GOVERNMENT AND NON-GOVERNMENTAL ORGANISATIONS IN BANGLADESH: A STUDY OF INSTITUTIONAL RELATIONSHIP

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INTRODUCTION

The government of each and every country has major contribution in the development process. As globalisation and international trade impact societies, Non-Governmental Organisations (NGOs) have become increasingly influential in world affairs. NGOs have emerged as an integral part of the institutional structure for addressing poverty as well as rural development, gender equality, environmental conservation, disaster management, human rights and other social issues. The NGOs, in order to support social and economic empowerment of the poor, have vastly widened their activities to include group formation, microcredit, formal and non-formal education, training, health and nutrition, family planning and welfare, agriculture and related activities, water supply and sanitation, human rights and advocacy, legal aid and other areas. NGOs are consulted by government as well as international organisations like the United Nations which have created associative status for them. They are now tens of thousands of NGOs
in the world, operating in most countries but active in many countries of Asia, Africa, Latin America and the Middle East. Though these organisations are not directly affiliated with any national government, they often have a significant impact on the social, economic and political activities of the country or region involved. However, the NGOs, whether strong or weak, play more of an oppositional rather than operational role and the governments are highly suspicious of them. A number of factors influence the development of NGOs; many of which are predetermined by the relationship between the NGO sector and the Government.

Bangladesh, which emerged as a newly independent country of South Asia in 1971, is considered as one of the poorest countries in the world. It is a small and densely populated country with over fifteen crore population thronging a land area of only 147,570 square kilometers. The density is more than 1099 people per sq. km. and a majority of the total population lives in rural areas. A total of 87,310 villages make up the rural scenario. From the administrative point of view, Bangladesh is divided into 7 Divisions, 64 Districts and 481 Upazillas.\(^1\) The Government and various Non-governmental Organisations (NGOs) play an important role towards the country’s development process in Bangladesh. The task of institutional relationship between the Government and NGO has become overwhelmingly challenging on the part of Bangladesh. In recent years, partly because of the powerful influence of donors, the Bangladesh government has also begun to give greater weight age to the activities of NGOs. While acknowledging the role played by NGOs, the government is looking for ways to regulate their scope of activities and flows of aid funds from foreign countries. The status of relationship between Bangladesh government and non-governmental organisations in developmental sector is very poor both in the rural and urban areas. Therefore the attention should be given towards improving the institutional relationship between them, which will lead to the country’s development at local and national level.

**Non-Governmental Organisations: A Conceptual Framework**

The Non-Governmental Organisations (NGOs) are not a new phenomenon. NGOs are considered as trendsetters in development and hence the popularity of the term ‘Alternative

Development Strategies’ vis-a-vis NGOs.² It is also observed that NGOs have generally been able to reach the poor where the Government failed.³ Non-Governmental Organisation is a legally constituted and non-profit making organisation, created by private persons or organisations with no participation or representation of any government. When a NGO is funded totally or partially by governments, it maintains its Non-governmental status as far as no government representatives are part of the organisation.

An NGO is a formal, non-profit, non-partisan private body that comes into being as a result of personal initiative of an individual or a group of individuals to voluntarily undertake development work at grassroots level to better the lives of poor.⁴ Another definition refers to NGOs as those non-profit and non-governmental organisations that are active in the field of development issues in Third World countries such as rural development, alleviation of poverty, health and education, and global issues such as the environment, human rights, refugees and the population crisis.⁵ However, the lack of consensus on how to define and classify NGOs remains a confusing dilemma. Define NGO as an organisation possessing the following six attributes (1) non-governmental, (2) non-profit-making, (3) voluntary (4) of a solid and continuing form, (5) altruistic, and (6) philanthropic.⁶

For the purpose of this study, NGOs are defined as a formal independent societal organisations and the legal or institutional relationship with the government whose primary aim

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is to promote common goals at the national or international levels. Often these goals involve the promotion of full stakeholder participation, mutual learning, accountability and transparency, local self governance, long-term sustainability, and perhaps above all, a people centered approach.\(^7\)

The Growth of NGOs in Bangladesh

Although the NGOs had been working in traditional form since the British colonial period, the development oriented NGO activities are relatively new in Bangladesh. In human suffering of people and a massive destruction of the physical infrastructure and the economy caused by the war of liberation called of immediate relief and rehabilitation intervention. Due to newly independent, instable government and Lower Pressure Groups (LPG), the state has largely failed in developmental sectors and thus the NGOs have grown dramatically to fill this vacuum. Government of Bangladesh (GOB) had to face a herculean task of renewal and reconstruction of the war turn economy after the war of independence. But the GOB neither had the capacity nor had the appropriate institutional mechanism to address to the volume and diversity of such enormous problems single handed. Therefore, a large number of national, international NGOs and voluntary organisations extended their helping hands to assist Bangladesh.\(^8\)

Bangladesh currently has more than 22,000 thousand NGOs\(^9\) of different types according to the News on 5\(^{th}\) of January 2009. About 16,000 NGOs are registered as “voluntary societies” with the Ministry of Social Welfare. The dominant position of NGOs in Bangladesh’s development effort is confirmed by grass-roots level and a survey that reveal that NGOs’ activities cover around 90 percent of the villages.\(^10\) Furthermore, the world’s most renowned NGOs like, Bangladesh Rural Advancement Committee (BRAC), Proshika, Associations for

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Social Advancement (ASA), Micro-credit Programme and Grameen Bank (GB) have their origin in Bangladesh.

After the nineteen nineties, major NGOs had adopted the best known multipurpose development in activities related to nationwide socio-economic development in Bangladesh. BRAC is currently working in all 64 districts of Bangladesh, with over 7 million micro-finance group members, 37,500 non-formal primary schools and more than 70,000 health volunteers. BRAC operates various programs such as those in microfinance and education in over nine countries across Asia and Africa, reaching more than 110 million people. BRAC maintains offices in 14 countries throughout the world, including BRAC-USA and BRAC-UK. The mission of BRAC is to strive to bring about positive changes in the quality of life of poor people.\textsuperscript{11}

The other prominent NGO in Bangladesh is PROSHIKA (derived from the Bengali words proshikhan (training) and shiksha (education) kaj (action) was established in 1971 with an objectives to rebuilding the war-ravaed country and the organisations is to conduct an extensive, intensive, and participatory process of sustainable development through empowerment of the poor and assistance to other organisations. Presently, Proshika operates through 207 Area Development Centres (ADCs) spread in 28,865 villages and 1,975 urban slums in 57 districts. It works with 1.34 million women and about one million men drawn from poor rural and urban households organized into 112,184 primary groups of 23 members each on average. The budget of the organisation for 2007-08 was $186.97 million.\textsuperscript{12}

Association for Social Advancement (ASA) formed as a NGO in early 1978, aims to empower and mobilize the poor with a special emphasis on the role of women in development both rural and urban areas through promoting income generating activities. Up to June 2008 ASA's cumulative Loan disbursement has been TK. 284,686 million (US$ 4,126 million) while loan outstanding (principal) is TK. 29,182 million (US$ 423 million) among almost 5,675,784

\textsuperscript{11} Bangladesh Rural Advancement Committee (BRAC) (2008), \textit{Annual Report 2007}, Dhaka: BRAC.

\textsuperscript{12} Bangladesh Observer, (2008), “\textit{Association for Social Advancement Disburses Fund in Bengal}”, August 21, 2008.
borrowers. By the end of year 2008, ASA operation expanded over 3,219 branches under 64 administrative areas all over in Bangladesh.\textsuperscript{13}

The Grameen Bank, in “Bangla” it means rural bank which began in 1976. The main objective of the Grameen Bank was to develop an organization structure, which can provide collateral free credit to the landless people in a reasonably dependable form. NGOs have mainly functioned to service the needs of the landless, usually assisted by foreign donor funding as a counterpoint to the state's efforts.\textsuperscript{14} Thus the institutional partnership necessary between the government and non-governmental organisation through which the corruption can remove from the country like Bangladesh.

**Government in Bangladesh: A Brief History**

In its brief history, the government of Bangladesh has been characterized by military intervention, one-party dominance, military-bureaucratic alliance, political conflict, and instability. 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 increasing authoritarianism under the ruling party and deteriorating socio-economic conditions, the military found it opportune to intervene in politics, leading to another long period of military rule between 1975 and 1990. After 1990, there have been four well contested parliamentary elections- the BNP-led alliance won the 1991 and 2001 elections while the alliance led by the Awami League won the 1996 and 2008 election.\textsuperscript{15}

In between, due to lack of coordination of the government, election commission and political parties the fourth well contest election was postponed indefinitely and emergency law declared in January 2007. Meanwhile, the Bangladesh Military has expressed their interest in

\textsuperscript{13} Association for Social Advancement (ASA), (2008), ASA Report, Homepage, http://


controlling the country with statements like own brand of Democracy and making changes in the
constitution to allow military participation in politics. They were also assisting the interim
Government of Bangladesh in a drive against corruption which seems to be mostly targeted
against the politicians and opponents. Illegal detentions and torture to extract confessions has
also become rampant (BBC News: 5th August, 2008). Finally the Grand alliance led by Awami
League’s Sheikh Hasina won a landslide victory in the 2008 general election. They got 230 seats
among 300 seats in the parliament.\(^{16}\)

However, there have been considerable clashes between the Awami League led by
Sheikh Hasina and the BNP led by Khaleda Zia in the form of accusations, strikes and
demonstrations against each other the phase of elected democratic governments has been only
marginally more stable than that the military regimes. Perhaps it is this intensive competition
between the two dominant parties which gave greater leverage to NGO's since both parties
needed to expand their grassroots support. Beyond this political context in which development
NGO's operate in Bangladesh, there are certain demographic, economic, and social factors that
have important implications for NGO's.

The Relationship between Government and NGOs in Bangladesh

There is a long history with regard to the Bangladeshi government collaborating with
NGOs. According to Zafar Ullah, in a report published in Oxford journals in 1996, the
government created an NGO consultative council to have direct communication with NGOs.
Lastly, in the 1997-2002 Five Year Plan, the government explicitly stated that “collaboration of
private organizations/institutes and NGOs will be fostered”, states Zafar Ullah.

The relationship between the government and NGOs are prescribed in order to reduce the
risks and responsibilities of government, minimize public sector debt, and enrich the quality
of public policies.\(^{17}\) The preference for NGOs as partners is also due to the realization that
compared to the business sector, NGOs are in a better position to possess local knowledge,

\(^{16}\) [http://www.reuters.com/article/worldNews/idUSTRE5053GG20090106](http://www.reuters.com/article/worldNews/idUSTRE5053GG20090106)

\(^{17}\) Lewis, D.J. (1993), “Non-government Interaction in Bangladesh”, in J. Farrington (eds.) Non-governmental
Organizations and the State in Asia, New York: Routledge.
address rural poverty, understand local needs and priorities, and practice consultative management.18

Governmental Policies and NGOs

The government of Bangladesh and many governments of various nations of the world like India, Pakistan, China, South Africa, Indonesia, Malaysia, Thailand, Philippines, Uganda, Zambia and Mexico have enacted several laws, established various government departments, evolved policies, and created schemes for the cause of social development.19 Though the social development has emerged as a very important sector in 21st century, there are no institutionalized mechanisms of collaboration between the government and the NGOs. Therefore, the need of the hour is to evolve long term, sustainable and institutionalized collaboration between the government and the NGOs. The enormous growth of NGOs since independence is evidence of a degree of tolerance on behalf of the Bangladeshi Government. However, the relationships between the two sectors have not been smooth or consistent. For many years government insisted that NGO funding from outside the country should be separate from aid in addition of amounts negotiated between NGOs and international donors.20

A number of laws exist, under which NGOs can secure a legal identity with a recognized government structure. NGOs in Bangladesh are increasingly being subjected to questions from government, political parties, the business community, beneficiaries, donors and the public. These include charges of tax avoidance, taking advantage of not-for-profit status to start business, collecting saving deposits without legal authority, involvement in politics, and the emergence of ‘fly-by-night NGOs among others.21 Strengthening NGO governance, developing a

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certification system to screen out dubious NGOs and modernizing the regulatory framework is, therefore, all more important if the sector is to effectively counter such attacks through the various government policies.

**An Overview of the Laws Affecting NGOs**

The legal framework for NGOs has not gone through any substantive reform in recent times. The earliest and one of the most important laws dates back to 1861 and the most recent relevant regulation was issued by the NGO Affairs Bureau (NGOAB). Invariably, the legal framework is outdated, obsolete and in some cases not in sync with modern NGO regulatory concepts.\(^{22}\) There are a plethora of laws and government agencies dealing with NGOs in Bangladesh.

The most important ones for the registration and operation of the development NGOs examined in this report are the Societies Registration Act 1861, Trusts Act 1882, the Companies Act of 1913 (amended 1994) and Cooperative Societies Ordinance of 1964.\(^ {23}\) These are implemented by the following four government agencies:

a. The Social Welfare Ministry

b. The NGO Affairs Bureau (NGOAB)

c. The Ministry of Commerce and

d. The Ministry of Women and Children


For registration of non-profit private sector organizations are authorizes under the following legal regulations.\textsuperscript{24} There are twelve laws under which NGOs are registered and regulated\textsuperscript{25}. These are as follows:

i. Societies Registration Act 1861

ii. The Trust Act 1882

iii. The Companies Act of 1913 (amended 1964)

iv. The Cooperative Societies Ordinance 1964

v. Charitable Endowments Act 1890


vii. Voluntary Welfare Agencies (Regulation and Control) Ordinance 1961

viii. The Foreign Donations (Voluntary Activities) Regulation Ordinance 1978

ix. The Foreign Contributions (Voluntary Activities) Regulation Ordinance 1982

x. Hindu Religious Welfare Trust Ordinance of 1983


xii. Buddhist Religious Welfare Trust Ordinance of 1983

Development NGOs in Bangladesh can obtain legal status and be registered under any one of the above laws.\textsuperscript{26} The recent strengthening Relations between Government and Development NGOs recommended that all existing laws and regulations be harmonized to


remove inconsistencies. With this in mind, the government initiated the drafting of a consolidated act suitable for NGO activities.

An Institutional Framework for NGO Regulations

While the facilitating role of the Bangladesh government is manifested in the creation of the NGO Affairs Bureau and DSW for one stop service and the easing of some regulatory measures, the general attitude of a section of the bureaucracy towards the voluntary sector remains largely passive and hostile. Over the years, non-governmental organizations initiatives grew and developed into a large sector in terms of membership and resources used. They are now an integral part of the aid regime and are currently absorbing one sixth of total foreign economic assistance to the country. The government acknowledges the positive contributions of the NGOs and understands donor logic.

Human resource development, computerization and improvement in procedures need to underlie any regulatory reform in the NGO sector. Training efforts so far have concentrated on building the capacity of NGOs and there has been less focus on training regulatory agencies. This needs to be rectified. An appropriate data collection mechanism needs to be introduced to help in devising plans for the oversight and development of the sector. The use of complaints from the public or deviation in use of funds from approved purposes as the triggers for investigation by the regulatory bodies also need to be revisited.

An independent NGO Commission that assumes the functions currently performed by the Department of Social Welfare (DSW), NGO Affairs Bureau (NGOAB) and Women Affairs Department is an option that could be considered. The commission’s aims would be to maintain an effective framework within which non-profit organizations can operate and work with NGOs to encourage good practice. The Commission ought to be empowered to deal with the incorporations or establishment of NGOs apex bodies and licensed certification bodies. There are
precedents for independent regulatory bodies in Bangladesh, in telecoms and energy, as well as organizations like the Charities Commission in the UK.27

Apart from this, the number of Islamic NGOs in Bangladesh has also increased after the 1991 devastating cyclone in Chittagong and other coastal areas of the country. Since then, more than a dozen leading international Islamic NGOs started operating in Bangladesh. They took part in relief operations and other charitable activities like building houses, providing pure drinking water, improving sanitation, mother and child healthcare and establishing religious educational institutions. In the name of Islam they get donations from the foreign countries every year more than Taka 200 crore but they do not give details of their income and expenditure to any government body. Similarly, since 1990, money has started flowing in from the rich Middle Eastern countries resulting into a mushrooming growth of the madrassas. This has also posed serious problems to NGOs in dealing with their funding donors in Bangladesh. In this context, there is need to creating a body or a committee composed of governmental organisations and NGO representatives in Bangladesh.

Thus, the government must come up with clear cut policies and operating guidelines to facilitate immediate processing of NGOs registration and the development of their programs and projects. Absence of clearly defined government polices has caused unnecessary delays in the development and implementation of NGO project, unclear responsibilities of some concerned ministries and department and the negative perceptions of some government officials who create all sorts of problems and bottlenecks to impede NGO operations. On the other hand, lack of a single and clearly defined body to assist the NGOs are find very difficult to deal with the different concerned departments and ministries of the government because there is no single body or a committee to assist them in their registration and program operations.

Government Regulations

The absence of proper monitoring mechanism only means that NGOs dedicated to lining their own pockets can have their own way. Many people involved in development issues and admit that corruption is a constant problem in Bangladeshi NGOs. In this context, the government tries to control flow of funds to NGOs through scrutiny of area of activity, funding project proposal and government policy in the activity areas. It is estimated that, around 225 projects are inspected annually following complaints registered with the Bureau. Recently, the government has initiated inquiry against 500 NGOs as to sources and propriety of uses of the funds and also in respect of their political activity, individually or collectively. The Awami League government, after coming to power in October 2001, introduced a policy to restrict the NGO activities alleging that some major NGOs have become political agents of the previous government (1996-2001) and campaigned for its political party. The government had also stopped the clearance of funds of these NGOs for the same allegation. Through a new order, the government may dissolve the governing body of any NGO for some specific reasons. With a large number of laws, ordinances, rules and regulations applying to NGO operations, difficulties and inconsistencies have emerged. The whole legal framework needs to be revamped to facilitate the promotion of a healthy NGO sector and strengthen the national context for increased Government-NGO collaboration and partnership.

Implementing Agencies in Bangladesh

There are two government agencies responsible for the registration and monitoring of NGOs in Bangladesh, they are the NGO Affairs bureau and the Department of Social Welfare.

The NGO Affairs Bureau (NGOAB)

This was conceived as a one stop service for NGOs. It was established in 1990 with the authority to register and regulate all NGOs seeking or receiving foreign funds. In 1997, 1,112

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NGOs were registered with the NGO Affairs Bureau. But it became almost double in 2007. During the BNP-led alliance government, around 473 local and 25 foreign NGOs were enlisted with the NGO Affairs Bureau. One hundred and twenty-nine of them are local and eight foreign NGOs who were enlisted in the financial year 2006-07. Since 1990, the NGO Bureau has approved 2,367 local and foreign NGOs who run on foreign funding. Apart from this, in Bangladesh, there are fifty three foreign funded major Islamic non-governmental organizations are registered with the NGO Affairs Bureau out of which 24 are very active.

Department of Social Welfare (DSW)

Under this implementing agency it registers and deals with the NGOs, whose purpose is to render welfare services as defined in the Voluntary Social Welfare Agencies. Under the voluntary social welfare agencies ordinance of 1961, all organizations intending to provide voluntary social welfare under anyone of 15 areas specified in the ordinance had to register with the DSW. The regulation applies to all NGOs, including those receiving foreign funds. The Procedures are simple thus; a large numbers of NGOs are registered with this department. However, it does not have the capacity to monitor the NGOs, only it registers for much knowledge of NGOs activities and influence the development of NGOs community in Bangladesh. Under this act there are a staggering 5,536 organizations registered with the DSW as of 2006, though only few NGOs are active now. Apart from these large NGOs, there are several hundred local Islamic NGOs registered with the Social Welfare Department. The number of such NGOs has reportedly increased significantly after a Jamaat-e-Islami leader became social welfare minister. These local NGOs also get foreign donation but they do not give any report on it to the government as they work as affiliates of the foreign funded ones. The NGOs registered with the NGO bureau implement various projects themselves or provide funds to local NGOs for

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implementing projects. However, though the monitoring and auditing of these grants is weak, the DSW is providing limited funds to NGOs to implement various social welfare programs, with a maximum grant amount of 100,000 Taka till 2006.

Department of Women and Children Affairs

In addition to the NGO Affairs Bureau and the Department of Social Welfare, the Department of Women and Children Affairs takes an active interest in NGO activities in Bangladesh, especially those affecting women. The department maintains a register of NGOs and provides assistance in coordination and providing resources and skills. It also channels a Bank project funds to NGOs for operating microcredit to the rural poor.

Institutional Relationship between Government and NGOs

Now most of the NGOs are making a significant contribution to country’s social and economic development by engaging in public benefit activities and services to disadvantaged groups such as orphans, the elderly, and the disabled. They constitute an important part of an emerging civil society in the country. Thus, the current phase, the emphasis has shifted to partnerships for development between the government and NGO groups. This is the new trends (approaches), and which is needed to create a strong institutional relationship between the two organizations i.e. (government and NGOs) sector in every country.

In the globalised world, no country will progress or evolve without a good relationship between public and private organisations. Thus, the diminishing role of the government and the growing significance of non-governmental organisations actors in the most developing countries like Bangladesh have embraced various modes or forms of relationship in public governance. The nature of relationship between the government, NGOs and the foreign donors in various sectors like health, education, road infrastructure, public works and resettlement in Bangladesh, are very strong and joint efforts between the World Bank (WB), the Asian Development Bank

(ADB), and the World Health Organization’s (WHO) have extended support to each other. This relationship is program based and donor promoted in the context of modern phase. Since the 1980s, this greater emphasis on relationship entities has emerged in line with the recent shift in government’s role for rowing to steering, the priority given to public participation to ensure good governance, the concern for public sector inefficiency and ineffectiveness for delivering services. This growing trend in GO-NGO partnerships in Bangladesh reflects the current global trend towards institutional mechanism. This institutional relationship is now considered essential to enhance organizational capacity, cost effectiveness, resource mobilization, managerial innovation, consensus-building people participation, and public accountability.

At the institutional level, Asian Development Bank (ADB) must develop modalities to recognize and address NGO-Government relationships in its donor countries and NGO efforts to affect donor country official development assistance programs. At the operational level, NGOs in an increasing number of developmental management committees are demanding a greater voice in ADB's country-level operations. At the same time, ADB must continue to respond to the priorities and concerns of those committee governments. Thus, ADB’s cooperation with NGOs at the country level necessarily is becoming a dynamic process involving ADB, NGOs and Governments, with ADB as a policy objective, working to foster effective and positive tripartite relationships. In several countries, ADB has provided or is considering capacity building support that would contribute toward strengthening of NGO-Government cooperation.36

In the midst of globalizations, compared to major governmental agencies, NGOs have gained prominence in terms of their societal roles, public image and a capacity to command external support. More specifically, while the scope of the public sector is being reduced, the 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 have

assigned greater power to NGOs while rendering the role of government relatively obsolete and even unwelcome in addressing these new issues. This reconfiguration of authority and power shared between NGOs and the government which has crucial implication for the means and strategies of socio-economic development in developing countries, which has failed to attract sufficient intellectual attention.\textsuperscript{37} In attempt to rectify this neglect, this relation examines the impact of such a changing balance of power between the government and NGOs in Bangladesh.

Importantly, the legal framework relating to NGOs is obsolete with an over-abundance of laws and official agencies with limited capacity. Of the twelve laws for registering and regulating NGOs, most NGOs register under the Voluntary Social Welfare Agencies (Registration and Control) Ordinance, 1961, administered by the Ministry of Social Welfare. Capacity and computerized accounting systems vary and are related to the size of the NGO. However, the GOB has some limitations in trying to bring about sustained development in the social delivery services. It recognises the complementary role of NGOs in these areas. This recognition prompted the government to take several measures for promoting institutional relations between the government organisations (GOs) and NGOs. To strengthening the institutional relationship between the government and NGOs, there are Palli Karma Sahayak Foundation (PKSF), NGO Affairs Bureau; the Government-NGO Consultative Council has been established by the government. PKSF was established in May 1990 as an apex financing institution that assists NGOs in expanding their poverty-targeted microcredit programmes. It is registered under the Companies Act 1913 as a non-profit organisation. It is the biggest and most successful apex institution for microcredit programme in Asia.

Compared to nations similar in territorial and demographic size, Bangladesh has a huge number of registered NGOs (nearly 16,000), some of which are the largest and best known in the world, and currently being replicated in other countries.\textsuperscript{38} One outstanding example of this


\textsuperscript{38} Islam, Tabibul (2008), \textit{Development-Bangladesh: NGOs Face New Opposition from Government}, Dhaka: University Inter Press Service.

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worldwide expansion of the Bangladeshi experience is the Grameen Bank which has been replicated in certain Asian, African, Latin American, and European Countries in terms of its objectives, structure and process of delivering micro-credit to the poor.\(^{39}\) Other large developed NGOs to become globally known for their successive stories include the Bangladesh Rural Advancement Committee (BRAC) and others.\(^{40}\) On the basis of these observations, this legal partnership examines various dimensional of power in relations between the government and NGOs especially the development NGOs in Bangladesh. In particular, it analyses the extent that deans of power exercised by the government over these NGOs and explains how their autonomy from the government has increased in recent years.

**Legal Status of NGOs in Bangladesh**

Now the government of Bangladesh will not allow any foreign NGO to work in Bangladesh without registering first from May 2009. The Bangladesh social welfare minister Enamul Haq Mostafa Shaheed told reporters at the Secretariat that now the government will not allow any foreign-registered NGOs to operate in the country. They will only be allowed to operate after registering here.\(^{41}\) The government in this regard has taken steps to form a single body proposed to be styled ‘Social Security Council, which will register, monitor and regulate NGOs in future.\(^{42}\) According the GOB ministry, if any anomalies are found against any NGOs, we will take stringent action against them and all others will only be able to operate after fresh registration.\(^{43}\)

Therefore, the state in Bangladesh requires each NGO’s to register formally with governmental organization, and to renew this registration every five years. Each project must be

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\(^{41}\) The Daily Star News, 23, April, 2009.


\(^{43}\) [www.asiantribune.com](http://www.asiantribune.com)
approved in advance by the NGOAB, as must all foreign funding. Existing rules are not rigid enough to control the growth of third sector organizations and their activities. The government provides most running costs of most non-profit educational institutions. Also to finance the micro-credit operations of the NGOs, the establishment of Palli Karma Sahayak Foundation (PKSF) by the government is an indication of the governments supporting position.

In Bangladesh, like many other Muslim societies there are Muslim awqaf or philanthropic foundations which is a major institution of Islamic charity. The Mussalman Waqf\textsuperscript{44} Act 1923 is the guiding law for the Muslim Awqaf. Some of the prominent major Islamic NGOs like, Islamic Relief Organization, Al markajul Islami, Ishra Islamic Foundation and Ishrahul Muslimin etc. they got donations in excess of Taka 200 crore every year. These donations mainly come from Saudi Arabia, Kuwit and United Arab Emirates but some western countries like the US and the UK are also major contributors. This is one of the major sources of funds for the local Islamic NGOs and Qawmi madrasas which do not have government recognition. Their total number has gone beyond ten thousands across the country. These madrasas are a major factor behind the rise of Islamic extremism in Bangladesh.\textsuperscript{45}

On the other hand, an Islamic NGOs are also very active in the poverty-stricken northwestern districts like the banned Jama'atul Mujahideen Bangladesh started work in Rajshahi and then in other areas but not last long. For instance, Islahul Muslimine, an Islamic NGO formed by Moulana Fariduddin Masud, arrested on charges of militant links, had transacted around Taka 1.50 crore in 2004.\textsuperscript{46} Thus, the Bangladesh government has tried to control some NGOs engaged in developmental work. But at the same time it has curiously turned a blind eye to Islamic NGOs whose activities are suspect. Though hundreds of Islamic NGOs are registered

\textsuperscript{44} A Waqf is defined as a voluntary donation, by the owner, of the right of disposal of a thing or property and the dedication of the usufruct to some charitable end. Non-profit organizations can also be incorporated under the provisions of Company Law in the form of a not-for Profit Company limited by guarantee. This form is an inheritance from the English Corporate Law. The non-profit companies are created by fulfilling requirements of the Company Law and registration with the Registrar of Companies.


with the social welfare department, this implementing agency or this department does not have the inclination to keep a tab on their activities. This loose or sometime even total absence of control over these NGOs has allowed them to function almost freely in the country. Thus, now there is a need to bring to some administrative measures so that money flowing through unofficial channels like hundi could be stopped. National and international laws can prove effective only when they are implemented sincerely by the government (ibid).

Conclusion

It is true that government of any country has to play a major role in various areas of development such as health, education, poverty alleviation, water supply and sanitation etc. In the edge of globalization, there is also need for an active involvement of Non-Governmental Organisations (NGOs). NGOs are an integral aspect of every society; particularly in Bangladesh. Now, they are ideally suited to work as a link between the people’s needs and the planning process. The developing country like Bangladesh, it is a greater need to mitigate rural poverty and empower local people. for this, the relationship with NGOs has considerably increased especially due to the worldwide condemnation of monopolistic state bureaucracies and the advocacy for NGOs as a more preferred alternative for the development tasks. Few of the biggest NGOs of the country like BRAC, ASA, Grameen Bank, and Proshika have created an example for both government and NGOs by providing welfare services and creating a healthy competition. Without NGO activities in sectoral development and different development programmes, the government would not have provided the basic services to Bangladeshi citizens particularly in rural areas. In this context, the interaction between NGOs and the government can be viewed in positive way in terms of everybody’s benefits and their institutional relationship is an important aspect of both the organisations in Bangladesh.

Though there are many existing laws and governmental organizations like NGOAB, DSW, GNCC etc. to proper utilization of foreign funds, responding to the issue, the government has taken another steps to form a single body proposed to be styled ‘Social Security Council’, which will register, monitor and regulate NGOs in future. This body or committee shall be responsible in reviewing the drafting NGO proposed laws for legislation, recommend polices and operating guidelines acceptable and workable to both rural and urban development in
Bangladesh. But it is not enough for the monitoring, regulating and maintaining register to the Bangladeshi NGOs.

In Bangladesh, many NGOs are receiving grants from the abroad for the country’s development, but in the name of development and the name of religion both the local and foreign NGOs are doing corruption, mismanagement and misutilisations of foreign funds. On the other hand, due to heavily dependent on foreign resources, the flow of money from the outside in the absence of accountability, lack of institutional relationship can make the NGOs corrupt, controversial and autocratic. For instance, Islahul Muslimine, an Islamic NGO formed by Moulana Fariduddin Masud, arrested on charges of corruption and militant links, had transacted around Taka 1.50 crore. Similarly, many other prominent major Islamic NGOs are getting donations from Arab and western countries, but due to lack of official documents they are unable to give details of their income and expenditure to any government body. Though, there are hundreds of Islamic NGOs registered with the social welfare department, this implementing agency or this department does not have the inclination to keep a tab on their activities. In practically the state is unable to control the NGOs. The NGOs often work against the directions and decisions of the state. Weak administration on the one hand and strong national and international backing on the other that encourage some NGOs to defy the state and to work according to their own whims. Thus, now there is a need to bring to some administrative measures, so that the money flowing through unofficial channels could be stopped. However, the need is an institutional relationship between government and NGOs in various sectors through which the NGOs maintain their legal status according to the government policy and that effects more constructive direction to the government for country’s sectoral development in Bangladesh. Otherwise, the absence of clearly defined government polices has caused unnecessary delays in the development and implementation of NGO project, the negative perceptions of some government officials who create all sorts of problems and bottlenecks to impede NGO operations. On the other hand, lack of a single and clearly defined body to assist the NGOs finds it very difficult to deal with different departments and ministries of the government. This has also posed serious problems to NGOs in dealing with their funding donors.
Finally, in this paper, the study of institutional relationship reorients the traditional concerns and shifting the focus to understanding how action affects institutions. Connecting, bridging, and extending work on institutional entrepreneurship, institutional change and innovation. It is concerned with the practical actions through which institutions are created, maintained, and disrupted. In other words, between the government and NGOs, it is an adaptations and compromises of actors attempting to maintain institutional arrangements. NGOs are a fact of life in Bangladesh’s socio-economic development and a widely accepted vehicle to channel donor contributions to grassroots development processes. However, they do not and should not replace government. Their focus on social and environmental issues, rather gives them the status of action groups than representatives of the public in general. In other words, they are fundamentally not democratic in the sense of being accountable to a general electorate. It implies that NGOs should be properly regulated by the government where government should follow an accommodative approach in one form or another. This could result in NGOs diversifying their areas of operation in social sector for the overall development of the country.

- As the regulatory framework for NGOs is modernized a first principle should be maintaining or better enhancing the space given to NGOs to innovate and scale up their activities.
- A Regulatory frame work should change from government micro-management of NGOs foreign funds and to support for better corporate governance, strengthened accountability and transparency by NGOs.

However, it is important to note here that the many successful NGOs like BRAC, PROSHIKA, MICRO-CREDIT, GRAMEEM BANK, ASA etc. make their efforts toward country’s development which are fast becoming exclusionary identities in Bangladesh. Thus, this development work will determine the future of NGO activities in Bangladesh and will bring out the organisational energy that has its roots in various sectors and guide it into a constructive direction to the government.
NOTES

1. For the purpose of this paper NGO will be defined or (that appear in the literature on NGOs), namely, non-profit organization, grassroots organization, self-help organization, community organization, voluntary development organization, people organization and political NGO (see The Commonwealth Foundation New Delhi (n. d., 27-30).