evaluation Division (RED) of BRAC has produced, as of December 1997, 563 research reports (BRAC Research 1997).

**Donors as agents of international cooperation**

Development cooperation is an integral part of international relations. Through development cooperation it is possible to promote sustainable development and well-being in the developing countries. Bangladesh is always vulnerable to natural calamities like cyclone, hurricane, tidal surge, droughts and flood. The coastal areas and off-shore islands of Bangladesh are prone to cyclone and tidal bores. A cyclone that hit the coast of Bangladesh at a midnight in 1991 with hurricane intensity accompanied by a severe tidal surge. The loss of human lives and properties were apprehended to be colossal. The government estimates suggest that 137,000 people were killed and millions of houses were washed away. To cope with this severe disaster Bangladesh sought help from the international community.

The heads of the foreign missions in Bangladesh and the representatives of different bilateral, multilateral and UN bodies responded quickly to the call of the government to provide emergency assistance. Different developed countries extend aid to the underdeveloped
or developing countries in different situations. Aid usually is channeled through some agencies. Also, there are some countries, which channel aid support through their embassies. The agencies through which aid is channeled to the developing countries are:

The Aga Khan Foundation; Bangladesh Population and Health Consortium; Canadian International Development Agency; Danish International Development Assistance; NOVIB, Japanese Red Cross, International Federation of Red Cross and Red Crescent Society; Swedish International Development Authority; Swiss Development Co-operation; United States Agency for International Development; NORAD; The World Bank; The UN Bodies; Asian Development Bank, International Monetary Fund; Department for International Development; The Ford Foundation, Helen Keller International; OXFAM; European Economic Community; The Netherlands International Development; Concern; Save the Children (UK); Save the Children Fund (USA), Save the Children (Australia); Radda Barnen; Red Barnen; Action Aid; IUCN; HEED Bangladesh; AusAid; Terre Des Hommes-Netherlands; Terre Des Hommes Foundation; Korean International Co-operation Agency; The Asia Foundation; JICA, DGIS-Germany, and CARE.

All the above aid agencies representing different donors and countries have been contributing to the nations’ poverty alleviation endeavours. These agencies also helped a lot to enhance international cooperation through extending aid to the third world counties.

Towards sustainability

To the NGOs, the term sustainability means that benefits flowing from development programmes or projects will be continued after external interventions or donor funding has been withdrawn. Sustainability in these terms is dependent on the degree of self-reliance developed in target communities and on the social and political commitment in the wider society to development programmes that support the continuance of newly self-reliant community (Lovell, 1992).
During last twenty years there has been a marked expansion of non-government initiatives to provide efficient delivery system for human development. This has resulted in a more direct delivery of services in family planning, credit, non-formal education and employment. Some NGOs have tried to organize the rural poor for social and political empowerment.

Foreign aid has financed more than three-quarters of the total public investment in development in Bangladesh since its liberation. Between December 1971 and June 1991 Bangladesh received a total aid commitment of US$25 billion (Emile 1992). By the late 80s donor dependency reached new heights. In 1990, 38.6 percent of the government budget and almost 100 percent of the annual development plan were financed by foreign transfers. Donor dependency has not led to economic self-reliance.

An increasing unutilized aid pipeline and the absence of any noticeable change in the poverty indicators have resulted in donors encouraging NGO participation in development. They have increased their funding to NGOs. The donors claim that their assistance to the government makes little impact on poverty; nor has it lowered the high levels of morbidity, mortality and illiteracy. They became disenchanted with the way in which aid was being used particularly to undermine pro-democratic process. As a result, donors are increasingly stressing greater access to direct financing of NGOs. They feel that NGOs will not only help reach aid to those most in need but also facilitate community participation in identification of needs, setting priorities and in mobilizing local resources (Bangladesh aid group meeting report, 1991).

The micro-credit approach and human resource development activities of those NGOs for the assetless poor, has proven the replicability and sustainability of the approaches. NGOs efforts indicate that with appropriate encouragement and moderate support, they can not only expand programme but continue to innovate for wider participation of the poor in the development process.

The nature of activities of the NGOs limits the process of achieving financing sustainability in all spheres. As it is not feasible to be self-
kept within the domestic prohibitive confines. Apart from this, this country is always vulnerable to various natural disasters. There is perhaps no coastal or off-shore islands in Bangladesh which had not been hit by a cyclone or tidal bore. In addition, Bangladesh could not establish an effective, transparent and well-developed bureaucracy and state apparatus.

Bangladesh has evolved as a sovereign country in the world in 1971. Immediately after the independence of Bangladesh NGOs have emerged as significant development partners working hand in hand with the international agencies and the government in relief and rehabilitation, and poverty alleviation endeavours.

It has been evident that the assistance of the donors to the government makes little impact on poverty. An increasing unutilized aid and the absence of any remarkable change in the poverty indicators were frustrating to the donors. And they encouraged NGOs involvement in development activities. So the help of the NGOs is needed to reach the landless and poor people to give them urgent attention to job creation, education, health, family planning and finally to their sustainable development.

Development NGOs are linked through a variety of mechanisms. It is also important to maintain a healthy linkage among the NGOs for greater output and sustainability. But still all NGOs could not be coordinated under one umbrella. Association of Development Agencies in Bangladesh (ADAB), the largest coordination body for NGOs in Bangladesh has been trying to bring more NGOs on one platform for greater achievement. It until today could coordinate more than 750 development NGOs representing a whole spectrum of international and local NGOs.

But the issues of sustainability and self-sufficiency of the NGOs without foreign aid has become the centre of all NGOs debate. Most development NGOs are aware of self-sufficiency and sustainability issues today. And some of them have been setting up commercial enterprises to subsidize their social sector activities if the flow of fund from abroad is suspended. Micro-credit programme, a promising and innovative programme has been contributing a lot to sustainability.
financed in some of the social sector interventions such as health, education, and awareness building programmes. The NGOs have been taking steps to recover some portion of the cost of their operations through introducing income and employment generating activities. In an attempt to achieve financial sustainability some NGOs have set up commercial enterprises to subsidize their social sector activities, although this has given rise to a new source of conflict between the government and the NGOs. The government considers that NGOs venturing into business-for-profit activities should be viewed as commercial enterprises subject to tax, even though their objective is to generate resources to carry out their mission of poverty alleviation and human resource development.

**Strategies for sustainability**

Most NGOs are now aware of sustainability issues as they believe, any time foreign aid might be withdrawn. As such they have been taking some strategies in order to cope with the situation without aid to come in future. Some strategies are commonly seen to be taken by the NGOs are:

**Supplements from commercial ventures:** Setting up commercial ventures to fund the work of the NGOs from its profit. This is the feature of large and maturer NGOs. Some NGOs which are registered under the Societies Act, 1860 have set up commercial ventures as private companies. Some other small NGOs although lacking in capacity to run them, have also chosen to get into these ventures as a hedge against the expected drying up of external fund.

**Credit operation:** Most leading NGOs have credit programme. They form small groups with the poor target people. They introduced a compulsory weekly saving by their group members. This insistence on their own resource mobilization through compulsory weekly savings is an important self-reliance strategy that reduces their dependency on outside agencies.

**Partnership programme with the government:** The collaborative programmes through government subcontracts to the NGOs are currently one of the most promising sources of finance.
Linkage with the banking sector: A growing number of NGOs are restoring to the nationalized commercial banks and agricultural banks for replenishing their revolving fund.

NGO-financing institutions: There are some NGO financing institutions that help other NGOs to help sustain in the long run.

Sale of services: This is a promising source of income for NGOs. The services that attract income most include training, consultancy and research.

Fund raising drive: Some organizations raise funds through public collection as sponsored events etc. NGOs are seen to collect fund when disaster takes place at different times in Bangladesh through public announcement.

Slashing benefits of the NGO staff: Now-a-days, this is a common practice among the NGOs to gain financial viability and sustainability.

Pattern of relationship

About 60 percent of the expenses of BRAC comes from overseas donors and international agencies, mostly in the form of grants. To avoid dependence on any single donor, BRAC accepts no more than one-third of its annual requirements from any donor. In response to the BRAC’s plan to scale up rapidly, NOVIB took the lead in putting together a consortium of nine donor agencies that together could advance the fifty million dollars required for the new thrust. Consortium funding has been helpful both to BRAC and to individual donor agencies.

Development NGOs are linked through a variety of mechanisms. The largest coordination body for these NGOs in Bangladesh is Association of Development Agencies in Bangladesh (ADAB). Its mandate and membership composition make it a key organization to contribute towards a healthier government-NGO relationship. It has grown into a membership organization for more than 750 development NGOs representing a whole spectrum of international and local NGOs. As an umbrella of the NGOs,
ADAB has several key functions to perform that include, NGO-NGO relations; GO-NGO relations; donor-NGO relations; NGO-forum/ Sectoral network relations; NGO-civil society relations and relations with international bodies, and UN bodies (World Bank 1996).

Since 1970 many donors have recognized the importance of certain types of non-governmental, no-profit-seeking organizations to development cooperation. In the new situation these organizations are widely called either non-governmental organizations or private voluntary development organization and are recognized as important new partners in development activities. Due to increasing recognition and use of non-governmental organizations as important partners in development co-operation, the international scene of third world development administration has faced several important changes. The new situation can be characterized by three linked developments:

a) Increasing institutional fragmentation: This is basically caused by the increasing number of organizations working in the field of third world development.

b) Increasing functional specialisation: This is caused by the changing division of labour between different organizational actors.

c) Increasing organizational interdependency: Development activities are increasingly organized and managed not inside one or two organizations or inside a clearly defined, simple chain of organization.

NGOs are today enjoying more freedom than before. But greater freedom for NGOs carries with it the obligation to become more accountable to stakeholders and more transparent to the public. There is a debate with this point whether the NGOs in Bangladesh are at all accountable and transparent to the stakeholders.

Discussion and conclusion

Bangladesh is one of the most populous countries in the world with 120.5 million people. The women of the third world countries like Bangladesh have been historically deprived of their due rights. In Bangladesh women who constitute half of the total population have been
References


