

Local Level Governance:
A Study of Institutional Interaction between Union
Parishads and Non-Government Organizations
(NGOs)

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Khandaker Rashedul Haque

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University of Dhaka
June, 2004

Local Level Governance:
A Study of Institutional Interaction between Union
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(NGOs)

Khandaker Rashedul Haque

A dissertation submitted to the University of Dhaka, Bangladesh
in fulfilment of the requirement for
the degree of Doctor of Philosophy in Public Administration

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Department of Public Administration
University of Dhaka
June, 2004

Dedication

I express my deep gratitude to my octogenarian mother who always prays to the Almighty Allah for success and well-being in my life. No gift, return or anything of the sort matches the pains and sufferings she has put up with in her life for me. Given that reality, this small piece of work is dedicated to her as an insignificant attempt to acknowledge that hard facts of life.

401414



Khandaker Rashedul Haque
Dhaka, Bangladesh
June, 2004

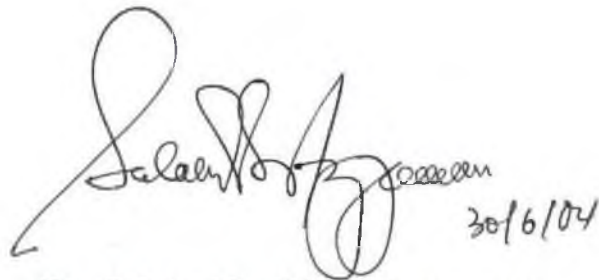
Declaration

I declare that this dissertation, entitled “Local Level Governance: A Study of Institutional Interaction between Union Parishads and Non-Government Organizations (NGOs)”, submitted to the University of Dhaka for the Degree of Doctor of Philosophy in Public Administration, is original work of mine. No part of it, in any form, has been submitted to any other University or Institute for any degree or diploma.



Khandaker Rashedul Haque
Registration No: 73/2000-2001

This is to certify that Khandaker Rashedul Haque has prepared this dissertation, entitled Local Level Governance: A Study of Institutional Interaction between Union Parishads and Non-Government Organizations (NGOs), under my direct supervision. This is his original work. This dissertation or any of its parts has nowhere been submitted for any degree or diploma.



30/6/04

Dr. Salahuddin M. Aminuzzaman
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June, 2004

Abstract

This study has been designed to get an overview of the GOB policies regarding the role of NGOs in the overall development management in Bangladesh; to examine the present modalities of institutional interaction between Union Parishads (the lowest tier of rural local government body) and NGOs; and to examine whether any collaborative institutional framework between UP and NGO would be viable for local level development management.

Empirical data for this study have been drawn from rural respondents, GOB and NGO executives, program personnel, and think tank.

This study has explained conceptual approaches on governance, traced back the trajectory of developments of local government systems in the three sub-continental countries---India, Pakistan and Bangladesh---down to evolution of Union Parishad as a local governance institution in the country, which show that Local government in the three countries have both similarities and dissimilarities. In all the three countries, local government systems lack management capacity and suffer from resource constraints.

Attempts made to explain the context and conditions which led to the growth and expansion of NGOs in the country demonstrate that

emergency relief and rehabilitation need following war of independence paved the way for NGO operations in the country, which subsequently undergone significant changes to adapt to changing needs and socio-economic realities. It also shows that although NGOs have earned enough laurels through their programs and interventions, they have provoked long drawn-out debates among diverse socio-cultural-intelligentsia groups by their activities, too. The legal and regulatory framework that acts to monitor and promote its operation has been discussed, indicating a change in the policies by the government to control and discipline NGO operations in the country in order to keep them at bay from political participation.

Though the NGO operations started in the country at the dawn of independence, the study projects a mysterious silence on the part of the premier planners of the country about associating them in the planning and implementing process of the government. It appears that it was not until the fourth five year plan that the policy planners recognized the importance of NGO participation to supplement government's programs for development.

Attempt has been made in the study to identify the strengths and weaknesses of both the UPs and the NGOs. Empirical evidences reflect that UPs are weak local government institution having little management capacity and have resource constraint. The empirical

evidences exhibit a strong desire from both sides for an institutional mechanism of collaboration that will benefit these organizations.

The empirical observations and findings of the study highlight strong desire and intention of both NGOs and UPs for institutionalizing a collaborative mechanism for effective local level governance. It also indicates a strong urge from NGOs for strengthening local level governance through reorganizing and strengthening UPs for greater accountability and effectiveness by involving more disadvantaged groups and community members in the running of business under the umbrella of UP system.

The study puts forward recommendations for institutionalizing collaboration between the UPs and the NGOs by allowing NGOs to sit on UP standing committee as a non-voting members, and formalizing arrangement between NGOs and NILG for training up UP personnel in order that they can make effective contribution to strengthening local level governance forging strength and advantages of their popular support and technical knowledge and experience.

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I would like to express my deepest gratitude and appreciation to my supervisor, Professor Salahuddin M. Aminuzzaman. But for his help, advice, guidance and overall supervision it would not have been possible to complete this work. His constant encouragement, supervision and follow-up throughout the period of my research have been the source of inspiration to regain confidence in my ability to accomplish the task. His contribution is immeasurable.

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A long array of people have helped me in getting access to data, information, materials, copies of Acts and Ordinances, rules, regulations absolutely relevant and necessary for the research. Some of them are my friends, some are junior and senior colleagues and some are people never known to me before. But all of them have helped me

so generously, and contributed so greatly to the accomplishment of my task that simply recognizing that does not suffice to express appropriate measurement of their contribution.

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Acronyms and Abbreviations

ADAB	Association of Development Agencies in Bangladesh
ADB	Asian Development Bank
ADC	Additional District Commissioner
ADLG	Assistant Director Local Government
ADP	Annual Development Program
BONGO	Business-Oriented NGO
BRAC	Bangladesh Rural Advancement Committee
CBO	Community Based Organization
CCB	Citizen Community Board
CDP	Community Development Program
CEO	Chief Executive Officer
CIDA	Canadian International Development Agency
CSO	Civil Society Organization
CSP	Civil Service of Pakistan
DC	District Commissioner
DONGO	Donor-Organized NGO
DSW	Department of Social Welfare
DTCE	Development Trust for Community Empowerment
ERD	Economic Relations Division
FAO	Food and Agricultural Organization
FATA	Federally Administered Tribal Areas
FFWP	Food For Work Program
FFYP	First Five-Year Plan
	Fourth Five-Year Plan
	Fifth Five-Year Plan
FNB	Federation of NGOs in Bangladesh
GDP	Gross Domestic Product
GNCC	Government NGO Consultative Council
GOB	Government of Bangladesh
GONGO	Government Organized NGO
GRO	Grass Roots Organization
HDI	Human Development Index
HYV	High Yielding Varieties
ICS	Indian Civil Service

IDCI	International Development Cooperation Institution
IPTT	Immovable Property Transfer Tax
MCC	Mennonite Central Committee
MGs	Matching Grant Scheme
MLA	Member of Legislative Assembly
MNA	Member of National Assembly
MO	Membership Organization
MP	Member of Parliament
NGO	Non-Government Organization
NGOAB	NGO Affairs Bureau
NGDO	Non-Government Development Organization
NILG	National Institute of Local Government
NRB	National Revenue Board
NWFP	North-West Frontier Province
OECD	Overseas Economic Cooperation for Development
ORS	Oral Rehydration Salt
PKSF	Palli Karma Shahayak Foundation
PO	Presidential Order
PRSP	Poverty Reduction Strategy Paper
PVDO	Private Voluntary Development Organization
RDRS	Rangpur Dinajpur Rural Service
RWP	Rural Works Program
SAFRON	State and Frontier Regions
SFYP	Second Five-Year Plan
	Sixth Five-Year Plan
SVLS	Small Village Level Scheme
TFYP	Third Five-Year Plan
Tk.	Taka
UNDP	United Nations Development Program
UP	Union Parishad

Chapter 1: Introduction

Perspectives

Since the mid 1970s with the notion of new international order, there emerged a new trend in institution building (Esman:1974) and the Non-Government Organizations (NGOs) appeared as the 'third sector' in achieving decentralized, sustainable and equitable development (Fowler: 1992). It has now been recognized that NGOs, with their flexibility, responsiveness and adaptability, can play important roles in grass-root level development (Carroll:1992), representation of the views of the poor (Robinson:1993), enhancing operational efficiency (World Development Report:1991) and sustainable development (Korten:1991). Playing at times, innovative, and at times, compensatory or complementary roles, NGOs have proved to be more effective in reaching the poor in developing countries where poor constitutes the majority of the population and the real concern of any development thrust. As NGOs gained expertise and experience over the years, their roles have expanded and changed. As a matter of fact, during recent years, the NGOs have entered into an operational arena, which has traditionally been the 'exclusive domain' of the government or public sector. Given its operational efficiency and experienced manpower, the NGOs, in effect, are penetrating into that exclusive ground with increasing forces.

As far as the role of NGOs are concerned, there are three different perspectives: *first*, the notion that NGOs represent a force towards democratic pluralist civil society; *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. Moreover, there are other approaches towards assessing the role of NGOs.

Role of NGOs, therefore, can be viewed from different perspectives: NGOs act as a *force for democracy*. NGOs have increasingly become associated with development activities and raising democratic consciousness with alternative development models (Lehman:1990) and empowering the disadvantaged groups and the community as a whole (Friedman:1992).

NGOs play a role as *poverty alleviators and sustainable developers*. This perception is recently gaining ground that NGOs are committed to poverty alleviation program and are prepared to work for the disadvantaged rural poor at the grass-root level (Korten:1990).

NGOs are viewed as *efficiency enhancers*. This approach is based on the argument that NGOs have potential to offer for enhancing the efficiency of services delivery. The NGOs being based at the grass root level have detailed knowledge of the needs of the rural poor and thereby offer more appropriate and cost-effective services than the public sector. NGOs can

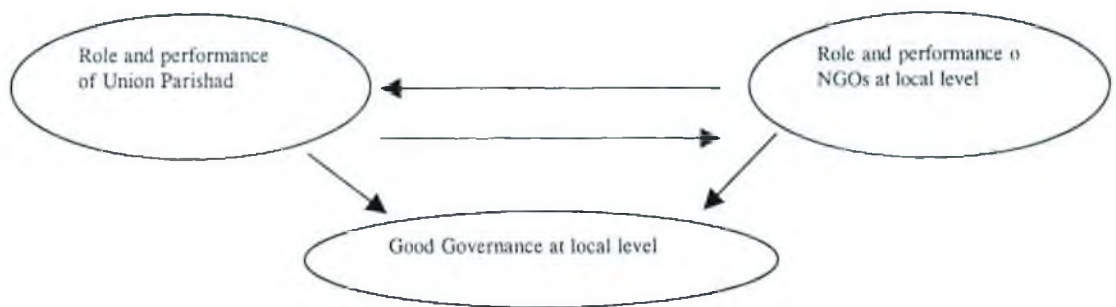
induce new innovations to the public sector to make it efficient. NGOs can also influence the agenda of the public sector organization informally through personal contacts, and more formally through representation on advisory bodies or advocacy groups (Tendlar:1982)

Nevertheless, there are at least two inherent difficulties in general arguments in support of NGOs. *First*, they contain a number of inconsistencies (Farrington and Lewis ed. 1993; pp.7). The most important of these is rooted in perceptions on long-term roles. If rural poor are to play a fuller role in the democratic processes, more resources have to be channelled into those areas. However, the decisions on broad patterns of resource allocation lie firmly in the mandate of the government. Thus, wide scale involvement of NGOs in the provision of rural services runs the risk that governments will see themselves absolved from these obligations, and may make it difficult for NGOs to implement their widely stated objectives. Problems of this kind have been noted in Bangladesh (Sanyal:1991).

The *second* inconsistencies regarding the role of NGOs is that the relation between NGOs and Government Organizations (GOs) is viewed as a quite simple and easy arrangement on functional basis according to their respective comparative advantage. However, given the types of the NGOs and the diversity of their functional and geographical coverage, divergent views between the NGOs and the GOs on both the future of the rural poor and the means of achieving these future, it seems implausible to suggest

that NGO-GO relationship would be anything other than complex and contradictory.

Fig 1: Thematic representation of dynamic interface and interaction between NGOs and UPs



The above institutional interface between NGOs and Local Government bodies seems pretty straightforward with all the likelihood of positive results in the administration of services in the rural areas; but reality may be far from expected. As we wade through empirical evidences, we may be fed with the kind of circumstances that may tilt the balance either way. The NGOs are expounded as the champion of poverty alleviation and forces to ensure people's access to services created for public. While this attribute is appended to the NGOs quite universally, this may also fall vulnerable to evidences and realities.

Optimism and reality do not always go together. It has to be examined in the light of realities to determine the genuineness of assumptions made a priori. The discussions that will follow to present the premises through examination of evidences will give the answer that are tried to find out.

Different Schools of Thinking: Role of NGOs in Development

There has been considerable debate on the role of NGOs in Bangladesh. Different schools of thinking seem to have emerged to explain the role of NGOs. One group of observers argue that NGOs play the role of local intermediaries to fulfil the 'organizational gap'. The NGOs' role, according to these observers, is that of local intermediary mobilizing the people to participate in government-initiated programs. NGOs are, thus, considered an alternative institutional framework through which the rural poor and disadvantaged groups could be reached bypassing the conventional public bureaucracy (Holloway:1994). NGOs, thus, are viewed as an alternative vehicle to reach the disadvantaged poor.

Another group of researchers have examined NGOs as an emerging institutional framework for participative development. According to these observers, NGOs as participatory development-oriented bodies can play an important role at the local level in the social transformation process. They argue that NGOs can do this through their economic programs, their efforts for human development and in the establishment of social and economic rights. Advocates of this approach, who also have contributed substantially in the enrichment of the participation theory, believe that the participatory development-oriented NGOs can play an important role at the local level in the social transformation process. The thrust of this line of reasoning is that if replication of NGOs' grass-roots level activities is possible on a broad scale, it can work as a catalyst for macro-level social transformation (Wagnaraja:1984).

Hard-line analysts, however, reject the idea that NGOs can play any role in the social transformation process. This group of critics acknowledges that the NGOs are efficient mobilizers of the rural poor, but reject the claim that the NGOs can play an effective role in social transformation (Chowdhury:1987). They argue that the NGOs are weakening the local government bodies by installing a parallel institution for local level development through ad-hoc-projects (Umar:1994). Donors, both bilateral and multi-lateral, have shown considerable interest in the potential role and direct involvement of the NGOs in development processes in Bangladesh. Such interest has contributed to the growth of another radical perspective on the role of NGOs (Sobhan:1982). This school of observers argues that the NGOs are not politically strong enough, nor have any social commitment to be able to bring about any changes in the existing power structure; rather it is claimed that the NGOs either knowingly or otherwise serve the interest of international corporate capital (Muhammad:1988).

Overview of Selected Studies

Collaboration between NGOs and the local government institution like the Union Parishads depends on mutual respect, trust and understanding on broad dimension where individual weaknesses are sorted out through a sense of reciprocity, problems are addressed through a sense of partnership and potentials are tapped on a plank of equal rights to access and utilization. Korten clarifies that such relationship does not

mean the subcontracting of placid NGOs, but a genuine partnership between the Government and NGOs to work together based on mutual respect, acceptance of autonomy, independence and pluralism of NGO opinions and positions (Korten, 1988).

As complementary strength of the state as well as the market (Paul, 1991), NGOs have been viewed as potential entities for collaboration with the Local Government Institutions from multifaceted dimensions. The review of literature on NGO-GO collaboration explains different outlook, approaches, views, opinions and perspectives drawn from different scholars.

The collaboration between the NGOs and Local Government is a new phenomenon in the thought process of the scholars as the relationship between the NGOs and the government was “more or less of mutual ignorance” (Ahmed, 2003:1) till 1980; and ‘somewhat confrontational’ (Ibid) in the 1980s, which moved to ‘mutual appreciation and collaboration’ (Ibid) since 1990s. In the context of developmental paradigm, requiring close collaboration and intense operational mutuality, creation of better space for NGOs for local level intervention seems natural corollary. There have, however, been indications made that issues concerning a possible collaboration have to be carefully examined and assessed before any such arrangement is put in place. Since GO-NGO relationship is based on “love-hate relationship” (Fernandez, 1987), two opposing perspectives are propounded for such

collaboration in South-Asian countries including Bangladesh. One perspective discourages direct collaboration and receipt of governmental fund as that would damage NGOs' independence and demoralize their voluntarism. The other, conversely, encourages it in that they have a role to play in government programs aimed at poverty alleviation (Afroza, 2000:86). Such collaboration demands 'closer scrutiny and assessment' (Ahmed, 2003:1) to make sure its best use. Because, the existing model has created a strong "we" and "they" situation and a feeling of mistrust ultimately causing the performance of the project significantly (Afroza, 2000:146). Not only that. At present, there is practically no relationship between the UPs and the NGOs. NGOs tend to mistrust the UPs and maintain a distance from the UPs. UPs on the other hand, also have a kind of suspicion about the role and motive of NGOs (Aminuzzaman, 1998).

The NGOs are getting involved in almost all development activities in the peripheral Bangladesh and they do have proven records of achievements in organizing poverty alleviation projects, income generating activities for the poor and the disadvantaged and community mobilization (Ibid). This involvement needs to be expanded further through and effective collaboration between the NGOs and the UPs as the lowest rural development tier towards stronger program implementation and resource utilization. Empirical evidences have widely established the fact that the Local Government in Bangladesh is structurally and functionally very weak and lack capabilities to design,

organize and manage development program (Aminuzzaman, 1993, 1998).

In the context that GOB has resource constraints, and cannot get involved in every and any initiatives for development, especially in the rural areas, the need for alternative mechanism is in order. Study indicates that there are some areas where NGOs and local government, particularly the UPs, can enter into effective partnership (Aminuzzaman, 1998). How this can be done is subject to objective assessment of development dynamics. However, the assessment suggests that 'an institutional arrangement needs to be designed so that a partnership relation could be developed between the local NGOs and UPs (Aminuzzaman, 1998). Though it is simply impossible to come up with a set of general recommendations, which would be appropriate in all circumstances, it can be said that GO-NGO collaboration would be able to exert positive impact towards removing the weaknesses of GOB and limitations of the NGOs (Afroza, 2000:149). Collaboration relationship between GOB and NGO need to be formalized within a legal framework. At the same time, all existing laws and regulations concerning NGOs need to be harmonized (Ibid:150).

Statement of the Problem

Role Of Union Parishads in Local Level Development

Union Parishads is one of the oldest rural-based local government bodies in this part of the region. The present pyramidal structure of local

institutions of Bangladesh owes its origin to the British rule. Originally intended to maintain village peace by local initiative, the *Chawkidari Panchayet Act* of 1870 was the first step taken by the British rulers. Subsequently, the Local Self-Government Act 1885, the Village Self-Government Act 1919, and the Bengal Municipal Act 1932 under the British rule and the Basic Democracy Order 1959, Municipal Administration Ordinance 1960 during the Pakistan Period, and finally the Local Government Ordinance 1976, The Pourashava Ordinance 1977, The Local Government (Thana Parishad) Ordinance 1982, the Local Government (Union Parishad) Ordinance 1983, 1986, 1997 etc., during the Bangladesh period are the principal legal frameworks that shaped the institutional make-up and gradual evolution of the present local government system in Bangladesh.

The Constitution of Bangladesh duly emphasized the importance of decentralization and functioning of local government. Keeping in line with the objectives set in the State Principles (Part II), Article 9 of the Constitution outlines that "The state shall encourage local institutions composed of representatives of the areas concerned and in such institutions special representations shall be given as far as possible to peasants and workers and women". Accordingly, a separate chapter was devoted to local government. Article 59(1) of chapter III provided that the local government in every administrative unit would be entrusted to bodies composed of persons "elected in accordance with law". The law

envisaged that each local body would perform within the appropriate administrative unit, such functions as:

- i. administration and the work of the public officers;
- ii. maintenance of public order and ;
- iii. preparation and implementation of plan relating to public services and economic development.

Empirical data and our observation indicate that UPs in general are a very weak financial management system. Local taxation of the UP is also essentially based on a “populist approach” of the Chairman. Present level of community participation in the UP development and planning activities is very low. The community members in general are not well aware of the various routine as well as development functions of the UP, and thus are not motivated and or concerned to participate in those activities. There are no formal and pre-designed institutional mode/mechanisms whereby the community can actively take part in the UP affairs. Whatever level of participation at present is there, UP is basically characterised by patron-client relationship between the stakeholders and the UP officials particularly the Chairmen. Female participation is excessively very low.

Due to poor managerial and technical skills as well as lack of awareness of the benefits of planning techniques, most UPs do not maintain any annual and or multi-year development plan. Record management of the UPs in general is very poor.

On the other hand, NGOs have earned a name for its operational efficiency in serving the rural poor and disadvantaged even in the remote corners of rural Bangladesh.

Relationship between NGOs and Union Parishads

In the broader context of South Asia, NGOs in Bangladesh enjoy a comparatively supportive and liberal policy framework from the Government. However, it appears that the NGOs in Bangladesh do not fully exploit the situation.

Formal institutional relations between the UP and the NGOs in Bangladesh virtually do not exist. Attitude of the GOB towards NGOs has been rather ambivalent. Empirical evidences show that poor coordination between NGOs and Government line agencies limits potential impact of NGO interventions (Robinson, 1992).

In recent years increased attention has been focused on collaborative ventures between large NGOs and GOB agencies as a promising institutional approach which seeks to combine the extensive experience of NGOs in group formation, awareness raising, human resource development and income generating activities with the large scale capacity of GOB line agencies to deliver inputs of technical resources. The local knowledge, human resource development expertise, motivations and enthusiasm of NGO staff is expected to have a 'demonstration effect' on GOB staff by way of their interaction with each other. Besides, the insistent and articulate demands from well-mobilized

groups are also expected to stimulate the responsiveness and commitment of local GOB staff who are needed to being faced with a non-challenging and passive target group (Aminuzzaman, 1993).

NGOs almost exclusively work in the rural areas. About 85 percent of rural Bangladesh have been covered by the program operations of different NGOs. However, the relationship between the Local government, particularly Union Parishads, and the NGOs are virtually non-existent. NGOs seem to have opted to work in isolation without any institutional link and or interactions with the Union Parishads. Such isolation has two prone impact – the NGOs are not getting adequate support and cooperation from the UPs and, on the other hand, UPs are also not getting the technical as well as managerial support from the NGOs.

A study undertaken by Ahmed (1997) on comparative analysis of management practices has empirically established that NGOs are better managed and tend to use better management techniques and style as against the local elected bodies, particularly the Union Parishads. However, neither the NGOs nor the UPs have taken the advantage of such reciprocal strengths.

Based on the above analysis the following statement of the problem has been formulated:

NGOs and UPs are working in isolation, which hinder pace and process of development at grass root level as well as the institutional capacity of both organizations. More so, because of such isolation NGOs in many cases have faced resistance from the local bodies and different political interest groups. On the other hand, UPs are also deprived of some managerial and technical support from NGOs

Objectives of the Study

The main objectives of this study thus are to:

- a. Make an overview of the GOB policies regarding the role of NGOs in the overall development management in Bangladesh;
- b. Examine the present modalities of institutional interaction between Union Parishads and NGOs; and
- c. Examine whether any collaborative institutional framework between UP and NGO would be viable for local level development management.

Methodology

The study is based on a combination of methods—content analysis, structured interview and survey. Six sets of questionnaires have been used for collecting data from the field level functionaries, NGO representatives, key informants, as well as functionaries at the central policy and planning level on both sides. 24 Unions from 12 Upazilas under 6 districts representing six divisions have been taken as sample.

The sampled units have been chosen with a condition that there must be some NGO activities in that Union. From each Union, 10 respondents (the Chairman, three male ward Members and three female members and the Secretary) and two key informants have been chosen. An interview checklist has been used for interviewing the field level officials of the four NGOs working in the respective Unions. Observation visits have also been undertaken to the sampled Unions. For in-depth observations, 16 focus group discussions with relevant groups have been conducted,

At the national level, key policy planners and decision makers have been interviewed to elicit their thinking, outlook and attitude about a possible NGO-GO linkage. Respondents interviewed include key officials of the Local Government Division, key functionaries of a number of leading NGOs and some think tank, beyond the precincts of NGO and government representation, working for strengthening capacity building on local level planning and advocating for its importance in the overall development of good governance. Necessary secondary data have been collected by consulting research papers/books/journals/reports/Acts and Ordinances and other GOB publications. Publications of international donor agencies and those of NGOs, both national and international, have been studied to review the viewpoint articulated in this respect. Information and data have also been collected by browsing Internet.

Structure of the Thesis

The dissertation is structured on broad perspectives and dimensions. It contains the background and assumptions on which the study is based, its objectives, the methodology followed for data collection, with chronological illustration on conceptual approaches on governance and evolution of local government systems in the three sub-continental countries as well as evolution of Union Parishad as a local governance institution in the country. The operation of NGOs is linked up with governance and development including the context that led to growth and expansion of NGOs in the country. Legal and regulatory framework has been explained in terms of its relevance to governance at the local level, along with debate and controversy NGOs have produced and challenges faced. And finally, a possible institutional interface with Union Parishads has been examined and analysed on the basis of empirical evidences.

Limitations of the Study

The study has been conducted with all care and sincerity to draw up a representative scenario on the issues. It is however not free from limitations. Although the number of unions where surveys have been conducted is 24 under 12 Upazilas in 6 Districts under 6 Divisions, this may not be as representative as deemed statistically perfect in terms of total number of unions in the country. The chairmen and members of

the Union Parishads may have been biased in expressing their opinion and experiences about collaboration and interaction with NGOs working in their localities, influenced by their individual interests in such collaboration to be allowed for local level governance. The opinions of the government officials at the field level may have been, in some cases, tinged with bias against NGO operation stemmed from reciprocal rivalries developed during operation of programs in their respective fields.

Chapter 2: Governance---Concepts and Approaches

Introduction

This chapter is designed to define governance in its multi-faceted dimensions and the elements that constitute the basic ingredients of good governance. Humane governance has also been elaborated to add new dimensions to the issue of good governance. Since administering governance is critical in terms of discipline and development, the basic ingredients of good governance—accountability and transparency, legal framework and information—have been covered in this chapter. Good governance in the present time is facing, at an alarming rate and scale, challenges from all directions, depending on geographical locations and economic solidity. These challenges have been discussed to highlight its magnitude and the need for efforts for countries like Bangladesh to face the challenges. And finally, this chapter tries to draw up a linkage between local governance and the role of NGOs in setting up stage for better performance in ensuring rural development.

As humanity stepped into modern era, new ideas made its way into their minds. The concept of governance started to make its mark in the way people performed their tasks towards public welfare and delivery of services. It had not, however, risen into prominence until modern era dawned. ‘Governance’ had not been established as a ‘buzz word’ among policy-makers until in the early nineteen fifties; yet for vast majority of South Asians who had just won their freedom from British

colonial rule and the right to determine their own lives as South Asians, the concept of effective governance was firmly embedded in the popular imagination and associated with the heroes of the era: Gandhi and Nehru, Jinnah and Bandarnaike, Suhrawardy and Fazlul Huque. But that current ebbed away over time, with governments retreating into military dictatorships, one-party rule, and the same feudal relations which had persisted under British Raj.

The perception of governance came on the agenda of development policy makers around 1990s, and since then it has moved up fast in order of priorities. The concept, as found in its present day incarnation, was born out of the frustration with the effectiveness of foreign aid. It has received great impetus in the wake of the collapse of communism in the transitional economies of Eastern Europe and the former Soviet Union. These transitional economies, their people and their governments, found themselves ill-prepared to deal with the emerging market economy without regulatory institutions, habits of contract fulfilment, without agencies to facilitate transactions, and with no adequate insurance mechanism or safety nets for the poor. Thus the issues of good governance, with which developing countries have been struggling, came into fore in the transitional economies as well (Haq et. al. 1999).

Governance

The definition of governance is one of divergence of opinions and propositions. It has captured academicians' minds through multi-dimensional perspectives. The researchers have tended to look at it as a process following which a positive and targeted objective can be achieved, while the pragmatists, especially the international development finance institutions (IDFI), with the World Bank being at the forefront, have emphasized its critical impact on the development and sustainability of an economy.

Governance has been defined as 'the act or manner of governing, of exercising control or authority over the action of subjects and system of regulations (Landell-Mills and Serageldin, 1991: 304). Others have perceived it as the reflection on the "judgement on the quality of government" (Jahan, 1992:3)

During the couple of years a few scholars made efforts to understand governance within a broader canvas. It has been defined as the "system of government concentrating on effective and accountable institutions, democratic principles and electoral process, representation and responsible structures of government, in order to ensure an open and legitimate relationship between the civil society and the state (Halfani et.al. 1994:4).

Panandiker has emphasised on the provisions of the constitution of each country guaranteeing the social life of the citizen. He has defined governance as “management of the affairs of the state and basically delivering to the citizen the rights and other provisions enshrined in the Constitution of each country which makes political, economic and social life of the citizen rich in its quality” (Panandiker, 2000:27).

To the World Bank a general approach to look at it is as the “exercise of authority, control, management, power of government”, but a more relevant definition for Bank purposes governance is defined as “the manner in which power is exercised in the management of a country’s economic and social resources for development.” (World Bank, 1992)

The World Bank has identified three distinct aspects of governance: (1) the form of political regime; (2) the process by which authority is exercised in the management of country’s economic and social resources for development; and (3) the capacity of governments to design, formulate, and implement policies and discharge functions (World Bank, 1994a).

UNDP’s definition encompasses broader dimensions spanning the whole gamut of the life of a people. It includes not only public authority, but also the way the people articulate the interests they want served. Governance is viewed as “the exercise of economic, political and administrative authority to manage a country’s affairs at all levels.

It comprises mechanisms, processes, and institutions, through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences” (UNDP, 1997b).

Governance in a broader focus also studies the nature and the process of relationship between the civil society and the state. It also studies credibility and legitimacy of government through accountability, transparency, responsiveness, popular participation and public consultation.

The OECD concept of governance, therefore, denotes “the use of political authority and exercise of control in a society in relation to the management of its resources for social and economic development. This broad definition encompasses the role of public authorities in establishing the environment in which economic operators functions and in determining the distribution of benefits as well as the nature of the relationship between the ruler and the ruled” (OECD, 1995).

Commission of Global Governance perceives governance as the “sum of the many ways individual and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements

take care of free market policies, structural adjustment and aggregate macro-management. In contrast, caring is concerned more about individuals or areas than the systems and policies. Its focus is on human agenda and those issues that benefit them. It focuses on poverty alleviation, environmental conservation, empowerment, gender sensitivity, provision of health and education, fulfilment of basic human needs and so on.

Whether the state should go for steering functions or caring functions is a long debate to be settled yet. However, Banuri (1999) has drawn conclusion over the debate on the following premises: First, on the one hand, efficient management of steering functions is essential in a globalized world, political legitimacy and social progress cannot be achieved without equal attention to both the functions, on the other. Both need consideration; Second, third world countries are highly handicapped by its limited capacity to perform either of the two; Third, in spite of the need for governance to take both caring and steering into consideration for reforms, there can be bias for either of the two; Fourth, here comes up the need for taking integrated approach for governance reforms.

Good Governance

The issue of good governance is now high on everyone's agenda. Intellectuals, statesmen, politicians, journalists, academics, along with an array of protagonists, are up with the mission to redefine the role of

the government to ensure good governance in its dispensation of services the state is expected to deliver. Among the development finance institutions, the World Bank is the chief exponent of good governance. Bank's focus on good governance finds expression in a very explicit manner. "Good governance is an essential complement to sound economic policies. Efficient and accountable management by public sector and a predictable and transparent policy framework are critical to the efficiency of markets and governments, and hence to economic development" (Lewis T. Preston, President, The World Bank, 1992).

Good governance is synonymous with sound development management. Because, programs and projects being implemented may be technically sound, but may fail to deliver the anticipated results for reasons connected to the quality of the actions government takes. There may be legal reforms, but that may come to naught if the new laws are not enforced consistently or implementation is delayed beyond affordable limit. Private sector development and market-led growth may fall through unless the investors are given clear rules and institutions that reduce uncertainty about the future actions that the government is likely to take. Vital reforms of public expenditure may flounder if accounting systems are so weak that budgetary policies cannot be implemented or monitored, with poor procurement systems encouraging corruption and distorting public investment priorities.

Good governance is central to creating and sustaining an environment that fosters strong and equitable development. Governments play a key role in providing public goods, establishing the rules that make markets work efficiently and correct for market failure. In order to play these roles, government needs revenues, and agents to collect it and produce public goods. According to Panandiker, “good governance implies that the affairs of state is so managed that the material and the social well-being of the citizens is effectively looked after within a system of properly organized institutions of governance” (Panandiker, 2000:27). This in turn necessitates systems of accountability, adequate and reliable information, and efficiency in resource management and the delivery of public services.

The absence of good governance is particularly damaging to the “corrective interventions” role of government. Government programs can be totally undermined by a lack of public accountability, corruption, and the capture of public services by elites. Funds intended for the poor may be channelized to the benefit of the special interest groups, and the poor may not have adequate access to redress their grievances. Similarly, enforcement of environmental standards, beneficial for the public as a whole but likely to be costly for powerful industrial and commercial groups, can be left to be without any vigour by poor governance.

Other causes of poor development management are the level of economic, human and institutional development. Absence of an educated and trained manpower and strong institutions can substantially reduce the capacity of countries to provide sound development. Poverty and illiteracy make poor governance more likely. However, there is no direct correlation between development and good governance and poverty. But if poverty prevails and good governance becomes an object of dream, sound development becomes more complicated and problematic.

Pervasive corruption destroys the potentials for development. There are corruptions in all countries, and their manifestations are varied and different. But the common features in almost all countries are similar: it thrives when resources are scarce, and government sets aside market in allocating them; when civil servants are either underpaid or low-paid; when rules and regulations are not reasonable, clear and specific; when controls extend to anything and everything and regulations are excessive; and when transparency is absent and punishment is beyond imagination. “Bribery, nepotism, and venality can cripple administration and dilute equity from the provision of government services—and thus also undermine social cohesiveness” (World Bank, 1991d: 131).

High degree of concentration of political power and legacy from the colonial rule may be other causes of poor development management.

Although, in some cases, many countries inherited sound systems of financial accountability, legal framework and an independent civil service, their moral allegiance has more often been to colonial power than to taking roots, thereby destroying indigenous systems of accountability to take root.

There are other maladies the colonial rule bequeathed too. The large standing army they mounted to defend their interest and left behind on their departure became white elephants, devouring a substantial amount from the GDP and leading these countries to reel under the burden of hard international loans. Colonial powers have sometimes fueled enmity and rivalry between countries over border disputes, ethnic misgivings and strife in order only to make room for their own arsenals to be sold in those countries. Sometimes, they have armed rival factions within the country to bring the reigning government to kneel down to their pressure and come to terms with what they want them to do.

These symptoms and causes of poor governance are however not unique to any particular form or type of government. *World Development Report 1991* examined the evidence on the relative performance records of democracies and authoritarian regimes noted that the democratic-authoritarian distinction itself “fails to explain adequately whether or not countries initiate reform, implement it effectively, or survive its political fallout” (World Bank, 1991d: 134).

To sum up, governance is a continuum with multifaceted directions. It can't be improved overnight; it has to be tended, nurtured and demanded. The demand should come from those who want to enjoy its benefit. The ability to demand good governance, however, depends on the level of literacy, education and employment opportunities of the subjects.

Governance cannot be taken for granted unless there is demand. Change and improvement can only be expected when pressures are exerted, both from within and outside. Government should respond to the demand and act accordingly. Sometimes, threats from different sectors can cause changes to take place. This threat can be from international community and aid agencies also. Thus external threats combined with pressures from internal interest groups can result in a change that otherwise would have been impossible to think about. A fundamental basis cannot however be skipped. There may be changes taken place out of pressures generated from a blending of internal and external groups, the society itself yearning for the change to take place should have intrinsic might deep-rooted in its fabric to sustain the changes, for changes cannot be imposed from outside upon a society devoid of any prowess to withstand and countervailing initiatives. The four fundamental qualities that act as intrinsic clout to protect external pressures need to be ensured. These are: accountability, legal framework, information and transparency. Some scholars, however, have chosen to combine information and transparency in the same parenthesis.

Humane Governance

Good governance is concerned with the efficient, effective and proper manner in which the functions and responsibilities of the government are carried out, while the prerequisite for humane governance is achieving the ultimate goal of development which seeks to build human capabilities and enlarge human choices; to create a safe and secure environment where citizens can live with dignity and equality. Humane governance envisions development that tries to explain it from a different perspective in which the center of all development initiatives is the human being whose level of deprivation tends to measure the quality of good governance.

It is argued that the critical links between governance and human development were not sufficiently understood, until recently. Increasing a country's GNP is but one of the essential means towards achieving human development (Haq et. al. 1999).

The chief protagonist of humane governance is Mahbub ul Haq of Pakistan. He thinks that writings about good governance by international policy makers and academics are in abundance but the "concept of good governance has so far failed to match the radicalism of the notion of human development" (Haq et. al. 1999). Good governance benefits people it serves by delivering the service in a proper and transparent manner, where people looking for the service may not be involved in the process.

Governance, if it is to promote human development, has to be not just pro-people or people-centred; it has to be owned by the people. Good governance is not anything like alms that the elite hand down from above. People are the shaper of their own fate. Those who are vulnerable have to be protected from humiliation and distress. Humane governance promotes a decent society in which the worst off can preserve dignity (Haq et. al. 1999).

Human governance is also good governance, but what is characteristically different is that it is dedicated to securing human development. It focuses on effective participation of people in state, civil society, and private sector activities that are conducive to human development. It stresses on the state, civil society and the private sector to provide room for building capacities favourable for meeting the basic needs of all people, particularly women, children, and the poor ensuring sustainability of human development.

Good governance should be judged in terms of the success it makes in advancing human development in its broadest sense. The ultimate realization of the well-being of the people is the only purpose of all the actors in this play. So, governance must be:

- seen by people as participatory and in their own interest—“ownership”;
- conducive to building of a society in which none feel humiliated—“decency”; and

- embodied in structures which are transparent and accountable to the owners, i.e. the people—“accountability”.

Quest for Future

The foregoing discussions create a foundation for us to define the way to move forward to make sure that the local governance at the grassroots level is consolidated on firm ground for the people to derive benefits from its introduction. It has to be seen, at the outset, the trajectory the local governance is expected to follow on its way to put in place an effective system to serve the purpose. The varying definitions on governance expounded by different scholars may have been a rich compendium of intellectual exercises, but it needs to be seen to what extent those definitions are translated into actions in the context of Bangladesh.

By a thorough diagnosis of the definitions of governance by scholars, academics, international development financing institutions, political and social thinkers a number of fundamental ingredients appear to constitute its conceptual base. These ingredients revolve round conceptual outlook and terminologies like ‘process’, ‘manner’, ‘system’, ‘management’, ‘exercise of authority’, ‘exercise of control’, ‘sum of ways’, ‘caring and steering’, and ‘efficient management of steering functions’. The second element in the constitution of governance is key players actively involved behind application and execution of the systems; the third element is the legal provision

enshrined in the Constitution of a country; and the fourth one is the objective or purpose of all the elements orchestrated together to set a milestone that it try to reach.

It seems therefore that the process of action, or the manner of governing, or the exercise of authority and control, or sum of the many ways of individual or institutions to manage affairs of the state and deliver rights and other provisions ensuring a legitimate relationship between the state and the society is what governance is concerned about. In the process are involved two distinct entities: state or institutions which are responsible for delivering provisions, and the people or the civil society which derive benefits from the provisions being made by the former. The process or manner of exercising control or authority to produce results reflecting expectations of the people or citizen of the state or of civil society encompasses democratic principles and electoral process, responsible structures of government and the Constitutional provisions that ensures political, economic and social rights of the citizen. Here comes the issue of accountability, effectiveness of the system or manner of action followed, sustainability of the economy and the nature of relationship between the ruler and the ruled.

The objectives and the purpose of any and every action, or exercise and control of authority are important in terms of the reflection on the 'judgement on the quality of the government', as the exercise of

authority is directed to the achievement of the targeted objectives set by the government or institutions for the people to derive benefit from. Whether the state should take 'caring' or 'steering' role, is for the debators to settle, but Banuri's prescription of an integrated approach for governance can be a good solution to satisfy common expectations. Other elements that stand out in the consideration of governance are the 'ownership', 'decency' and 'accountability'. So, people must see governance as participatory and in their own interest, conducive to building a society in which none has the sense of feeling of being humiliated, and transparent and accountable to the people for ensuring sound development. Thus humane elements of governance are embodied to ensure people's ownership of the system for their welfare through a decent and accountable system.

In the context of the above, terms need to be defined and goals and objectives need to be set for people to see governance at local level embedded and productive through participation of those whose fate, well-being and livelihood, rights to express and interpret enjoy due importance. It therefore appears clear that local level governance is a process or manner of exercising authority and control conducive for sound, effective and accountable development through participation of individual players, institutions or civil society to achieve set goals and objectives through integrated approach under well-defined constitutional framework.

The Union Parishad is the basic unit for local governance under Constitutional provision. The fundamental objectives and purpose of forming Union Parishad are to put in place an effective body responsible for effective and appropriate governance at grassroots level through active participation of the local people for measured and balanced development. It needs to be seen if the system is working in an effective manner to produce the expected results, identify the shortcomings and gaps between their present level of capacity and experience, and determine the technical support and collaboration it requires for proper functioning. It is also necessary to examine how the civil society in general can be of help and assistance in their exercise of authority and control for sound, effective and accountable development at the grass roots level for carrying forward the development thrust that promises enhancement of livelihood of the common people.

Challenges of Governance

Demographic challenges:

The explosive population growth in the next fifty to hundred years will emerge as a serious challenge to good governance for countries like India, Pakistan and Bangladesh shattering social stability and public welfare.

Table 2.1: Population Projections by the World Bank for South Asia

(In million)

Year	2000	2025	2050	2100
India	1010	1361	1602	1734
Pakistan	155	285	398	496
Bangladesh	145	218	275	316
Nepal	24	37	47	54
Sri Lanka	18.8	23	25	26
Bhutan	1.8	2.6	3.9	4
Maldives	0.29	0.5	0.7	0.9

Source: World Population Projections, 1989-90 Edition, World Bank, Washington D.C., 1990

Table 2.1 clearly indicates the colossal growth of population in these countries, producing challenges for provision of basic civic necessities, unemployment and under-employment; health care, education, housing, clothing; maintenance of law and order and the likes.

Food Security

Perennially food-deficit, Bangladesh will face serious problems of food security in the days ahead, despite growth in agricultural output, and bumper production in the Boro and Aman rice. As projected, the 316 million people at the end of the century will pose serious problems if the country does not achieve anything miraculous in her economy. A FAO study (FAO, 1982) estimates that India alone can at that period produce enough food to feed 2.6 billion people in the region, but the question remains to be solved is, will India do that risking environmental and ecological imbalance. The food security will dog the

South Asian governments, triggering off uncertainty and unrest with serious risk for destabilization in the statecraft.

Urbanization

Population growth and the likely economic development over this period will inevitably lead to rapid urbanization in South Asia. Already, Pakistan is approaching a 50 percent urban population. 35 percent Indians already live in urban areas. Urban population in Sri Lanka and Bangladesh has reached 22 and 18 percent respectively by 1995 (Panandiker, 2000: 38-39). In Dhaka, rapid but uncontrolled and unplanned expansion in urbanization does not match requirements for basic services like water supply, sewerage facilities, road communication, commutation arrangements, etc. leaving it unliveable, environmentally catastrophic, unviable in monetary and productivity terms, causing immense financial losses across sectors. Such problems for governance will continue to grow unabated unless any pre-emptive measures are taken through long-term perspective plans.

Migration

In-country and cross-country migration in the region is likely to become far greater than anticipated in search of employment opportunity, safe refuge from ethnic violence, strong desire to reunite with relations and dear ones. Sindhi-Mohajirs conflicts in Pakistan, Tamil-Sinhalese in Sri Lanka, tribal-non-tribal in Bangladesh are reflective of the tensions inherent in the migration process within each country. The problem of

inter-country migration in South Asia is already politically explosive. The partition of the sub-continent witnessed large-scale migrations of Muslims and Hindus into two countries. Tensions along the Bangladesh-India border on alleged illegal immigrants from Bangladesh, and the Burmese Rohingya refugees in Bangladesh still pose a number of problems for her, and can be even far greater in the future if not addressed now.

Environment

The rising population and dwindling resources will put countries like Bangladesh under serious threats to the natural environment. A study on this problem has concluded: “..... it is apparent that natural environments in Asia will remain under continuing and increasing threat for several decades. In addition, growth in these countries can be expected to have significant global environmental impacts.” (Alauddin and Tisdell, 1998:20). Bangladesh will experience tremendous pressures on her environmental resources, due to rising unemployment, regular entry of new labour force in the job market. Deforestation and pressure on water bodies in the region, affecting quality of subsoil water in many parts of South Asia often by dangerous bacterial and in some cases by chemical pollution will create grave health hazards to the mass of the people.” These phenomena will continue to have serious impact on the overall governance of habitat and health services in the country.

Law and Order

The most important challenge to governance in Bangladesh and all other South Asian Countries alike pertains to law and order. “In some parts of South Asia today law and order has either broken down or is held together by very tenuous threads.” (Panadiker, 2000:39). In Bangladesh, it reached such a bottom low that government had to resort to Army help in the wake of failure of the civil and police administration to keep it under control. Political factors will unleash violence for rights and position; economic factors will result in struggle for access to opportunities and privileges, contributing to the breakdown of law and order in Bangladesh along with other countries in the region. In the absence of effective measures to maintain law and order, serious problems for governance of socio-political life and economic lifeline will emerge.

Violence

Although it is very difficult to impose a direct correlation between violence and population growth, there is little doubt that as grows the size of population, so grows the level of disaffections. No groups in any nation tend to leave space for others. The Naxalite movement in India, the fight of the Kashmiri Muslims, struggle of the minority Tamils, tense relations between the Mohajirs and the locals in Sindh in Pakistan, tribal insurgencies in the Chittagong hill tracts region in Bangladesh are all triggered off from the sense of deprivation and

exploitation. These will keep continuing until peacefully settled, unleashing unending governance problems for the government for maintaining stability in the country.

Dependency Ratio

The age structure of the population has a strong influence on the demographic changes characterizing dependency ratio in a country--- that is, the ratio of the young (below 15 years of age) and the old (65 years and above) to the population within the working age group of 15-64 years. According to 1991 census, 45 percent of the population is below 15 years of age, and 52 percent are between 15 and 64 years, and 3 percent are at age 65 or over (BBS, 1997a: 139). The age structure constitutes a built-in “population momentum,” which will continue to generate population increases well into period beyond 2050. The age structure runs almost parallel with India, Pakistan and Nepal, except Sri Lanka, which having replacement level of population growth by 2050, will have different problems to face. The total dependency rate in Sri Lanka in 2041 will be 72.5 percent. (De Silva and Indralal, 1997).

Table 2:2 Age Dependency Ratio in Major South Asian Country

Country	Average Annual Population Growth		Age Dependency Ratio	Population Above 65	
	1980-97	1997-2015		1997	2015
Bangladesh	2.1	1.4	.8	3.3	4.1
India	2.0	1.2	.7	4.7	5.9
Pakistan	2.6	2.3	.8	3.1	3.7
Nepal	2.5	2.0	.8	3.6	4.0
Sri Lanka	1.4	1.0	.5	6.2	9.1

Source: World Development Indication (1999), World Bank, Washington D.C.

So, while the “burden” phase of population (because of majority of the population being within the age group of below 15) will shift to “bonus” phase (because majority will be in the working age group in most of the countries in the South Asia), Sri Lanka will have to face “burden” phase after 2006 (Panandiker, 2000:42). These tendencies will produce different governance problems for different countries. While countries having to pass through “bonus” phase will need enhanced growth of employment opportunities for the emerging workforce, countries like Sri Lanka having to experience “burden” phase will need more funds to feed unable people with dearth of workforce to be employed for economic activities.

Implications on Local Government

However, a fresh in-depth look into the issues will point to the fact that an effective local level governance can successfully arrest expansion and proliferation of these challenges. Employment generation at local level will stop migration to urban areas, thereby reducing pressure on basic civic necessities and curbing violence, protecting environment and maintaining law and order through reducing pressures on housing, transportation and other basic amenities. Because local level governance is weak, and is unable to provide employment to increasing labour forces, all the attendant problems and challenges take root beyond the control of the leadership.

The present level of efficiency and capacity of the local government is no match to respond to the situation to arrest emergence and continuity of these issues. If local government is strengthened through various reform and collaborative measures, it can take the brunt of pressures born out of these phenomena, and tackle the situation through community participation and cooperation before it reaches national level leading to a situation requiring larger interventions by the central leadership.

Conclusion

Demographic transition will lead to serious problems of governance in South Asian countries including Bangladesh in the 21st century and the pressure will be so acute that the region “must put slowing population growth at head of its lists of priorities” (Nafis, 1997:317). The projected 2.3 billion people will bring up heavy pressures on the already taut exchequer of the countries of the region, create inter-regional and intra-regional misunderstanding and conflicts in the absence of mutual trust and confidence. Inevitable inter-country and intra-country migrations are likely to become factors for determining relations on the political and economic fronts. It is important to recognize the fact that a demographic structure which a country cannot afford to maintain in terms of its land area, natural resources and economic base has to be restructured with long-term perspective plan and programs before it exacerbates the situation rather than improve upon its ethnic divide together with economic and political deterioration.

There is no doubt that the problems are formidable. However, proper planning and involvement of the public by allowing them to practice democracy and free choices and 'social interaction at all levels' are integral feature of creating climate for developing institutions to help sort out challenges. Democracy—freedom of association and assembly, free speech and a free press, free elections with universal suffrage, equal access to lifelong education and legal aid—is essential to humankind's ongoing adaptation to changing conditions." (Independent Commission of Population and Quality of Life, 1996:258) Political leaderships of these countries, especially the country like Bangladesh, have to see that proper planning and program implementation towards eradication of abject poverty, improvement in rate of literacy, ensuring rights to expression of opinion, increase in sense of responsibility among the general mass, and orchestration of initiatives for overall improvement of economy are strengthened in bringing in changes in the economy and management.

Options designed for ensuring equilibrium in development and management visualized at all levels and areas could be: centralized planning and concentrated administration mechanism; or deconcentrated and decentralized set-up to organize and manage affairs through directives and instructions; or pro-people mechanism through devolution of powers to local bodies. Governance of services through local level planning and performance administration is a pre-requisite

for ensuring sound development, effective and efficient management practices. It is essential that all parties and stakeholders are involved in the process for ensuring accountability, sharing responsibility and maintaining equal commitment from all quarters that will galvanize into a solid force to carry reforms and development programs forward.

Local level governance in Bangladesh has been introduced ever since its independence. The system and arrangements have undergone many changes with a lot of responsibilities thrust upon Union Parishad, but with little power to achieve anything worthwhile as the institution has perennially suffered from various constraints and support in real sense. On top of these is the absence of effective mechanism that would provide room for popular participation and association of civil society for preparing a well-defined and well-meaning policy and planning resulting in sound development and effective and efficient management. As NGOs are working at the local level with a wide spectrum of experience and success in rural Bangladesh, introducing new management practices and outlook, approach and attitude, they can be effective and valuable partners with Union Parishad in providing support and cooperation for ensuring an accountable local level governance with humane elements embedded in the system.

Chapter 3: Local Government Systems-- An Overview

Introduction

Local government systems in countries across the globe are developed to provide platform for development at local level suiting local needs, and are fashioned after local socio-cultural, religious and indigenous values upheld and nurtured by societies for years together. These phenomena are no different in the sub-continent from other countries of the world. However, while there are common features in local government systems throughout the world, they perhaps differ in more ways than converge on points of composition and characteristics.

This chapter is primarily an attempt to draw a line of difference and commonalities between local government systems practiced in different countries. Perhaps, it would have been better if local government systems practiced in different continents could have been examined in terms of various features, difference and commonalities, discussions could have been richer, more illuminating and comprehensive. But discussion on as many countries as possible has been dropped to maintain precision and brevity of the dissertation. The chapter has consequently been kept confined to examination of local government systems in three countries in the sub-continent—India, Pakistan and Bangladesh—which provide both divergence and commonalities in as many ways as it does in their demographic, cultural, religious, geographic and topological varieties.

The chapter is divided into five distinct broad sections. This starts off with a brief description and definition about local level governance, developing into detailed discussions and illustrations on various features brought into systems in the three contiguous countries as it kept progressing into extensive and intensive examination. Thus discussions on local government systems in the three countries have covered diverse ingredients of the systems giving the reader specific, pointed and useful information. The chapter ends up with a graphic presentation on divergence and commonalities in the local government systems in the three countries drawing upon various aspects constituting it. One more important aspect needs mentioning. Local government covers both urban and rural setting. But since the attention mainly rivets on governance at rural areas, only rural local government systems in these countries have been included in the discussion.

What is Local Government?

It is necessary to find out the real answer from a maze of definitions, which social scientists have put forward to enlighten the readers. In some countries, the deconcentrated local extensions of the central government, designed to extend support to field administration, are very often misconstrued as being equivalent to local governments. Local government has also, sometimes, been considered to be an insignificant part of the central government. But the reality is a far cry from this.

To stave off any confusion, it has to be clear, in the beginning, about some of the conceptual elements that play a part in defining local government. 'Local government', 'Local politics', and 'Local administration' all sound like being in the same parenthesis; but there is a difference, and all must first understand what that difference is, in order to be able to differentiate each from the other. Local politics denotes a much wider term covering a host of areas where local government is simply a part. On the other hand, local administration connotes implementation of the decisions and policies of the central as well as local government institutions by the administration operating at the field level. There should not be confusion about self-government and local government. The term self-government came to fore when the British rule in India defied local opinions in the dispensation of the services that the people of this part expected it to deliver in the interest of their cultural and political identity.

To strengthen the explanation given to articulate local government, it is needed to understand also the difference between central or national government and local government in order to have illustrated the unique character a local government assumes. The central or national government is characteristically massive in terms of scale, resources, job creation and security, technological sophistication and so on and so forth, while local government is a small entity in such a context. Secondly, as the universe under local government is small, access to decision-making for ordinary citizens is easier here. This provides a

unique shield for the people in local level against any unpopular or regressive decisions being taken by the local government institutions. Thirdly, while the central government is more concerned about “social investment” (large scale infrastructure, planning and coordination of the whole system), the local government puts up its energy in dealing with “social consumption” (allocation of plots of land, market stalls, regulation and provision of education, primary health, transport, refuse collection etc). And then, fourthly, the perennial recriminations between these two institutions that local councils, in the eye of the national government officials, are “petty” and “irresponsible”, and that the central government, in the eye of local government functionaries, is ‘insensitive’, ‘unnecessarily wasteful’, and ‘too little concerned with genuine needs of ordinary people’ will continue to pit the former against the latter, until both parties have the opportunities to experience and share with each other through alternating shouldering of responsibility.

The history of local government in countries across the globe is characterized by a long trek through negotiations, trials, turbulence and submission. Commissions and Committees, constituted to devise ways and design system towards better local governance, submitted their recommendations only to be modified, reformulated or rejected by successive Commissions and Committees until such time when local government system there could crystallize into a form acceptable to the people it was meant for. In almost all the democratic countries, the local

government systems have taken its root through an evolution of a few hundred years. Over this long period, the present day system has come into being with parties involved in the process playing crucial roles in having the system galvanized into a workable local government capable of fulfilling the aspirations of the people it serves. But no system is full-proof yet; so the journey for a better local governance is an unending endeavour. In the following pages evolution of local government systems in the South-Asian region—India, Pakistan and Bangladesh—has been discussed to track down the events that have influenced national history of development of these people and regeneration for a better tomorrow.

Local Government and Development in South Asia: A Comparative Review

India

A vast country—one-third the size of the United States—India is a constitutional republic lived by people with varied cultures, religions and faiths speaking a number of languages that run into scores. The local government system in India has evolved through a long history of numerous rulers that ruled this vast expanse for a significant period of time. The following is the attempt to trace back the developments that have pigmented the history of local government in India through ages.

The Ancient Period

Until the period of British colonial rule that began in the 17th century, local government existed in some form or other. The *Rig Vedas* mentions their self-government. The “village republics”, (Mookerji, 1920) ‘had a self-governing body of its own’ (Khanna, 1977). Nehru (1945), Basham (1954), Malviya (1956), Majumdar (1960), Jathar (1964), J.P. Narayan (1970), and many others share this view. Forms of village government reflect a great many variations. Nonetheless, the *Headman*, extremely important and powerful, and *Panchayets* (village councils) seemed in existence since early days. In Northern India, four types of Panchayet existed: *the Caste Panchayet*, *the Village Panchayet*, *Single Purpose Panchayet* and *Panchayet for Disputes*. In ancient Southern India, Village *Panchayets*, representing groups and castes, generally comprised *Gram Shava* (village assembly) and *Mahattar Shavas* (Panchayets). Only those having a minimum amount of property had the right to become a member of the panchayet. Compared to north, self-government in the south appears to have performed more functions. Ancient Eastern India does not present any concrete picture about village self-government. However, given its close contacts with Northern India, there are reasons to believe that northern India might have influenced in shaping its system. The most important task the *Panchayets* dealt with in whole of India was public order, acting on the basis of ‘consensus’ among upper caste members.

The Middle Ages

The first serious attempt, mainly dealing with tax administration, came during the period when Sher Shah Suri (1529-45) ruled. During the reign of Akbar, the great Mughal Emperor (1555-1605), the reforms were taken further ahead. The Mughal administration in the rural areas had mainly four levels of tax administration units—governors (*Subadars*) ruled the province; *Shigdars* ruled the districts (*Sarkars*); *Fouzdars* had their rule over *Parganas*; while headmen were in charge of villages. At each level, tax collection went side by side with maintenance of law and order. This administration had certain effects on the Panchayet-based village self-government: In some areas, the central government restricted police duties to the Panchayet; in many villages, the authority of the Panchayets increased or decreased to the extent the importance of headmen either grew or declined. The Mughal taxation system produced a group of revenue farmers known as Zamindars, when the Mughal Empire began to decline at the beginning of the 18th century, taking control, either directly or through their agents, everything including justice, the responsibility the Panchayet shouldered. Thus village self-government began to ride down at the end of Mughal rule.

The British Period

The British rule made its imprint conspicuous by moulding the life-pattern including the Local Government system in the sub-continent. As colonial powers, since their main objective was to extract as much

wealth as possible, they introduced *Zamindari* system (a permanent middle class to ensure collection of taxes) in Bengal, Bihar and some districts of UP and Andhra Pradesh; *Ryotwari* system (direct payment of taxes to the government by the landowners) in Madras; *Mahalwari* system (*headman/panchayet* to collect tax on behalf of the government) in the Punjab and the Central Provinces. Tinker (1954) and Maheshwari (1987) suggest that the history of local government in India during the British rule may be divided into four periods: During 1687-1881 they set Municipal Corporation in a number of cities and enacted the *Village Chowkidari Act* in Bengal from the compulsion of allaying pressure on imperial finances, but at the same time collecting more taxes by ensuring law and order through chowkidars; during 1882-1919 local government began to be treated as self-government through certain fundamental changes in the local government system with Lord Ripon stewarding the whole process. The 1882 resolution led to the passage of new Act under which large villages or groups were organized into unions; during 1920-37 the Government of India Act 1919 provided room for representative system with considerable freedom and self-determination. However, it did not match the expectations of *Swaraj*; during 1937-49 certain notable developments like democratization in the local government by way of lowering the franchise level took place.

Post-Independence Developments

After independence in 1947, the most pressing task the nation had to concentrate on was the framing of Constitution. The Constitution of

India that came into force in 1950 was almost silent about local bodies except for two stipulations. Article 40 of the Directive Principles of State Policy says: “The State shall take steps to organize village *Panchayets* and endow them with such powers and authority as may be necessary to enable them to function as units of self-government”. Entries have also been made in List II of the Constitution regarding constitution of local governments at different levels. The emerging reality was a sharp contrast. Gandhi’s vision of village-based local self-government found little sympathy even within the ruling Congress. Nehru was nonchalant; and Ambedkar, Chairman of the Constitution Drafting Committee, condemned the village “as a sink of localism, a den of ignorance, narrow-mindedness and communalism”. He saw in it “the ruination of India.” Community Development Programs (CDP) envisioned three levels of implementation, but this program could not make much headway. The Balvantray Mehta Committee (BMC) visualized *Panchayet* Raj Institution (PRI) named as Village Panchayet (VP) at village level, a statutory body, elective, comprehensive in functions, equipped with necessary executive authority and in possession of adequate resources. The BMC recommendations received varying acceptance. In the words of Narain and Mathur (1987), “that what (PRI) had started with great fanfare and enthusiasm in 1959 reaching ascendancy in a couple of years had more or less declined. By 1969, the PR System had come to be considered as irrelevant.”

Asok Mehta recommendations in the late 1970s in favour of PRI could not be taken due to quick succession of changes in power. Meanwhile, *Panchayet* Bill—the Constitution 64th Amendment Bill, 1989 that sought to devolve more powers to PRIs from the State Governments got defeated in the *Rajya Sabha*.

Structure and Composition

The rural local government bodies, collectively called *Panchayati Raj* Institutions (PRI), are a three-tier system known as Village *Panchayet* (VP), *Panchayati* Samity (PS) and Zila Parishad (ZP).

A three-tier PRI exists only in 12 States (Andhra Pradesh, Bihar, Gujrat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, UP and West Bengal). Four States (Assam, Haryana, Manipur and Orissa) and two Union Territories (Delhi and Pondichery) have a two-tier PRI, at the village and Block level. One-tier PRI exists in four States (J&K, Kerala, Sikkim and Tripura) and five Union Territories (A&N Islands, Arunachal Pradesh, Chandigarh, Delhi and N. Haveli and Goa, Diu and Daman).

The three-tier PRI came into existence on the recommendation of Balvantray Mehta Committee in 1977. However, with State Government having the authority to decide which system it will follow, different states have adopted different systems suiting its political, geographical and territorial formation and necessities. The tenure of

PRI also varies from state to state. The common is however five years. Election to PRI is the exclusive concern of the state government.

Village Panchayet (VP)

The VP is the grassroots unit in the PRI hierarchy. Each state has adopted its own criteria in defining the VP's territorial jurisdiction. Some have opted for a Panchayet of small size, while others have opted for big.

VP is a corporate body. It acts as rural local government unit, and an agency of CDP as well. All the members, except the co-opted ones, are directly elected by village people, mostly through secret ballot by the *Gram Sabha*. Each member represents each ward.

The VP comprises one head and members varying in number between 5 and 31. Seats are reserved for women, scheduled castes and tribes, as their social and political status are not at par with others.

The head of a VP, directly elected by all voters in some states, and indirectly elected by elected members of VP in others, occupies a cardinal position in socio-political life of the village. A vote of no-confidence from two-thirds of the VP members can remove him from his office. As he is ex-officio member of the next higher PRI, he enjoys a variety of formal and informal privileges and positions.

Panchayet Samity (PS)

The *Panchayet Samity*, the next higher tier in the PRI and the pivotal and innovative tier in the rural local government system, covers 48 *Village Panchayets*. Created on the recommendation of B Mehta Committee, PS now exists at the Block level in all States with two or three tier systems except for a few States.

The composition of PS varies across States. Structurally, it has similarity with VPs. It has representative members and co-opted members who are mainly scheduled castes and scheduled tribes and women. Ex-officio members include representative members from statutory bodies, such as VPs. They have voting rights. Associate members are MLAs and MPs representing the whole or a part of the area the PS covers. However, their association is not on the same pattern in all States. Some States have provision for co-option of members from special interest groups.

The Chairman of the PS, elected by PS members in all the States except Rajasthan, commands a larger electoral college comprising all PS members, all VP members and all members of *Nagar Panchayets* within the jurisdiction of the PS.

Zila Parishad (ZP)

Although ZP constitutes a part of PR hierarchy linking activities for rural development, discussion on ZP has been dropped as it appears irrelevant in terms of governance at the grassroots level.

Committee System in the PRI

An important feature of *PRI* is the committee system which provides for threadbare discussion by the councillors in the decision-making process. However, the number, size and purpose of such committees are not uniform in all States. Like the *VPs*, the *PS* also function through standing committees dealing with specific responsibilities, and their number likewise varies from State to State to a great extent. Although *PRI* system has made extensive use of committees, nepotism and political considerations sometimes influence decisions taken.

Socio-Economic Background of Elected Functionaries of PRIs

Although *PRIs* were expected to represent all classes of people, it is the lineage, political connections, wealth and social standing that make the difference. Minority suffers from neglect and step-motherly treatment, while the downtrodden—the women, scheduled castes and scheduled tribes—are grossly under-represented. It has as a corollary had negative implications. *PRIs* have failed to deliver the goods to the groups it should target, paving the way for creation of specialised central agencies to cater to the needs of the poor and the backward. Dubey and Murdia (1976) has pointed out that decision-making in the *PRIs* tends to be based on non-rational considerations of narrow nature.

Functions

The powers and functions as delegated to Panchayet Raj Institutions (*PRI*) by the different States of India are varying and very much local in

nature. In an attempt to bring about uniformity in powers and functions to be enjoyed by the PRI throughout the country, the State Governments have delegated, based on Mehta Committee Report, such powers and functions to the different tiers of local government bodies as are more or less uniform in relation to local functions, with the sole exception of Maharashtra.

Functions of PRIs are broadly classified into two categories: obligatory and optional for all tiers. Obligatory functions are compulsory, but optional functions depend on the instructions of the State Governments.

Village Panchayet

The *Village Panchayet* is considered to be an instrument to implement the rural reconstruction scheme commonly known as Community Development Program. Mehta Committee recommended for all functions concerning all round development of the people living within the jurisdiction of a village to be vested in *Village Panchayet*. The following lists illustrate the functions, falling under different categories, assigned to the VP.

Obligatory functions

Civic functions

Under this category, major functions are water supply for bathing, washing and drinking; construction and maintenance of public streets and roads; lighting of village streets, sanitation, disposal of dead bodies;

prevention of fire; registration of births and deaths; destruction of stray and mad dogs; regulation of construction of latrines, urinals, drains, water closets etc. and control of offensive trades.

Welfare

Under this category, the task of VP is taking preventive measures against contagious diseases; watch and ward of the village; management of public markets; promotion of social education; organization of volunteer force and voluntary labour, and maintenance of maternity homes

Development

Tasks falling under this category are development and promotion of agriculture, cottage industry and cooperatives; cattle breeding and general care of livestock; preparation of compost manure; minor irrigation works; maintenance of VP property and arrangement and distribution of improved seeds.

Optional functions

Welfare

The major functions under this category are construction and maintenance of dharmshalas, inns, rest-houses, public ghats and compounds, playgrounds, gymnasia, libraries and slaughter-houses; relief to the distressed; running of community centers and looking after

public health safety; management and control of public ferries, various shows and public festivals and removal of weeds.

Development

Planting and nursing of trees on roadsides and other places, promotion of co-operative farming and establishment of granaries fall within this category. The Village Panchayets have not been successful in efficiently performing these tasks. The financial resources the VP can put their hands on are too meagre to do anything worthwhile. The lack of supervision and guidance from above and lack of adequate powers being delegated to it on the one hand, and the overshadowing powers of the strong PS on the other, have made the situation more complex contributing to the inaction and less effectiveness of the VP in delivering the services.

Panchayet Samity (PS)

The *Panchayet Samity*, the intermediate tier in the PRI, called in different States in different names like *Anchalik Parishad*, *Anchalik Panchayet*, *Kshetra Samity*, *Janapad Panchayet*, etc, bears the responsibility for implementing CDP that Government of India launched for rural development. The primary functions of the PS revolve round agriculture, animal husbandry, fisheries, health, rural sanitation, social education, communications, co-operatives, cottage and small-scale industries and forestry. As has been pointed out earlier, the functions and role of the PS differ from State to State. In respect of

formulation and implementation of the CDP, the PS acts as an agent of the government. The PS performs functions under two broad categories: Civic functions and Development functions.

Civic functions

Sanitation and conservancy; prevention and abatement of nuisance; supply of drinking water; construction and maintenance of public latrines; street lighting, provision and maintenance of burning and burial grounds; maintenance of public buildings, ancient and historical monuments; construction and upkeep of public roads; and provision of medical and health services.

Development functions

Development functions involve the whole gamut of activities required for planning, processing, managing, introducing, growing, promoting, distributing, maintaining, etc. As has earlier been indicated, the development areas the *PS* deals with involve agriculture, animal husbandry and fisheries, communication, health and rural sanitation, education, co-operation, rural industries and work-related backward classes.

In addition to the above, the PS also takes care of Administrative functions. These are (1) regulatory functions like regulation of offensive, dangerous or obnoxious trades, callings and practices; slaughter of animals; undertakings of relief work in case of calamities;

and regulation and control of vehicular traffic other than motor traffic; and (2) general administration like collection and compilation of statistics; personnel administration; office management; registration of births, deaths and marriages; inspection of weights and measures; management of public parks, markets, orchards, etc.; inspection of asylums, orphanages; and encouragement of thrift through small savings and insurance etc.

The Mehta Committee visualized *PS* as an effective institution in the local government hierarchy able to play a dynamic role in performing the functions assigned to it. And so it was vested with executive authority. But its success depends on the efficiency of the *VP* and effective guidance of *ZP*. The *PS* has been involved in formulating development plans for the area under its jurisdiction; but in reality, local level planning has never come true in its entirety.

Finance

Revenue Sources

Generally *PRIs* at village level in all States/Union Territories have the authority to levy taxes on a number of items. The most commonly levied taxes are house tax, professional tax and taxes on property and vehicles. House tax and professional tax are obligatory; the rest are optional. Markets, slaughterhouses and cattle pounds form the sources for revenue along with grants and loans extended from State

governments. Per capita total income for VPs varies from State to State. In 1989, this varied between Re. 0.6 for UP and Re. 8.4 for Maharashtra. With such poor finance, the VPs are in a precarious situation in managing obligatory functions such as provision for safe drinking water, sanitation and conservancy. The VPs cannot be expected to perform to the optimum level of satisfaction until hurdles like poor tax base, under-valuation of property, inadequate grants from the States, lack of access to loans and lack of scope for levying land tax are eliminated.

Panchayet Samity

A PS normally derives its revenues from proceeds from taxes and fees which it may levy, grants from State Government/ZP, loan from State Government, share of local cess and share of land revenue received from the ZP, income from leases granted by the PS to public ferries, fairs, etc., donations and contributions and fund from schemes transferred by the government to the PS as an implementation agency.

The income that a PS derives from taxes constitutes only 10 per cent of its total income. Most of the sources of revenue are inelastic, and the PS are reluctant to levy taxes to avoid opposition from the local community. In fact, 85 per cent of the revenues come from the State governments as grants-in-aid; but these are dwindling. Even in some States like Tamil Nadu, grants distributions are being rationalised in terms of types of PS and types of grants.

Loan financing is generally sought for capital development schemes, in the hope that these can generate incomes and create permanent assets. However, reality is somewhat different from how it is planned and projected. And thus loans granted for capital investment make its way for covering deficits in current expenditure.

Expenditure Pattern

Village Panchayet

Although available statistics indicate increase in per capita expenditure over the years, it remains, in absolute terms, extremely low in many States. VPs do not maintain a balanced expenditure policy. The three most common and important items of expenditure for VPs are administration, construction and repair of road/culvert and public health.

Panchayet Samity

The PS spends as much as 80 per cent of the total expenditure on development works, concentrating on education, health, social welfare and water supply. The major non-development expenditures include administration, road maintenance and miscellaneous items.

Financial Administration

Every PRI (VP/PS/ZP) is required to maintain a consolidated fund consisting of all incomes and grants. The fund is maintained with a

bank/treasury as prescribed by the State Government. All expenditures have to be made with authorization by the appropriate official: in case of VP, by the VP Chief; in case of PS, by the PS Secretary as per the decision of the PS.

The PRIs are required to prepare a budget within a specified time of the year and obtain approval of next higher tier of government. The budget submitted to higher tier stands automatically approved in the event the concerned higher authority fails to approve it within the specified time.

Examiner of Local Funds Account (ELFA), an organization functioning under the Department of Finance, annually audits accounts of the PRIs. They are authorized to levy surcharge on those held responsible for irregular and illegal expenditures. There are States which have kept provision for internal audit and special audit. In spite of that there seems much to be desired for the frequency and quality of audit.

Control And Supervision over Local Government Bodies

The system of supervision and control over the Panchayet Raj Institutions varies from State to State. However, certain broad principles constitute the mechanism that State Governments follow to ensure their grip on these institutions. There are thus three types of control and supervision: Institutional, Administrative and Financial.

Institutional control

Control over territorial jurisdiction

By virtue of Panchayati Raj legislations the State Government exercises the authority to determine or modify the size and boundaries of the different tiers of rural local bodies and to formulate rules and by-laws in this regard.

Control over Councils

The State Government possesses considerable discretionary powers regarding the structure and composition of the *Panchayet* bodies. The State Governments determine not only the strength of the whole council, but also the number of women and scheduled caste and scheduled tribe members to be inducted into the council.

Control over local elections

The control the State Government exercises over elections of the PRI is manifested in the decisions they take with regard to mode and dates of elections, settlement of disputes, appointment of Returning Officers, position of the chairmen, etc.

Control over staff

Apart from its control over the high officials like Chief Officer, CEO, working on deputation from Indian Civil Services or State Government Services, the State Government exercises control also over those who are recruited by the PR Institutions. The government generally

prescribes the number of officials an institution can engage, sanctions new posts, directs recruitment procedures along with their qualifications, and decides their service conditions. PRIs are obliged to strictly adhere to these, deviation from which may result in dissolution or suspension of the PRI.

Control over Functional Jurisdiction

Though the PR Statutes detail the functions that PRIs have to perform, a blanket clause empowering the State Government to assign to them any functions it deems fit contains an element of discretion on the part of the State Government. This way PRIs become more and more subservient to governmental control and executive interference.

Control over the Inter-Institutional Disputes

The institutional control of the government extends to adjudication and settlement of inter-institutional disputes, being brewed and referred to the government. Its decision is final. The law courts generally do not come into picture in such cases at any stage.

Administrative Control

Review of Resolutions

According to PR Statutes, the PRIs are to furnish to the District Collector or Divisional Commissioner (whoever is applicable) a copy of the proceedings of their meetings and the resolutions passed therein. The collector can suspend the resolution, or recommend to the

government some actions against them, if he finds, on screening of the resolution, any irregularity or illegality or abuse of power.

Periodic Inspections

The State Government officials exercise a lot of control over the functioning of the PR bodies by way of periodic inspection of their papers, records and property. District Development Officer or the Extension Officer normally visit and inspect their offices. District Collector or Divisional Commissioner may also inspect.

Supersession and Dissolution of the Institution

Apart from removal of individual members and office-bearers, the institution as a whole may face supersession or dissolution. It is only when the institution in question is found incompetent in delivering services, or to have exceeded and abused powers conferred on it, or has wilfully disregarded any instructions issued by the State government, that this last option is resorted to.

Financial Control

In the field of finance, government supervision and control are as stringent and comprehensive as with regard to day-to-day administration. The State Government, in the first instance, regulates the income of these institutions. As regards grants-in-aid, it exercises a considerable degree of control over these institutions by increasing or decreasing their quantum or by making their release subject to

fulfilment of certain conditions. Maintenance of accounts is also another area of control, in which government determines where money received has to be deposited, how funds are to be managed, and who will sign bills and authorise payments against expenditure, etc.

The State government also works out for them the principles in accordance with which the budgets are to be framed and expenditure planned. The process is almost same for all the States. Some State Governments put a ceiling on expenditure under certain heads. The Government of Rajasthan prescribes, for instance, that not more than 40 per cent of the total income should be spent on 'establishment', 20 per cent should be reserved as 'closing balance', and the rest must be channelized for development work.

Another medium of financial control over these institutions is audit, generally conducted by the Examiner of Local Fund Accounts. All relevant papers are checked and examined, rates at which payments are made are compared with contiguous localities for determining any irregularities made. Any irregularities traced are reported in the reports, are subject to rectifications at the earliest by those responsible, and may form the basis for legal action against them.

Conclusion

The foregoing discussion presents a clear picture that the State Government exercises a great deal of control over rural local bodies in

India. The Indian Constitution vests in the federal government disproportionately high administrative, political and fiscal power vis-à-vis the State Governments, which has ever since been clamouring, without much success, for greater administrative and financial autonomy.

The argument for meaningful decentralization is going on, but much depends on the outlook and interests of the party in power. The Congress ruled the country for more than two decades uninterruptedly since independence, but nothing significant took place with regard to decentralization. In Kerala and West Bengal, which enjoyed communist rule for a long time, local government institutions were revitalized and allowed to enjoy a considerable degree of autonomy. Of course, the political motivation or consolidation the party holds at the grass roots level played the key role here; nevertheless, it led to decentralization. Similarly, in some of the southern states enjoying non-Congress rule (for example, Tamil Nadu and Karnataka) local governments have been allowed a relatively high degree of autonomy.

Local Government in Pakistan

Located on the west of the sub-continent and washed by the waters of the Arabian sea, Pakistan has an area of more than 8 hundred thousand square kilometers and a population of more than 150 million. With 97 per cent of the population being Muslim, and the remaining 3 per cent

accounting for Hindus, Christians and Buddhists, Pakistan has the highest per capita GNP in the region (US \$ 470, World Bank: 2000), though only 30 per cent people are literate. Industry contributes about 20% of the GDP; but the country is still an agro-based economy.

Under the Constitution of 1973, Pakistan is a federation. The Federal Parliament is bicameral, comprising National Assembly and the Senate. Part V of the Constitution enumerates the powers of the federation and provinces. The Federal Legislative List is the prerogative of the Parliament, while on matters enumerated in the Concurrent Legislative List both the Federation and the Provinces exercise equal right to frame laws. In the event of dispute or clash, Federal Parliament, however, holds supremacy. Under Article 142, the Provincial Assemblies enjoy the privilege of legislating on all matters not enumerated in either of the two lists. Powers to legislate on local government lies with the Provincial Legislatures.

Evolution of Local Government in Pakistan

1947-58 period

The structure of local government in Pakistan could not take a firm shape because of various reasons. The imperatives of maintaining cohesion in the newly created multi-ethnic state, the centralized structure of the party in power, the combination of executive and political powers in Mr. Jinnah, the reorganization of the civil service on ICS lines, and the legacy from the British of weak structure of local

government were responsible. Local government bodies were assigned no meaningful development role to play; as colonial system continued and the local landlords, more interested in personal gains than fighting for strong local government, dominated the leadership resorting to wide malpractices in elections. Local government institutions thus became untenable.

1959-72 period

The Basic Democracies introduced to achieve “true democracy suited to the genius of the Pakistani people in place of western democracy suited to people living in temperate climates” established a four-tier system in the local government. Of the four levels, only the union was a new creation. A device of indirect elections linked the four levels. The rural-urban dichotomy was visible at union and *tehsil* level, but disappeared at next levels. The lowest tier in the case of rural areas was Union Council. The second tier was a *Tehsil* Council, constituted with Chairmen of Union Councils and Town Committees and the officials representing different government departments. The third Tier, the District Council, concerned with the whole district used to be headed by Deputy Commissioner of the district. The fourth Tier was the Divisional Council, primarily concerned with the coordination of the work of lower councils, headed by the Divisional Commissioner. The Basic Democracies Order, 1959 vested the legal authority in the provincial government. Councils at the union level could not achieve much due to lack of resources, making them highly dependent on grants

from the government. Because of the existing power structure, only “the strong and the sturdy” called the shots. The system got abolished, after functioning for nearly twelve years, when Bhutto was in power. The nemesis of its destruction lay in the decision to make the Union Council members the Electoral College for the election of the President and members of National and Provincial Assemblies.

1972-77 Period

This was the period when Bhutto ruled Pakistan. Basic Democracies system was abolished, and a new local government system reorganized with the passage of the Local Government Ordinance, 1972. All Provincial governments subsequently passed legislations in line with this Ordinance. For the Punjab and Baluchistan, a three-tier rural council was introduced—*Dehi* Council at the village level, *Halga* Council at the sub-district level; and *People’s District Council* at the district level. Sind and Baluchistan, however, preferred a single-tier rural council known as People’s District Council. The system Bhutto wanted to introduce never got off as there was no election held, and it was the bureaucrats who ran the show up to 1979. Opposition by the political parties, Bhutto’s own strong political liking for centralization to become national leader; and ideological differences between “politicals” (the rural based proto-feudal party leadership) and the “ideologicals” (left-leaning and urban-based intellectual middle class leaders) within the PPP may explain why decentralized local government institutions failed to flourish during the Bhutto era.

Post-1977 Period

Pakistan came to yoke martial law again in 1977, when Bhutto was forced to step down (and later hanged on charges of murder). In 1979, new local government Acts were promulgated in each province, Azad Kashmir and in the Federal Capital Territory. The new local government system presented quite a uniform pattern among different provinces, and it was for the first time that local government system was introduced in the rural parts of the federal capital territory and in tribal areas. Since the subsequent form and changes in the local government system during the successive governments are based on 1979 Ordinances, the structure, composition, functions and other relevant aspects of local government will be explained in the following chapters.

Structure And Composition

Pakistan is a Federation consisting of four provinces, eighty-four districts under twenty administrative divisions, three hundred and twenty-one sub-divisions and 4106 unions. As has already been indicated, the existing local governments at various levels owe their origination to the system of local government that got introduced in 1979 through the promulgation of the following Ordinances:

1. The Punjab Local Government Ordinance, 1979
2. The Sind Local Government Ordinance, 1979
3. The NWFP Local Government Ordinance, 1979
4. The Baluchistan Local Government Ordinance, 1979

5. The Tribal Areas Local Government Regulation, 1979
6. The Northern Areas Local Government Regulation, 1979
7. The Azad Jammu and Kashmir Local Government Ordinance, 1979
8. The Capital Territory Local Government Ordinance, 1979

The new Ordinances introduced a two-tier system of rural local government—Union Councils at the union level and Zila Councils at district levels—and three-tier system of urban local government—Municipal Corporations for major metropolitan cities, Municipal Committees for larger towns, and Town Committees for smaller towns. In the same breath, Baluchistan has an intermediate-tier *Tehsil* Councils and the Punjab *Markaz* Councils assuming coordinating role.

In the rural local government system the Union Council, representing a population of 15-25 thousand living in 8-10 contiguous villages, is the basic and lowest tier, and the District Council, the boundary of which corresponds to a revenue district, is the higher tier representing 50 thousand people per ward. The *Tehsil* Council in Baluchistan and the *Markaz Council* in the Punjab correspond to a revenue Thana.

Apart from the above, there are local councils for tribal areas--consisting of an Agency Council for an Agency, a Regional Council for a Frontier Region, and a Town Committee for Agency headquarters and other towns—completely administered by the Federal Government.

The representatives of rural local government institutions get directly elected on the basis of adult franchise. The elected councillors elect from amongst themselves a Chairman and a Vice-Chairman, with the former to act as the executive head of a local council. Three categories of members—Muslims, non-Muslims and members representing special interest groups like peasants, workers and women—constitute a local council. The number is determined on the basis of population.

There have been categorical stipulations in the Ordinances about the qualifications of a candidate for local council, provision for oath-taking and declaration of assets and liabilities and the grounds for removal from the office of membership. But what is strikingly significant is that affiliation of any member with any political party results in his disqualification. A recent amendment, however, allows a member affiliation with a political party so long as they do not use the party platform for such elections.

Under the Basic Democracies system, the provincial executive was responsible for holding elections to the local bodies. Under the present system, it is a semi-judicial body, headed by a chairman of the status of a High Court Judge, which organizes and conducts the elections.

Union Council: The maximum number of councillors in a Union Council is 15, each representing a population of 1000 to 1500. The councillors get elected for four years on the basis of adult franchise, and

elect their Chairman and Vice-Chairman from amongst themselves. There is no nominated official on the Union Council.

Markaz Councils/Tehsil Councils: A *Tehsil* Council in Baluchistan/*Markaz* Council in the Punjab consists of all elected Chairmen of the Union within the jurisdiction of the *Tehsil/Markaz*, all heads of nation-building departments like agriculture, livestock, etc. at that level in the capacity of ex-officio members without any voting right, and members of District Councils of the area. The tenure of the council is four years.

Local Councils in Tribal Areas: The number of members of each council is specified by the government from time to time. The Collector (Political Agent) nominates them in consultation with tribal Jirgas consisting of Allowance Holders (small minority of influential people in tribal areas who help political agents maintain law and order).

Although the basis for local government elections is adult franchise, the actual composition of the local government bodies demonstrate an overwhelming influence of the affluent and landlords who can flex muscles to intimidate opposition if needed, and spend money to buy votes. Women participation and representation is also more than negligible. Data on their number are not generally available, but it is evident that their representation is hardly 10 per cent despite their 50 per cent share in the population. Information about the representation of

peasants, workers and non-Muslims is also not available to a significant level.

Table 3.1: Representation of Special Interest Groups in Rural Local Bodies

Tier of Rural Local Government	Peasants		Workers		Women		Minorities	
	No	%	No	%	No	%	No	%
Union Council	3825	6	-	-	6496	10.25	2951	4.65
District Council	103	0.16	57	0.9	227	0.36	89	0.14

Sources: Qureshi, S.K. (1989a).

The table 3.1 above amply illustrates the poor representation of special interest groups in the rural local bodies. There has been no real integration taken place between the District and Union Councils according to some empirical studies conducted to determine the effectiveness of the system. Overlapping of functions is having adverse impact on their performance and efficiency. Since both district and union councillors get elected from the same area, they turn rivals and competitors instead of being friends and colleagues.

There have ordinarily been no problems reported in the integration of District and Union Council in the Punjab and Baluchistan provinces where Tehsil and Markaz exist. However, these bodies are widely reported not as effective and efficient as they were thought they would become.

Functions

Under the 1979 Ordinances, local government bodies, both urban and rural, have been assigned more functions than their predecessors performed under the Basic Democracies. The following details will help determine the extent of responsibilities given to them:

Union Councils

Functions entrusted to the Union Councils cover three broad areas: civic, welfare and development. There are as many as 27 civic functions entrusted to the Union Councils. These functions encompass a wide range of services like public ways, sanitation, conservancy, slaughter of animals, regulation of dangerous buildings and celebration of public festivities etc. Welfare functions mainly concern relief measures and other related activities to promote people's welfare and health. Development functions mainly deal with food production, community development, etc. Considering the expenditure patterns, the functions the Union Councils perform demonstrate more emphasis on civic programs like construction of small roads and culverts.

Tehsil Council

The main function of the Tehsil Council relates to planning and coordination of the activities of the Union Councils within the Tehsil areas. It may also undertake functions enumerated for District Councils, if the latter so directs. Other functions of the Tehsil Council are:

- a. to act as a supervisory agency for the implementation of schemes concerning primary education, basic health units, rural health clinics, water supply, potable water storage tanks, hand pumps, wells and tubes, sanitation, etc;
- b. to monitor the implementation of development projects of the line departments through regular review meetings, inspections and review of periodical progress reports;
- c. to make recommendations to the District Council about the location of various facilities;
- d. to identify gaps in various sectors of the Tehsil areas and to take steps to remove them as prioritized by the District Council;
- e. to disseminate information among the line departments and Tehsil Council about various programs, allocations, material support and community participation.

Markaz Council

The functions entrusted to Markaz Council are identical with Tehsil Council in Baluchistan, concentrating on coordination and supervision of activities of Union Councils and nation-building departments.

Local Government in Tribal Areas

The functions of the Agency Council and the Council for Frontier Regions relate to control and allocation of rural works program funds, and implementation and control of quality in the work undertaken under RWP.

Judicial Functions

Apart from a development role, local councils also exercise some judicial powers. Under the Conciliation Courts (Amendment) Ordinance 1982, the Chairmen of the Union Councils act as the Chairmen of the Arbitration Councils, which regulate procedures relating to marriage, divorce and maintenance of separated wives. Similarly, Conciliation Courts also function at the local level to settle disputes and to deal with criminal cases.

Finance

The basis for existing local government finance is the 1979 Ordinances, which brought in certain significant changes. A comparison between the two systems may bring some important features into light:

- a. Under the BD system, the local bodies had no power to sanction their own budgets; now the local bodies themselves can sanction their budgets.
- b. In the past, in spite of the fact that the local bodies had their taxation schedules, they could not put that into action unless sanctioned by an authority other than the local bodies themselves; now they can do it on their own according to taxation schedule.
- c. Formerly, unless sanctioned by an outside authority, the local councils could not enter into any financial contracts beyond certain limits; now local councils enjoy the absolute authority to enter into any contracts.
- d. The tax base for local councils has been widened and strengthened through both additional taxes as well as tax farming (for example: export tax and octroi respectively).

- e. In the past, local councils were allowed only 50 per cent share of the proceeds of the property tax, the residual half going to provincial government. Now the share has been enhanced to 85 per cent. In addition, the government of Baluchistan are allowing the local councils there 50 per cent share in the road tax.

The following table will illustrate a comparative picture drawn up between the taxation systems under BD System and 1979 Ordinances.

Table 3.2 A comparison of taxation items under Basic Democracies and 1979 Ordinances

Local Government Tier	Number of Taxation Items under 1979 Ordinances	Items actually important in practice	Number of Taxation Items under BD System	Items actually important in practice*
Union Councils				
Punjab	19	(a) Health Tax (b) Tax on births, marriages & feasts (a) Community tax		a) Health tax
Sind	28+		29	b) Tax on births, marriages & feasts
NWFP	21			
Baluchistan	11			c) Community tax

* When the BD system was in operation, all the four provinces together comprised one unit, namely West Pakistan

+ In Sind, Union Councils and District Councils share a common list of 28 taxes and fees.
Source: Ministry of LGRD, GOP (1989) and S.K. Qureshi (1989a).

The above table clearly indicates that although the 1979 Ordinances did not constitute any major departure from the BD system, in respect of either the number of taxation items or actual items of taxation in practice, there had been some attempts made to rationalize allocation of taxation items among various local government bodies, taking into

consideration factors like sources of taxation, differences among provinces, inter-local body adjustments, etc.

At present, about 88 per cent of the total income comes from taxes, toll rates, fees, etc., while government grants and loans account for only 3 per cent. Miscellaneous items contribute about 7%.

Taxes, tolls, rates, fees, etc.

The respective local government laws contain in the relevant schedule the taxes, rates, fees, etc. they can impose. Though these are almost similar in nature in almost all the areas, some taxes are peculiar in certain areas. It appears, while health tax is the major source of income for Union Councils, it is export tax for District Council.

Income from Commercial and Remunerative Projects

For rural local councils, incomes from roadside lands, trees and orchards fall under this category. It may, however, be mentioned that such incomes constitute only 2% of the total. Income from such sources could have been potentially very significant; but because of lack of managerial capacity, the local bodies could not make good use of this opportunity.

Loans

Under the new law, the local councils can raise loans from commercial banks including international institutions. A Development Loan Fund

was established in the Punjab. Although a loan system was introduced in the hope that local councils would utilize the funds to create and develop self-supporting projects, most of them stayed short of this fund.

Grants

The grants the local councils received from the government varied between 3-8%. Though in absolute terms grants have been increased, the percentage has declined steadily over the years. The following table will illustrate the case most succinctly:

Table 3.3: Position of Government grants in Local Government Income

Year	Income from government grants (Million Rupees)	Total income of local bodies (Million Rupees)	Grants as percentage of the total income of local bodies
1978-79	83	1,657	5.0
1979-80	140	2,218	6.3
1980-81	225	2,840	7.9
1981-82	206	3,310	6.2
1982-83	316	4,179	7.5
1984-85	325	5,294	5.8
1985-86	290	5,802	5.0
1986-87	NA	NA	3.0

Source: Ministry of LG&RD, Government of Pakistan, 1990

The reasons for decline may be many. One important factor is that such funds are now channelled more through MNAs and Senators than with local bodies. The grant figures do not reflect resources spent through local councils under RWP and ADP projects. If these figures were added, then actual level of dependence could have been better demonstrated. The dependence on government grants is at the highest at Union Councils level and the lowest at the Municipal level.

Federal grants are *ad-hoc*, and not based on any objective criteria. The Provincial grants are paid at a flat rate without differentiating between needs of local bodies. Moreover, disbursement is delayed and corruption is reported in making payments. In the Punjab, grants money was used to attract local labour and financial resources through Small Village Level Scheme (SVLS) and the Matching Grants Scheme (MGS). Under the SVLS, building of rural infrastructure and service facilities are included. Under the MGS, larger projects are included. Since the grant amount depends on the amount contributed by the members of the community, the richer people could bring the benefit in their favour by being able to contribute more money than the poor. So, the criticism about the program is harsh.

On an average, less than 5% of the national revenue falls to the share of local bodies. As has earlier been indicated, the 1979 Ordinances allowed wider room for local bodies to share greater revenue (85%) in respect of property tax. More avenues can be explored in this regard. The Local Government Commission, set up in 1982, suggested that the following taxes could be assigned to local councils:

Federal Revenues:

- a. Taxes on retail trade and services (i.e. hotels and restaurants)
- b. Excise duty on sugar

Provincial Revenues:

- a. Motor vehicle tax
- b. Sugarcane cess
- c. Registration/transfer fees on agricultural lands
- d. Royalties on surface minerals (5% is being assigned to local councils in Sind)
- e. Entertainment tax (which is already a Cantonment Board revenue)
- f. Income from inland fisheries (5% is being assigned to local councils in Sind)
- g. Motor tax or a surcharge thereon.

Ministry of Local Government and Rural Development endorses (1989) that in order to enhance local council financing rural councils should be adequately and effectively empowered to use legal powers against tax evaders and defaulters. Moreover, lands belonging to government's ownership can be allotted to local councils instead of individuals, which can help local councils generate funds through demonstration farms, fruit orchards, dairy and poultry farms, small industries, etc. In addition to these, grants for local bodies can be enhanced; some revenue resources should be made mandatory; the existing taxation schedule be rationalized in keeping with inflations and economic growth; and the revenue sources between Union Councils and District Councils in Sind has to be bifurcated to avoid duplication.

Some of these suggestions are relatively easier to implement. Since, however, the Federal Government determines public expenditure and revenues as well, the provincial government would be less interested to give up some of the sources of revenue in favour of local bodies unless it feels sufficiently compensated. In fact, in some cases, provincial governments took back the revenue powers earlier given to local bodies.

Expenditure Pattern

According to the 1979 Ordinances, the local bodies had two distinct heads of expenditure: Establishment and Development. The following order of preference had to be followed to spend local body fund:

- i. Salaries and allowances of officers and staff of the local councils.
- ii. Honorarium and allowances.
- iii. Loan repayment.
- iv. Expenditure charged on the local fund under the Ordinance.
- v. Fulfilment of any obligation and in the discharge of any duty imposed on local councils under the Ordinance or under any other law in force for the time being.
- vi. Expenditure declared by the local council with sanction from previous government to be an appropriate charge on the local fund.
- vii. Expenditure declared by government to be an appropriate charge on the local fund.

Despite the fact that the relative share of development expenditure over the years has been increasing in the local bodies and that their unit cost

for services is also less compared to that of national organizations, there is still room for further improvement. Firstly, inter-provincial differences are distinctly pointed, with NWFP and Baluchistan lagging behind the Punjab and Sind. Secondly, most development projects provided more benefits to the upper and middle class than the poor who have been put to further disadvantage by taking free labour for the self-help component of the SVLS and MGS launched in the Punjab. Thirdly, in the public development expenditure as a whole, local government development expenditure is still a small component leading to failure on the part of local government to perform their functions satisfactorily or to raise the level of civic services. Fourthly, development expenditure cared more for infrastructure development and maintenance than for provision of services to social sectors like health, education, etc. And finally, delay in execution of schemes, often taking place unnecessarily, resulted in lapse of funds and abandonment of schemes.

Budgets

As has been indicated earlier, the financing of the local councils is no longer required to be approved by any outside authority. The Local Councils are however required to prepare and sanction their budgets before the commencement of the financial year and forward a copy, for information, to the government. There is no scope for deficit budget. They have to cut their coat according to cloth. Nevertheless, they need to retain 10 per cent of the total income as closing balance. In the event

of failure to prepare budget in time, the government can exercise its authority to prepare a budget of the council. A revised budget can be prepared and sanctioned before the end of the financial year, if required.

Accounts and Audit

The 1979 Ordinances clearly indicate the procedures local councils are to follow in respect of receipts and expenditure. An annual statement of the accounts, prepared at the end of the financial year, is to be forwarded to the government within a specified date. A copy of the annual statement of accounts is to be placed in the office of the council for public inspection. The council is to consider all the objections, observations and suggestions the public make, and to bring it to the notice of the audit authority. The audit authority can examine all related papers and submit a report, on completion of audit, to the government and to the local authority, indicating in details any irregularities, peculation, etc. The government may constitute one or more local councils accounts committees comprising official and non-official members to review audit reports or to perform other prescribed functions.

Practically, the auditing has been more on paper than on actual performance. Nor has it been carried out regularly, particularly in NWFP and Baluchistan. No internal audit is also practised in the local government bodies.

Central-Local Relations

Controlling Authority

Under the Basic Democracies, the provincial government and its field functionaries such as Commissioner, Deputy Commissioner and Sub-Divisional Magistrate exercised authority to control local bodies. All local body decisions were subject to approval by them. The 1979 Ordinances broke these shackles and granted local bodies a greater autonomy in their exercise of authorities and framing by-laws.

This is, however, not the whole thing. Formal control no doubt went off, but many constraints from outside in disguise remained. There are indirect controls by the Divisional Commissioner, who in the capacity of head of the Divisional Coordination Committee exercises control in the name of coordinating their activities and resolving their disputes. In Baluchistan, this Committee can levy surcharge, and is empowered to approve taxes that District Councils propose. The Commissioners had sometimes suspended the resolutions of the District Councils. Even in the beginning he also exercised authority to suspend a council member who he thought was associated with any political party. Secondly, the inspectoral and supervisory authority of the Deputy Commissioner and the officials of LGRD Department form the basis for indirect control. Thirdly, as there is no formal controlling authority, these officials act as arbiters, particularly in matters of suspension, quashing and dissolution of local councils and their elected leaders. In fact, Deputy Commissioners in respect of Union Councils, and the Commissioners

concerning District Councils, are already exercising the authority to suspend leaders of local bodies on behalf of the provincial government.

Presence of Non-Local Government Officials in Local Government Bodies

Under the Basic Democracies, two kinds of officials worked in the local bodies: Ex-officio Chairman/members of the local government bodies, and those on deputation. Under the 1979 Ordinances, the first option is no more there, but the second group like Assistant Director Local Government (ADLG) still exists at the district level to monitor and supervise local government systems.

Fiscal Decentralization

Unlike under Basic Democracies, local councils under the 1979 Ordinances enjoy authority to approve their own budgets and enter into any loan agreements.

Coordinating Powers

Under the 1979 Ordinances, the elected Chairman of the District Councils as well as Project Director of all development projects can legally coordinate and oversee, through District Coordination Committee, all activities of the district, and thus exercise his control over all nation-building departments of the district. In NWFP, he was given appointing authority for local employees. This has been withdrawn later, though. But what is challenging for him is the

cooperation he needs from all departments which tend to protect their own control over services and facilities.

Government Control over Elections to Local Bodies

In the past, it was the provincial government which conducted elections to local councils. Now, a quasi-judicial body—the Election Authority—headed by a High Court Judge has been instituted to conduct elections to local bodies and adjudicate disputes.

Non-Political Character of Local Councils

Inhibitions on participation in elections to local bodies on political party basis had its negative impact in terms of developing local leadership in the areas. The local bodies lost the services of some of the best talents of the area, who tended not to participate in such elections under this condition. The 1979 Ordinances cleared the way for participation in elections on political platform.

Powers and Responsibilities of Federal/Provincial Governments

There is a clear stipulation in the Constitution of Pakistan (Article 32) that “The State shall encourage local government institutions composed of elected representatives of the areas concerned, and in such institutions a special representation shall be given to peasants, workers and women”. Given this stipulation, it is the Provincial Government which is responsible for legislating on local government matters, while, the Federal Government that very often tended to behave like an

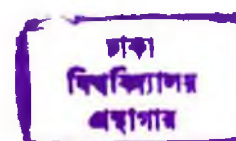
imposing central government, is concerned mainly with promotion, planning and coordination, provision of grants-in-aid and international aspects in respect of local government bodies.

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The Local Government Ordinances 1979 that various Provincial Governments promulgated were expected to reflect distinct local characteristics suiting local culture and customs. But the fact that all the Ordinances promulgated by Provincial Governments contain uniformity demonstrates a tinge of influence and directive from above. The Ordinances promulgated during Z.A. Bhutto also had the same uniformity. Despite the abolition of controlling authority, the powers to suspend and dissolve, inspect, supervise and coordinate still lies with provincial government functionaries. One of the major sources of income for local bodies is still the grants-in-aid from the federal and provincial governments who thus enjoy an indirect control over local bodies. Training and award-giving responsibilities are still held by central/provincial governments. On top of that, there are still some large areas in Pakistan directly administered by the Federal Government, which controls local government bodies falling within such areas.

Local Government Ordinance 2001

Under the present government of President Pervez Mosharraf, Pakistan has embarked upon a new process of local government system through the promulgation of Local Government Ordinance 2001. The LG



Ordinance 2001 contemplates devolution of powers through establishment local government at different tiers. The process of devolution has completed its first phase by establishing local government in each district, the first level of local government (UNDP, 2001).

The local government ordinance creates the legal framework of the paradigm shift from a colonial bureaucratic style of governance to participative, bottom-up system of governance, moving Pakistan into the next generation of governance strategy. It seeks devolution by combining increased political representation and improved public administration with expanding community participation. Under the Ordinance, the Citizen Community Boards (CCB), designed as voluntary organization will provide effective mechanism for effective citizen participation. Citizen monitoring to improve rights and service delivery will be one of the main features of the CCBs through Union Council committee monitoring.

The objective of community empowerment strategy to create proactive citizenry for promoting grassroots pluralism and democracy will be implemented through the Development Trust for Community Empowerment (DTCE), which will act as a catalyst to promote synergies between local government (unions, tehsils and districts) and communities (village councils and CCB) nationwide. The DTCE will promote awareness about devolution and the CCBs as well as the roles

of the union councils and CCBs. It will also promote organization of CCBs, build capacity in communities and local governments through training and technical assistance in relation to citizen participation and empowerment, and contribute financially to community development projects identified by CCBs.

The DTCE will be structured as an NGO, with the President of Pakistan being its patron. The Board Directors will comprise the NRB chairman as ex-officio chairman, a Chief Executive Officer, federal and provincial finance ministers as ex-officio members, one eminent citizen from each province plus FATA (Federally Administered Tribal Areas) and SAFRON (State and Frontier Regions), and observers from UNDP and the donor community.

Funding will come from the government and donors. For the first two years UNDP and CIDA are providing \$2.5 m, and ADB will provide between US\$ 7 and 10 m. Norway and the World Bank have also expressed interest (UNDP 2001).

Conclusion

In spite of some basic changes, brought in through promulgation of 1979 Ordinances, the local government bodies suffer from lack of real autonomy and freedom to act without pressures. Authority of higher bodies to supersede any decisions taken by Union Councils limits its

autonomy in exercising their powers freely and without fear and intimidation. Shortage of sufficient revenues is also a perennial problem that Union Councils have to overcome. This makes a Union Council virtually dependent on grants-in-aid to be able to undertake development activities within its jurisdiction.

The Local Government Ordinance 2001 is expected to bring in qualitative changes in local level governance through introduction of pluralist democratic practices and community empowerment and participation. But the risks lying in Pakistan is the stability of the government. In most of her 57 years of existence, the country has experienced military rule impeding democratic rules and practices taking root in the statecraft. And nobody knows for sure if there will be another regime change, obviously through unconstitutional manner, when the proposed changes in the local government system starts taking a firm root through trials and errors. If that so happens, the local government system in Pakistan will be back to square again, ready to make another fresh start.

Local Government in Bangladesh

A new country on the world map, Bangladesh has a long history to record. For about two hundred years—from 1757 to 1947—it was under the British colonial rule. At the end of the British rule in 1947, Bangladesh became a part of the newly independent Pakistan to be

known as East Pakistan. It remained so until 1971, when history unfolded new events again. It appeared in the comity of nations on the globe as an independent and sovereign state on December 16, 1971, after a nine-month long War of Liberation against Pakistan. With the growth rate recorded at 1.8 per cent, the total population of the country, estimated at 146.7 million (UNFPA, 2003), is likely to exceed 250 million by 2050. The rate of literacy is 41 per cent, and life expectancy at birth is 61 years. Low income and lack of savings have driven about 60 per cent of the population below the poverty line.

Evolution of Local Government in Bangladesh

Ancient And Medieval Periods

The history of local government in the sub-continent during the ancient and medieval period has been discussed in detail in the chapter on India. Repetition of the same would be less than desirable. One aspect, however, could be described as that local government in the area, now constituting Bangladesh, could not develop as deep-rooted as in other parts of India owing to geographical factors.

British Period (1757-1947)

During the British colonial rule the most important task the bodies in rural Bangladesh performed was the collection of land revenue. The Permanent Settlement Act of 1793 created a class of landlords whose prime responsibility was the collection of land revenue and

maintenance of law and order in the villages. This measure supplanted the last vestiges of local government existing in rural areas. The British, however, made attempts to revive the traditional *Panchayet* system by the Bengal Chowkidari Act of 1870. Under the Bengal Local Self-Government Act of 1885, three tiers of local bodies came into being: (a) the District Board; (b) the Local Board in the Sub-Division; and (c) the Union Committee for the Union comprising a group of villages. Each Union Committee had 9 members elected by the villagers, and took care of ponds, primary schools and roads. But the maintenance of the law and order rested with the *Chowkidari Panchayet*, which worked side by side, in the same area, with Union Committee. The 1885 Act kept no provision for Chairman for the Union Committee. The Bengal Village Self-Government Act of 1919 produced the next landmark in the local government system, replacing the three-tier system with two-tier, comprising Union Boards and District Boards. Under the Act, the functions of the Board included maintenance of law and order by appointing *dafadars* and *chowkidars*, upkeep of schools, roads and ponds along with responsibility for providing elementary sanitary and medical services, trial of petty criminal and civil cases.

Pakistan Period

During the early years of Pakistan—from 1947 to 1958—the general structure and administration of local self-government in the then East Pakistan continued to resemble the system that existed during the last days of the British rule. The changes made after 1958 also remained the

same in whole of Pakistan. Further discussion on this therefore is redundant and repetitious.

Post-Independence Period

After independence, Union Council was renamed as Union Panchayet, Thana Council became Thana Development Council, and the District Council came to be known as Zila Board. These local bodies were dissolved, and official administrators took over in each of them. These arrangements continued until 1973. The Union Panchayet in the rural areas underwent, by the President's Order No. 22 of 1973, changes in its composition, retaining the same functions and sources of income as were under the Basic Democracies Order of 1959. The Local Government Ordinance, 1976 provided for (a) a Union Parishad for a Union; (b) a Thana Parishad for a Thana; and (c) a Zila Parishad for a District.

Under the Ordinance, major changes took place in respect of composition of a Union Parishad. The post of Vice-Chairman was abolished. It provided for 4 additional members—two nominated women members, and two members to represent peasants—in addition to the one elected chairman and 9 elected members that existed under previous system. As many as 40 functions were entrusted to the Union Parishad. The Thana Parishad, concerned with coordination of all development activities within its jurisdiction, extended all possible assistance to Union Parishads. Promotion of family planning, and care

of the environment along with training of UP functionaries were among its responsibilities. The Thana Parishad had no powers to raise revenues. Its entire fund came from the government grants. The Local Government Ordinance of 1976 provided for the creation of a Zila Parishad in each district, entrusted with 97 functional responsibilities classified under two categories: compulsory and optional.

In April 1980, Swanirvar Gram Sarkar was introduced at the village level bringing an amendment to the Local Government Ordinance 1971. The members of the Swanirvar Gram Sarkar were so chosen as to make sure that different functional/interest groups were represented. The present coalition government (2001-2006) has reintroduced Gram Sarkar in the country from 2003 after passing an Act in the Jatiyo Sangshad.

Structure And Composition

Since 1982, significant devolutionary changes introduced by the government characterized the rural local government. The aim was not only to strengthen rural local bodies; it was also aimed at taking the administration nearer to the doorstep of local people by facilitating their participation in the administration and development. Two new Ordinances and five new Acts were passed to facilitate these changes.

These are:

1. The Local Government (Upazila Parishad and Upazila Administration Reorganization) Ordinance 1982.
2. The Local Government (Union Parishads) Ordinance, 1983.
3. The Local Government (Zila Parishad) Act 1988.
4. The Bandarban Hill Tract District Local Government Parishad Act 1989.
5. The Rangamati Hill Tract District Local Government Parishad Act 1989.
6. The Khagrachari Hill Tract District Local Government Parishad Act 1989, and
7. The Palli Parishad Act 1989.

Based on these Acts and Ordinances three tiers of rural local government, that is, Union Parishad, Upazila Parishad, and Zila Parishad in 61 districts, and three Hill Tract District Local Government Parishads (equivalent to Zila Parishad) in three hill districts, namely Bandarban, Rangamati and Khagrachari, are functioning in the country. But no *Palli Parishad*, which was supposed to consist of one elected Pradhan and 8 elected members and two women members, did ever come into being.

Under the respective Laws each local government body in the country has been provided a council that exercises its power and authority. Under the Local Government (Union Parishad) Ordinance 1983, a Union Parishad is composed of one Chairman and nine elected members representing nine wards. There are three seats reserved for

women members who are also elected by popular vote representing three wards. Apart from this, women candidates can also contest for the open seats. The Chairman is directly elected by the entire population of the Union through adult franchise, while the members are also elected on the basis of adult franchise by the people living in the respective wards. The tenure is five years.

Under the decentralization program of the government, the Thana Parishads were abolished and all Thanas were upgraded into Upazilas (Sub-District). Significant basic changes were brought about in the Upazila Parishad. According to the Local Government (Upazila Parishad and Upazila Administration Reorganization) Ordinance 1982, a Upazila Parishad consists of (a) an elected Chairman; (b) representative members (all Chairmen of the Union Parishads within the Jurisdiction of the Upazila; (c) three women members nominated by the government from amongst the women residing in the Upazila; (d) official members (the holders of the offices in the Upazila as specified by the government will be ex-officio members without voting right); (e) chairmen of the Upazila Central Co-operative Association; and (f) one nominated male member (eligible for election as Chairman of Upazila Parishad). All representative members and the five nominated members are allowed to vote in the Upazila Parishad meetings. The chairman of the Upazila Parishad is directly elected by the entire Upazila on the basis of adult franchise. Till the election of the Chairman of the Upazila

Parishad, the Upazila Nirbahi Officer (UNO) acts as the chairman. The tenure of the Parishad is five years.

The Upazila Parishad introduced by the Ershad regime was abolished when Bangladesh Nationalist Party (BNP) came to power in 1991. The succeeding Awami League government, which came to power in 1996, could not reintroduce the system as it failed to frame the structure and nature of Upazila Parishad. Reintroduction of Upazila system came up for consideration following return to power by BNP-led coalition government in 2001 in fulfilment of the party's election manifesto commitment, but it seems the road to reintroduction is longer than anticipated in that the cabinet is sharply divided on the issue. The proposal is still on the table with little hope of any concrete decision in sight in the near future.

Socio-Economic Background of Local Government Functionaries

The representation on the local bodies characterise both youthfulness and vigour. People in their forties are more interested in such bodies than those outside this age group. The level of education, both in urban and rural bodies, is generally SSC. There is however striking difference in the professions of these groups. While the functionaries in the rural bodies are mostly agriculturists, those coming to play role in urban bodies come from the middle class, mainly belonging to business. Though they fight elections and get elected on individual power base,

party lines come to play decisive role in pulling them through election with flying colours. But when it means real business, they demonstrate a tendency to change shores with the change in government and ruling party.

Functions

A look at the functions reveals the fact that a large number of functions and responsibilities entrusted to local bodies relate to civic and community welfare as well as local development. For rural local bodies, functions entrusted are formidable, comprising both compulsory and optional functions. These are enumerated below:

Union Parishad

Under the 1983 Ordinance the functions of a Union Parishad are divided into five categories: (a) Civic functions; (b) Police and defence functions; (c) Revenue and general administrative functions; (d) Development functions; and (e) Transferred functions (transferred by the government and the Upazila Parishad). Although the number of civic functions the 1983 Ordinance enumerates for Union Parishad is 38 (Part I of Schedule I), the functions that are particularly emphasised in it are given below:

- maintenance of law and order and assistance to administration in the maintenance of law and order;
- adoption of measures for preventing crime, disorder and smuggling;

- adoption and implementation of development schemes in agriculture, forestry, fisheries, animal husbandry, education, health, cottage industries, communication, irrigation and flood protection for the economic and social uplift of the people;
- Promotion of family planning;
- development of local resources and their use;
- protection and maintenance of public property, such as roads, bridges, canals, embankments, telephones and electricity lines;
- review of development activities of all agencies at the union level and the making of recommendations to the Upazila Parishad in regard to their activities;
- motivation and persuasion of the people to install sanitary latrines;
- registration of births, deaths, beggars and destitute;
- conducting of census of all kinds.

The above discussion clearly indicates that functional responsibility of Union level local government in Bangladesh underwent substantial changes only in 1985 and 1959. There is, however, a big gap between prescription and practice. Law prescribes for Union Parishads a large list of functions, but practically their functions remain confined to assessment and collection of taxes; maintenance of law and order through village police; maintenance of birth and death registers and other records; construction and maintenance of village roads, bridges, culverts, ponds, etc; maintenance of haats and bazars; excavation and re-excavation of derelict ponds for pisciculture; issuance of various kinds of certificates and licences; plantation of trees; settlement of local

petty disputes; promotion of cottage industries; motivation of people to adopt family planning methods and celebration of national days.

In addition to the functions as prescribed in the Ordinance, the Union Parishads perform such other functions as are not included in the Ordinance but are important in the national context. Such functions, generally carried out under instructions from different ministries and agencies of the government, relate to administration of public welfare programs like issuance of certificates, selection of dealers, relief work, clearance of loan, settlement of petty disputes, etc.

Upazila Parishad

The Upazila became the focus of administration following the policy of decentralization. Under the system the Upazila is a body corporate. In a sense the Upazila replaced the old districts to become the center of all development activities. They are now doing many of the activities that once district level authority used to carry out.

Under the new arrangement, Upazilas are performing two types of functions: “retained subjects” and “transferred subjects”. The following presentation illustrates the subjects according to their groupings:

Serial	Retained Subjects	Transferred Subjects
i	Maintenance of law and order	Agriculture, including extension services, input supply services and irrigation
ii	Civil and Criminal Judiciary	Primary education
iii	Administration and management of central revenues like Income Tax, Customs, Excise, Land Development Tax, etc.	Health and family planning including Upazila Health Complexes, MCH and all family planning services
iv	Maintenance of essential services	Rural Water Supply and Sanitation Program
v	Large-Scale industries	Rural Works Program
vi	Irrigation schemes involving more than one district	Food for Work Program
vii	Mining and mineral development	District Relief including VGF, IGF, etc.
viii	Generation and distribution of electric power	Cooperatives and cooperative based rural development program
ix	Technical education and all other education above primary level	Fisheries and livestock development
x	Modernized district hospitals and hospitals attached to Medical Colleges	
xi	Inter-district and inter-Upazila means of communication	
xii	Flood control and development of water resources, and	
xiii	Compilation of national statistics	

The above matrix clearly indicates that the subjects retained by the central government at the Upazila level mainly relate to law and order and matters having national importance.

The most important functions the Upazila Parishad performs relate to planning, promotion and execution of development programs within its geographical jurisdiction. The Upazila Parishads have not only to take measures, according to assigned responsibility, for fostering industrial

and agricultural growth; creation of employment; and thus promotion of local economy; but also to take care for educational, cultural and social development. Government provides a block allocation for financing Annual Upazila Development Plan under the guidelines and instructions issued by the Planning Commission and the Local Government Division. Though the block allocation made is not large, it obviously makes room for local people to prioritize their projects and programs according to local needs. More importantly, in making decisions regarding development programs, Upazila Parishads themselves are the final authority (earlier, the Thana Parishad Plan had to be vetted by a District Approving Authority). This has facilitated speedy execution of the projects and programs. However, the officers dealing with 'retained' subjects are accountable to the Upazila Parishad. The Upazila Parishad also enjoys the authority to call for reports from these officers on their activities, summon them for hearing, inspect their offices and to report to the government on any lapses in the discharge of duties.

Following abolition of Upazila Parishad in 1991, when Bangladesh Nationalist Party came to power through national election under a neutral caretaker government, after prolonged struggle against autocratic government that usurped power in 1982, the Upazila system had not been reinstated to its original form except for the fact that the functions performed by an elected Upazila Parishad started to be implemented by government officials who were deputed from the

central government. That process is still in vogue as the present government has failed to come to a consensus about the modalities of power sharing between elected Upazila Parishad and Members of Parliament.

Finance

Sources of Income and Items of Expenditure

Generally, the sources of income of a local body in Bangladesh are: taxes, fees, rates and charges levied by a local body; rents and profits accruing from its properties; sums received in performing its functions; contributions from institutions, individuals, etc; grants from the government; profits from investments; receipts from the trusts placed with the local body; loans raised by the local body; and proceeds from such other sources of income as the government may direct to be placed at the disposal of a local body.

The local bodies utilize the money received to meet the salaries and allowances of the officers and employees, expenditure charged on the Fund, fulfil any obligation and to discharge any duty imposed on a local body under the law, meet the expenditure declared by a local body, with the previous sanction of the appropriate authority, to be an appropriate charge on its Fund, meet the expenditure declared by the government to be an appropriate charge on the local body's Fund, and to repay loans.

The following expenditures are usually charged on a local body's Fund:

- i. All sums to be paid to, or in connection with the employment of, any government servant or any member of the local government Parishad/Pourashava/Corporation, who is or has been in the service of the local government bodies.
- ii. All sums as a local body may be required by the government to contribute towards the conduct of elections, the maintenance of service of a local government body, the auditing of accounts, and such other matters as may from time to time be specified by the government.
- iii. Any sum required to satisfy any judgement, decree or award against a local body by any court or tribunal; and
- iv. Any expenditure declared by the government to be so charged.

In order that local government can execute their functions effectively, they are empowered to generate revenue from their sources, apart from what is received as grants. On the whole, the main sources of revenue for local bodies are taxes and rates, non-tax revenue and grants. They seldom try to collect contributions from private sources.

There are two ways for collection of taxes and rates: the local bodies collect their taxes and rates themselves, and taxes the national government collect in their behalf (such as immovable property transfer tax). There is no doubt that the tax schedule for the local bodies is fairly comprehensive, but the items selected for collection of taxes from serve double purpose: these fetch them reasonable income, but may not produce irritation for the public. Some of such common items that local bodies extract taxes from are holding tax; water rate; lighting rate;

conservancy; tax on professions, trades and ceilings; tax on advertisement; and amusement tax.

Holding tax, the most common local revenue, is levied on the annual valuation of buildings, determined on the basis of rental value, actual or notional. But the problem lies in its realization. There is enough room for evading taxes in collusion with assessors who tend to under-assess property in return for kickbacks. The rich and influential relish in pursuing this malpractice.

Local bodies also derive income from non-tax revenues. These are two kinds: (a) fees and tolls, and (b) rents and profits on properties. Ferries, markets, bridges, registration, issuance of certificates, etc. are the sources from which fees and tolls are collected. Properties that Pourashavas possess generate rents and profits. Whatever is the volume collected from these sources, it is the government grants that constitute the most important source of revenue for majority of the local bodies. These grants serve to bridge the gap created between local revenue needs and local revenue collection and to encourage specific development expenditure in keeping with national priorities. There may be differences in the sources of income for individual tier. These are discussed below:

Union Parishad

The Local Government (Union Parishads) Ordinance 1983 provided for the Union Parishad to levy taxes, rates and fees on five items (Second Schedule). The Schedule has subsequently been modified in 1993 bringing in new items on which taxes and fees can be levied. The existing law provides for levying taxes, rates on: annual value of homestead; professions, trades and callings; cinemas, dramatic and theatrical shows and similar entertainments; and fees for licences and permits granted by the Parishad; fees (lease money) from specified hats, bazars and ferries within the union boundaries to be determined by the government; and fees (lease money) from jalmahals situated entirely within the union boundaries to be determined by the government.

Tax collection has never struck the satisfactory level. In fact, this is probably the area where Union Parishad has failed quite miserably, thereby jeopardizing its financial position. The government grants, the other source of revenue for the Union Parishads, are of two kinds: specific grants, and general-purpose grants. Union Parishads get another kind of additional grant, known as percentage grants.

Specific Grant: The specific grants are given to the Union Parishad under three separate but similar programs: These are: (i) The Rural Works Program (RWP); (ii) The Food for Works Program (FFWP); and (III) The Test Relief Program (TRP). Under RWP, Union Parishads submit schemes to the Ministry of LGRD and Cooperative in the

prescribed format, through the concerned Deputy Commissioner, every year for allocating the grant money. The concerned Deputy Commissioner distributes the amount received among the Union Parishads under his jurisdiction on the basis of population (2/3) and area (1/3). Under the FFWP, the grant comes in kind, not in cash. Price of wheat, given as wage, is deliberately kept below the market rate in order to both attract and help the most needy among the rural poor. The basic difference between these two programs is elsewhere. While the RWP is coordinated at the national level by the Ministry of LGRD and Cooperatives, the FFWP is coordinated by the Ministry of Disaster Management and Relief. The purpose of these programs is to help the rural poor during the period of the year when employment opportunity is few and far between.

General Purpose Grant: The general purpose grants, provided to the Union Parishads to enable them fulfil their financial obligations, come under three different categories: (a) development grants; (b) compensatory grant; and (c) budget deficit grant. The development grant is provided to the Union Parishads to meet their development expenditure. The compensatory grant is meant for the salaries of their employees and other office furniture and equipment they need to purchase. The budget deficit grant is given to make up the deficit in their budgets originated from their failure to realize the revenues estimated in their budgets.

Percentage Grant: This may be called the salary support grant, as these grants are given to meet 50 per cent salary requirements of the UP employees. Union Parishads have to generate fund to meet the remaining 50 per cent of the salary requirements from their own incomes. At present over 60 per cent of the total receipts of the Union Parishads come from the grants-in-aid. Due to government decision to increase the salaries of the employees of the Union Parishads and allowances of elected representatives with effect from July 1977, the expenditure of Union Parishads has taken a sharp leap. The increase is more than two hundred per cent over their existing expenditure. The UP expenditure are mainly divided into three major heads: (i) establishment; (b) development & maintenance; and (c) miscellaneous.

As the primary rural body, the Union Parishad has to perform a wide range of functions in the field of rural development and social welfare. Its activities, therefore, cover every aspect of local administration, including law and order and adjudication of disputes. The expenses required for these activities are called development and maintenance expenditure. Generally, construction and maintenance of irrigation works, embankments and canals, roads, bridges and culverts, public buildings like mosques, offices, etc., and haats and bazars are undertaken with this fund. Most of the development expenditure comes from works programs funds.

Under the miscellaneous expenditure, items such as training of chowkidars and dafadars, return of security deposits of tax collectors, ration cards, family planning, adult education, swanirvar, cottage industry, public health and sanitation, jungle clearing, rickshaw plates, fees on crossed cheques of grant money, Zakat, contribution and cost of tree plantation are covered. It is very unlikely that UP can arrange funds for the above-mentioned activities, thus leaving the activities and responsibilities only on paper, not in reality.

Upazila Parishad

As has earlier been pointed out, the Upazila Parishad is rather a new addition to the local government system in Bangladesh with its finances coming entirely from government sources. The government has provided all the manpower it needs, together with necessary financial grant to meet the establishment cost of the Upazila Parishad and to pay the salaries of the personnel. Substantial grants are also given by the government to finance development activities of the Upazila Parishad. Upazila Parishad has, however, been provided with certain sources to generate its income. These are lease money on Jalmahals (inland natural fisheries), haats and bazars; tax on professions, trades and callings; tax on dramatic and theatrical shows; street lighting tax; fees for fairs, exhibitions etc.; fees for licences and permits; and toll on services and facilities maintained.

Incomes from these sources vary from one Upazila to another. While haats and bazars constitute the most important source of income for some Upazilas, some find 'Jalmahals' as their premier source of revenue. Other sources like tax on professions, trades and callings, and fees for licences and permits can also be important in fetching income for the Upazila Parishad. What is needed is proper guidance, coordination and attention. It then can muster a sizeable amount of income out of the sources identified under the law. In 1986-87, an Upazila Parishad received, on an average, Taka 3.5 million as cash grant, and Tk. 4.5 million as wheat. Of these total receipts, only 5% came from their own sources of income.

Budgeting, Accounting and Auditing of Accounts

A local government body is required, under law, to prepare a budget before the commencement of each financial year, and sanction and forward the same to the appropriate authority, such as Deputy Commissioner in respect of Union Parishad. Although Upazila Parishad is a self-approving authority, it is also required to send copies of the budget, for information, to the Deputy Commissioner and the government. The appropriate authority has the right to modify the budget, and the local bodies have to accept that budget, if so modified, as their own budget. In the event a local body fails to prepare its budget, the government may prepare and sanction it before the commencement of the financial year. The local bodies may also prepare a revised budget as per provision of the respective rules.

The money credited to a local body has to be kept in the government treasury or in a bank that transact business with a government treasury. The government may specify where to keep the money. The annual statement of accounts of a local body, to be prepared after the closing of every financial year, is to be forwarded to the prescribed authorities concerned by 31 December of the following year. To enable the public inspect the statement of accounts, a copy of the same is also to be placed in the office of the local body. With all the objections and suggestions the public make taken into consideration, the local bodies are to bring it to the notice of the audit authority.

The accounts of every local body have to be audited as has been specified by the authority. Assistant Director, Local Government will audit, on behalf of Deputy Commissioner concerned, the accounts of the Union Parishad, while the Auditor and Comptroller General is responsible for auditing the accounts of other local bodies. Common procedures are followed to audit all local bodies. These are:

- a. The audit authority can examine the books and documents maintaining accounts of the local bodies. They can, if deemed necessary, audit functionaries of the local bodies too (both elected and non-elected).
- b. On completion of auditing, the audit party is to submit to the respective authorities an audit report where cases of embezzlement, loss, waste or misappropriation of fund, along with other irregularities in the maintenance of accounts have to be reflected. Not only has the nature of irregularities to be reflected, personnel involved in it have also to be identified.

In the case of Upazila Parishad, non-utilization or diversion of fund has also to be taken into consideration.

A common feature in the auditing is that such auditing is conducted only on paper, without going deep into any irregularities. And as such, there appears in the offing hardly any remedy to get these bodies out of this vicious circle.

National-Local Relations

In spite of a degree of operational autonomy the local government bodies enjoy in Bangladesh, they are by no means independent of the central control or of the overall administrative system of the country. There are a number of areas of interaction between a local body and the government, covering legal, operational and financial aspects as well as control and supervision. Central legislations determine its territorial jurisdiction, the functions it can perform, the responsibilities it can be entrusted to, and the taxes it can levy. Not only are its basic features carved by central Acts, but also are its activities get guided and supervised by departments of the national government. The nexus thus existing between the central government and local bodies is developed on the principle of patron-client relationship.

It may be mentioned that local government in Bangladesh evolved through a number of Acts, passed from time to time during the British period. In the post independence Bangladesh, there are 6 legislations on

rural government which have come to shape the systems in the country.

These are:

Rural Local Government

- The Local Government (Union Parishad) Ordinance 1983;
- The Local Government (Upazila Parishad and Upazila Administration Reorganization) Ordinance 1982;
- The Local Government (Zila Parishad) Act 1988;
- The Rangamati Hill District Local Government Parishad Act 1989;
- The Khagrachari Hill District Local Government Parishad Act 1989; and
- The Bandarban Hill District Local Government Parishad Act 1989

Through these legislations, the government determines the structure, composition and tenure, mode of administration of oath of office and removal of functionaries; sources of funds and their expenditure pattern; method of levying taxes, rates, fees etc.; preparation of budgets; powers, duties, functions and roles of various local government functionaries; personnel system and benefits to be given to the employees; procedures for making laws or regulations of the local bodies; and extent of supervision and control by the government.

Finally, the government also holds powers for giving directives to local bodies. Apart from the general powers of legislation, regulation, rule

making, approval and giving directives, government exercises its control over the local bodies with the help of specific instruments. The means of control of the central government over the local bodies are discussed below:

Institutional Control

Territorial Jurisdictions

The Ordinance or Acts of the local governments vest in the government the authority to determine or modify the size and the boundaries of the local government bodies and to formulate rules and bye-laws in this regard.

Composition of Councils

The discretionary powers the government possesses with regard to the structure and composition of the rural bodies are many and quite comprehensive. The government determines not only the strength of the entire council, but also the number of the nominated members. The government officials nominated on the bodies have to strictly abide by the general norms, and they simply have no scope to exercise discretion.

Local Elections

Government control over elections of the local bodies is evident. The mode of elections—whether election be held directly or indirectly; and issues like delimitation of constituencies are the areas where

government imposes its decisions. Fixation of dates for election, appointment of Returning Officers, along with settlement of disputes resulted from the contesting parties are the absolute domain of the government. The aggrieved parties, however, resort to legal redress from law courts in certain cases.

Personnel

Except for Union Parishads (Class I and Class III), two types of staff work in the local government bodies—one group is directly employed by them and the other work on deputation from the central government. Since their origin belongs to the services controlled by the central government, their allegiance is more to the central government than local government bodies. The local government bodies do exercise administrative control over them, but then again the nature and scope of such control is defined by the central government through circulars and executive orders issued from time to time or in the parent Act itself. Even the government exercises certain degree of control over the employees recruited by the local bodies, as appointments and transfer of class II and class III personnel have to be made with the approval of the government. As for example: the Union Parishad Secretaries are appointed and transferred by the Deputy Commissioners. The deputed officials and employees get paid from the funds of the local bodies they work for.

Functional Jurisdiction

The Ordinances or Acts of the local bodies have incorporated the details of functions and powers of a local body. However, there is a blanket clause in the Ordinance or Act that allows the government to use discretion to assign a local body any other function that it deems fit. The government is empowered to transfer any development scheme to the local bodies, which implement these under directions, administrative supervision and control of the central government. Local bodies thus become more and more subservient to governmental control and executive interference.

Inter-Institutional Disputes

Finally, institutional government control encompasses adjudication and settlement of inter-institutional disputes. All the local bodies are independent entities in the sense that they are corporate bodies, competent to sue and be sued. As a general practice, the Deputy Commissioner and the Divisional Commissioner settles the disputes when that arises among the institutions located within their respective jurisdiction. When it transcends the Division, the government comes into picture. In both cases, the appeals against the decisions lie with the government. Its decisions are final. The law courts generally do not bother to spend time on such matters at any stage.

Financial Control

In the field of finance, the government supervision and control is as stringent and comprehensive as routine administrative control. The

government regulates the income of these institutions. Ordinances or Acts prescribe in detail the sources of income, powers of taxation, nature of available grants-in-aid, and the loans that may be raised. The government further maps out the scale and the limit of the taxes that local bodies may be allowed to impose. However, in the event local bodies want to impose tax other than the one specifically mentioned in the law, they must obtain prior government sanction. They thus enjoy a considerable degree of autonomy within this general framework.

As regards grants-in-aid, it is somewhat difficult to specify their scope and scale in detail. However, their nature is well defined. Though the government is under a statutory obligation to provide these grants, it can exercise a considerable degree of control over these institutions by reducing or enhancing their quantum or by making their release conditional. The Government can very effectively use this mechanism to curb freedom of local bodies or to make them knuckle down, since a delay in the release of, or a cut in, certain grant-in-aid would mean unbearable hardships on the part these institutions, which chiefly rely on government aid for their activities and survival.

The second field of the government control is the maintenance of accounts. It specifies fund management including bank selection, rules regarding the nature and form of account books to be maintained, operation of funds, the authority for sanctioning expenditure and

signing bills, cheques and drafts, and the limit of expenditure that various local bodies can incur, etc.

The government has also worked out the procedure and principles for preparation and sanction of annual budgets. For example, a Union Parishad is to send its budget to the Deputy Commissioner, and all other local bodies to the national government. If a local body, however, fails to prepare the budget before commencement of the financial year, the Deputy Commissioner, in the case of Union Parishad, and the government, for all other bodies, may prepare the budget for that local body. The government has also worked out details instructions with regard to manner of constitution and utilization of a local body's fund.

Another medium of financial control over the local bodies is audit. It is generally conducted by the Auditor and Comptroller General under the administrative control of the Ministry of Finance. For the Union Parishads, this work is generally carried out by the Upazila Nirbahi Officer (UNO). Assistant Director, Local Government, Additional Deputy Commissioners and Deputy Commissioners can also verify the accounts during inspection. The law also provides that on completion of the audit, a copy of the report is to be submitted to the government and the Deputy Commissioner (in case of Union and Upazila Parishads).

While the above-mentioned provision of the law refers to a statutory audit, the system provides concurrent/internal audit of the funds of

Upazila Parishads. The law also provides for holding Chairman or member, officer or employee of a local body, and every person charged with its administration or acting on its behalf liable for any loss or waste as a direct consequence of his negligence, or misconduct or for misappropriation of any money or property belonging to a local body.

Administrative Control

The administrative control takes into account the day-to-day functioning of the local government institutions, misuse of power or transgression of their territorial or functional jurisdiction, including guidance on and adherence to national policies and principles. However, the chief media of administrative control are as follow:

Review of Resolution

The Union Parishads are to furnish to the UNO and the Deputy Commissioner, and all other local bodies to the government, a copy of the proceedings of their meetings and resolutions passed therein. If in the opinion of the government anything done or intended to be done by or on behalf of a local body is not in conformity with the law or in any way against public interest, the government as the prescribed authority can pass orders to quash the proceedings; suspend the execution of any resolution passed or order made by a local body; prohibit the doing of anything proposed to be done; and require the local body to take specific action.

Periodic Inspections

The government exercises a lot of control, through its officials, over the functioning of the local bodies by conducting periodic and occasional inspection of their papers, records and property. For example, UNO, ADLG, Additional Deputy Commissioners (ADC) and Deputy Commissioners (DC) are supposed to personally visit a prescribed number of Union Parishads under their jurisdiction. They are also authorized to inspect the Upazila Parishads. Officials from the government and government departments may visit and inspect the local government bodies, and government may order an enquiry into the affairs of a local body generally, or into any particular affair either on its own initiative or on an application made by any person to the government.

Removal of Chairman/Member

The government may remove the chief executive (the Chairman) and a member or commissioner if he (a) without reasonable excuse, absents himself from three consecutive meetings of the council; (b) refuses to perform or becomes disabled from performing his functions; (c) is guilty of misuse or misconduct (which means misuse of power, corruption, jobbery, favouritism, nepotism and wilful misconduct) or is responsible for any loss or misapplication of money or property of the local body. A Chairman or a member shall not be removed from his office on any ground mentioned above unless, at a special meeting called for the purpose in the prescribed manner, a resolution to the

effect that he is liable to be removed is passed by the votes of not less than fifty percent of the elected members and unless the resolution is approved by the government. The government may also suspend the Chairman of a Union on the grounds that (a) proceedings have been initiated for the removal of the Chairman or (b) criminal proceedings have been started against him and the exercise of power by him is either likely to be prejudicial to the interest of the Parishad or undesirable from an administrative point of view.

Supersession and Dissolution

The law gives the national government the extreme power of dissolving a local body if, on enquiry, the government is of the opinion that a local Parishad is unable to discharge, or persistently fails in discharging, its duties, or is unable to administer its affairs, or meet its financial obligations, or generally acts in a manner contrary to public interests, or otherwise exceeds or abuse its powers. During the period of supersession, the Chairman and members of a local Parishad cease to hold office, and all of its functions are performed by such a person or authority as the government may appoint. However, the act of superseding a local body is of a judicial or quasi-judicial nature and not merely administrative.

Miscellaneous Media of Administrative Control

In addition to the above, the government prescribes to the local bodies administrative details, and various operational procedures. Besides, it

determines, through circulars and directives, how their day-to-day functions are to be performed, meetings conducted and funds maintained and operated. If at any time a particular institution is seen failed to perform a certain duty prescribed by law, it may issue a special directive requiring it to do that duty within a prescribed period.

Commonalities and Divergence

The comparative analysis presented in Table 3.4 reflects common features and the divergence in the Local Government systems in the sub-continent— Bangladesh, Pakistan and India. These are presented in the matrix below, which will represent the features on historical origin of the systems, structure and composition, functions, finance, regional government, personnel administration, and supervision and control.

Table 3.4: Commonalities and Difference in Local Government Systems in the Three Countries

Areas	Common	Different
Historical Origin	<ul style="list-style-type: none"> -Almost same in all the three countries until partition in 1947. -Revenue driven in all countries during the British rule. 	<ul style="list-style-type: none"> -India had some mythical touch in the system. -Indian premier leaders were not interested about local government and the stipulations in the Constitution are of the directives nature. -Pakistan continued British legacy until introduction of Basic Democracies. -Concrete and specific stipulations in the Bangladesh Constitution right from its birth.
Structure and Composition	<ul style="list-style-type: none"> -All have systems under written Constitution. -Federal government in India and Pakistan. -All have rural and urban set-up. -Bangladesh and India have three-tier system. -All the countries have special dispensation for special characteristic groups. 	<ul style="list-style-type: none"> -Unitary form of government in Bangladesh. -Pakistan has two-tier system. -Named Village Panchayet in India, Union Council in Pakistan and Union Parishad in Bangladesh. -Number of members varies from 5-31 in India. -Chairman of UC in Pakistan is elected from among councillors.

taken similar shape and course though, they have blended it with indigenous cultural and anthropological requirements to suit both national and regional requirements. Bangladesh has a uniform cultural and anthropological setting, making it easier for her to introduce a uniform system throughout the country, except for a minor area where a different system has been introduced to suit cultural needs of tribal people. The same scenario also exists in Pakistan, which has introduced uniform system all over the country except for people in the frontier regions which has distinct cultural background. India is quite unique in this regard. She has tried to maintain diversity in uniformity. As the cultural background of one area lies far apart from other distant areas, she had to make such diverse provisions in the system as could fulfil the desire and aspirations of the people living within their respective jurisdictions. So, while on a broad pattern the system is quite uniform, on further details those differ from one State to others.

Whatever the systems and facade sub-continental local government bodies have embraced, one striking characteristic can be equally applied to all of them—none of them are financially independent and free from central control. In the sub-continental countries, a constant effort evident in the processes is not to take away powers from local government to central government, but to deter giving powers to local government and challenge the authority of the local government bodies. It is not known when and how an effective local government bodies

	<ul style="list-style-type: none"> -Number of member ranges between 12 and 15 in Bangladesh and Pakistan. -Chairman of a UP and VP is directly elected by people on adult franchise. -Members and Councillors in Pakistan and Bangladesh are all elected by people. -PS in India and UZ in Bangladesh comprises both elected and nominated members. 	<ul style="list-style-type: none"> -Representation on local bodies in India is as diverse as her ethnic diversity. -Members of VP in India is both elected by people and nominated by government.
Functions	-Some obligatory and some optional.	-Modus operandi of functions lies far apart. UC in Pakistan performs some judicial functions
Finance	<ul style="list-style-type: none"> -Identical sources of revenues. -Perennial dependence on government grants to meet expenditure. -80-85% income of local bodies come from government in India and Bangladesh 	-80-85% of local government revenues in Pakistan are generated by themselves through collection of taxes.
Regional Government	-No regional government in either countries	-Pakistan has Provincial Assemblies but no state government; but India has State governments.
Personnel Administration	-All the three countries have both deputed and directly recruited staff	<ul style="list-style-type: none"> -At the UP level in Bangladesh there is no deputed staff unlike in India and Pakistan. -India's system varies from state to state; Pakistan's has diarchy; and Bangladesh has dichotomy.
Control and Supervision	India and Bangladesh have similar pattern and framework of control and supervision: institutional, administrative and financial.	Pakistan has less distinct control than the two, however, most of its control are in disguise than formal.

Conclusion

As is evident, changes have been made in the structure and finance of local government bodies in the sub-continental countries. The local government systems in these countries have both similarities and dissimilarities. All the three countries derived their systems from the British colonial powers, and have subsequently tuned their systems to the local needs. On a broad pattern, the systems in these countries have

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Whatever the systems and facade sub-continental local government bodies have embraced, one striking characteristic can be equally applied to all of them—none of them are financially independent and free from central control. In the sub-continental countries, a constant effort evident in the processes is not to take away powers from local government to central government, but to deter giving powers to local government and challenge the authority of the local government bodies. It is not known when and how an effective local government bodies

will emerge in these countries to provide meaningful and reasonably satisfactory services to the people it serves.

In this context political development in the three countries can be of great relevance. Pakistan and India started off with great expectations of the general mass: that democratic processes would take root in the statecraft, and that people would be brought into mainstream by providing opportunities for greater participation in shaping the administration and management of the state. One effective way could have been devolution of powers to the grass root people through strengthening of local level planning and implementation of programs.

India pursued democratisation process immediately after independence. Pakistan started off with dependence on personal charisma of Jinnah. So, while Indian Constitution came into being in 1949, Pakistan failed to draft one until 1956, only to be abrogated in 1958 through a coup d'état by the then Army chief. Since then, and till today, most of the national history of Pakistan has been tarnished by military rule.

Although Indian premier leadership was not receptive about strong local governance, stipulations about local government remained embedded in it, in line with local needs and requirements. Local government systems functioned in India all through after independence, ensuring participation in the governance in different parts in varying degrees by people representing various groups, castes and ethnicities.

Their level of participation, effectiveness in shaping national governance and decision-making process, equal opportunities for all the citizen of the country may be questioned or debated, but one thing may be unanimously accepted that existence of local government in some form or other may have contributed to its being steadfast on course of democracy.

Pakistan on the other hand, charted for herself a different path. Military rule, prevailing in most of her national history, has not helped an effective local government system. It may be that the general characteristics of its people—chieftainship and tribal patron-client leadership—embody the psychological mindset they had in accepting the rule. A semblance of local government, either under military rule or short stint of civilian grab on power, was in place; but centripetal characters of the government put the system under control through a veiled mechanism.

Bangladesh had promised a strong local government through specific stipulations in the Constitution she had adopted and enacted within one year of independence. But leadership swerved to autocratic rule within three years after independence, and the country could not avoid yoking military rule. It has passed through days of military rule like Pakistan, but her attempt to introduce local government system in the country seems noticeably pro-people.

Despite differences in political history and development in the three sub-continental countries, there is uniformity in one aspect in all the three countries—that is absence of an effective, self-dependent and meaningful local government. Independent local government systems in these countries have been put in place on paper, but their freedom and virility have been curtailed by imposition of various mechanism. As a consequence, these countries are being deprived of the contribution of a great many people who could have been a powerful force in not only consolidating true democracy, but also organizing rural people in making contribution, bit by bit, to national development on all fronts. Enough time has been lost, but perhaps it is time for these countries to think seriously about introducing a meaningful and efficacious local government systems. This is needed in Bangladesh more than any other countries in the region in context of its geographic and socio-economic realities.

Chapter 4: Evolution of Union Parishad as Local Governance Institution

Introduction

As the lowest tier in the local government system in Bangladesh Union Parishad evolved since far back into the history. This chapter reflects an attempt to trace back the stages this evolution moved through to bring us to the system now in existence in the country.

Development of local government system in Bangladesh is divided into four distinct periods: prehistoric ancient India, British, Pakistan and Bangladesh. As history is unfolded, it becomes clear that local government either in the form of Union Parishad or of the sort existed in India since prehistoric ancient period. Discussion on development in various aspects contributing to shaping of local government system in prehistoric India, during colonial rule by the British, or post-independent Pakistan, is therefore likely to shed new lights in this regard. However, this chapter does not contain discussion on developments during these periods, because extensive discussions have taken place in the relevant chapters on India, Pakistan and the British rule. Any further discussion on these will therefore simply be no better than repetition of the same as development of local government system in these periods followed the same pattern and character during their respective periods. Care has therefore been taken to avoid repetition.

This chapter is therefore fundamentally an attempt to trace back the developments in the local government in new environment under different political settings spanning three distinct periods, following independence of the country in 1971.

In the local government hierarchy in Bangladesh, Union Parishad being the lowest tier is the forum for the people at the grass root level through which they can participate in the decision-making process of the government for development. Government's sincere desire to take administration to the doorstep of the common people finds greatly expressed through this institution. The evolution of Union Parishad as a local government institution in Bangladesh can be outlined within three distinct timeframes: (1) Early period after independence up to 1975; (2) Post- 1975 period (1975-82); and (3) 1983 and beyond.

Early Period after Independence (1972-75)

In 1971, Bangladesh became independent from the rule of Pakistan. A new country emerged on the globe, with new realities and contexts. The nightmarish bloody war of liberation left the country in shambles. Everything had to be re-organized, reconstructed and reshaped to suit the changed needs.

So, immediately after independence, the President promulgated the Bangladesh Local Councils and Municipal Committees (Dissolution and Administration) Order, 1972 (Presidential Order 7 of 1972),

dissolving all existing local government bodies. Dissolution was deemed necessary as these bodies “do not represent the people and there has been persistent demand from the people for their dissolution.” Following dissolution, “committees” were appointed to perform the functions of the defunct Union Councils as well as other bodies. These were mainly ‘Relief Committees’ run principally by prominent Awami League members to facilitate relief operation in their respective areas. In the same year, ‘Union Panchayet’ was brought into being by the Presidential Order no. 22 replacing the ‘Relief Committees.’ Like its predecessors, the Union Panchayet was also a wholly nominated body. The Presidential Order 22 stated that the system would continue till the reorganization of local self-government institutions in rural areas in accordance with appropriate laws to be enacted by the ‘Jatiya Sangsad’ (House of the Nation) under the new Constitution.

In March 1973, Bangladesh Local Government (Union Parishad and Pourashava) Order 1973 (Presidential Order 22 of 1973, dated 22 March) was issued. It provided for election to, and working of, Union Parishads. By this time Parliament had already passed the Constitution of the country with effect from December 16, 1972; but Parliament was yet to come into session with newly elected members. Nevertheless, Preamble of Presidential Order No. 22 of 1973 referred to Article 59 of the Constitution stating that in view of this Article, which provides for local governments with elected persons, it is expedient to make this Order for “constitution of Union Parishads and Pourashavas and for

matters connected therewith and incidental thereto". Union Council, renamed as Union Panchayet by Presidential Order 7 of 1972, was again renamed as Union Parishad, which will be constituted with a Chairman, a Vice-Chairman and nine members. The Chairman and the Vice-Chairman will be elected by voters of entire union, while the members by voters of their respective areas. The Union Parishad will be divided into three Wards, each one represented by three elected members. The Chairman and Vice-Chairman will also be considered as members of the Union Parishad.

This Order (Presidential Order 22 of 1973) provided that the division of wards be made in such manner that each ward shall have, as far as practicable, equal population. However, by the subsequent amendment (The Bangladesh Local Government (Union Parishad and Pourashava) (Amendment) Ordinance, 1973) the provision of each ward having equal population was deleted by only stating that it will be divided "in the prescribed manner", though the words "prescribed manner" had not been defined. Election to the Union Parishads for the first time in Bangladesh¹ was held in 1973 on the basis of the universal adult franchise². The system introduced under this law produced many undesirable incidents as the Chairmen and the Vice-Chairmen, without having a clear-cut demarcation of their power, responsibilities and jurisdiction, fell into divided houses with their supporters backing them up purposefully. This internecine fight ended in 1975 with the fall of

¹ Bangladesh became independent on 16 December, 1971 from Pakistan.

Sheikh Mujibur Rahman, the then President, in 1975 through an army coup de'tat.

Post-1975 Period (1975-82)

The Local Government Ordinance, promulgated three years later in 1976, made detailed provisions for the constitution of local government institutions in the rural areas and consolidation and amendment of certain laws relating to local government in such areas³. The Ordinance made the provision for the Chairmen of the Union Parishad to be elected directly by the people. It also abolished the post of Vice-Chairmen. Two major features were incorporated in the Ordinance: nomination of women members and representation of agricultural community on the Union Parishad. District Officer, or any subordinate officer authorized by him, made the nominations on the recommendation of local officers. Continuation of the nomination of women members was justified by the arguments that they are illiterate and therefore have little ability to contest elections; that they are conservative with little interest to participate in the management affairs; that since they constitute a major chunk of the population, development of the country is difficult without their participation; and that they are unwilling or unable to get involved in the development process through election, they may be brought in by nomination. The arguments for nomination of agricultural representatives were their lack of motivation

² The age for eligibility for being voter was brought down from 21 to 18.

³ The Bangladesh Gazette, Dhaka (Ordinance XC of 1976).

or resources to successfully participate in the process. So, they need to be encouraged.

The structure of the Union was kept unchanged, divided into three wards, each ward electing three members. Thus, each Union Parishad consisted of a chairman and thirteen members, nine of them elected and four nominated (nominated members included two women and two agricultural representatives). The tenure of the office in the Union Parishad was five years. However, chairman and members could be removed on charges of misconduct, gross neglect of duty or physical inability. The members of the Union Parishad could move a no-confidence motion against the chairman. The Chairman and the members respectively got a monthly honorarium of Taka 300 and 100. Half of this honorarium came from government allocation and the rest from the Union Parishad's own tax revenues. All executive powers of the Union Parishad were vested in the Chairman. Official businesses were disposed off in the meetings, which were presided over by the Chairman. In his absence, a member, chosen from amongst them, used to preside. Minutes of the meeting were duly recorded in a book kept for this purpose. The Secretary, appointed by the Sub-Divisional Officer, helped the Chairman maintain correspondence with government offices and perform regular administrative work. The chowkidars and dafadars were responsible for maintaining peace in the villages.

The Union Parishad could form committees and sub-committees for helping it in discharge of its duties properly. It was envisaged that each ward should have one committee, headed by its member and represented by leading farmers, teachers, physicians and social workers. It was envisaged that the committee would chalk out programs for properly executing plans on food production, family planning, health care and all round development of the area. The Union Parishad received development grants from the government. However, the money it needed to defray maintenance expenditure for chowkidars and dafadars came from the taxes and levies it was authorized to impose on the local people. The 1976 Ordinance provided for training and orientation courses organized by the National Institute of Local Government (NILG)⁴

In 1980, a new feature was added to the rural self-government system. A scheme of 'Gram Sarkar' (Village Government) was introduced in the rural areas of the country on 30 April 1980 along with the existing Union Parishads.⁵ A Swanirvar Gram Sarkar (Self-reliant village government) was to consist of a 'Gram Pradhan' (head of the village government) and eleven members (at least two of them being women members) who got chosen through consensus arrived at a meeting organized locally under the supervision of government officials (NILG, 1980). The existing Union Parishads and Gram Sarkar were expected to

⁴ Government of Bangladesh, *Bangladesh Local Government (Union Parishad and Pourashava) Amendment Act*, Dhaka, December, 1976.

⁵ The Bangladesh Gazette, Extraordinary (Dhaka, 24 May, 1980).

work side by side. Its exponents, possibly, had forgotten the bitter experiences such an arrangement produced during the early days of British experimentation of local self-government in Bengal, where Chaukidari Panchayets and Union Panchayets existed side by side, consequently offering little positive results. Those experiences were of simply conflicts and confusions, and notoriously distressing.

1983 and Beyond

The basis of the present form of Union Parishad in Bangladesh is the *The Local Government (Union Parishad) Ordinance, 1983 (Ordinance No. LI of 1983)*, and its subsequent amendments. It came on the heels of Proclamation of Martial Law, declared on 24th March 1982. The Chief Martial Law Administrator found it “expedient to provide for the constitution of Union Parishads for the unions in rural areas and for matters incidental or ancillary thereto”, and promulgated the Ordinance “in exercise of all powers enabling him in that behalf” by the March proclamation.

The Ordinance provided that every Union Parishad “shall be a body corporate, having perpetual succession and a common seal, with power”, subject to the provisions of this Ordinance and the rules, “to acquire and hold property both movable and immovable, and shall by its name sue and be sued”.

As a continuation of the legacy, there had to be a Chairman and nine members in the Union Parishad (Section 5), elected by popular votes on the basis of adult franchise. The provision of women representation on the Union Parishad by nomination, introduced in 1976, was not only kept unchanged, the number of nominated women members was also increased from 2 to 3. However, the provision of peasant representation was abolished. The representation of peasants separately through nomination was abolished probably in the sense that they were not in the same parenthesis as the women were in terms of their say in the affairs of the union. Moreover, it was probably considered that they were being directly represented on the Union Parishad, for ninety five per cent of the rural people practically belonged to this class, and the members being elected or trying to get elected were all coming from this group.

Change was brought about regarding women membership in 1993.⁶ The system of nomination of women members was abolished, and three seats were kept reserved for them to be elected by members as prescribed by law. Change came further in 1997⁷ when the number of members on the Parishad was not only increased from nine to twelve, provision was also made that women members would be elected by direct election on the basis of adult franchise rather than by the members of the Parishad. Similarly, the number of wards was increased

⁶ The Local Government (Union Parishads) (Amendment) Act, 1993; Bangladesh Gazette, Extraordinary issue, 22 July, 1993.

to nine, each ward electing one member instead of three. For electing women members the Union will be divided into three wards, each ward electing a woman member. The provision of women representation made its way into the system not as a surprise, rather, due partly to international campaign for creating greater opportunity for women in the society, and partly to public demand for women empowerment. There is no doubt that women participation in the development activities in the Union Parishad and in other forums as well has increased over the years since independence, but time is probably not yet matured enough to evaluate if such arrangements have yielded any positive results. Provision was also kept for nomination of maximum of three members for a union in Hill Tracts Districts.

The Chairman of the Union Parishad shall also be deemed to be a member of the Parishad. Provision was made to pay to the Chairman and the members of the Union Parishad “such honorarium as may be determined by the government.”

The tenure (Section 6) of the Union Parishad continued to be five years until 1987, when this was brought down to three by Ordinance No. XXI of 1987. However, the provision made was that the Union Parishad will continue to function until the first meeting of the succeeding committee, or expiry of ninety days from the date of expiration of its term, whichever is earlier. Provision was also made for appointment of

⁷ The Local Government (Union Parishads) (Second Amendment) Act, 1997; Bangladesh Gazette,

an Administrator⁸ to perform the functions of the Parishad until the succeeding Parishad holds its first meeting after the outgoing Parishad has ceased to exist. However, the provision of expiry of ninety days including the appointment of the administrator was abolished in 1993 (Act XX of 1993).

The Ordinance provided for qualifications and non-qualifications of the Chairman and the members. In 1993, two new features were added for the non-qualification of the Chairman and the member. A person has been disqualified for the above two positions if he is defaulter in paying any of the taxes, rates and fees levied under this ordinance; and has been dismissed from the service of the Republic or of any local authority for misconduct involving moral turpitude. But one provision kept in regard to non-qualification appears to be funny that a person is not qualified if he is a party to a contract for work to be done for, or goods to be supplied to, the Union Parishad concerned, or has otherwise any pecuniary interest in its affairs, or is a dealer in essential commodities appointed by the government. This seems only hardly practicable in the present context; it is also contrary to the principle of equal opportunity that every citizen is entitled to in the affairs of statecraft.

The 1983 Ordinance envisaged (Section 23) that election could be held as soon as possible after the commencement of the Ordinance and

Additional issue, September 08, 1997.

before expiration of the term of the Union Parishad. It subsequently appeared that there could be unanticipated delay owing to a number of developments. So, provision was further made that election should be held within one hundred and eighty days preceding expiration of the term or supersession of the Union Parishad. Provision was also made that the Chairman and the members will not be allowed to enter upon office until after expiration of the term of the Union Parishad or the period of supersession of the Union Parishad.

The 1983 Ordinance provides for detail description of the functions and responsibilities a Union Parishad will undertake (Sections 30-33). There are four functions: (a) civic functions; (b) police and defence functions; (c) revenue and general administration functions; and (d) development functions. Provision is also there (Section 35) under which government can withdraw from or transfer to the control of Union Parishads any institution or service that the government deems fit. Some functions have been incorporated both under civic head and under development head. The Union Parishad has been assigned the function of adoption and implementation of development schemes in the field of agriculture, forest, fisheries, livestock, education, health, cottage industries, communication, irrigation and flood protection with a view to increasing economic and social uplift of people. Ironically, no Union Parishad is seen to have taken any program on these areas. It seems there are a few reasons for the Union Parishad not being able to

⁸ The provision for appointment of an administrator has been made by the Act No. LVI of 1990.

undertake any such program: they don't have required fund to undertake any such development project; they don't know how to mobilize and where to mobilize the funds from for development; and if they do have any fund, they simply don't have the capacity and technical know-how to utilize that for meaningful purposes. Similarly, no Union Parishads are seen taking programs or initiatives for 'development of local resources and their use'.

The executive powers of the Union Parishad vest in the Chairman. All business of a Union Parishad will be disposed off in the meeting, which shall be presided over by the Chairman, and, in his absence, by an acting Chairman who will be chosen by the members from amongst them for that purpose. Minutes of the proceedings of every meeting of a Union Parishad shall be drawn up and recorded in a book to be kept for that purpose. One of the important features is that no act or proceedings of a Union Parishad need to be endorsed or approved by any superior body like Upazila Parishad or Deputy Commissioner. Whatever the decision a Union Parishad takes is final, unless it is found against the interest of the country and contrary to existing rules, in which case the government may quash any such proceedings and direct the Union Parishad concerned not to act on the proceedings.

The 1983 Ordinance provides (Section 38) for constitution of committees and sub-committees of the Union Parishad concerned to perform such functions as may be prescribed by regulations. It was

general committees that a Union Parishad could constitute. However, the 1993 amendment stated that these committees would be named as Standing Committees, which will be constituted each year at the first meeting of the Parishad. These Standing Committees will be dealing with finance and establishment; education; health, family planning, epidemic control and sanitation; audit and accounts; agriculture; social welfare; and cottage industries and cooperatives. The Union Parishad is also authorized to constitute additional committees with prior approval of the Deputy Commissioner. One pertinent provision was added to this. A Union Parishad may co-opt a person who is not a member of the Parishad but who may in the opinion of the Parishad, possess special qualifications serving on any Standing Committee. The Local Government (Union Parishads) (Amendment) Act, 2001⁹ made further modifications in the functions of the Standing Committees and its structure. According to the amendment, the Standing Committee will deal with finance and establishment; education and mass education; health, family planning and epidemic control; law and order; women and children welfare, culture and sports; fisheries and livestock; conservation of environment and tree plantation; union public works; and rural water supply and sanitation. A Standing Committee shall elect one of its members, other than a co-opted member, to be its Chairman and another such member to be its Vice-Chairman. However, the condition is that one-fourth of the total number of Chairmen should, subject to availability, be women members; and that if any office of the

⁹ Bangladesh Gazette, Additional Issue, 16 April, 2001.

Chairman of any Standing Committee can not be filled by women members, the office of Vice-Chairman of that Standing Committee shall be filled in by election of member elected in reserved seat. Provision of a Samaj Unnayan Committee was also added in the amendment. It says: there shall be a Committee to be called the Samaj Unnayan Committee in every ward for a reserved seat consisting of the member of that reserved seat, who shall also be its Chairman, and the members representing the wards of general seats regrouped for delimitation of that reserved seat.

The provision of Chairmanship of Standing Committees for women members was kept in view of involving them in the overall development activities of the country in the wake of popular demand for women empowerment. This provision has both been argued for and against. Civil society in general, and a group of political activists in particular, have staunchly advocated for their inclusion in the mainstream of the country's socio-political and economic life, while the antagonists have strong reservations about their generalized participation in all and every activities on the grounds of its long-ranging socio-religious impacts on the society. Whether their involvement in such spheres of the country's socio-political life is argued for or against, it is now a reality that the foundation for their involvement is already laid and that they are on the trail by now. So, it now needs to be seen how efficacious this arrangement has been in

bringing the womenfolk at par with men in the society, and in empowering them in the decision-making process.

Provision has been made to create a Union Fund for every Union Parishad. All incomes in the form of taxes, rates, levies, contribution by the individuals or institutions; profits on investments and grants received from the government will constitute this Fund. All money credited to this Fund will be kept in government treasury or in a bank doing treasury functions. The Union Parishad may invest any portion of the Union Fund according to law. If needed, a separate fund may also be created for any special purpose. The Ordinance clearly outlines (Section 45) the heads on which the Union Fund money can be spent. The outlines are as follow:

- first: in the payment of salaries and allowances to the officers and employees of the Union Parishad;
- second: in meeting the expenditure charged on the Union Fund under the Ordinance;
- third: in the fulfilment of any obligation and in the discharge of any duty imposed on a Union Parishad under the Ordinance or under any other law for the time being in force;
- fourth: in meeting the expenditure declared by the Union Parishad with the previous sanction of the Deputy Commissioner to be an appropriate charge on the Union Fund; and

fifth: in meeting the expenditure declared by the government to be an appropriate charge on a Union Fund.

Charged expenditure has also been clearly defined in the Ordinance (Section 46). It appears, none of the charged expenditure relates to the development activities of the Union Parishad, which means that a Union Parishad has actually no fund at its disposal that it can spend on development programs. The net result is therefore the perennial dependence of a Union Parishad on the government for any development works it wants to undertake. This dependence of a Union Parishad on government grants and contribution has seriously undermined the effectiveness of local governance in rural areas as ever as it was.

A Union Parishad has to prepare its budget within prescribed timeframe for approval by the Deputy Commissioner. If the budget is not prepared before the commencement of the financial year, budget prepared by the Upazila Parishad, which it is authorized to do on its behalf, will be deemed to be the budget of the Union Parishad. The Upazila Parishad is also authorized to modify the budget under direction from the government. Accounts has to be maintained in the prescribed manner and form, and statement of receipts and expenditure be prepared for onward transmission to the Deputy Commissioner for each financial year. It appears, the freedom of Union Parishad to prepare its budget according to its own choice has been curtailed. Even if the budget

prepared by the Union Parishad concerned seems appropriate in terms of its local needs and demands but does not fit in with government's own liking and priority, it risks being modified by the higher body. In the same manner, the development plans the Union Parishad is required to prepare is also subject to approval by the Upazila Parishad, resulting in unlimited control over its development activities.

One of the sources of income of the Union Parishad is the taxes, rates or fees a Union Parishad can levy on items mentioned in the Second Schedule of the Ordinance. Although, there has been given a list of items and services a Union Parishad could impose taxes on, it cannot do it on its own unless taxes to be imposed are sanctioned by the Deputy Commissioner. Under the original Ordinance (Ordinance no. LI of 1983) a Union Parishad could levy (Section 53) rates on annual value of homestead and residential land adjacent thereto; rate for village police; fees on birth, marriage and feasts; tax on adult males for civil works aimed at providing or augmenting public welfare; and fees for specific welfare or maintenance of public utility services. It was subsequently considered that these items did not fit in with the changed context of the society and economy. In 1993, therefore, these have been radically changed.¹⁰ According to this amendment a Union Council now can levy:

- tax: (1) on the annual value of homestead;
- (2) on professions, trades and callings;

- (3) on cinemas, dramatic and theatrical shows and other entertainments of like nature and amusements;

fees:(1) for licences and permits granted by the Parishad;

- (2) (lease money) from specified hats, bazars and ferries within the union boundaries to be determined by the government.
- (3) (lease money) from jalmahals situated entirely within the union boundaries to be determined by the government.

rate:(1) Union rate to be levied in the prescribed manner.

A Union Parishad may, however, by notice, call upon any person to furnish such information, produce such record or accounts, liable to any tax, rate or fee, as may be necessary for the purpose of determining the liability of such person to a tax, rate or fee, or the assessment thereof (Section 56).

The Ordinance provides for supersession of the Union Parishad (Section 64) and suspension of Chairman and Members of the Parishad (Section 65) in certain circumstances. A Union Parishad is superseded if, after enquiry, it is found unable to discharge duties, administer its affairs or financial obligation, generally acting in a manner contrary to public interests, and exceeding or abusing its powers. Government will do it by notification in the official gazette, but not until an opportunity is given to show cause why such order should not be made, determining the period of supersession. On publication of the notification the

¹⁰ The Local Government (Union Parishad) (Amendment) Act, 1993; Bangladesh Gazette, Additional Issue, 22 July 1993.

Chairman and the members concerned will cease to hold office. A Chairman and the members of a Union Parishad may be suspended if they are found guilty of any misconduct, or of exercising powers prejudicial to the interest of the Union Parishad or undesirable from the point of view of public interest.

Suspension of a Union Parishad under Local Government Ordinance is an easy procedure. For effecting it government has to be satisfied, obviously through an enquiry, that it has the grounds to be suspended. There is no check on any arbitrary decision or enquiry process, which seems to make it vulnerable to politically biased actions. An element of political vindictiveness seems to lurk in the arrangement, which may make the Union Parishad jittery all the time. Suspension is however not as easy as supersession. Specific procedures for suspension act as a sort of reining in any attempt with ulterior motive. For suspending a Chairman or members it is obligatory under the Ordinance (Section 12) that a resolution moved to that effect is passed, at a special meeting called for that purpose, by no less than nine members (which is three-fourth) of the Parishad. This provision is a strong defence for the Chairman and members against any arbitrary, whimsical or biased decisions.

The constitution and development of rural local government in the country seems to have been devoid of any real mechanism that would make them an effective institution for changing the life pattern of rural

people. Three fundamental ingredients are essential to make a rural institution as effective as can contribute, by positive degree and standard, to the change not only in the standard of living, but also in the value-measurement of the people it works for. These are financial soundness, freedom and autonomy of action, safeguard against arbitrary and biased actions from above. From the study of the legal provisions made for Union Parishad it appears in almost all the periods, starting from the period immediately after independence in 1971 to date, this rural institution has suffered, more or less, from these phenomena. The 'Committee' formed immediately after independence following promulgation of Presidential Order 7 was no rural institution in real sense; it was basically relief committee constituted on ad-hoc basis to supervise relief operation in the country, to oversee that people, having lost most of their valuables in the war of liberation, and the refugees returning from India on the dawn of Independence, do not suffer from hunger and everyday necessities. This committee therefore merits little consideration in terms of development of rural local government institution in the country.

The Presidential Order 22 of 1973 paved the way for constitution of Union Parishad (named Union Panchayet after independence) in the country; but it did not spell out the source of funding for financing the costs and expenditure a Union Parishad was to incur on payment of salaries of employees and staff and other items including development outlay. It seems unfathomable how a Union Parishad can run without

financial arrangement. The provision for constitution of Union Fund came first under *the Local Government Ordinance, 1976 (Ordinance No XC of 1976)*¹¹, and continued to exist under *the Local Government (Union Parishads) Ordinance, 1983*. It appears, the sources of funding or the ingredients of the Union Fund are almost the same under both the Ordinances. Financial soundness of the Union Parishad is therefore likely to remain similar under both the Ordinances. The Union Parishad systems reveal that the Union Parishad was never financially so sound as to depend on its own strength for implementation of development programs or conducting its business without any help. It requires to be critically looked into whether this is because of weaknesses in the system or lack of administrative capacity on the part of the Union Parishad to make good use of the provision.

The Presidential Order 22 of 1973 did make no mention about the disposal procedure of business in a Union Parishad. The policy framer then seems to have given no thought on that aspect. Under the Ordinances of 1976 and 1983, the procedure for disposal of business, conduct of meeting, exercise of executive powers, minutes to be recorded have explicitly been spelt out. It offers complete freedom to the Union Parishad as to the decisions to be taken. There is however one danger lying asleep within the system, and that is the power of the government to quash any decisions taken, suspend execution of any resolution taken, prohibit the doing of anything proposed to be done

¹¹ The Local Government Ordinance, 1976 (Ordinance No. XC of 1976), Government of

and to require the Union Parishad to take such action as may be specified (Section 69 in 1976 and Section 61 in 1983 Ordinances). Government or the Prescribed Authority may do it when in the opinion of the Prescribed Authority (1976), or in the opinion of the Government (1983) anything done, or intended to be done, by or on behalf of the Union Parishad 'is not in conformity with law, or is in any way against public interest'. This is apparently an innocuous provision that gives the authority or the government a moral obligation to ensure good practice for public interest. Nonetheless, the problem lies elsewhere, i.e. how the action or the decisions of the Union Parishad is interpreted. A Union Parishad may become a target for political manoeuvrings or be subjected to suspension if the Parishad appears uncontrollable or do not serve political interest of the reigning party or any of its MPs or leading personalities.

The danger that chairmen and members of Union Parishads remain jittery about is the provision for supersession of Union Parishads and suspension of chairmen and members. The Presidential Order 22 of 1973 provides no room for supersession of Union Parishads, but it does provide for removal of chairmen and members from their office (Section 14) if they are found guilty of abusing power or of any misconduct, absent themselves in three consecutive meetings, refuse to perform or become physically disabled to perform their functions. Their removal is however not easy. A resolution in favour of removal voted

Bangladesh, The Bangladesh Gazette, Extraordinary Gazette, November 22, 1976.

by no less than two-thirds of the members is obligatory. The 1976 Ordinance also does not have any provision for suspension of Union Parishad except for that of removal (Section 13), which is exactly the same as 1973. The protective Section it contains also makes it obligatory that removal of chairman and members of a Union Parishad will only be possible if a resolution to that effect is passed by no less than two-thirds of the members of the Parishad. The 1983 Ordinance have provision for removal (Section 12), supersession (Section 64) and suspension (Section 65). While the procedure followed for supersession is easier, removal and suspension have protective Sections to act as safeguard against any arbitrary actions. For supersession of any Union Parishad, government is to be only satisfied, through an enquiry, that a Union Parishad is unable to discharge or persistently fails in discharging its duties; to administer its affairs or meet its financial obligation; is acting in a manner contrary to public interest; and is seen abusing or exceeding its powers. Government has, no doubt, every right and responsibility to see that functions of a Union Parishad is carried out to the best interest of the people, but there should be legal protection against abuse of the provision through misinterpretation. Only provision for show cause is not sufficient. Suspension and removal require the same grounds as under Ordinance of 1976 and Presidential Order 22 of 1973. The procedure for removal and suspension has been made harder and stringent. The support a resolution requires in favour of removal or suspension of chairman or members has been elevated from two-thirds under the previous

President's Order or the Ordinance of 1976 to three-fourths under the Ordinance of 1983. In spite of that, it can reasonably be argued that the position of chairman and members of Union Parishad has been made more vulnerable than ever before under the 1983 Ordinance. From the above analysis it appears, the three essential ingredients of a free and effective Union Parishad are not as strongly present in the existing Ordinances as needed.

Institutional Features of UP

Institutions like the Union Parishad have its root in the rural Bangladesh from a long historical past. These institutions have survived historical tribulations, political upheavals and economic setbacks. But if it were an institution that kept the social fabric together, economic self-sufficiency buoyant and political consciousness invigorated in the ancient past, it did not live up to that reputation in the time of our living memory. Union Parishad in Bangladesh was constituted to infuse impetus into her rural socio-economic life to ensure good governance. Although its present structure, composition, power and responsibilities have come up through transformations to comply with contextual changes in time and reality, it has still not been able to prove itself an effective institution to provide the kind of governance that its designer and the rural people cherish it to deliver. The changes brought about in its composition, powers and structure, revenue generation, etc, through different stages, could not produce expected leadership in the national

development; rather it resembles a derelict edifice suffering from low social image, veiled central control, weak management capacity, incapacity to mobilize resources, and lack of capacity to withstand political pressures.

Low Social Image: As the grass roots institution for people to get involved in for developing their own fate through local development by infusing new life into its initiatives, UP has fallen flat quite miserably. It is no more that institution that people can look upon to the amelioration of people's fate through its dynamic leadership and contribution to national development. Rather it is one of those institutions that lived through ages promising tremendous potentials, but ending up as an old fragile man dependent on others for survival. If Union Parishad has to salvage its social image it once upheld, it needs to go a long way not only in its performance and addressing local issues through bold leadership, it also needs to cover extra mileage to catch up with the loss suffered due to its inertia and lack of vision.

Weak Management Capacity: Few people will disagree that the Union Parishad lacks three fundamental ingredients----financial soundness, freedom and autonomy of action, safeguard against arbitrary and biased actions from above---essential for building a rural institution to make effective contribution to rural development. All said, there will be, nonetheless, no shortage of questions which seek answer relating to the personal capacity of the chairman and members of the Union

Parishad. It is necessary to find out answer to the questions like if financial soundness, autonomy and safeguard against actions alone can ensure satisfactory performances on their parts. Not sure. The provision for checks and balances made in the Ordinances and Acts has to be faced with equal force and capacity. This can be done by quality enhancement of the Chairmen and members of the Union Parishad. Except for a rare few, most of the Chairmen and members, including the women members, are under-SSC or under-class V, resulting in their inability to overcome mental limitations to think beyond and for anything big and innovative. This has put a permanent seal on their fate. This circle has to be broken.

Lack of Capacity to Mobilize Resources: Very often the Union Parishads are grilled by the question about their capacity to mobilize funds that they are authorized to do through taxes, rates and fees. Experiences show a horrible and sarcastic picture in all the Unions, almost without any exception, across the country. Even collection of such taxes under a minimal budget falls far short of the target. Their failure can be attributed to a number of reasons: either they do not have the trained and motivated manpower to achieve a satisfactory level of collections; or they do not want to ensure collection in order not to lose their support among their electorates; and or they have failed to motivate people to associate themselves in the development process which demands both physical and financial sacrifice. Effective governance is not the responsibility of the central government alone; it

is the combination of efforts of both local and central government contributing to a salutary effect.

Lack of Vision: Attitude and outlook influence heavily in the conduct of business and affairs of the Union Parishad. A fairly satisfactory performance can be expected when actions taken can rise above parochialism, personal gratification and similar other narrow considerations. Most of the Union Parishad Chairmen and members come of a lower middle class agrarian background, who tend to pin their attention only on certain common issues like relief, VGD program and the likes. With their social and economic base and educational background, their outlook, planning and foresightedness are less likely to transcend the narrow and immediate needs within limited psychological borders. So, the checks and balances the government has put in place through appropriate provisions in the Ordinances and Acts against abuse of power, and to rectify failure of the Chairmen and members, can easily be a subject for criticism; but the reality should be judged by measuring their mental ability and moral maturity to undertake responsibilities of any such magnitude that demands high moral standard, strong personal capability and effective leadership. They, probably, possess none of these in real sense.

An enlightened young class having all the requisite of a dynamic leadership has to be dragged into the operation to infuse in the process new vigour, ideas, innovations and seriousness. That is however very

difficult to translate as a Chairman and a member gets, as honorarium per annum respectively, only a paltry Tk. 6,000 and Tk. 2,000, which is simply insufficient and ignominious. If the opportunity cost of the social service like participation in the administration of services under the Union Parishad is higher, there is no way that a new life in the governance of rural service within the framework of Union Parishad can be expected. This resembles the services the ratepayer members offered in the English parishes, where attendance in the meeting fetched them an amount less than what they spent on travel (Mookerji, 1920). That was subsequently rectified by enhancing the remuneration amount.

Central Control: Freedom and autonomy with proper guidance is very important for any institution like the Union Parishads to become effective and useful. Although the 1983 Ordinance provides for UP to take decisions on their own for local development and prepare their own budget, there remains in it veiled threats for supersession and suspension that make the UP representative very jittery about their existence. UPs have to be given full authority, of course through appropriate guidance and monitoring, in order that they can make effective contribution to local development without fear and jitters. Political considerations should not overplay in their decision-making processes. They should be allowed to develop themselves into efficacious local governance institutions without any undesirable interference, and given the opportunity to improve their management capacity through appropriate guidance and support.

Control by Local Chapter of the Ruling Party: Union Parishads have nowadays become a strong platform for ruling party to consolidate political base and launch offensives against the political opponents. The propensity of the zealots and henchmen of the local chapter of the ruling party to control Union Parishads at any cost has not only generated animosity among the political forces at local level, this has also undermined, in most cases, whatever efforts they are making for local development. This tendency to make moral gains defying popular support and approbation is vitiating the overall environment in the rural Bangladesh, which could have been an outstanding breeding ground for aggressive development thrusts with all parties contributing to the common purpose and goal through meaningful co-existence and collaboration.

From the above study it appears lack of management capacity contributing to emergence of other problems weakens performance of Union Parishad as an effective local government institution in the country. This has far-reaching critical implications on the performance and effectiveness of Union Parishad as a local government institution, which could champion itself to be carrying the country towards fast development. An interplay of various reasons is responsible for this incapacity. Lack of financial soundness and appropriate compensatory packages for the Chairmen and members inhibits enlightened people from participating in local government activities. Conversely, lack of participation of enlightened and educated people has contributed to

failure in generating ideas and innovations in the management of Union Parishad. On the other hand, lack of adequate freedom in running business of Union Parishad and influence of local chapter of ruling party may have had impact in dissuading ingenious people from taking part in the affairs of Union Parishad.

As a consequence of these, Union Parishad has failed to translate the aspirations it promised to fulfil, leaving many of the programs and targets set by the central government unattended, having serious impact on governance at the local level. If the problems identified above could be addressed and removed, the whole scenario of governance at the Union Parishad level would have had different results. It has to be very seriously thought out to see how these could be sorted out to give to Union Parishad a new impetus to play an effective role as a local government institution.

Conclusion

It therefore seems, a holistic approach may help to find out an appropriate answer to the problems that local governance is facing today in bringing it up as an effective mechanism for delivering the kind of services the rural people cherishes for years together. Appropriate human resources development program such as relevant training and motivation, placement of required funds at the disposal of Union Parishad, proper environment for inducing enlightened young segment of the society to associate themselves in the process, political

understanding between conflicting and competing parties, proper guidance and support from the central leadership and government may prove very effective and useful towards that end. The tasks to fulfil this program may prove too hard and difficult, but not impossible, and government must take bold step to achieve it. In the context of ever-expanding population and out-migration of swelling labour forces from rural to urban areas for employment opportunities leading to crisis in urban governance given the resource constraints, strengthening of local government seems, as of now, probably the best option for the government to handle problems that put the government in a very awkward situation.

Chapter 5: NGOs in Development and Governance

Introduction

Non-Governmental Organizations have cut across, worldwide, intellectual minds and development administrators in context of their emergence, dynamics of expansion, roles they play in the development, changes it need to embrace to adapt to changing pattern of funding by donors, demand by partners to address their realities, etc. These issues have become so interlinked that it needs special attention as to how people involved in its operations should address it.

This chapter, therefore, is an attempt to trace back the critical factors and different theories about the emergence of Non-Government Organizations, its role in development, different types of NGOs in terms of its comparative difference and diversity. In the process of its operations NGOs have shifted their paradigm impelled by changing needs and situations, which have forced them to redesign their programs and revise procedures to cope with challenges. That has also been discussed in this chapter.

In the process of development, NGOs have faced new challenges. As the number of NGOs increases and the resources shrink worldwide, they need to evaluate their programs in keeping with diverse dimensions and perspectives in the wake of stricter conditionalities and

scrutiny put into practice by funding agencies. Attempt has been made to discuss those scenarios. Competition to grab funds has become so intense that NGOs need to decide if they should compromise with the core values that underpin their existence or set stricter performance indicators for themselves to satisfy funding demands that help them overcome this situation by defending both core values and fulfilling funding requirement. These issues have been discussed to point to the direction that NGOs need to take to handle a sensitive issue with capacity building and refining their excellence.

Over the last decade Non-Government Organizations (NGOs) have become prominent actors in the development field. From relative obscurity they have suddenly found themselves catapulted into international respectability (Broadhead, 1987). Although NGOs have only recently emerged into the development limelight, they are not a recent phenomenon (Korten, 1991). The accelerated growth of non-governmental organizations is due to the increased realization of the world that voluntary action has a significant complementary role in social welfare and development programs (Khanna, 1988). The explosive emergence of NGOs is identified as a “significant political, social and economic trend (Cernea, 1987).

The history of international voluntary initiatives is very long. Wars and natural disasters provided impetus for it to spring up; welfare services to the poor being the background for regular obsession. The perception

of religious obligation fulfilled through service to humanity underpinned their operation. It was in 1647 that the Protestant sent food aid to the settlers in North America who were the victims of the Indian wars. Throughout the seventeenth and eighteenth centuries, private British charities supported missionaries and schools for the Indians, Blacks and the poor Whites in America (Sommer, 1977). In 1973, the turmoil in Santo Domingo stemmed from revolutionary storms found the private groups in the United States engaged in providing voluntary assistance to the fleeing refugees. A few years later in 1882, the American Red Cross was established. The nineteenth century Europe and America witnessed the birth of major international relief and missionary societies.

The early period of the twentieth century, stirred by the devastations of the World War I, was characterized by international initiatives that grew substantially to allay human sufferings. Europe, the battleground of the war, ran short of food grains. Food contributions to Europe by US charities totalled an annual US\$ 250 million during this period (Sommer, 1977). 'Save the Children Fund', the oldest of the British international charities was established in 1919 as an outgrowth of opposition to the Allied blockade of Germany (OECD, 1988). The Second World War also paved the foundation for growth of a large number of international NGOs. Many of such major NGOs like the Catholic Relief Service and CARE, now extending funds for developing countries, were established in Europe during this period to

help the victims of the War. Oxfam (UK) started its operation in 1942 to provide aid to the starving children in Nazi-occupied Greece.

As Europe's recovery from the devastation of the War was back on track, these organizations had the opportunity to direct their attention elsewhere. Developing countries became their obvious choice. Asia was then tossed up with conflicts generated out of political contradictions resulting in refugees spread over the continent. These organizations then focused their attention to assist such refugees, particularly those from China, India, Korea and the Middle East (OECD, 1988). Under the Agricultural Act of 1949, the US voluntary agencies became qualified to distribute government surplus food stocks to the needy people in developing countries (OECD, 1988). American involvement increased in such scopes following that effort.

Over the time, the direction of the operation underwent transformation as the political scenario changed across the globe. Colonies started becoming independent. This phenomenon also influenced shaping relationships between churches in developed and developing countries. In the early 1960s, the voluntary agencies thus shifted their direction from simply relief work to development work. One important characteristic became apparent during this period. As the NGOs in the Southern hemisphere were linked closely with Northern ones in terms of funding and mutual understanding, the pattern of development of NGOs in Southern countries followed the similar patterns to those in

the Northern countries. At this period until 1960s, churches and missionary societies were active in both Latin America and Africa as colonial powers in those continents left many of the basic provisions like health and education to the care of these church-related organizations.

In South Asian countries, modern NGO movement attributes its origin to the struggle for independence. As the countries' popular movements for freedom gained momentum, following call from their leaders for non-cooperation on the one hand, and anti-establishment demonstration on the other, NGOs outstretched their hands to help the poor and the disadvantaged groups in the area in the early half of the century. Later on, between mid 1960s and 70s, many NGOs became innovators in areas such as appropriate technology, adult education and health care to improve the conditions of the poor (Tandon, 1987).

The perception in the donor community about NGO capability to contribute to reducing poverty and maintaining environment sustainability received greater attraction. Meanwhile, the debate of "good governance" has highlighted the need for pluralism and prominent citizens' voice in international development planning, which the NGOs can contribute in many ways including through the promotion of participatory development (Bhatnagar and Williams, 1992). "Rolling back the state" also provided a good platform for NGOs, as well as the private sector, to come in where government

seemed unable to provide services because of its overwork and oversize.

As the disenchantment with conventional theories and practices became stronger, the development thinkers, donors, governments of various countries looked for alternative forces not only to “fill in the gaps”, but also to respond to failures in the public sectors (Salmon and Anheir, 1991; Bratton, 1990), and play a critical role as the third sector along with the state and the market. Gradually, the NGOs occupied their position with due regard and efficiency in the community they worked in and for. In the process, the 1980s witnessed its rapid growth exploding all over world and taking over many of the tasks the government sector performed. Gradually, the NGO movement has matured and gained momentum and support throughout the world (Farrington and Bebbington ed., 1993).

Critical Factors for Emergence of NGOs.

The international development community increasingly exhibited interest in the non-governmental and non-profit organizations in addressing the needs of the population. These organizations are identified as possible alternative institutions to the public sectors (Brown and Korten, 1991). As a World Bank official notes, official donors have turned to NGOs out of “pragmatic considerations,” seeing them as “more efficient conduits for development inputs than the often-described official agencies” (Masoni 1985, p. 38). It is hardly surprising

that NGOs, with their “human face” and public support, their history of targeting the poorest in their programs, and their relatively low-cost management style seem an attractive alternative (Broadhead, 1987).

Development theorists and practitioners have formulated a series of analyses and prescriptions with a view to promoting development in Third World countries. However, constantly changing national and global economy presented formidable problems in many countries. With the failure of the public sector to adapt to these changes, development managers searched for alternative forces that could replace them in finding out appropriate management answers to these problems. The NGOs thus came into prominence with support and cooperation from both bilateral and international financing community. Critical examination and logical wisdom still wanted to identify critical factors that contributed to the rapid growth of NGOs all over the world. Discussed below are some of those factors that may help find the clue:

Changing Global Environment

With the technological advancement in the twentieth century mankind came closer together than ever before. Communication required lesser time; dialogue with the partners became easier; international trade and commerce appeared more hectic between nations; geographical and functional interdependence got progressively expanded and bilateral and multilateral relations paradigm thus wore new complexion. Given this change in the world system, the traditionally dominant realist

approach lost much of its power to explain the development of a global political economy based on internationalization of trade, production and finance. From a theoretical standpoint, the transformations of the world environment have enabled the emergence of the notion of “international non-state actor” (Mansbach, Ferguson and Lampart, 1976; Taylor, 1984; Kegley and Wittkopf, 1986).

Changed International Political Philosophy

In the 1980s, a new philosophy of governance came to govern world political system promising a radical change in bureaucratic set up and power structure. This became more evident in the USA, when Ronald Reagan, exponent of small government, became President. By conceptual and empirical analysis big government had then two fronts to combat: financial constraints on one front, and criticism of bureaucracies emanated from their disappointing performance as agents of social and economic changes on the other. In some cases bureaucratic expansion seemed to entail only greater nepotism, corruption, incompetence and waste of public funds (Esman, 1988). The excess of state inefficiency, repression and corruption required a rethinking among those who previously assumed that social development would be achieved through public sector actions (Farrington and Bebbington ed., 1993). Economist Milton, an advisor to the Regan Administration, strongly advocated that the concept of less government should be given more emphasis. Such a strong advocacy provided fillip for flourishing non-governmental sector. The main

theme of this concept was to curtail the functional expanse of government and encourage and expand the functional coverage of non-governmental organizations. The expectation the public agencies were thought would be able to fulfil dwindled, making the world leaders decide to provide the non-governmental organizations with options to break new grounds. In the search for alternative means to provide public services, through small government, with expected efficiency and expertise, another great contemporary leader the British Prime Minister Margaret Thatcher joined ranks. Thus the philosophy of these two contemporary world leaders contributed to a great extent to the growth and expansion of NGOs across the globe. As government sector lost its effectiveness in delivering what they were meant to make available, alternative means of operation fostered by the encouragement and patronization of great world leaders got the NGOs' roots ingrained and expanded to complement public sector initiatives. General evaluation about the NGOs that they were more responsive, discreet and innovative paved the way for their expansion within the next few decades beyond unexpected acceleration.

Attraction and Trust of Major Donor Agencies

The change in the global political and economic environment brought about a gradual change in the policies of major donor agencies. This change provided room for NGOs to draw attention of bilateral and multilateral aid agencies, who in the past were little concerned with such local organizations (World Bank, 1992). Till then, common

perception was the recognition of the inevitability of public sector's intervention in all state funded operation and activities. However, World Bank's attitude was that government should do many things to ensure public welfare, but not everything. Bank's such attitudinal change was reflected in the address the then president of the World Bank Barber Conable made in its meeting of the Board of Governors in Berlin, where he stated that "government policies and public program play critical role in development. But governments cannot do everything. NGOs in many developing countries have enormous potential for flexible and effective action" (Paul, 1991).

Given the background, new perception about the efficiency and effectiveness of NGOs and government emerged. As the grassroots level organizations NGOs were considered able to offer feedback in the design, implementation and evaluation of projects, government's role was circumscribed by the recognition of its limitations, making room for the NGOs to complement the gap. Consequently, they became an innovative and active participant in the operation of international aid group. Their innovation and flexibility prompted international donor agencies to shift their attention to a great extent to NGOs, and they started to call for more involvement of NGOs in different development programs that were implemented through governmental organizations (World Bank, 1991; Farnworth, 1991; Salmon and Eaves, 1989). The national governments also mixed their chorus with donors. They became interested in strengthening the developmental roles of

institutions outside the public sector (Brown and Korten, 1991). Government's weakness and inability to cater to the whole of the society leaves a big gap between requirement and availability. NGOs are considered as an alternative agent to fill this gap (Bebbington and Farrington ed., 1993). Over the time, it also became evident from the experience that the NGOs are capable, as demonstrated through their involvement and performance, of controlling a large share of the funds committed as development assistance. Thus the role of NGOs as development agents was institutionalised and the scope of their interventions was constantly growing (Therien, 1991).

Failure of Governments and Search for Alternative Model

NGOs came into limelight on the heels of the failure of the governments to fulfil the expectation and aspiration of the donors as well as the people. Governments' role not only fell short of the required level of involvement and service delivery, the services they delivered very often were characterized by inattention, constraints, limitations and inappropriateness across the whole development spectrum. This realization led to search for alternative models and approaches to development in the context of frustration at the failure of conventional approaches to achieve the goals set by development planners and policy makers (Peggy, 1987).

Different Theories on NGOs

Since the mid 1970s Non-Governmental Organizations (NGOs) appeared as the 'third sector' in achieving decentralized, sustainable and equitable development (Fowler 1992). It has now been recognized that NGOs, with their flexibility, responsiveness and adaptability, can play important roles in grassroots level development (Carroll 1992), representation of the views of the poor (Robinson 1993), enhancing operational efficiency (World Bank 1991) and sustainable development (Korten 1987, Clark 1991). NGOs have proved themselves to be more effective in reaching the poor in developing countries where poor constitutes the majority of population and, as such, the real concern of any development thrust. Innovation in program designing, complementarity in program interventions and association with grassroots level people have lent credence to the NGO legitimacy, and their expertise and experience gathered over the years have resulted in their programs being expanded and redefined with further replicability. As a matter of fact, NGOs have now entered into an operational arena, which has traditionally been the 'exclusive domain' of the government or public sector. With its operational efficiency, commitment and experienced manpower, the NGOs, in effect, are pervading that exclusive ground with increased forces and sustained momentum. On the conceptual front, different theories prompted emergence of NGOs. Aminuzzaman (1993) makes an overview of the theories and approaches as follows:

The Subsidy Theory: The subsidy theory asserts that institutional form of NGOs is a response to the many implicit and explicit subsidies made available to NGOs by the state (Weisband 1988). In order that the various activities NGOs are undertaking in sectors like education, health, poverty alleviation and welfare can be supported for successful implementation, state and external donors provide substantial amount of donation to them through a variety of subsidies.

The Public Goods Theory: On the other hand, the public goods theory (Hansman 1980) represents a different view of the rationale of NGOs. The main theme of public goods theory is that NGOs exist because they have to fulfil the unsatisfied demand for public goods in society. This theory is based on the argument of gap created by the state between what is in demand and what is in the provision. The theory argues that the state tends to provide public goods only at the level that satisfies the median voters, where demand exceeds this level or where heterogeneous demands exist, NGOs step in to fill the gap.

The Contract Failure Theory: The contract failure theory suggests that NGOs arise where ordinary contractual mechanisms do not provide the public with adequate means to public procedures. The contract failure theory views NGOs as a response to possible opportunistic behaviour by both private and public service providers (Paul 1991). The main argument of this theory is that when contracts are difficult to define, people are likely to trust NGOs more than commercial firms. When the

public fails to monitor or evaluate certain outputs and services, they are likely to turn to organizations with no profit motive for producing and delivering the outputs and services. The values and goals that people perceive in NGOs explain this public behaviour.

The Consumer Control Theory: The consumer control theory explains the existence of a category of NGOs in terms of the superiority of direct consumer or patron control when the government and the market are unable to ensure the desired performance (Ben-Ner 1986). The reasons that are highlighted here, which explain why NGOs survive, are because their operational behaviour differs significantly from that of profit-oriented entities and of comparisons of their efficiency with that of other institutional forms.

Role of NGOs

As regards role of NGOs, three broad perceptions can be identified: *first*, the notion that NGOs represent a force towards democratic and pluralist civil society; *second*, a view that NGOs have particular strengths in poverty alleviation and sustainable development; and *third*, that they offer the prospect of enhancing the efficiency of public sector service delivery.

NGOs as a force for democracy: NGOs have increasingly become associated with grassroots level development (Carroll 1992), with development and democracy (Lehmann 1990) and with alternative

development and empowerment (Friedman 1992). They are however less concerned with the establishment of multi-party democracy in the western liberal sense, but more with checks and balances on the use and abuse of power, with the struggle for liberty to express views not in tune with the established interests, and with increasing representation of the views of the poor (Healey and Robinson 1992).

NGOs as poverty alleviators and sustainable developers: The perspective rapidly gaining ground is that NGOs' commitment to poverty alleviation underpins their strong presence in rural areas, that their respect for self-determination encourages them to support the establishment of mechanisms and grassroots organizations through which the rural poor can express views on their needs, and that their small scale and flexibility allow rapid response to these needs (Korten 1987; Clark 1991).

NGOs as efficiency enhancers: This approach is based on the argument that NGOs have the potential for enhancing the efficiency of service delivery in general, and of government services in particular. Strong presence in the rural areas and detailed knowledge of the needs of the poor allow NGOs to deliver more appropriate services to the poor more cost-effectively than the public sector could (Farnworth 1991; World Bank 1991a; 1991b). This view has resulted in substantial increases in funding allocations to NGOs. The second argument is that by innovations—whether technological, methodological or

institutional—NGOs would enhance the efficiency of the public sector if it were to adopt them and apply them on a wider scale (Morgan 1990; Hulme and Edwards 1992). A specific facet of this view is that many NGOs are concerned with technologies that are more environmentally sustainable than those relying on high inputs of agrochemicals and mechanical power, and so offer prospects of efficiency enhancement in the long run (Haverkort et al. 1991). The third argument is that NGOs can influence the agenda of public sector organizations informally through personal contacts, and more formally through representation on advisory bodies. This ‘demand-pull’ can be sustained in the long run by a gradual take-over of NGOs’ responsibilities by the grassroots organizations that they seek to support (Abed 1991; Carroll 1992; Tandler 1982).

Nonetheless, these general arguments in support of NGOs are not free of difficulties containing a number of inconsistencies. The most important of these is rooted in perceptions of long-term roles. If democratic demand-process pervades too much too far, it may lead to shift in the government agenda in order to reverse ‘urban bias’. With rural poor assuming a greater role in democratic processes, the need for more resources to be channelled into those areas to level off infrastructure, health and education facilities with other areas will arise. Clearly, decisions on broad patterns of resource allocation of this kind lie firmly in the mandate of government, as does the wider responsibility for monitoring their impact. Wide-scale involvement of

NGOs in the provision of rural services result in risk on two counts: on the one hand, government will see itself absolved from fulfilling these obligations; and may make it difficult for NGOs to implement their widely stated intentions to withdraw from particular activities once sustainable interaction between government and grassroots organizations has been established, on the other. Problems of this kind have been noted in Bangladesh (Sanyal 1991) and in Asia (Holloway 1989).

The second major difficulty is in the GO-NGO relationship. The relations between NGOs and government organizations arranged on a functional basis according to their respective comparative advantage may not be that simple. Given their wide typical ranges, the diversity of biophysical and socio-economic conditions in which they operate, and the prospect of divergence in views between NGOs and the government, expressed on both the futures of the rural poor and the means and mechanism of achieving those futures, GO-NGO relations could be more complex and contradictory than seems plausible. This puts the whole consideration on new dimensions: the more the effort, the much the achievement in adequate working and meaningful relations. The long history of tension in the wider relations between NGOs and the state is further evidence of the difficulties likely to be encountered (Tandon 1989).

Different schools of thought have emerged in Bangladesh centering the role of NGOs. These schools represent a divergence in their arguments and recognition: the protagonists are strongly in favour of giving NGOs credit for fulfilling the 'organizational gap' as intermediary organizations by way of mobilizing people to participate in government-initiated programs. They argue that NGOs are, thus, considered an alternative institutional framework through which the rural poor and disadvantaged groups could be reached by bypassing the conventional public bureaucracy (Holloway 1994).

Another group of researchers has examined NGOs as an emerging institutional framework for participative development. They observe, NGOs are instrumental in social transformation process at the local level by playing a critical and important role through participatory approach. The economic programs they implement, the human development programs they help set in, the advocacy programs they operationalize for social equality, justice and self-esteem all contribute to the social transformation to a significant extent. The thrust of this line of reasoning is that if replication of NGOs' grassroots level activities is possible on a broad scale, it can work as a catalyst for macro-level social transformation (Wagnaraja 1984).

The opinion of the hardliners represents both approbation and belligerence. They put forward that NGOs may be efficient mobilizers of the rural poor, but they can no way be a force in playing any

important role in social transformation. Rather, they are weakening the local government bodies by installing a parallel institution for local level development through ad-hoc projects (Umar 1994). The considerable interests the donors—both bilateral and multilateral—have shown in the potentials of the NGOs in making significant contribution to the development processes of the country have seen growth of another radical perspective on the role of NGOs (Sobhan 1982). This school (Muhammad 1988) has broached on the shortcomings of the NGOs in becoming parallel to the government in terms of political prowess or social commitment. They argue that given their political power and social commitment, NGOs are in no position to bring about any change in the existing power structure; rather, they are serving, either knowingly or beyond their knowledge, the interest of international corporate capital,

Definitions and Comparative Analysis

The growing number of NGOs, especially in the third world countries, has increasingly come to play important roles in catering to the needs of the poor through the last two decades of 1980s and 1990s. With the donors being instrumental in their expansion through increased funds to ‘fill the gap’ created by the failure of governments, the presence of NGOs became more prominent and felt more than any time in the past, as they started breaking newer grounds of intervention with innovation and commitment which made them distinct from other institutions. Yet, there were and are other organizations like People’s Organization (PO),

Community Based Organization (CBO), Grass Root Organization (GRO), Membership Organization (MO), Multi-Sectoral Organization (MSO), and the likes, which exist in the society with similar, if not exactly the same, activities towards achieving diverse objectives within the framework of respective legal boundaries. What those organizations are working for, and if they differ from NGOs, and how they differ--are the kinds of questions people are keen to know answers to, in order to draw interpretational or definitive boundary for each and every distinctly formed organization. In the following chapters attempts have been made to define these organizations in context of their work domain, types, characteristics, etc. to help the readers understand various dimensions concerning these phenomena.

NGO Non Government Organizations are notoriously difficult to define. At its broadest, the definition of NGOs embraces everything outside the public and private commercial sectors (Farrington and Lewis 1993). The Asian Development Bank definition of NGOs refers to organizations which are “(i) not based in government; and (ii) not created to earn profit” (ADB 1999). To elaborate on this ADB further says that while this broad definition of an NGO is correct semantically, it presents a problem in that it embraces a large number and wide range of organizations that structurally and functionally are unrelated. This broad definition of NGO refers more to what an organization is not, rather than to what it is, and can be applied to many organizations.

Non-Governmental Organizations are any of those organizations which are not part of a government and which have not been established as a result of an agreement between governments (Padron 1987). NGOs can be research institutions, professional associations, trade unions, chambers of commerce, youth organizations, religious institutions, senior citizens' associations, tourist bodies, private foundations, political parties, Zionist organizations, funding or development—international and indigenous—agencies, and any other organization of a non-governmental nature (United Nations 1980). The concept of NGO is wrongly used to denominate non-governmental developmental organizations which are specifically devoted to the design, study and/or execution of development programs and projects in Third World countries, with the support of international development cooperation institutions and the direct involvement of the popular sectors.

There are different types of NGOs. These are 'Come NGOs', Government Organized NGOs (GONGOs), Donor-Organized NGOs (DONGO), Business Organized NGO (BONGOs), etc.

Come NGOs: This witty nomenclature represents those organizations set up by unscrupulous individuals with the motive of personal profit, but represented by them as private, voluntary organizations for the welfare of the common men. Their activities usually come to an end as soon as the campaign for raising funds end, and then they decamp with whatever they can milk.

GONGOs: These are government organized NGOs where government disguises its activity under the banner of an NGO certainly to harness some advantages. These organizations are neither private nor voluntary, but controlled by government. Patuakhali Trust in Bangladesh can be a good example.

DONGOs: These are Donor-Organized NGOs, set up by donors when sometimes they become very enthusiastic to push their particular policy or implement their own programs.

BONGOs: These are Business-Organized NGOs. Business or commercial houses may legitimately set up independent foundations. At the same time, they can also set up NGOs simply to acquire advantages from tax breaks or specific imports or to run programs quite different from principal activities but in line with their original business philosophy. The Islami Bank Foundation in Bangladesh can be a good example of this.

NGDO Non-Government Development Organizations (NGDOs) are those organizations which cater to the multiple needs of grassroots sectors and their organizations (GROs), with the support of international development cooperation institutions (IDCIs) (Padron 1987). These three organizational forms: the NGDOs (indigenous NGOs), the GROs (beneficiaries or target groups) and the IDCIs (international NGOs, solidarity or funding agencies) are the three main

protagonists of the non-governmental developmental cooperation processes. They are usually just called NGOs. NGDOs play an important part in the preparation, design and application of development strategies, in addition, or as an alternative to the efforts of government or international institutions (Padron 1982a). Even though the influence and importance of NGDOs vary according to the national context in which they operate, their growing presence and increase in number over recent years are undeniable, as is their active role in the search for development strategies which benefit the popular sectors (OECD 1979. p. 113).

The *NGDOs* are called by different names in different countries. All, however, share main characteristics: they are formed by individuals, who receive payments for their duties, and they are private, not-for-profit, and operate within a legal framework. They work through development projects (or programs) to benefit people other than their own members and their financing comes from sources outside the *NGDO* (Padron 1987).

The lack of clarity in the *NGDOs*' definition, in their perception of their own role and their relationship with *IDCIs* cause some confusion. Those who define *NGDOs* as *PVOs* tend to think that their members are volunteers, and not professionals or technicians with salary requirement for themselves and their families. Such a voluntary component of the concept is also present when salaries and similar budgetary issues are

discussed between *NGDOs* and *IDCIs*. Confusion between the *NGDO* and the popular organization, which it seeks to serve, gives rise to misunderstanding and, in many cases, leads to the supposition that the *NGDOs* to some extent represent the interests of the popular organizations, or that the *NGDO* and its personnel belong to the popular sector (see Egana 1986a, *passim*).

PVO, PVDO Private Voluntary Organizations or Private Voluntary Development Organizations have generally been known as NGOs. But a group of protagonists does not want this term to be allowed to ascribe to organizations, which in reality are working for socio-economic development of the rural poor. According to them this definition is not acceptable because of two reasons (Iqbal Shilo: ADAB Quarterly 1994):

- a. Non-government organizations range from clubs to commercial enterprises. PVDOs are non-profit organizations committed to the development of the underprivileged and the under-served.
- b. PVDOs are part of the private sector—but the non-profit section of the private sector. No member of the initiating group receives profit from its work, but these organizations/associations are set up privately, on the initiative of individuals/groups.

Therefore organizations subscribing to certain specific purposes and code of ethics and seeking to organize the poor under a framework relating to themselves, the government of Bangladesh and international

development partners, are called *PVDOs*. These specific purposes focus on sustainable development of the poor in Bangladesh; working with and for the poor with the objectives of alleviating their poverty, developing their skills and institutions, raising their consciousness, and encouraging their participation in the productive activities of the nation, and raising their standard of living and helping them become worthy citizens of Bangladesh by being more conscious, more self-reliant, and more capable to build and sustain the democratic process at the grassroots.

The code of ethics that underpins operation of *PVDOs* relates to a spectrum of areas and issues that identify the organization's goals, practices and norms. It relates to the poor they work for, the government and the state where the people live, other *PVDOs* working in the country, the development partners who support their programs, and the staff through whom the organizations work and implement the programs undertaken.

GRO Grassroots sectors and their organizations (*GROs*) have proved to be a necessary ingredient in any self-sustained development effort. Their participation in development projects is a matter of fact when we speak of non-governmental development cooperation; if they are not present and interested in the project from its conception, such a cooperation should rather be called aid. However, there are still projects—and *NGDOs*—which cite participation of *GROs* as one of their

objectives (Padron 1987). Very often, GROs call on NGDOs and, with their support, act as legitimate interlocutors with government decision-makers, obviously relying heavily on NGDOs' technical and professional support.

When grassroots organizations proliferate, they form self-organizing systems. That is, despite their diversity, organizations tend to sort themselves out by function and by turf. They specialize, differentiate, and arrange themselves hierarchically. Although foreign private voluntary organizations can serve critical roles as catalysts, they seldom provide a larger framework that sustains grassroots growth over the long run. The more important incentives that foster grassroots growth come from the state, even though grassroots organizations and the state may be in an adversarial relationship. Poor people organize not only in response to their needs, but in response to incentives. This growth of organization is driven from within, and from without. If, for example, landless, assetless farmers know that group membership can help them secure low-interest bank loans, they will form cooperatives or other organizations that give them access to the banking system.

When the state cannot, will not provide or provide services in a manner desired by grassroots organizations, they then contemplate four options: (i) they can provide parallel services with their own internal resources; (ii) they can create parallel service-delivery systems by seeking support from private voluntary agencies, development institutions, foundations,

or even the state itself; (iii) they can pressure the state to provide new or better services, generally by bartering in political loyalty; or (iv) they can ‘co-produce’ the services with the state through a division of labour based on comparative advantage (e.g. grassroots groups mobilize local producers to borrow from the state-run banking system).

MO Membership Organizations are those which seek to address or are concerned about their own personal benefit or profit. These can be indigenous organizations of the community, induced community groups, mass organizations, cooperatives, religious societies, trade organizations, professional associations, etc.

CBO *CBOs (Community-Based Organization)* are mainly concerned about the interest of the community they live in. They organize themselves either to organize services for the community on their own, or cooperate with outside organizations--government, non-government or private—to help them create services or service delivery provisions for the interest of the community. The composition of the **CBO** may be representative of the all the members in the community blending all shades of opinion, or representing segmented views prevailing in the community. However is the composition, the primacy of community interests underpins its constitution.

From the above discussion, we can draw a comparative analysis of various types of non-government organizations through a matrix. The

following table represents their characteristics to differentiate from each other.

Table 5.1: Comparative presentation of characteristics of different forms of NGO

Name	Coverage	Nature	Characteristics	Remarks
NGO	Both national and international	Both profit and non-profit	Serve individual, group, regional, national or international interest; either funded by donor or self-financed.	NGO can be any kind of organizations guided by their respective policy instruments and decisions, serving respective interest groups.
NGDO	Both national and international	Non-profit	Supplement and complement government's development programs through designing, planning and implementing	Mainly concerned with development activities for the interest of the general mass and community. NGDO can be equated with PVO/PVDO
GRO	Localized organizations	Basically non-profit but working for the welfare of the community or achieving certain target services	Self-organizing groups, specializing, differentiating and arranging themselves hierarchically	GRO and CBO are basically the same kind of organizations working for the community interests.
MO	Own community or group	Profit organizations working for or organizing themselves to serve individual interests through group actions	Typical organizations administered on the basis of their respective organizational instruments approved by their respective registration authorities	It's basically an organization of a class or classes to organize themselves with the sole purpose of the interests of the members of the community or the professions.
CBO	Community organizations fundamentally confined within a community	Basically non-profit, but it can also organize profit making programs for community interests	Typical organizations administered on the basis of their respective organizational instruments approved by their respective registration authorities	Can be equated with GRO by its characteristics and purpose
PVO, PVDO	Both national, regional and international	Non-profit organizations working for the welfare of groups, communities, areas implementing programs in line with government's development plan	Work under specific code of ethics with concrete purpose for upgrading the standard of living of the people and community they work for	NGDO and PVDO/PVO can be grouped together which work under certain code of ethics and with specific purpose not for themselves but for the community.

Paradigm Shift.

Agenda For Future Tasks: Global And Regional

Over the past 40 years or so, indigenous NGOs in the South have acted as intermediary in providing effective institutions in reaching and adequately meeting the social and economic needs of the poor. They provided effective means of linkage between North and International NGOs and local NGOs in the South about local needs and priorities, project preparation, strengths and weaknesses of funding proposals from local groups and providing ongoing oversight of these programs.

Given the rapid expansion of indigenous NGOs in recent years, differences of viewpoints surfaced within the NGO network regarding critical issues affecting the future division of roles between international and indigenous NGOs. While NGOs in the South are pressing for greater delegation of responsibility like resource allocation, project approval and ongoing oversight, NGOs in the North are emphasising on more professionalism in institutional management, evaluation and reporting procedures as well as more fund generation from home societies in the South.

Although such a future division of labour between international and indigenous NGOs might seem optimal, there are obstacles to its implementation. Some of these involve differing opinions within the international NGO community about the future agenda with their partners in the South, and some originate among the North Atlantic

donors. The issues arising out of such a difference of outlook and perception between the NGOs in the North and those in the South are highlighted here.

The Burden of Responsibility for Development

The NGOs in the South strongly feel that the burden of responsibility for development in the South should lie ultimately with the southern countries and their indigenous NGOs. But the outlook in the North seems different. The NGOs in the South feel that their friends “seem to have a kind of mental block against accepting this fundamental option: that however poor or underdeveloped our countries are and however ill-managed or non-professional our indigenous NGOs are in the South, the burden of responsibility for development is ours, and ours alone” (Kajese 1987). The Southern NGOs consider it a fundamental principle as the basis for any meaningful relationship or division of labour.

The acceptance of NGO performance being subjected to scrutiny, more information about their performance is being demanded. While comparative advantage of NGOs in development is endorsed, it is also indicated that some of the rhetoric is overblown (Smith 1987). Both international and indigenous NGOs have to address these issues through joint effort, which cannot be solved merely by decentralizing more decision-making authority in the NGO community toward the South (Smith 1987).

The Nature Of Partnership

The nature of 'partnership', used everywhere to denote the relationship between international NGOs in the North and their counterparts in the South lies long apart from each other. The Southern NGOs are concerned that the partnership between themselves and the Northern NGOs are that of "donor-recipient", "junior-senior" or "horse and rider". The language of "concern for effectiveness", "accountability", "efficiency", "professionalism", etc, that Northern NGOs use masks the real language that in fact says, "we have the money, the know-how and therefore power" (Kajese 1987). This partnership between NGOs in existence in two hemispheres should be based on the principle of the concept of solidarity and sharing. The concept of solidarity is best reflected in the sense of reciprocity and understanding.

The partnership should be based on the concept of capacity-builder, where help is offered without imposition of any agenda. It is facilitative and not directive. Having identified what should be done, the capacity builder helps the partner pursue what it has defined for itself. Because, not only can the NGO articulate for itself what it wants, it can articulate the strategic role it wants to play in the larger picture (Garilao 1987).

Division Of Labour

It is true an emotional and intellectual commitment links international and indigenous NGOs. In such a context, the following principles could

be considered as possible guide in identifying the optimal future division of labour between these two partners:

(a) Consistency in Expectations as in Actions

International NGOs have hysteria over evidence of participatory development and the self-reliance of their southern partners. For accepting a project, they raise question about the ‘level of participation of the grassroots groups’; and ‘self-reliance component’ of the project. A big gap in the perception of participation and self-reliance exists. Not only have they maintained their control over the purse strings, they also have failed to appreciate the fact that mere presence and cooperation do not ensure participation while original thinking and ideas originate from a situation which is alien to them. In fact, international NGOs “retreat behind the barricades of technical competence, accountability, level of management ability, impact measurement, evaluation and all sorts of legitimate concerns, but in this context each of these is used to retain control and deny effective participation” (Kajese 1987).

(b) The Principle of Competency

The principle of competency is one upon which, under normal circumstances, an optimal division of labour between international NGOs and indigenous NGOs could be based. North and South both have competencies of their own nature. But South’s financial and technical competency prevents this (Kajese 1987). So the division usually made between the North and South has become increasingly

relative. The framework for division of labour should therefore be such under which people of the South can animate the people in the North in certain aspects of development, while technicians, engineers and management specialists from the North will work alongside people here to upgrade technical skills. Because people in the South have learnt, and are still learning, sometimes through painful mistakes, that development is the business of people and groups who live within the confines of their local community (Kajese 1987).

(c) The Quest for Technical Competence

The need for improved technical competence in the development process is a long recognized fact, but the irony is that international NGOs resist investment in indigenous NGOs' human development program (Kajese 1987). They pay a high salary for their professionals, but the budgets they allow for recruitment of highly qualified indigenous personnel are highly restrictive.

International NGOs show interest in management training. Indigenous NGOs are also eager to improve their management capabilities to become more accountable for their use of development resources, but it is a matter of concern that the management philosophies they try to introduce have all emerged from the western commercial sector (Kajese 1987). These are no doubt good, but some are definitely not appropriate to the needs of the NGOs working in different cultural situations. Therefore, as far as technical competence and accountability are

concerned, favourable terms of contract, sensitivity to local cultural situations and appropriate funding provision for indigenous NGOs are essential. Failure to ensure and appreciate this may invoke African simile. The colonialists insisted that the Africans were not ready to rule themselves because they had no education or experience in modern government. They were right. But they were wrong in refusing the Africans *access* to better education or to participation in government (Kajese 1987).

Threat: Core Values and Relationship with Government and Resource Agencies

The NGOs operating under different guises are highly dependent on funds from official donors, growing significantly over the last 15 years (Smillie and Helmich, 1999). As competition rises, and foreign aid declines, new forms of international cooperation are emerging to meet the realities of this changing world, with a focus on rules and standards rather than subsidized resource transfer (Edwards et al. 1999). The donors are willing to fund, but NGOs need to be distinct, organizationally capable to use funds effectively, and also to identify, articulate, and nurture their own core values and identity (Hailey, 2000).

Generally, donors have encouraged, both in the North and the South, to invest in building their organizational capacity (Edwards and Hulme 1992; Smillie 1995; Fowler 1997; Eade 1998). Existing management systems and organization structures are overloaded, weak leadership

exposed, skills are stretched, lines of authority and responsibility confused (Smillie 1995; Fowler 1997). It is, in fact, in such a context that donors may be contemplating introducing new management controls, organizational criteria, and indicators of performance that will help measuring results in tangible terms. In principle this is alright, but there lies in it threat of many of the original core values, so long served to distinguish them from others, being increasingly marginalized.

Donor Conditionality and NGO Values

NGOs are known for their flexibility, responsiveness, strong contacts in the local communities, ability to work in difficult conditions, and commitment of their staff and volunteers. Their foundation is unique, based on a clearly articulated set of values and ideological purpose, people-centered through participation and empowerment; local legitimacy and sustainability; good governance and democratization; transparency and shared learning (Korten 1990; Clark 1991; Fowler 1997). This distinctive identity is under threat. There is considerable debate over the independence and legitimacy of NGOs and their relations with partners and local communities (Edwards and Hulme 1995; Smillie 1995; Chambers 1997). This can clearly have a negative effect on staff morale and productivity (Antrobus 1987).

The emergence of neo-liberal ideologies and 'performance culture' in the 1980s and the concepts like 'value for money', accountability and cost-effectiveness, put NGO values and goals, the distinctive features in

the programs under threat. Their sole dependence on donor agencies for aid funds have compelled them to accept the contractual obligations and performance criteria, resulting in their values and cultural sensitivities being marginalized, with their core competencies put under jeopardy.

Key Organizational Values

By accepting such indicators as essential components of organizational assessment, determining its capacity to promote internal learning, degree of transparency, levels of accountability and the level of participative planning, the NGOs concerned need to see *if there is any indication that this organization has been involved in a genuinely participative planning, monitoring, or evaluation process within the local community with which it is working*, reflected in their documentation on mission statements, participatory processes, audio-visual records, regular meetings with the community, training materials, interaction with the community and ability to speak the language of the community they work with.

It is also necessary to see *if the organization has the ability to learn from past experience and think critically about itself?* The NGO concerned needs to be *accountable and transparent in its dealings with the community?* This indicator can be measured if the community has an understanding of how decisions are made; is conversant about its objectives, strategies and accounts; is involved in the decision-making process with powers to veto decisions.

The organization should have *local legitimacy, and be embedded in local society* by allowing at least one-third members on board from local community; holding public meeting in the community on regular basis; maintaining regular contact with at least four other local NGOs; representation of at least two-third by local and ethnic community; and disseminating its reports in an appropriate style and language.

Debate and Issues

Over the time, different schools of thought have emerged to explain the role the NGOs play. From the positive point of view, it is argued that the NGOs act as the local intermediaries to efficiently fulfil the 'organizational gap' (Esman and Uphoff 1974; 1982; 1984; Uphoff and Cohen 1979), play the role of local intermediaries that mobilize the people to participate in government-initiated programs (Korten 1981). But the hardliners (Sobhan 1987) tend not to accept the idea that NGO can play a role in the social transformation of the developing countries rather than being an extension of imperialism in the form of exclusive dependence on external resources.

Positive views: This group considers the NGOs as competent, potential and active agents in the process of national development, are among the most effective change agents in the world (World Bank 1996), can bring benefits of development down to those hard-core poor whose access to services is limited and non-existent due to disproportionate program planning and top-town implementation procedure followed by

government agencies. An estimate says, 10 per cent of the total population of the country come under the direct influence of the NGOs (Khan and Bhasin 1986), and this number is on the steady increase.

NGO operation kept expanding due to donors' frustration and disillusionment with the conventional line agencies, lack of commitment in the public sector, risking the displeasure of the government. Reduction of donor funds has resulted in considerable expansion of the programs of the large NGOs as well as of their organizational capacity (Aminuzzaman 1993). Empirical evidence indicates that a good number of NGOs have set standards of efficient delivery systems with substantial legitimacy from the community (Aminuzzaman 1993), successfully channelling and providing services than governmental agencies and in reaching the rural poor (NORAD 1993). Donor agencies perceive the NGO sector as a viable complement, in some cases an alternative (Aminuzzaman 1993). Their impact and influence on society is clearly noticeable (Khan and Zafarullah 1987). In Bangladesh, the NGOs have demonstrated impressive strength in their success in reaching the poor (World Bank 1996), earning excellent reputation for their dedication, commitment and grassroots linkages (Khan 1987)

Negative views: The negativists consider the endeavours of NGOs as repetitious and their activities as largely insignificant (Islam and Hussain 1993). Some observers (Mohammad 1988) identify NGOs as a

new agent for expanding neo-colonialism. They tend to believe that NGO activities are simply dedicated to serve the interest of the donor countries and agencies, by establishing a client-patron relationship with indigenous NGOs. Such an approach and outlook has been reflected in the interview that the Secretary, Ministry of Social Welfare, Government of Bangladesh gave in the 1990s. (*Dhaka Courier*, May 11-17, 1990).

NGOs have generated a lot of controversies and criticism despite their reputation and recognition from international community for mobilizing public opinions against social injustice, establishment of human rights, ensuring women's rightful position in the society, and right of the children to have access to various fundamental aspects. So much appreciated for their commendable role and success on so many fronts, they are being targeted for criticism and castigation. Some of the issues pertinent in the context are discussed below:

Accountability

Lack of accountability in the public sector that helped the NGOs pave the way for their entry into the domain under government command by virtue of the constitutional provision is now bouncing back on them. If the government is accountable to people through electoral process, to whom are the NGOs accountable? (Farrington and Lewis ed. 1993).

The NGOs secure huge sums of money from bilateral and multilateral donors. Concerns expressed in all quarters now are about how they really spend or utilize the funds received for various target groups and programs, and if those are adequately accounted for. A recent report appearing in a local weekly will highlight people's frustration about this:

On the other hand, flatulence of personal assets and affluence of one type of NGO leaders during various natural calamities such as storms, tornadoes, floods and drought has generated discussions and criticisms of diverse dimensions in the society. These NGOs regularly sermonize for ensuring accountability and transparency of activities of various departments of the government, social organizations and political parties; but they do not feel obliged to explain their position about the very accountability and transparency of their activities raised every now and then in the society (Jai Jai Din; 4 June 2002)

As a consequence, the common question asked is: who the NGOs in Bangladesh are accountable to? Are they accountable to donors, or to government, or to the people they claim they work for, or to themselves only? The answer is probably yet to come from them.

Transparency

Transparency is also a buzzword that NGOs use against the government, social organizations, political parties and other commercial sectors in reference to their commitment and obligation to the nation in general, and the poor in particular. If, ironically, NGOs are suffering from any downslide in public confidence about their activities, that is in their transparency. A recent revelations about the personal assets of leading personalities in the sector and their accruals

exhibit terrific aberrations on their part in abusing and misusing NGO funds, mobilized from overseas donors in the name of programs like poverty alleviation, etc. The report reveals that a number of NGO leaders have evaded paying a huge amount of income tax. One of them evaded paying income tax to the tune of Taka 2.8 million in six years (Jai Jai Din; 4 June 2002). If simply her legally assessed income tax in six years stands at Taka 2.8 million, it is mysterious how much money she has drawn as salaries and allowances from the funds which her organization had mobilized during this period for serving the people. NGOs have created a smokescreen of an image of pro-people organization to shield them from enquiry and investigation. But since the money mobilized from overseas sources are meant for the poor, it probably would not be unreasonable to demand a proper and effective enquiry and monitoring to prevent NGO leaders from misusing such funds.

Poverty Alleviation: Commercialism

NGOs mobilize a huge amount of funds from abroad to finance programs that should expect the poorest to become poor, and the poor to become less poor in the process. It is hard to measure, due to lack of proper documentation and comparative statistics, the extent to which programs undertaken by various NGOs contributed to achieving its target, leading to debate over success claimed and failure highlighted. Studies, however, indicate, poverty alleviation programs have not only “developed a condition of perpetual dependency”, it also lacks planning

and institutional framework and support. These NGOs, in effect, addressed the problems of poverty mostly on ad-hoc basis (Aminuzzaman 2000).

Poverty alleviation programs in the urban areas that underpins donor decisions to release millions of dollars for improving the fate of the poor reflect no signs of improvement in their overall conditions, and the slums keep expanding all across the Dhaka metropolis in spite of hard fought government's effort to keep it in check. It has very often been accused that NGO leaders who peddle conditions of slum-dwellers to secure funds from the donors demonstrate veiled sympathy for them, but in reality want no change in their status, as improvement of their environment, income and habitat would end NGOs' commerce.

Human Rights or Political Masks

NGOs have done some commendable work in the field of human rights, conscientization and group formation. While these are generally appreciated, some big NGOs are sometimes criticized for being clandestinely involved in financing political parties against the parties they dislike. These allegations are denied as baseless having little relevance to their philosophy and mission. They say:

NGOs do not believe in partisan politics, and as such, should not subscribe to the ideology and philosophy of any political party. However, their activities centre around organizing and mobilizing the poor towards developing their own institutions through which the poor can undertake collective socio-economic actions, thereby instituting the processes of democratization at the grassroots, and

such activities have obvious political implications and consequences (ADAB Quarterly; July-December 1994).

Although the above statement turns down the allegations flatly, reports appearing in a local weekly clearly reflect clandestine involvement in politics by some big NGOs in the name of conscientization and democratization learning process to smoothen the passage of a chosen political party to power. This has been and is being discussed at different levels in the society (Jai Jai Din; 4 June 2002). Numerous reports, featuring political involvement by NGOs voicing for human rights, the process of democratization, etc sharper than any body else in the society, testify their bias to particular political party, and unveils their political interest under the mask of strengthening of human rights and democratic processes.

Leadership and Personal Gratification

One of the basic characteristics of NGO activities is the culture of leadership developed through awareness of the socio-economic and political dynamics affecting their life, the poor are able not only to mobilize and manage their own resources, but are also motivated to have their voices heard in shaping policies and plans that affect their lives (ADAB Quarterly; July-December 1994). The fundamental ingredients of NGO leadership is their commitment, integrity, and sense of belongingness to the purpose that helped NGO movements gather momentum and attract support from national and international decision-makers and donors. These qualities of NGO leaders now seem to have

eroded to a great extent. There has been widespread accusation against some big NGO leaders of not only drawing huge sums of money as salary and allowances, they are also accused of misusing NGO funds, which is generated from savings and provident contribution from salary of staff, by abusing their positional advantage. A report appearing in a local weekly vividly presents how the Executive Director of one of the largest NGOs in the country has taken a loan of more than Taka one crore from the fund created in the name of the staff, to defray costs of his children studying abroad, and to buy an apartment in Dhaka. In the context of such unethical practice for personal gratification the very basis of commitment and accountability of the NGO leadership is rocked.

NGO-ism Versus Voluntarism

The spirit of voluntarism for serving the humanity is the hallmark of NGO program all over the world. This spirit embodies selflessness, and an explicit sense of sacrifice and forbearance in critical conditions. Personal benefits do not influence actions; welfare and betterment of human beings determine steps; and appreciation or return never comes to play any role in shaping commitment and moral obligation. These qualities not only helped NGOs earn public confidence, these also attracted foreign donors to extend their help and cooperation, resulting in their rapid growth all over the country. But it seems that rationale and moral urge is decaying. NGOs have now become service organizations like other public agencies where people work for a fixed

period in return for pay and allowances without any obligation to fulfil. The sense of voluntarism seems to have given way to ngo-ism which does not call for duty to humanity. A strong urge that originates from the core of heart to serve humanity with all the care and concern, love and affection, feelings and motivation has now turned into a routine work containing no heart but involving body.

Empowerment: Integration or Disintegration of Social Fabric?

Given the opportunities, women are able to manage economic activities effectively and generate income, which enhances their status and ensures their say in the decision-making process in the family. It has also been found that women brought under NGO interventions have fought against dowry and other forms of social injustice like divorce, rape, physical abuse, etc. (ADAB Quarterly; July-December 1994).

While these programs are appreciable, contributing to social transformation to a great extent, there is a serious accusation levelled against NGOs that they are deliberately distorting religious, cultural and moral values that have held our families and social fabric together for centuries. It is argued, "BRAC is introducing atheism in its non-formal education program. The Non-Formal Primary Education Program (NFPE) of BRAC is teaching, through its schools, against Allah and spoiling innocent children" (Daily Inqilab; 22 November 1993). In 1994, BRAC's NFPE program came under such a violent attack by the religious activists in rural areas that they burned down a number of

BRAC schools. They uprooted hundreds of trees that were planted along the roadside by the NGO (The Daily Bhorer Kagaj; 16 January 1994).

It is true, our women are neglected, abused, tortured and humiliated—in the family; in the society. In spite of that, they are the happiest on earth, because of varying perception about freedom, containment and individual rights, which in most cases stay far away from western perception. It needs to be seriously addressed that any such programs undertaken in the name of women rights and empowerment do not damage our religious heritage, social bondage and family fabric jeopardizing our whole society and peace. Western cultural values and practices have produced violence, eroded their family bondage and demolished social cohesion. We need to be aware about that and be conscious about our progeny.

National Agenda or Imposed Agenda.

The debate over the role of NGOs in Bangladesh has centered on its effectiveness in and contribution to social change ever since their operation came into limelight in Bangladesh. While the protagonists have tried to drum up their success, the antagonists have tended to argue that except for giving relief to the poor from imminent danger and distress to a certain extent, their interventions have little contribution to social change. They argue that by being ever dependent on external resources, NGOs are simply serving the interest and unholy

designs of their external allies, and given their political strength and social commitment, they either knowingly or otherwise serve the interest of international corporate capital (Chowdhury 1987).

NGO community is not receptive of the idea. They say, perhaps this argument could be true if NGOs would provide exclusive credit and material support to the poor without instilling in them social and political consciousness and the need for developing their own institution to fight against all forms of injustice and exploitation (Shailo 1994). It is perhaps, they seem to claim, unfair to state that the NGOs in Bangladesh are implementing imposed agenda rather than programs of its own. However, these propositions need to be seen in the light of two important dimensions—western philosophical context of development that focuses mainly on material development, and religious-based oriental philosophical context having spiritual element. If material development is considered the only criterion for development neglecting socio-religious values, resulting in destruction of our social bondage and cohesion, that may be nothing less than implementation of imposed agenda than national agenda.

Comparison of Effectiveness and Success

The background for emergence of NGOs and the context of their expansion explain why NGOs have been able to make inroads in the domain ruled by the government sector. Their dedication and efficiency, implying a higher level of motivation, drive and

commitment on their part compared to performance in the public sector, lend legitimacy to their existence. But the question is how far the NGO success in achieving target in certain activities actually justifies their existence and expansion. Have they been able to exhibit better management capabilities in achieving targets with limited resources compared to government's? In 1990-91 the total amount released by NGOAB stood at Taka 4,264.08 million. This figure kept rising on a steady note, and in 2002-2003 (up to March) this figure stood at about Taka 11.340 billion (NGOAB). It is necessary to assess the impact of these funds on poverty alleviation. It appears, their programs cover only an insignificant portion of the population. Even the largest NGOs in Bangladesh taken together cover only a fraction of the population: some have estimated that they reach only 10-20 per cent of landless households (Lewis et al. ed. 1993). Not only that, there remains a significant gap in many areas between rhetoric and reality (Lewis et al. ed. 1993).

Lack of proper documentation of the NGO programs and their achievements make comparative analysis with public sector program interventions difficult. Input-output analysis has not been conducted to determine relative efficiency and effectiveness. Nor any analysis appears to have been conducted over these aspects taking into consideration separately their respective costs and returns. Such analysis is essential to make NGO-GO collaboration more meaningful,

based on comparative efficiency and effectiveness, by practising proper documentation, appropriate monitoring and supervision of activities.

New Challenges Faced

Ever since NGOs in Bangladesh started their operations four decades back, never ever have they encountered so critical moments in their entire period of existence. Funding seems to have become not as easy a proposition as it was a few years back; programs being implemented are being scrutinized more thoroughly than ever before to prune elements of political tinge; accountability and transparency is put to acid test, propriety in the utilization of funds for personal ascendancy is being questioned. The controversy they have in recent times produced and helped produce prompts the policy planners for incorporation of stringent rules and regulations for actions against the delinquent activists. These issues became more pertinent when NGOAB orders freezing all funds of ADAB produced an uproar in the media and the NGO community, and got highlighted by donors in the Bangladesh Aid Forum meeting, held in early May, 2003 in Dhaka surrounding governmental attitude and outlook about NGOs in the country. In the context of global politics, international interest in NGO activities, and NGO roles in the country these issues feature prominently on the agenda of the government.

Funding and Program Intervention

The matter of funding is explicitly of critical importance to NGOs, especially against continuing global economic and political crisis and the accompanying search for better options. The terrorist attack on September 11, 2001 on World Trade Center and the Pentagon exacerbated the crisis leading up to sensitive development that culminated in American attack on Afghanistan, and subsequent invasion of Iraq. The crisis has not ended yet, rather looming large to be expressed in military terms in other parts of the world, which is in all probability likely to deepen further.

The process of obtaining financing for NGOs is a complex one and related to issues like institutional procedures, priorities and practices of donor agencies, the constraints of the short-term nature of most funding, and problems of vulnerability and dependency for NGOs mobilizing funding mainly from external sources. It must however be recognized that transfer of resources is only a part, but other issues include the terms of trade, tariffs, interest rates and militarization: the benefits gained from aid can be completely nullified by adverse trading practices, or by policies which promote or support the build-up of arms in a country (Antrobus 1987).

NGOs emerged in the wake of ‘frustration at the failure of conventional approaches to achieve goals set by development planners and policy makers’. Against the background of high expectations about the role the

NGOs would be able to play, funds channelled through them was as enormous as tremendous was the growth and expansion of NGOs. Probably too much frustration at traditional development practices and too much trust and confidence placed, ifso facto, on NGOs as an alternative held the donors back not to look so critically at their accountability and effectiveness. But as foreign aid declines, new forms of international cooperation are emerging to meet the realities of this changing world, with a focus on rules and standards rather than subsidized resource transfer (Edwards et al. 1999).

The problems the NGOs face today are significantly different and diverse, and are related to their status and operational procedure. International NGOs are better endowed. They draw their funds from their own governments, public and private philanthropy. On the other hand, indigenous NGOs, divided into user and intermediary, and exclusively dependent on external sources, are exposed to various threats to cope with conflicting interests. On the international front, depletion of funds is due to rise of 'conservatism and monetarism in major industrialized countries', and 'tendency of some donor governments to decrease their support and direct aid explicitly to "friendly" governments' (Antrobus 1987); and on the national front, benefit continuing for perceived "friendly" countries made aid availability difficult. At the same time, climate of authoritarianism often engenders increasing suspicion and hostility between these governments and the NGO sector, especially if NGOs are consciously

seeking “alternatives” (Antrobus 1987). Indigenous NGOs require government endorsement or support before funds can be accepted. Suspicion and hostility between the government and the NGOs may result in measures by the government on such NGOs as are not perceived “friendly” and have ideological and political contradictions.

The fact is that development is essentially a political process, which often stands in contradiction to international processes, which both foster and reinforce dependence (Antrobus 1987). Such crises certainly will call for innovative and alternative approach, requiring indigenous NGOs to look at a number of factors that can affect and, at the same time, help them strengthen their ability to attract funds. These are:

- their track record and credibility with honesty;
- their management systems and ability to absorb funds;
- the extent to which their priorities, activities, and methodologies are compatible with those of donors;
- the level of support they receive from their governments;
- their knowledge of and access to external funds;
- the extent to which they need dialogue to dispel suspicion and diffuse hostility with governments.

One of the important issues is the donor influence and undue pressure that may not be acceptable to recipient NGOs. But in situations where funds are shrinking, NGOs are undoubtedly strongly tempted to “go where the money is” to “dress their projects to fit the priorities of

donors” (Antrobus 1987). The problem with donors’ priorities is that they are likely to shift in a somewhat arbitrary manner, unrelated to the needs and priorities of the countries or organizations (Antrobus 1987). Sometimes, their influence and the arrogance ‘overrides the boundaries of decency’. The applicants are reminded “the one who pays the piper calls the tune”. Tied nature of financing poses further problems for the recipient NGOs, and in reality is self-defeating, as the objectives of assisting the community/organizations to develop self-sufficiency remain a distant hope through this practice.

Conclusion

The nature of partnership between international NGOs and indigenous NGOs should be based upon an accepted sense of solidarity and sharing. The optimal future division of labour between them should be guided by the principle of competency, but the ingredient of this competency should not apply to “technical” alone, but also to development experience gathered from a diverse setting of cultural practices. International NGOs have also to make serious effort in committing itself to human resource development in indigenous NGOs. And partners in relationship based on the concept of the network will characteristically seek to strengthen and to share information. They should also play a facilitating role for creating institutions that will survive, through turns and shocks, depending on its intrinsic capacity built over the years by mobilization of resources from the constituency it works for.

If NGOs consider themselves as value-based organizations having particular advantage over other service-delivery organizations by virtue of distinct characteristics, they must undertake capacity-building initiatives reflecting these values and uniqueness to prove themselves as key players in the society. The indicators they need to develop to measure their performance reflecting their core values have to be fully integrated in their organizational reports and evaluations alongside financial accounts, social audit, or impact measures.

The NGOs will have a tough time ahead as there will be more competitors for aid funding. In the wake of growing number of NGOs and consultancy firms NGOs may find themselves tempted to dilute their core values to fulfil new conditionality imposed by donors. It is therefore imperative that they need to identify beforehand and nurture the values that have made them distinct actors in the development process, and redefine their courses of action for surviving in the process without compromising these values. If they lose their core values, they are destined to simply become another kind of contractors competing for funds, commissions, profits, etc. But if they do not want to lose these values and stand ground, they must develop and improve their organizational capacities and management competencies. And then, they will not only have a strategic advantage over other organizations on the trail, they will also be in a position to best serve the communities and fulfil the aspirations of the people they work for.

The future road of NGOs is apparently going to be rugged. But whether rugged or smooth, they need to exemplify, for their own interest, the excellence and transparency that bears the hallmark of NGO operation. The initial euphoria about their acceptance in the society may not prevail any longer, unless they succeed in dispelling the suspicion pricking general minds about the alleged misuse of power and fund embezzlement under various guises. The home cleaning arrangement needs to be a part of their in-built management system, to rebuild donor confidence in their transparency and accountability and regain public faith about their genuine concern for welfare of common man.

The process of confidence building should continue as one of priority areas if they are to remain as alternative force to fill up the gaps left vacant by public sector. Donor community may not still be as averse to extending funding support to their programs as government machineries and its agencies. But this aversion can be effectively manipulated in their favour if their approach remains exclusively pro-poor and excruciatingly non-partisan. Professionalism and commitment for purpose is expected to result in an environment which will ease tensions between the government and the NGOs. A broad coalition between the government and the NGOs based on mutual understanding and trust is a prerequisite for smooth functioning and strengthening collaboration between local level institutions and NGOs for effective governance.

Chapter 6: Emergence of NGOs in Bangladesh

Introduction

The history of NGO operations in Bangladesh is as old as its struggle for self-rule. Its trajectory has taken turns and twists, charting out new routes for self-identity and new avenues for self-sustainability. This chapter therefore is an attempt to document the stages of development the NGOs have passed through to the stature it has attained as of today. Attempt chronicles pre-independence operation, development in post-independence hard and turbulent days down to the present period that see its proliferation towards diverse direction.

The background and scenario that underpin NGO operation in the country are diverse and manifold. The philosophy and reality prompting NGOs to undertake operation in the post-independence Bangladesh underwent changes from one direction to another as the country's realities changed from either bad to worse, or from good to better over time. This has been delineated in this chapter to give the reader a fair outline of historical perspectives on their development processes. As the philosophy and socio-economic realities in the country have embraced changes over time, so have changed the outlook and approach of NGO intervention. So, once started as mere relief operators in the aftermath of devastating war with Pakistan, it did not stop short of accepting new challenges lying ahead. The NGOs redefined its roles and course of action and redesigned its activities to adapt to changes

that followed newer developments in social, political and economic arena. This paradigm shift has been discussed in this chapter.

Though NGOs stepped on to development arena to supplement and complement government initiatives, it also ventured into new areas of intervention to carry forward development programs as well as reforms agenda for the people to participate in the nation-building activities. It is therefore very interesting to trace how the country's premier planners looked at the services the NGOs provided, and the prospect they held, to contribute to nation-building initiatives of the government. Attempt has been made to examine how the planners tried to feature NGO involvement in the planning process of the government and what importance they attached to NGOs in their thought process for national development.

While development illustrates planning terminology in generic term, poverty reduction and enhancement of standard of living of the people get more focussed, determining not only the positivity or negativity, but also the degree and quantum of support and assistance government would expect to have from development partners in its stride for accelerating development processes. The strategy formulated and the programs mapped out by the government in its 'Poverty Reduction Strategy Paper' have been examined in terms of degree of contribution and framework of participation the government expects NGOs to make. And finally, attempt has also been made to point to the prospect of

NGO contribution in the context of challenges the country faces in the changing global relationship.

In development perspectives of Bangladesh the NGOs have become a significant and reckonable force, which played momentous role in her history of macro and micro-economic transformation for more than three decades. Like in many other places in the world, the NGO sector in Bangladesh has been performing as a major actor in facilitating the process of institution building of the poor at the grassroots level over the last two decades (Clark, 1991). Its involvement is in diverse fields, and its achievements are undeniable. Not only have the NGOs been playing an effective role in working with the poor in addressing poverty, creation and testing of new ideas, methods, programs and strategies of poverty alleviation, conscientization and awareness building (Aminuzzaman, 1993), it has also been working to form a constituency which advocates for and backs up initiatives forged together to achieve their common objectives. The following chapters focus on the emergence, its background and growth, role and shifting of paradigms that characterize its efforts as emergency crisis managers to long-term program implementers in Bangladesh.

Emergence

The emergence and growth of NGOs in Bangladesh can be divided into two distinct periods. The country became independent twice: first from the British subjugation in 1947, forming an unusual geographical part

of Pakistan, and again in 1971, from the clutches of Pakistan. The birth was bloodstained. Its odyssey towards national reconstruction and consolidation was equally painful. The road was rugged, and challenging too. But the historical reality made it unavoidable. Over these two distinct periods, NGOs participated in national development and reconstruction programs under different perspectives.

Pre-liberation period

During this period, there were NGOs working in the then East Pakistan, but their numbers were not very large. Difference also existed in forms and characters, and in their programs and operations. These were basically private or religious trusts, which ran welfare institutions like schools, hospitals and orphanages. There were hardly any indigenous NGOs operating at this period in the country. Not only were all these NGOs of foreign origin, it was the missionary vision that characterized their efforts, and all the activities they undertook reflected religious bias and sentiments. The fact that the Baptist Missionary Society is perhaps the oldest NGO in the country, which can be traced back to 1794 (Huda, 1990), reflects the mission they set for themselves in starting NGO operation here. Similarly, the Christian Mission Hospital was established in Rajshahi as far back as 1800. The Kumudini Welfare Trust, perhaps the oldest national organization to name, came into being not until 1944.

The concept of development through NGO activities in the country was relatively new, and it was only in 1970 that non-governmental organizations started their activities on a greater scale after the devastating cyclone in 1970 and the liberation war in 1971 (Clements, 1985).

Post Liberation period

Although the NGOs had been working in traditional form since the British colonial period, they got a radical transformation only after the War of Liberation in 1971 and turned into agents of development (Aminuzzaman, 1993). The devastating cyclone in the coastal belt with hundreds of thousand of deads left unattended, and the liberation war wrecking havoc on its economy and infrastructure provided NGO movement new dimensions and ground for massive relief, rehabilitation and reconstruction work. Inhuman sufferings of the people originated from lack of food for the hungry in the war-torn country, massive destruction of the physical infrastructure, total collapse of the national economy caused by a prolonged war called for immediate relief and rehabilitation, reconstruction and re-enforcement. The task the Government of Bangladesh faced was herculean, but the resources it had at the disposal to fulfil the needs were too scanty. The government had neither the capacity, nor the appropriate institutional mechanism to handle single-handed the situation of such an enormous magnitude and problems of so diverse manifestations. Outside help and cooperation for national reconstruction work became an utmost necessity. At that time a

large number of international NGOs and voluntary organizations extended their helping hands to assist Bangladesh (Aminuzzaman, 1993). The challenges for national reconstruction, the need for feeding the unfed, the necessity for providing clothes for the naked and destitute paved the way for spontaneous responses from committed people who could not remain silent onlookers in such a condition of national helplessness, and, as a consequence, a number of non-governmental organizations galvanized under their leadership.

Background of Emergence of NGOs

Every development in human civilization has logical dynamics behind its birth, expansion and flourishing. The emergence of NGOs in this part of the globe has also specific reasons, which helped foster the trend of voluntary services relatively at rapid pace. The following discussions will shed lights on that aspect:

Traditional values: From time immemorial, people of this country, either in groups or individually, are known for their values of serving people for the benefit of the common man through voluntary undertakings. Moral and religious urges to do good for the people always exhorted them forward selflessly. As social structures changed and changes came, as a consequence, in faith, practice and social relations, the concept of voluntarism underwent radical transformation along a direction that involves professionalism, invites specialization and invokes formal management structures, which can be seen in

contemporary NGOs operating in Bangladesh (Huda, 1990). It is termed as a part of culture and religion of the people of Bangladesh (Hasan, 1992). This culture, born out of religious egalitarianism, provided deep sense of public welfare even at personal costs, and sometimes with personal loss. A sense of complacency also worked at the back of their mind that reinforced voluntarism in the society.

War of Independence: What once was a tradition reflecting cultural values they upheld and nourished for centuries together became a necessity for survival and sustenance immediately after the War of Liberation in 1971. The Government of Bangladesh had to sweat to match the requirements of massive reconstruction of infrastructure and rehabilitation work with the resources it had at its disposal. A totally shattered economy emerging through the travails of liberation war provided little strength to counterbalance the burden imposed on the Government of Bangladesh for caring the people who were going through inhuman sufferings and sorrows. Fraught with economic collapse were the inexperience and lack of capacity of the government and absence of appropriate institutional mechanism to address the volume and diversity of such enormous problems. As the Government of Bangladesh was groping in the wilderness, in came the NGOs, national and international, with the help and cooperation it was frantically yearning for. Thus, the massive destruction of infrastructure and collapse of economy set the stage for the NGOs to herald a new era

of cooperation and collaboration in national development and reconstruction.

Unsatisfied Donors: One of the main reasons behind the rapid growth of NGOs in Bangladesh was the growing dissatisfaction of donor agencies with public organizations, which were considered to be slow, rigid, hierarchic and inefficient in delivering public services (Aminuzzaman, 1993). Donors' eyes are fixed on the efforts taken both by the private and public sector to assess how effectively these two sectors are faring in delivering the intended goods. In that context, steady increase of support for NGOs from bilateral and multilateral agencies reflects their faith and confidence in the capacity and effectiveness of the NGOs working with the poor (ADB, 1992). In other words, erosion of donors' confidence in the capacity of the public sector paved the way for NGOs in the country.

Unsuccessful Government Efforts: The broad objectives of the macro-policy and policy reforms are aimed at achieving comprehensive development that can encompass lives at the grassroots level, which forms the basis of appreciative evaluation of successful policy implementation by the government. Owing to non-existence of appropriate institutions to execute reforms, government's scorecard in this respect is poor and falls short of popular expectation and aspiration. Their outstretched hands fail to reach the poor at the grassroots level due to lack of flexibility and capacity. The success of NGOs lies here.

Because they are small in size, and their concentration is limited to a relatively small number of activities, they can demonstrate creativity in dealing with situational demands. Thus, where the GOB failed to achieve the desired success, the NGOs played an important role in complementing the governmental efforts (Huda, 1987). It may be debatable, but when it is argued that the emergence of NGOs is directly related to the failure of the government to meet the hopes and aspirations of the people (Hasan, 1992), it may not sound that much unusual. Government's lack of adaptability to respond to unanticipated situation, lack of flexibility to come to terms with emerging uncertainties, bullheadedness to handle delicate situation with tact and compassion led to the emergence of NGOs by leaps and bounds.

Increasing Foreign Aid: Steady increase in foreign aid and humanitarian help to cope with endemic natural disasters visiting Bangladesh may also explain the mushrooming growth of NGOs in the country. Availability of resources from foreign countries very often creates a sense of making good use of situation. Sometimes, such funds are considered as a boon for national services, and sometimes a lucrative opportunity for translating into reality the programs that are not easy to implement because of dearth of resources. Foreign resources opened many windows for experimentation on programs that a national government suffering from shrink in national current account balance hesitates to undertake.

NGO Success in Sector Development: As has always been argued, government's limitation is NGOs' advantage. Over the long period after independence the NGO activities, starting off as situation demanded, gradually transformed into a movement in Bangladesh, in the process playing a vital and crucial role in nation's stride for development and rebuilding. Important sectors like poverty alleviation, primary health care, family planning, rural development, improvement of infrastructure, adult education, gender mainstreaming, environmental protection and protection of human rights failed to receive both moral support and financial allocation from the government at the desired level. In public sector, these areas have received scanty attention and small resource allocation at the implementation level (Shelly, 1992). NGOs assumed vital and challenging roles in such sectors. Their presence in these sectors not only improved overall situation, it also bolstered public confidence that they can face challenges with courage and equanimity if appropriate and timely help is offered.

Paradigm shift

The NGOs in Bangladesh has entered into the fourth decade of operation. During this long span of time they have stepped through various stages of transformation in its operation. The country has grown from infancy to maturity to consolidation, so have the NGOs. They had striking similarities with the government. Like the country itself they started their operation with little experience and expertise, though with different outlook and approach, and mission and strategy. Time has had

its say on its whole gamut of operational strategy and outlook. These have been highlighted in the following chapters:

Relief and Rehabilitation Approach: After the War of Liberation, the NGOs, national and international alike, engaged themselves in the relief and rehabilitation work, which was most urgent and immediate for the moment. The war displaced many people along with their assets and means of survival. Those who clung to their home during the war also got severely battered. They needed food, medicine, blankets, clothes, etc. for survival, for rehabilitation, and for re-beginning. NGOs took part in distributing all these to the needy. Later on, they were involved in construction of houses, mobilization and reconstruction of transport facilities, development of physical infrastructures and in distribution of productive assets (Huda and Hussain, 1990).

The charity and welfare orientation of NGOs continued till the end of 1972 (Afroza: 2000: 62). David Korten tends to consider these NGOs working in Bangladesh during this period as first generation NGOs. During this period, massive funds from donors, bilateral and institutional, were channelled through them. Of the total aid commitment of roughly US \$ 31.3 billion to Bangladesh up to mid 1973, more than US \$ 115 million was raised and channelled through NGOs (Abed et. al, 1984).

Community Development Approach: The NGOs realized that the charity and welfare programs they started after the war could relieve the people of immediate sufferings, but not provide stability in life; and that for sustainable socio-economic development these orientations have to give way for programs that would bring forth self-reliant local development. Between 1973 and 1975 the initial approach of massive relief and rehabilitation activities were replaced, and the community development approach came into operation. During this time the NGOs focused their attention on developing integrated community development programs with sectoral approach to agriculture, fisheries, livestock, cooperatives, health and family planning, adult education, vocational training, etc. They emphasized on increasing food production through the provision of technical assistance and inputs to farmers. This was a crucial learning period for the NGOs. Because, they realized that their development efforts failed to achieve desired success owing to structural constraints imposed by the existing socio-political and economic system of the country (Afroza: 2000: 63). Various local forces along with the unpredictability of human equations compelled the NGOs to embark on a social analysis that focused on the dynamics of the rural power structure and its multi-faceted hegemony that inhibits rural development in terms of increasing polarization of resources (Huda, 1987). NGOs were compelled to carry out in-depth studies on the role of power relations in rural development whose findings paved the way towards a transition of a new approach to development

(Afroza: 2000: 63). As defined by David Korten these NGOs have been identified as second generation NGOs.

Empowerment Approach: This approach is based on the theme that change has to come from within. The NGOs realized that barriers that inhibit changes have to be broken first, and the foundation has to be built to sustain those changes. They experienced mental inhibitions of the poor, generated out of a sense of helplessness, inertia, fatalism and passive acceptance of social injustice and exploitation was to be exploded (Afroza 2000: 63). These phenomena pulled them back from any aggressive effort to get their rights realized. Resigned to destiny, and devoid of any confidence in their personal capacity to fight for establishing rights, the rural people were bound within the barrier of self-defeat. In order to regenerate belief in their self they needed education and development of personal quality. The NGOs did that. They undertook non-formal and adult education programs with a view to bringing about a sociological transformation. The NGOs attempted to bring about changes in attitudes of the poor and also changed their capabilities to find out and examine the causes of exploitation and dependence, through this process (Huda, 1987). They attempted to bring back faith in their ability for social resistance against exploitation and injustice by infusing in them the philosophy that unity and solidarity is the basis of their strength in the fight against the exploiters.

During this period, which may be termed as the third generation NGOs, 'empowerment' became a buzz-word. As both international and national NGOs chose to fashion their program strategy for socio-economic intervention along the line of 'empowerment', resulting in steady social transformation, the disadvantaged and rural poor aspiring for gaining greater control over social interactions and contracts were made to try to learn to redefine their role in the society and to assert themselves in collective decision-making process. The NGOs replaced their service-delivery role by a catalytic one, "facilitating development by other organizations, both public and private, of the capacities, linkages and commitments required to address their designated needs on a sustained basis" (Korten, 1987: 149).

The role of the NGOs has strong social and political implications since it creates the possibility of a social system based on institutional pluralism rather than one dominated by either state or private agencies where many private enterprises, non-profit cooperatives and NGOs may function as integral parts of a public service economy (Brett, 1993). When such a cohesive co-existence of social and market forces determines the basis of cooperation and interaction, equity and justice prevails over exploitation and injustice.

Emerging Pattern

NGO-GO Interface

It is now known to all that the dawn of independence of the country saw the birth of NGOs. Throughout its period of existence from birth to expansion to diversification to consolidation, NGOs are reported to be working in isolation, though many of its activities and programs have been designed to complement government's work for public welfare and national development. NGOs claim to have stepped in where government have failed to deliver, and undertaken initiatives with new approach where government have left off without success.

NGOs have contributed to development in various capacities with diverse program initiations. They were relief workers when the country needed massive relief and rehabilitation interventions for immediate help to redress sufferings and provide shelter for the uprooted. They came as community development organizers when the country needed to reorganize the working forces having overcome the immediate shock and aftermath of the liberation war. Then they looked beyond and engaged to revitalize the society itself from within, as they thought survival of the society depended on its intrinsic vitality to protect its existence. Social mobilization through empowerment programs highlighted their efforts during this period. They have gone further and been able to infuse into the people that under democratization process every citizen has momentous roles to play for national development by articulating their demands through proper application of their

democratic rights. It can therefore be argued that they have doggedly trailed the government in their sincere efforts for national development, to fill the gaps left vacant and unattended by the government sector due partly to its inability to provide support, and partly to the absence of mechanism to reach the target point.

Given the background, the questions that come up naturally relate to the processes that the policy planners adopted with regard to the contribution the NGOs could make to the overall development in the country. How did they look at the NGOs; how did they interpret the NGO performance in terms of their possible contribution to national development through a collaborative mechanism; was there any vision in the planning process that provided for NGO participation in the development activities to carry forward social advancement? These are the kind of many of the questions that made rounds in the minds of researchers and planners as well as program implementers. Here is an attempt to try to trace the steps that the government took to consider these issues.

If the 1970s is regarded for the NGOs as the period of initiation and growth, and 1980s as proliferation and expansion, 1990s may be regarded as the period of exploration and consolidation. During this decade the NGO movement graduated into a solid organizational entity with clear vision and mission, new outlook and approach, and new articulation and application. But it is mysterious to note that the

contribution they were making and could be making in the national development, hand in hand with government's own sector institutions and mechanism, could not attract policy planners. They failed to recognize the fact that NGOs by then had become key players in the nation-building activities initiated by the government. The planning document prepared during the early period had no reference to possible NGO participation, and it was not until the Fourth Five Year Plan that the planning document made reference to the role the NGOs were playing and could be playing in the process of development. It thus appears that the integration of NGOs into the planning processes of the government came no earlier than early 1990s.

The **First Five Year Plan** (1973-1978) of the Government of Bangladesh, drawn up with the total outlay of Tk. 44.55 billion immediately after Liberation War, desired to build the nation on the four avowed principles of the state: secularism, democracy, socialism and nationalism. The Plan was launched in the backdrop of 'domestic and international stresses and strains on a war-ravaged economy.' The Plan contained twelve basic objectives, but its principal objectives were reconstructing the war-torn economy, reducing poverty and achieving social justice. Specifically, the Plan aimed at an annual GDP growth rate at 5.5 per cent, creation of employment opportunities for over 4 million man-hours to bring down unemployment by substantial degree, reducing the dependence on foreign assistance to 27 percent of total

investment and curbing population growth from 3 per cent to 2.8 per cent a year.

The targets set forth in the First Plan for GDP, employment and investment, largely remained unrealized as the required action programs could not be supported by adequate domestic and external resources, required institutional support and skilled manpower. The strategies, objectives and implementation mechanism set out in the Plan document for the realization of targets did not mention participation of and collaboration with NGOs in any of the programs outlined in the Plan document. NGO involvement in relief operation, reconstruction and rehabilitation was well known, their presence in social mobilization and infusion of a substantial amount of external resources into the economy in the form of assistance to the distressed and displaced was felt. Why the policy planners then, and the political leadership as well, did not seek NGO services in the integration of programs and projects undertaken for national reconstruction is still a conundrum. There has not been any attempt made to look into the issue with an objective inquisition. In the absence of such an evaluative work it cannot be taken for sure what the actual philosophy and moral order worked behind it. However, considering the history of growth of NGO in post-war Bangladesh, and looking afresh at the political philosophy and social order that the ruling party decided for them to pursue and uphold, an attempt to illustrate and explain the processes that kept the NGOs away

from the purview of development programming in the country may be relevant.

NGOs came rushing in the post-liberation war Bangladesh with massive programs of relief operation and rehabilitation. In the pre-liberation Pakistan period NGOs confined their programs mainly to family planning and some social works like running health centers, schools and charity organizations. Their operation was neither as wide and nationally and internationally recognized as it came to be in 1980s and onwards, nor was their reputation flying high during 1970s as effective mobilizer and catalyst for social transformation. Their programs were yet to be known as sustainable at the time, especially when everything had to be arranged and organized from a scratch; they were yet to earn the reputation they had earned at a subsequent period much later in the 1980s; continuity and consolidation of their programs and existence was still not beyond question; their leadership was yet to be tested beyond doubt. The policy planners therefore might have hesitated to put confidence in the ability of the NGOs to contribute for a larger version of national reconstruction, restructuring and recovery phase of the economy.

The political philosophy of the reigning political party—The Bangladesh Awami League—and the social order they wanted to put in place, may also illustrate why NGOs were thought not to be a reckonable partner in the development process. In conformity with one

of the fundamental State principles—socialism—the Plan enunciated to consolidate the ‘gains made so far in the social transformation of Bangladesh’ extending by stages ‘the sphere of state participation, consistently with the ability of the State to manage and organize efficiently’ (Objective VII of the First FYP). As a basic principle in a socialist economy, a centrist policy is pursued wherein state takes over every aspect of economic activities, starting from planning to implementation, leaving no room for either private institutions, or any entities like NGOs, for participating in the planning, programming and implementing process of the country. The policy planners and programming experts appeared to have tried to conform to that policy, which did not call for integration of NGO programs to complement government efforts in tackling development issues that posed serious threat to the survival and recovery of the economy from shambles. That this they did either consciously or under instruction from above is a matter of guessing, but there is at least no doubt that integration of NGO programs for a comprehensive national plan had little importance in the planning exercises during the First Five Year Plan.

The **Second Five Year Plan** (1980-1985) was launched in July 1980 with an outlay of Tk. 17,200 crore. The Plan was due for launching in 1978; but as the SFYP could not be launched in continuation of the First Five Year Plan, a Two-Year Plan was framed for the 1978-79 and 1979-80 periods. The SFYP was very significant in the context of promulgation of The Foreign Donations (Voluntary Activities)

Regulation Ordinance, 1978 and the Rules made thereunder, with stipulations for regulation of voluntary activity, power of inspection, auditing, etc. Until then, there was no regulatory framework, which could be enforced for the control and monitoring of NGO activities in the country, except for the Societies Act of 1860 and Voluntary Social Welfare Agencies (Registration & Control) Ordinance, 1961, which were mainly related to registration and dissolution of voluntary organizations constituted under those Act and Ordinances. The Two-Year Plan did not contain any reference to NGO operation. There was probably no strong expectation either. But the Second Five Year Plan, which was framed after the promulgation of new Ordinances and new rules, was expected to represent government's concern for NGO activities and their contribution to national development through articulate reference to their participation in the development process. No such reflection is evident in the document.

The **Third Five Year Plan** (1985-90) represents the same trend in the planning process that started from the early days of independence. Although the TFYP specifies eight major objectives; such as reduction of population growth, expansion of productive employment, universal primary education and human resource development, development of technological base for bringing about a long term structural change, food self-sufficiency, satisfaction of basic needs of people, acceleration of economic growth, and promotion of self reliance; NGOs were not brought into the process to contribute to fill up the gaps, although by

then they enjoyed some degree of recognition as effective and efficient organizers of the programs that were yielding positive results in reducing poverty and mobilizing rural people.

The framing of the **Fourth Five Year Plan** was very significant in many respects. The country was about to be free from the shackles of an illegitimate autocratic rule, and decision was taken to frame the Plan as part of a twenty year 'Perspective Plan' (1990-2010). Conventional approach to prepare Perspective Plan 'usually starts with the fixation of some socio-economic targets for the terminal year of the Plan and then intermediate targets are set by simulating backward in time. Some efforts to prepare a Perspective Plan in this way were made during the preparation of the Second Five Year Plan (SFYP) (1980-85), but could not be carried far in the absence of identifiable strategies through which the desired targets could be achieved.' Preparation of the Fourth FYP was therefore very important as it derived its impetus from an 'in-depth search for the inherent dynamism of the economy of Bangladesh so that realistic strategies can be worked out for promotion of sustained growth in the economy over the Perspective Plan.'

The Fourth FYP began from July, 1990 with the total outlay of Tk. 689.30 billion (revised 620 billion). As part of the Perspective Plan (1990-2010), the Fourth Plan identified the following major objectives:

- (a) Accelerating economic growth;

- (b) Poverty alleviation and employment generation through human resource development; and
- (c) Increased self-reliance.

As the Fourth FYP was expected to 'set the stage for overcoming the existing constraints to economic growth' and further 'expand the dynamics of the economy' to raise growth rate to 6-8 per cent per annum, it was observed that the strategies to achieve that had to be complementary to each other and be pursued simultaneously. These complementary strategies were grouped into general and specific strategies.

Under general strategies, approach emphasised was for Integration of Sector-Based Planning with Socio-Economic Group Based Planning; Achieving Inter-Sectoral Balance in Sectoral Planning; Creation of an Efficiency Culture in the Economy; Integration of Structural Adjustment with Real Sector Growth; Bringing Women in the Mainstream of Development Planning; Reduction in the Rate of Growth of Population; Restructuring Fiscal, Monetary and Commercial Policies; and Restructuring the Administrative System.

It was under the Specific Objectives that the NGOs came to be recognized as a force to be able to contribute to the fulfilment of the objectives set forth under the umbrella of General Objectives. The following four specific objectives were identified under the Plan:

- (i) Public Sector Investment Program;

- (ii) Private Sector Investment Program;
- (iii) Community Participation through Non-Government Organizations;
- (iv) Local Level Planning and Resources Mobilization.

The **Fourth FYP** thus recognized the importance and contribution of NGOs, and sought to utilize their services in a more cost-effective and coordinated way. This approach and outlook got accentuated through the setting up of Palli Karma Shahayak Foundation (PKSF) to function as a window of channelling public funds in the form and style of an NGO in order to ensure access of the poor to the financial resources they needed for reducing their poverty through income generation programs. NGOs were expected to be able to be creative and innovative, and for expanding the roles and impact of the NGOs for the benefit of the poor and disadvantaged the following were emphasised under the Fourth FYP:

- (a) In order to bring the poor and the disadvantaged from the periphery to the center of development process, the NGOs should supplement the main thrust towards decentralized participatory planning with Upazila as the coordinating unit;
- (b) Restructure strategies through target-oriented programs, which will enable a particular group over a period of time to graduate to self-reliance, and then the NGO to move to some other group for their graduation into self-reliance.

It was experienced that the access to supervised institutional credit was the most critical input for increasing the capability of the poor and the disadvantaged. NGOs were therefore expected that they would shift

from one area to other on succession of graduation to self-reliance by one area after the other, thereby covering the whole area gradually within their jurisdiction. The Plan also encouraged those NGOs which depended solely on the resources they generated from local sources, along with government's own responsibility to enhance the capability of the community to take responsibility of the poor after withdrawal of NGO financing. The Plan therefore desired that all ministries/divisions would restructure their programs of utilization of NGOs for development along the lines articulated in the document. It was envisaged, under the Plan, that Palli Karma Shahayak Foundation (PKSF)¹ would undertake poverty alleviation program through both government and non-governmental organizations, and that an NGO cell (NGO Affairs Bureau) would play supportive and coordinating role in a more effective way. That NGOs are reported to be working in relative isolation, resulting in duplication and overlapping of activities with government organizations would be addressed through such coordination of PKSF and NGOAB.

It was expected in the Plan that with the expansion of participatory planning and formulation of Five Year Upazila Plans, the demand for inter-sectoral coordination from different agencies including NGOs would increase, which would help avoid duplication and overlapping. As it was suggested that all departments in the Upazila should inform

¹ Palli Karma Shahayak Foundation is a trust fund of the government created to extend soft lending to individuals, NGOs, groups for undertaking income-generating activities through micro-credit. The

Upazila Parishad about their activities in a given financial year by September of the previous year, NGOs should also inform Upazila Parishad in the same manner about their activities to facilitate preparation of the Annual Upazila Development Program as well as Five Year Upazila Development Plan.

It was also recognized that NGOs could play an important role in Upazila planning by training concerned people about the techniques of participatory development and income generating activities. The Fourth Five Year Plan document thus visualized NGOs to become an effective innovative actor in the preparation of development plan through participatory techniques as well as implementation of the programs through close coordination with Upazila and Union Parishads.

The **Fifth Five Year Plan** was to begin from July 1995, but it could not be drawn up immediately after the end of the preceding FYP, compelling the government to go for a two-year plan holiday (1995-1997). So, the **Fifth Five Year Plan**, with the total outlay of Tk. 1,959.52 billion, rolled into execution during 1997-2002 period. The Plan set as many as fifteen objectives, which included poverty alleviation, employment generation, improvement of quality of life of rural population, transformation of rural socio-economic structure, attainment of self-sufficiency in food production, development of necessary infrastructure, development of industries, reduction in

loan amount extended to various organizations in the beginning charged an interest of 2 percent.

population growth, scientific and technological development, protection and preservation of environment, women empowerment, establishment of social justice and organizing effective local government institutions.

The **Fifth FYP** continued to follow the tradition pursued in the **Fourth FYP** of involving NGOs in the strategies for development and activities for program implementation under it, aimed at achieving targets like poverty alleviation, arresting environmental degradation, ensuring child rights, empowering women folk, strengthening micro credit operation, and so and so forth. One significant deviation, however, characterizes the **Fifth FYP** in regard to importance given to NGOs in the policy strategy and objectives set out in the Plan document. Under the specific strategies in the previous Plan document (Fourth FYP) a clear stipulation about community participation through NGOs was made, which set the tone for development chorus that seemed to have served to energize collaboration and coordination between NGOs and government departments for effective local level planning and coordinated effort. Though there have been a lot of references made to NGO successes in various sectors, the Plan document fell short of articulating, in its strategies and objectives, collaboration with NGOs as forcefully and distinctly as had been done in the previous Plan document. It does not, however, mean that participation of NGOs in the government's initiatives for overall development through poverty alleviation, employment generation, etc. has been undermined. It may

Subsequently, the interest rate has been refixed and now stands at around 6 per cent.

be mentioned that the Fifth FYP was prepared during a period when there had been a change in the seat of power. The two Five Year Plans were drawn up under different ruling party, whose political belief and philosophy may illustrate the change in the tone of expressing NGO participation in the governmental programs as enunciated through Plan documents.

Nevertheless, there is no reason to believe that Fifth FYP did desire NGO participation at a level lower than the previous years. The Fifth Plan enunciates use of NGO services in a number of areas, which include: micro credit for poverty alleviation; investment in agriculture; participatory local level planning; women empowerment; health, hygiene, safe water and sanitation; environment and disaster management; supplementary role for local level governance, etc.

Referring to the importance of the World Microcredit Summit held in 1997 and recognizing the operation carried out by NGOs in Bangladesh, with special reference to the Grameen Bank in delivering microcredit for non-crop farming and off-farm activities, the Fifth Plan seeks to 'create enterprise ownership and employment opportunities to enable rural and urban poor and the unemployed to break through the vicious circle of poverty', targeting, inter alia, 'persons capable of running poverty alleviation schemes like those supported by different institutions including NGOs in related sectors and interested to expand their ongoing small income-generating activities.'

In the agriculture sector the Plan envisaged coordinated programs with NGOs. Success achieved in service delivery in this sector by the NGOs was regarded as commendable, and, therefore, it was indicated that 'during the Plan period, attempt will be made to coordinate the activities of the government, NGOs, and cooperatives in order to minimize overlap of efforts of the various relevant institutions. Comprehensive participatory local level plan will take into account the linkages between these programs'. The target was that the poor and the disadvantaged would be the main agents and beneficiaries in the local level participatory planning process to be organized by local government bodies, cooperatives and NGOs. The Plan further sought to strengthen participatory local level planning through the process of integration of the village, union, upazila and zila plans with that of NGOs. The integration process was visualized as below:

- i. By December, Union Parishad will collect from Zila and Upazila Parishads the list of expected projects/programs of the central government and of NGOs which are relevant for the concerned areas;
- ii. By March next, Union Parishads will integrate their own programs and projects, based on the needs and priorities of the villages under the respective unions, with the projects and programs of the central government and the NGOs through a series of consultative meetings with the local functionaries of the government and other concerned persons;
- iii. At the upazila and zila levels, these programs/projects will be further scrutinized to fill up the gaps in both plan formulation and implementation strategies; and

- iv. The actual implementation of these projects/programs will start with a participatory process from July, which is the beginning of the financial year.

Cooperation between NGOs and government was also encouraged in the field of women development and child rights. Strategic initiative to encourage NGOs to complement and/or supplement activities undertaken by the government towards enhancement of women's situation and government-NGO cooperation was to be strengthened, particularly in reaching the disadvantaged women. A GO-NGO Consultative Council (GNCC) had been formed to provide a forum for dialogue between the government and NGOs and to suggest modalities for creating an enabling environment for greater involvement of NGOs in national development. It was also envisaged that convergence of essential services, such as health, nutrition, safe water, hygiene and sanitation, would be promoted and strengthened at the community level through the local government structures and partnership with NGOs and private sectors.

The NGO success and efficiency in reaching the target groups and ensuring service delivery was recognized in the Plan document. It was confessed that 'in the fields of health care and education, innovative processes and procedure developed by some NGOs may as well call for emulation and replication by the relevant bodies of both central and local governments.' Assessment of needs, performance and resources was also emphasized for canalising NGO efforts by fine-tuning their

programs through discussions and deliberations across various fora and relevant organizations with the help of Government-NGO Consultative Council.

The **Sixth Five Year Plan** (2002-2007), the third of its kind under the Perspective Plan, is yet to crystallize, but it can definitely be assumed that collaboration with NGOs in local level planning, and implementation of programs at both central and local levels, is likely to feature very strongly in the Plan document. It appears, 1990s and beyond have presented to the development scenario in Bangladesh a shift towards strong collaboration between government and NGOs in the context of the effective role played and the capability demonstrated by NGOs in reaching the unreachable for breaking through the vicious circle of poverty and despondency. If we, however, look back, we find a quite opposite picture where the NGOs are kept totally out of the planning process in national reconstruction and rehabilitation efforts. With courage, diligence, speed and stamina contributing to national reconstruction efforts, NGOs made their imprint conspicuous in the early days of post-independence era, but it is mysterious that their service delivered at such high level of efficiency and effectiveness failed to stimulate attention of the then policy planners that their role and services could be usefully integrated in the planning process for national development.

Poverty Reduction Strategy Paper

As Bangladesh has one of the most 'vulnerable economies, characterized by extremely high population density, low resource base, and high incidence of natural disasters (PRSP Document; GOB; 2003), having negative impact on savings, investment and growth, reduction of poverty has got highly focussed by the government and the development partners as well. It is in this backdrop that the need for strategic rethinking to address poverty reduction gets linked with extension of support from development partners, and that an interim paper outlining 'National Strategy for Economic Growth, Poverty Reduction and Social Development' has been prepared (ERD, GOB, 2003). The paper addresses three key tasks facing the nation: consolidating past economic and social successes; avoiding pitfalls of past development experiences; and the new challenges being confronted in the context of globalization. The success of the strategy of poverty reduction and attainment of Millennium Development Goals (MDG) would depend on the extent to which the above tasks are addressed in the future.

While explaining the above tasks, outlining a development vision and elaborating elements of new thinking, the document stresses upon the need for building new development coalitions at the level of actors. Needless to say that these actors are the central government, local government, NGOs, Civil Society Organizations (CSO), Community Based Organizations (CBO) and private sector.

Given the widespread implementation failure, attainment of good governance, transparency and accountability, demand for broad-based institutional reform in planning and economic decision-making and the need for enhancing effectiveness of policy and programmatic actions, development agencies like state agencies, NGOs and CSOs will be further strengthened through democratization processes.

The preparation of the document involved wide scale discussions and interactions with NGO communities. The strategy recognizes 'the advances made by NGOs and CSOs as alternative delivery mechanisms as well as vocal civic institutions playing significant role in the reversal of fortunes', and reveals the need for 'forging greater coordination among diverse stakeholders functioning at the local level such as various government agencies, departments, NGOs and CBOs', across wide spectrum of service delivery involving agriculture, livestock, fishery, education, health, nutrition, disaster mitigation, social safety net, micro-credit and social mobilization. It thus appears that huge NGO, CBO and CSO participation is envisioned in the programs to reduce poverty and enhance economic growth and self-attainment in the future programming of the government.

This strategy paper, popularly known as I-PRSP, is undergoing thorough examination and being readdressed across the whole sector of the government. The basic purpose of the effort is to identify the resources at various levels, governance or mis-governance in utilizing these resources at various levels and possible interventions that can

effectively contribute to poverty reduction. The policy document with clear-cut vision and articulate policy directions, programs and activities will encompass the whole spectrum of government, CSO, CBO and public machineries geared towards a coordinated approach. The inherent capacity of the public and private sectors and their intrinsic strength will be galvanized into a solid force that will give momentum to the initiatives.

Issues and Concerns

Accountability And Transparency

The issue of accountability and transparency in the programs implemented by NGOs is being debated unabatedly for the last few years. The trend has gained further momentum of late following revelations about some leading NGO personalities who appeared to have abused their positional advantage to their personal gratification. Such revelations have two distinct effects: it bolstered cynic attack in relation to the effectiveness of NGO programs and the benefit they claim they bring for the poor, throwing new challenges for the whole NGO community. There is little doubt that the NGOs have created both friends and foes. So, what once was the left-oriented politicians' seemingly futile criticism has now been able to draw attention of a multitude of people whose inquisitiveness tends to enter deep into the mechanism of the operation, not simply because they are disenchanted, but also because they sense mysteries in the whole episode.

One of the major areas of concern expressed through media is the utilization of funds received from overseas donors. One opinion indicates that:

There has been so far received no accurate statistics of what percentage of so huge a fund received from external sources have been spent for the welfare of common men, and what percentage have been spent for administrative cost, infrastructure development, transportation, entertainment or pleasure trips. However, reliable sources say, lion's share of these funds have been utilized not for public welfare and interest but for various unproductive items on administration and pleasures. (Shudhirath: Daily Muktakantha; 11.06.2000)

Another accusation levelled against NGOs concerns diversion of funds into programs not originally designed at the time of securing it. The issue of ethical propriety has also featured strongly in such accusations.

“In recent times, the increasing belief among commercial entrepreneurs is that many NGOs have departed from their social welfare ‘core’ activities. They have embarked on ‘commercial enterprises’ which do not play a levelling field with others in the market, which may result in monopoly of services and goods, defying fair competition in the market. A feeling of displeasure on the apparent ‘unfair’ advantage of NGOs appears to permeate within business circles. This does not seem to be a healthy phenomenon for NGOs.” (Rashid: Daily Star; Feb17, 2001)

Not only have the feeling of displeasure expressed, but also have the ethical propriety and legality of utilizing funds for commercial purposes been raised. Public perception about poverty alleviation program “has become a business proposition for the NGOs. Set up your NGO shop, people say in derision, you get a fat salary and a fashionable life style” (Chowdhury: Independent; 28.09.2000).

Accounts management is another area of public enquiry and inquisition. One of the strengths of the NGOs is the absence of bureaucratic procedures and hierarchical hindrances in the decision-making processes. This has helped NGOs move on in quicker pace in the implementation and execution of their plans and programs; but it has backfired too. Absence of corporate culture, conspicuous in almost all the NGOs, emboldens one or two chief functionaries to do and undo anything. Absence of any check and balance in the fund disbursement and financial management system has offered ample opportunities for NGO leaders to make money out of properly unaccounted for head of expenditures. Such an impression may be traced out as expressed in *Financial Express*, Dhaka (22.03.1999):

“The NGOs receive prodigious amounts of money from outside sources mainly on the pleas of poverty alleviation. The people doubt reputation of some of such NGOs and many fear that those at the helm put their own financial interests above those for which the funding has been made. Handsome pay packets, redundant appointments, frequent but totally unnecessary foreign trips and such other benefits eat up a lot of funds meant for social welfare projects.”

Public Acceptance: Unchanged Or Eroded

With a lot of queries remaining unanswered, the corollary seeks to ascertain if public confidence in NGOs stands unswerved or shaken. There is no doubt the NGOs have achieved remarkable success in a number of fields, but the ‘positive force in national development’ (Task Force Report 1990) faces a tremendous challenge to salvage public confidence in them. NGOs reached cyclone-devastated coastal belts in Chittagong areas in 1991 within twelve hours with life-saving drugs,

foods, cloths and other necessary materials when after long two-three days even bare-handed government officials were not seen. The interest rate of their loans is a little higher than charged by traditional banks; but the crux is that no traditional commercial financing institutions extend loans to them without collateral even at 100% interest rate. But NGOs are giving without collateral, and their recovery rate is almost 100%. This is not always appreciated. They are considered as agent doing the greatest damage, depriving the nation of modern technology in the name of bringing 'appropriate technology', trying to make our countries eternally remain the market of the imperialist countries, compelling our governments to be pliant, keeping our people as poor as ever. No country has ever developed through NGOs (Harunur Rashid: Daily Inqilab; 07.12.1998; Salahuddin: Daily Observer; 31.10.1998)

The quality of NGO work is under hammer. Absence of any concerted plan of coverage, heavy concentration of NGOs is noticed at convenient places near cities or places having excellent communication.

'One study by the Comilla Academy revealed the chaos of proliferated NGOs in one village and showed how the same households borrowed from a number of NGOs. The trick is paying one by borrowing from another and finally becoming brokes' (Chowdhury: Daily Independent; Sept. 28, 2000).

The Center for Sustainable Development has documented how a front-ranking NGO has made a profit of Taka 4384 or 167 per cent from a Kurigram farmer through irrigation inputs package that reminds one of exploitative East India Company practice of assessing land tax at 60-65

Because, there is a loophole between money received and money utilized; so, “Let NGO Controlling laws be introduced” (Ajker Kagoj: 08 September 1999). ‘There are NGOs cocking up overnight and decamping with large amounts collected from the simple-minded and straight forward poor and distressed people’. Registration should be controlled so that no organization can start off overnight and cheat the poor people’. “Transparency and accountability of the NGOs are wanted” (Muktakantha: 11 June 2000).

Question raised is about accountability and auditing of NGO funds being used without proper discrimination. “The fact that government may disagree with NGOs does not make NGOs illegitimate. The arguments are there—to be won or lost on their merits, in critical courts of public opinion. But NGOs are more likely to be listened to if they are transparent, accountable and accurate in what they say and do” (Michael Edwards, 2002). In a good and liveable society concerned for the poor, there must have to be a strongly motivated constituency with necessary financial resources. In countries like Bangladesh that constituency seems to be missing. NGOs provide that, at least to some extent.

It is now to be seen in what direction government is moving. On 17th January 2002², the Hon’ble Prime Minister asked NGO representatives to function in accordance with set codes of conduct, and told that those

² Reported the Daily Star, Dhaka.

engaging in partisan politics with NGO funds would be identified and made accountable (Address by the PM). The Cabinet Committee on NGO Affairs report and the reaction to it by the NGO representatives indicates introduction of regulations designed to put NGOs under tight scrutiny to put an end to their indulgence in politics (Daily Star: 23.09.2002).

Although the policy decisions are yet to crystallize, indication points to formulation of a policy framework which represents both stringency and facilitation. Freedom of choice and latitude for program implementation should not compromise with adherence to discipline and systems, accountability and transparency. Under the proposed framework field functionaries are reported to being assigned greater role to bring about discipline and control over NGO operations all over the country. An environment of cooperation and understanding will determine the relations between field functionaries and NGO representatives to facilitate their programs. Partisan programs will be strictly discouraged and controlled to ensure non-political and non-partisan character that makes them distinctly outstanding from other organizations. It is however premature to conjecture the modalities that the committee has drawn up. Whatever the draft Ordinance contains, one thing can be very easy to surmise—NGO operation in the country in future will not be an easy ride.

Conclusion

The chronological developments in the planning and programming process pursued by the government depicts quite a nonchalant attitude on the part of the policy planners in regard to bringing the NGOs into the mainstream of development activities undertaken by the government. It appears, NGOs came to fore right from the dawn of independence by demonstrating their commitment and capacity to engage in nation-building activities, in effecting social mobilization and generating resources for poverty alleviation programs; but except for framing regulation Ordinance and rules to control and monitor their programs, their existence and capacity to contribute to national development through close collaboration with the government programs has either been totally neglected or been downplayed. Even the expectation 1980s produced that NGOs would be somehow brought into the mainstream development scenario did not materialize until 1990, when the Policy Planners widened their horizon of development planning by drawing up program strategies for implementation through collaboration with NGOs. It is hard to conclude why the government took about two decades to decide that NGOs should be allowed to operate not in isolation but in tandem with government through effective complementarity. Whether it is due to deliberate avoidance to belittle NGO achievement, or is appropriate step to allow gestation period to NGOs to prove beyond any doubt their effectiveness, efficiency and leadership, or is failure on the part of the NGOs themselves to prove their usefulness, responsiveness and

unavoidability, or is lack of imagination and creativity of the policy planners of the government to involve more forces in their stride to materialize the programs into reality is what is left for people to guess. Nevertheless, at least one thing can be taken for sure that the NGO services could have been better utilized in the development processes of Bangladesh from a period much earlier than what had been envisaged in the planning documents during this long period of more than three decades.

The Poverty Reduction Strategy Paper illustrates government's strong desire to involve NGOs, along with other CBOs and CSOs, to contribute to national development through a broad coalition built on consensus on issues that encompass the whole gamut of development processes. The role of NGOs in rural development, in local level planning, motivation and social mobilization can be emphasised in this regard, but what is important that can facilitate NGO participation in the development processes effectively on a broad pattern of collaboration is the absence of any appropriate mechanism or protocol which could forge strong partnership between the two forces.

The local government Ordinance, 1976 and its subsequent modifications assign huge responsibilities to local bodies including UP for national development through strengthening spontaneous public participation in governance. But the Ordinance lacks the tools that can effect spontaneity of public participation in local level planning and

governance. One of these effective tools can beyond doubt be the NGOs which can translate government's desire to broaden public participation into reality. The modalities for partnership need to be spelt out. NGOs are now working in isolation, with a minimal collaboration and cooperation with local bodies at some places. But in most cases they seem to be unwelcome guests advising without legal status. Consequently, their advice and desire for collaboration carry little value. There can therefore be any Act, Ordinance or administrative directives that would provide to the NGOs a legal status under which they could extend valuable and meaningful support and assistance for local governance. They would no more be a second-class citizen in the society then in terms of interactions between local government bodies and themselves.

The local government bodies in particular and the society in general have to take NGOs into confidence too. They are working in the society as change agents. So, their roles have to be appreciated not through a periscope of mistrust and disregard, but in the light of realities and practicalities. Things can move far ahead with trust and understanding than it can retard far behind with distrust and non-realization. It can be expected that a well spelt-out protocol put in place, leading to NGOs getting a legal status, will forge a strong bondage between local government bodies and the NGOs that will carry reforms and rebuilding initiatives of the nation much faster than anticipated.

Chapter 7: The Legal and Regulatory Framework

Introduction

The non-government organizations operate their programs under different Acts, Ordinances, Regulations and Rules, framed from time to time since the British colonial rule in the sub-continent. This chapter deals with those regulatory frameworks, which govern NGO operations in the country, covering both elements of institutionalization and operationalization.

As NGO operations have increased in the country, so have their problems—diverse and manifold. Attempts have been made by the government to facilitate NGO programs in order that they can become effective partners in government's initiatives for national development and reconstruction. NGOs have earned laurels through their commendable achievement on occasions that called for immediate response--in kinds and in cash. Their actions and performances are, nonetheless, not free from criticism. In some cases, may be deplorable, because of their partisan programs and approach deviating to a great extent from NGO philosophy and guidelines. The reflection of the government on governance of their operations has been highlighted in this chapter to explain what underpins the need for changes in the present institutional framework. The chapter will give a fair idea on

legal framework under which NGOs operate and future guidelines that are likely to reshape NGO activities in the country.

Although NGO operations date back to way past before independence, it proliferated significantly immediately after independence, and by leaps and bounds at a later stage. In order to direct their operations and funding arrangements, the Government of Bangladesh have put in place a number of statutory and administrative mechanism to regulate their functions and activities. A detailed institutional framework exists with regard to NGO registration, project review, approval and utilization of funds received from donors or generated from within the country.

Regulatory framework is necessary for a number of reasons. As funds flowing to the NGOs, both from the overseas or local sources, are basically meant for the development of the poor, it is imperative to make sure that funds so flowed in are properly utilized and not pocketed by anybody. Macro-economic development is the other area, which needs to be kept in track by ensuring that funds received are spent in line with government's program for national development based on sound planning, and not by individual or group whims resulting in wastage.

The chapter is devoted to the legislation that governs the NGOs, both international and national, operating in Bangladesh. It also chronicles the various circumstances that led up to the formulation and enactment

of laws and regulations. Attempts have also been made to examine the relevance of those laws in the present-day context. Other key organizations that are concerned about the NGO operations in the country have been focussed in the discussions together with the contextual background that gave birth to these institutions.

Elements of the Legal Framework

The legal framework that forms the basis for NGO regulation in the country are two-fold: (1) Laws of incorporation providing such organizations a legal identity; and (2) laws that determine their relationship with the government and regulate the functions and programs they undertake. Registration is necessary to establish relationship with the government, but organizations working on their own without seeking any government help need not register under any of the laws discussed in the following paragraphs. However, registration gives the organization a sound management system, which provides it insulation from interference by undesirable elements and gives protection in the eye of law.

Laws for incorporation

The laws that provide NGOs a legal framework for existence and identity with a recognized governance structure are varied and diverse, and different entities of the government administer those laws. They are discussed here:

The Societies Registration Act, 1860

The Societies Registration Act, known as the Act XXI of 1860, was introduced during the period of British rule in the sub-continent with a view to setting forth ways by which a voluntary organization would be set up, managed, controlled and regulated. This Act was promulgated for ‘improving the legal condition of societies established for the promotion of literature, science, or the fine arts, or of the diffusion of useful knowledge, the diffusion of political education or for charitable purposes.’ Seven or more people associated for any literary, scientific or charitable purpose may, by subscribing their names to a memorandum of association and filing with the Registrar of Joint Stock Companies, form themselves into a society under this Act. Many premier NGOs in the country got registration under this Act, administered by the Registrar of Joint Stock Companies under the Ministry of Commerce.

Although the Act is still valid in Bangladesh, the Registrar of Joint Stock Companies no longer entertains any case for registration under it. The Department of Social Welfare, under the Ministry of Social Welfare, is now responsible for registration of NGOs working in Bangladesh. The charitable complexion of activities undertaken in the Victorian era in the 1860s is reflected in the programs undertaken and organized through the present days. The laws and regulations being enacted in the recent times also continue to borrow from it.

The Trust Act, 1882

This law was also created during the British rule in Indian sub-continent to make room for private trusts to operate their activities without running into clash with the Muslim and the Hindu religious laws, which were very sensitive for the rulers to modify or change. This law allows for legal arrangements for running an organization involving three parties. Under this law a person or a group of people having some property can entrust it to a second party to be administered and used on behalf of a third party. In Bangladesh, this is still a valid law, but NGOs are seldom seen to make use of this law. The Registrar of Trusts (normally a magistrate) registers and authenticates a 'Deed of Trust', which stipulates the provision for administration of the trust property. This law allows autonomy as long as the trustees honour the terms and conditions of the Deed of Trust, and government does not interfere in the administration. There are a few NGOs, which are registered under this law. Gonoshasthya Kendra, one of the leading and pioneer NGOs in the country, is one of them.

Cooperative Societies Act, 1925

This is a specialized law created to allow room for operation of the organizations of commercial nature. Though the elements of cooperative initiatives are there in the law, and some NGOs are keen to identify themselves within its purview, development NGOs are not seen to register under this law. Since basic element of the law lies in its commercial nature, and though some of the NGOs tend to identify them

in this line, NGOs not being commercial organizations prefer not to be branded within this parenthesis to avoid any eventuality that may not be palatable for them.

The Companies Act, 1913 (amended in 1994)

This Act also enacted during the British rule in India was created to deal with private trading companies with a view to providing them legal form and status along with ancillary provisions for administration. Organizations or entities having professed to run with non-profit arrangement can also register under this Act. There are some NGOs who have preferred this Act to relevant voluntary organization ordinances and regulations for registering their organizations. UBINIG (Unnayon Bikalper Nitinirdharani Gabeshana), PKSF (Palli Karma Shahayak Foundation) and Hortex (Horticulture for Export) are a few of the examples who have got their organizations registered under this Act (Afroza: 2000: 80). This Act provides for strong legal identity. The formal legal obligations for the organizations founded under this Act are strict and clear. Preparation and submission of annual reports and annual accounts is mandatory. Registrar of Joint Stock Companies and Firms under the Ministry of Commerce is the registration authority and may act if violation of charters of the company occurs.

Laws and Ordinances for Regulation of Associations

The preceding laws enacted during the British period in India came into being in the context of the prevailing situation in the sub-continent. The

concept of NGO operation as it stands nowadays was yet to come to fore at that time. The context underwent changes following the independence from the British rule, and later during Bangladesh period necessitating introduction of new laws and regulations. A number of laws, regulations and ordinances therefore followed to deal with changing pattern of footsteps taken by Non-Government Organizations.

The Voluntary Social Welfare Agencies (Registration and Control) (VSW) Ordinance, 1961

As deemed expedient to control non-governmental organizations, Pakistan's military regime promulgated this Ordinance in 1961 "to provide room for the registration & control of voluntary social welfare agencies, and for matters ancillary thereto." The Ordinance made the registration with the Social Welfare Department of Pakistan mandatory, of those organizations, association or undertaking which sought on their own free will to render voluntary welfare services for the public with public subscriptions, donations or government aid under specific or designated areas. This is the fundamental Ordinance which gives an organization legal identity to work on an institutional framework purely depending on local resources. The procedure for registration is simple. A group of people aspiring for social work within the framework of certain agreed principles can have their organizations registered, and maintain the status unaffected for as long as they comply with requirements under the Ordinances. The government holds the authority, exercised by the Department of Social Welfare, to interfere with the governance structure of the NGOs. The Ordinance provides the

government unilateral authority to suspend the governing body of a NGO without any provision for the NGO to appeal. The governing body of the NGO is also not empowered to dissolve the NGO without approval of the DSW. The Constitution of the NGO has to be approved by the Social Welfare Department, and any amendment made to the constitution subsequently can be effective only when that is endorsed by the DSW.

The Foreign Donation (Voluntary Activities Regulation (FDR) Ordinance, 1978 (amended in 1982)(Ordinance No. XLVI of 1978)

A host of international NGOs came into war-ravaged Bangladesh for massive reconstruction and rehabilitation work to push the country back to normalcy and put the people back into a minimum settled state. A large number of local NGOs emerged as well to offer relief and reconstruction assistance. In such a context, it became necessary to regulate the receipts of foreign donations for voluntary activities, and monitor their expenditure to ensure that no funds are channelled into misdirected pockets or purpose. The purpose of this Ordinance was not to control inflow of funds, but to regulate the funds flowing into the economy in such a way as could be most effectively and efficiently utilized.

The Ordinance defines 'foreign donation' as a donation, contribution or grant of any kind made for any voluntary activity in Bangladesh by any foreign government or organization or a citizen of a foreign State and includes any donation made for any voluntary activity in Bangladesh by

a Bangladesh citizen living or working abroad. The Ordinance also defines 'voluntary activity', which means "an activity undertaken or carried on partially or entirely with external assistance by any person or organization of his or its own free will to render agricultural, relief, missionary, educational, cultural, vocational, social welfare and developmental services and shall include any such activity as the government may, from time to time, specify to be a voluntary activity."

According to the provisions of the Ordinance no person or organization is allowed to undertake any voluntary activity or receive any foreign donation for the purpose of undertaking or carrying on any voluntary activity without prior permission of the government. The Ordinance gives the government absolute authority in regard to dealing with offences committed under the provisions of the Ordinance and the court is not allowed to take cognizance of any offence except on a complaint made by the government.

The Foreign Donations (Voluntary Activities) Regulation Rules, 1978

The Regulation Rules have been made under the provision of the Foreign Donations (Voluntary Activities) Regulation Ordinance, 1978, whereby the Ordinance has been operationalized by defining the positions responsible for dealing with the activities and detailing out various procedures that voluntary organizations have to follow for receiving foreign donations.

The Foreign Contributions (Regulation) Ordinance, 1982 (Ordinance No. XXXI of 1982)

This Ordinance was promulgated by the then Chief Martial Law Administrator to regulate receipt of 'foreign contributions'. As there was similar Ordinance in existence for regulation of foreign donations, the promulgation of this Ordinance involved interpretation that sought to clarify differentiation between 'foreign donations' and 'foreign contributions'. According to the Ordinance 'foreign contribution' means any donation, grant or assistance, whether in cash or kind, but the difference between the two is that while the former is received for programs undertaken for a long period for implementation, the latter is received for short-term activities like emergency relief operation to face disaster and the likes. Accordingly, if any ticket is received, for example, to undertake any journey abroad for attending any seminar or conferences, that will be treated as foreign contributions. NGOs receiving foreign contributions are required to seek prior permission of the government before each time they receive such contributions.

Effectiveness of Regulations Ordinance and Rules

The existing Regulations and Ordinances, designed to regulate NGO operations, provide room for monitoring their activities by the field functionaries. It does not, however, clearly spell out the institutional mechanism which the field functionaries could use in monitoring their programs. These shortcomings in the Regulation Ordinances probably allow the NGOs to evade scrutiny by the field functionaries under various guises. Technical know-how and lack of appropriate expertise

of the field functionaries in evaluating development may also be blamed for this. It therefore needs to be seen what really causes low monitoring of NGO activities in the field programming and intervention.

The NGO Affairs Bureau (NGOAB): One-Stop Service Point

The need and demand for a one-stop service point came in the wake of difficulties to clear projects that had components involving a number of ministries/divisions. Concerned NGOs had to obtain permission from all the involved ministries before they could undertake implementation of the programs. This process required time, alleged harassment and undue pressures, resulting in inordinate delays in project clearance and cancellation of funds committed by donors. This was very cumbersome and, sometimes, humiliating too.

The Standing Committee in the 1980s, represented by all relevant program supervising ministries, under the Chairmanship of the Secretary, Economic Relations Division (then known as External Relations Division); or a high power Standing Committee, headed by the Cabinet Secretary failed to fulfil expected results because of heavy work load of and inaccessibility to the Cabinet Secretary, the senior most bureaucrat of the country. Thus, the 1980s witnessed a huge backlog of projects pending government approval (World Bank, 1996). So, the constant demand by the NGOs, with donors lending their voices to it, to institute one-stop service point gathered steam, and the

NGOAB, headed by a Director General, came into being in 1990 under the President's Secretariat (now under the Prime Minister's Office) to perform all responsibilities assigned under the Foreign Donation (Voluntary Activities) Regulation Ordinance, 1978 and the Foreign Contribution (Regulation) Ordinance, 1982.

Functions of NGOAB

The main objective of institutionalizing NGOAB is facilitation of program clearance and enforcement of relevant legal provisions. Administration of relevant laws; provision of secretarial service to committees; registration, project processing, release of funds, review of implementation reports by NGOs, monitoring their activities, realization of fees and service charges from NGOs, auditing receipts and expenditure by NGOs, maintaining liaison with them and matters ancillary thereto are the main responsibilities of NGOAB. Establishment of NGOAB has yielded positive results and response, and has earned appreciations from donor communities including the World Bank (World Bank 1996). As the services are provided in a single office within a specific timeframe, it both saves time and energy of the NGOs seeking approval of their projects and enables the Government to monitor NGO operations through a coordinated approach.

Establishment of Government-NGO Consultative Council (GNCC)

As inter-organizational understanding very often tends to be haunted by communication gaps, the need for wider interaction and dialogue between the government and the NGO community is not a fantasy to dispel any doubt and misunderstanding, and to create better collaboration and cooperation. Government-NGO Consultative Council, which is the outcome of a report by a team of experts commissioned by the Asian Development Bank to evaluate NGO program performance, was created through a gazette notification on October 17, 1996 to fulfil that objective. The GNCC is primarily concerned with the following objectives:

- ñ To increase mutual understanding and cooperation between GOB and the NGOs for overall development of the country.
- ñ To identify and discuss issues that stand in the way of GO-NGO cooperation and to develop environment conducive to better policy and institutional arrangement for GO-NGO cooperation.
- ñ To suggest modalities for greater NGO involvement in national development.
- ñ To propose measures for simplification and improvement of the regulatory system for creating an enabling environment for governing NGO operations and activities.
- ñ To suggest measures that will strengthen the monitoring and evaluation capacity of NGOAB partner NGOs with a view to ensuring accountability, transparency and responsiveness for development assistance funds.

Membership: GNCC is a 23-member body, represented by six officials nominated by the government from concerned Ministries/Divisions and

eight NGO functionaries nominated by representative NGO body. Government appoints the Chairman of GNCC. Director General, NGOAB is the ex-officio member-secretary of the council. The remaining seven nominees are finalized on the advice of the council. To make room for wider participation and involvement in dialogue between the government and the NGOs, the tenure of the representatives has been fixed for two years and no individual can serve on the council for more than two consecutive terms.

In spite of efforts made by both government and NGOs for wider dialogue between government and the NGO community for better coordination and collaboration, the relationship has been of strain and stretch because of mistrust and disregard, inducing the government to think seriously over bringing in changes in the existing regulations for NGO activities. The government prefers more control over NGO activities than the existing regulations permit it to. This attitude is likely to map out future relationship between government and NGOs,

Looking Ahead: Control or Facilitation

GO-NGO relationships seem to be crossing a critical phase in the country at the moment. Debates going on at different quarters, especially within the government, are whether to curtail or control NGO Operations. Decision within the government about the fate of future NGO programs is still not firmed up. Indication is however more tilted towards strong monitoring for streamlining their activities.

Recent activities of certain NGOs have left the NGO community divided. Some of the leading NGOs are alleged to have stepped out of their boundaries of legal jurisdiction and propriety, compelling the government to have a fresh look at the NGO operations, their modus operandi and activities. The task is difficult and the decision is tough. Their contribution to national development, during disaster and normal times, is doubtlessly stupendous, but that does not justify leniency on wrongdoers.

The mood within the government about NGO operations may be sombre, but not negative. A bill on the operation of NGOs, prepared on the basis of recommendations of the Cabinet Committee, formed immediately after the National General Election in 2001, is now lying with the Jatiyo Sangsad. The main objective of the bill is to bring about necessary changes and modifications in the existing Acts and rules to impose effective control over the activities of the NGOs in the country through better monitoring and follow-up. Although the bill is yet to become a public document, it is reported to contain the following areas and issues:

A. Simplification of existing FD provision

The existing provision in the Voluntary Social Welfare Agencies (Regulation & Control) Ordinance, 1961 regarding suspension or dissolution of governing bodies of registered organization has been considered rigid and cumbersome. This has been simplified for

remedial action in case of any violation of the provision of the Ordinance. Under the proposed changes, NGOAB will take over if any committee is dissolved.

B. Removal of Chief Executive or Official of Registered Organization

The existing Ordinances and Rules provide for no room for removal of chief executive in the event of violation of existing rules and Ordinances. The bill has defined “irregularity” and “mal-administration” to enable the controlling authority to ascertain if the officials of the organization concerned are guilty of violating the provisions of the Ordinance or not and take action.

C. Participation in political activity

NGOs have not been allowed to participate in any political activity. Activities like empowerment of poor and the disadvantaged will not be interpreted as political as long as those are not directed towards giving any political gain to any political party.

D. Micro-credit operation by NGOs

No NGO will be allowed to realize interest or service charge at a rate more than as determined by the appropriate authority, and no repressive measures can be adopted to recover loan amounts.

E. Commercial programs

Since NGO funds are meant for voluntary activities, prior permission from NGOAB can be given for undertaking commercial programs under commercial rules and procedures applicable for commercial entities

F. Savings fund

NGOs can institute funds like provident fund, welfare fund, scholarship fund, etc only after permission from NGOAB has been obtained.

G. Assistance to other organization

NGOs will not be allowed to extend financial or any other assistance to any other organization for any program except for the programs approved earlier. The entire programs under any project cannot be implemented by associate organizations except for part of the programs on permission from NGOAB showing specific grounds.

H. Foreign NGOs

Foreign NGOs will be allowed to receive funds only from their headquarters, Local NGOs will enjoy preference in complementing government's development efforts, though participation of foreign NGOs will also be considered.

I. Educational Programs

NGO schools have to use in their formal educational programs only the books published by the Education Board and in their non-formal

education program the books published by the Non-formal Education Directorate, and follow curriculum as approved by the government.

J. Monitoring & Evaluation

Deputy Commissioner at the district levels and UNO at the Upazila levels can monitor and evaluate NGO activities on behalf of NGOAB.

The report has prompted immediate reactions from ADAB. It is sharp, pungent and vituperative, and termed as an unholy attempt to grab NGOs and to bring them under government control (The Daily Prothom Alo, Dhaka; May 04, 2003). There is however no unison among ADAB leader in expressing reaction to the report. The existing law has provision for monitoring of NGO activities, but it falls far short of articulating who would be doing that job. As a result, the NGOs are everybody's concern but nobody's child. Under the proposed arrangements, monitoring and supervision will be handled by NGO Affairs Bureau, which will use the services of the Deputy Commissioner in the district levels, and Upazila Nirbahi Officers at the upazila levels.

Conclusion

Debate will continue to rage through NGO communities, civil society organizations and common people whether there is any necessity for insertion of stringent provisions for regulating NGO operations. It will also continue to determine if the proposed changes are really meant for

regulation or facilitation of their operations through better monitoring, accountability and transparency. Stringency does not necessarily be considered as a weapon of control, it may produce positive dividends for NGOs to become more responsive to their target people through streamlining and disciplining. Time will speak.

Some ethical issues have however been addressed in the proposed changes. Micro-credit is one of them. It has earned both reputation and criticism. This program, pioneered by the Grameen Bank, is now being replicated by probably the larger number of NGOs, firstly as a vehicle of generating income for the poor people in the rural areas, and secondly, as a means of generating their own resources for supporting their programs in the wake of shrinkage in the aid flow from external sources. Initially, enjoying strong support and approbation from all quarters as a novel means of helping the poor, who are unable to provide collateral, in bringing about distinctive changes in their livelihood, the programs have subsequently produced a strong protest, chagrin and criticism in terms of its operation procedure and recovery philosophy. The interest rate imposed is reported to be exorbitant, rate calculation deceptive and fraudulent, and collection procedure repressive and inhuman. In some cases, the operation is creating a severer vicious circle than ever before. In such a circumstance, the guidelines to be inserted in the existing rules may yield a calm and composed environment in terms of loan recovery. However, it poses risks too. That issue is also to be taken into consideration.

The authority to remove chief executive or official, who is found corrupt, engaged in politics, has failed to comply with orders or instructions issued by the government, or is seen violating provisions of the Ordinances or rules, are likely to cut both ways. Government can abuse this provision to punish recalcitrant officials. However, this provision will be very effective in controlling corruption and misuse of NGO funds, especially by those who hold enormous power within their respective organizations under a stooge management committee. And it is probably premature to jump to the conclusion that government has kept such provision for abuse and misuse of power.

Another commendable provision is restriction on opening of funds in various names such as provident fund, scholarship fund, welfare fund, etc. without prior permission of the NGOAB. While provision of such funds in the NGOs should not be put to hold in the long-term interest of those working in the NGOs, it is important to ensure that such funds created through appropriation from its original fund allocation do not get grabbed by the top brass in the organization without having regard for others' interest. Needless to say that experiences of administration of such funds in a number of leading NGOs in the country has necessitated insertion of such restriction.

No rule and system can prove perfect and be above criticism. So may be the case with the proposed modifications and changes in the existing Ordinances and Rules on operation of NGO activities in the country. It

is the human being behind enforcement of the rules whose character, attitude and integrity characterize the nature of enforcement. There are obvious provisions in the proposed modifications and changes in the rules which government can make good use of in their favour to bring the targeted NGO under their control. But in all fairness it should be hoped for the best that the proposed changes will usher in a new era in NGO operation in the country by bringing in more discipline and transparency in its administration and fund management. And only then can all expect a salubrious outcome from NGO operations through proper and facilitative monitoring.

It is however not clear how far the proposed changes will have impact on the relationship between NGOs and Union Parishads in terms of fostering local level governance and strengthening of local bodies. The regulatory frameworks now in enforcement do not contain any stipulation that could oblige NGOs to enter into any kind of operational arrangement with UPs for cooperation and collaboration. Nor do these spell out any responsibility and powers, which could enable UPs to make NGOs enter into such arrangements for such collaboration and cooperation with them. The regulatory frameworks spell out provisions of supervision and monitoring in broad and general terms, which provide the government wide scope for entrusting responsibility to any body or institution for supervision and monitoring. Such provision leaves the decision to be taken on a basis of adhocism, prompted by situations developed from time to time. Government can instruct

NGOs to make collaborative arrangements with UPs for strengthening local government administration. That may depend on many considerations. But that if there were any inbuilt provision for institutional collaboration between the UP and the NGOs that could help local government institutions like the UPs take advantage is absent in the regulatory frameworks. Although the regulatory frameworks do not raise any bar to such collaboration, it fails short of any clearly spelt out provision that could support the cause of local level governance by obliging NGOs enter into agreement with UPs for project selection, identification of target groups, operation of micro-credit and many more similar programs. Such in-built obligation would have helped consolidate local level governance to a significant extent.

Chapter 8: Program Coverage of NGOs in Bangladesh

Introduction

NGO programs started in the country through their participation in emergency relief, rehabilitation and reconstruction work. But with the country's economic recovery and consolidation of financial resource base, the need for intervention by NGO to complement public initiatives has changed. Since NGOs' interventions are focussed on popular need undergoing changes with change in country's economic condition, its programs have changed tremendously over a wide spectrum of activities over the years. This chapter is an attempt to explain and illustrate the programs that NGOs are implementing in the country.

NGO programs have become as diverse as its volume and number. It encompasses almost all the sectors cutting across health, nutrition, awareness building to democratization process in the present day polity. All these areas have been explained focussing on shift in policy each program has embraced. The number of NGOs operating in the country is hard to determine, as the agencies responsible for according registration to them are multifarious with minimal, perhaps no, amount of coordination among them, resulting in mushroom growth in same areas with overlapping of programs and coverage. However, attempt has been made in this chapter to give an account of their number and volume based on statistics provided from NGO affairs Bureau. It is

necessary to present geographical intervention and sectoral allocation, but this could not be given fair treatment due to lack of segregated information and statistics available with NGOAB.

The actual number of NGOs working in Bangladesh has not been systematically enumerated. Moreover, their numbers are always increasing. By a rough estimate, however, about 20,000 NGOs are working in Bangladesh in different development fields, who have extended their activities that cover about 15 per cent of the total group households in the country, which are mostly rural (Afroza: 2000: 67). Their program coverage spans a wide canvas, extending from relief work to rural poverty alleviation to preservation and protection of human rights. But from the NGO perspective, the highest priority is given to those problems that directly affect the poor (Huq, 1991). In the wide range of programs they cover, poor and their problems originated from poverty and social injustice are more focused than anything else. In 1994, the NGOs were operating in more than 50 per cent of the total villages of the country involving over 3.5 million families as beneficiaries (ADAB, 1994).

The NGOs are operating in the country for more than three decades. A review of the programs they have undertaken during this period will provide a picture of their intervention and direction of the program participation. It may appear that their programs have shifted its importance from one area to another depending on the call of the time

and situational demand. However, the major areas they have engaged in are highlighted below:

Relief and rehabilitation: NGOs started their activities in the country through relief and rehabilitation work on the dawn of independence. With the change of situation and improvement in the economy, relief and rehabilitation work is no more a priority area, and therefore not a regular area of intervention. They, however, respond fast and quick when there are natural disasters or calamities like floods, cyclone, tornadoes, earthquake and the likes, with the resources available at their disposal and that they mobilize through intense communication and dialogues with bilateral and international donor agencies. In reality, they have been playing a very significant role in allaying distress and disadvantage of the affected people throughout these decades working alongside the government.

Family Planning: Family Planning program (population control) assumed high importance right from the dawn of independence in the wake of ever-increasing population size, which is difficult for the country to control and feed with its limited resources and land area. Religiously motivated people perceived adoption of family planning as 'taboo'. As such a perception worked as a deterrent to the expansion of this program, NGOs undertook at the initial stage, alongside the government, motivational program together with distribution of contraceptives at the community level in a very suppressed way. Door

to door motivational and contraceptive distribution service embedded its root surreptitiously but steadily, paving the way for wider outlook among the public on a sustained basis gradually. A few NGOs provided services, at the same time, on reproductive health care and surgical contraception. On the whole, their contribution to this sector will be recognized as very significant. The success that this sector has achieved over the years is the effect of compound effort undertaken by the government and NGOs together, contributing to the slowing down of population growth and improvement in the overall health status of the people.

Health and Nutritional knowledge: NGOs' contribution to health care is no less commendable. Public perception that access to health care services is a basic human right manifested through continuous dissemination embarked upon by NGOs, which transformed into an effort contributing to the development of a health care system at the grassroots level. They undertook various programs ranging from health education and nutrition care along with immunization and curative care to bring down the incidence of infant, child and maternal mortality in the country. Their contribution to the nationwide immunization program and treatment of diarrhoea through homemade ORS (Oral Rehydration Salt) is also remarkable. Importance of health care service for women before anybody else vibrated among the policy planners through the continuous effort put in by NGOs. Programs are also being

taken to combat HIV/AIDS menace in the country in line with global initiatives.

Women Development: Despite being fifty per cent of the total population, they are the most neglected. Society failed to measure their importance. The country faltered in giving them due place in the stride for development. Their contribution to the family in terms of money got ignored, and their participation with their counterparts in childbearing and housekeeping undermined. The NGOs changed this landscape by revolutionizing the pattern of women participation across the wide spectrum of nation-building activities including changes in social outlook about their status, strength and importance. In order to develop overall socio-economic condition of the country and bring the womenfolk into the mainstream of development activities, NGOs have undertaken quite massive programs for women development through conscientization, credit extension and skill development on areas like apiculture, silk production, fishnet making, bamboo sticking, embroidery, poultry and livestock rearing, etc. The stature the womenfolk in the country have been able to attain can largely be attributed to NGO efforts and contributions.

Credit Extension: NGOs arranged collateral-free credit funds for the rural poor for individual or collective enterprises with a view to reducing dependency on the traditional moneylenders who used to charge high interests and usurp pawns on the failure to return money by

the creditors. One of the most successful interventions by the NGOs, this program has helped change the complexion of rural power structure to a large extent. Pioneered by the Grameen Bank (GB) and replicated by others, this is the most widely practiced credit operation program in the country. By 1995, cumulative disbursement by Grameen Bank reached US\$ 1.44 billion (World Bank, 1996).

Non-formal Education: Not only an integral and indispensable part of democracy and a basic human right, education is one of the pillars of those qualities that make a man a man. NGOs therefore have concentrated their efforts on eradicating illiteracy through functional education for both men and women. They have given particular focus on children's education programs, which involves experimentation on the means and methods of education and the way out to reduce to the extent possible the rate of dropouts now reaching an alarming height in the schools--both public and private. They have worked on education curriculum to make school lessoning appear to the students more appealing than boring and disgusting. One of their strategies for human resource development is to give higher attention to those target groups where majority are girls.

Employment generation: NGOs expand and help expand the employment generation opportunity through credit extension on small trading, rickshaw pulling, mulberry plantation for women, backyard vegetable gardening, etc.

Income earning through enterprise development: The NGOs create opportunity for income earning, especially by the poor, through enterprise development, such as social forestry, pisciculture, weaving, poultry and livestock rearing.

Capacity building in planning and management: In order to enhance the organizing skills and managerial capabilities of the poor to plan and implement successfully the projects they design and undertake, the NGOs embark upon different activities at the grassroots level through training.

Occupational skill training: NGOs also organize training courses for men and women to impart new skills and knowledge that they can apply in their professional work like crop cultivation, silk cocoon rearing, operation of irrigation equipment, use of pesticides, etc.

Productive assets: Apart from arranging funds for income generation and creating employment opportunities, NGOs try to help the target groups to develop their own assets so that they can own, control and manage it according to their needs and freedom and reduce their dependence by owning it. Such assets of the poor may include irrigation equipment, rice mills, power tillers, weaving machines, etc.

Non-traditional agricultural extension: NGOs working for agricultural development in the country undertake unique programs of technology

transfer involving innovative fertilizer use and pest management. They also undertake activities to strengthen these programs by organizing training of local people and mobilizing national advocacy campaigns. Some NGOs are working intensively to develop homestead agriculture through appropriate technology transfer.

Development of appropriate irrigation technologies: The agriculture sector has witnessed commendable success of the NGOs, which have been able to respond to the needs of the peasants by innovating low-cost irrigation technologies that have not only helped the small and marginal farmers to reduce dependence on high-cost foreign machineries for irrigation, but also to promote crop diversification with a cost that is within their means and capacity. The treadle pump and a bamboo tube-well developed by the Rangpur Dinajpur Rural Services (RDRS); the Rower pump developed by the Mennonite Central Committee (MCC) and the TARA pump to extract water from deeper aquifers developed by the Mirpur Agriculture Workshop and Training Service (MAWTS) bear a bright testimony to that success. From such endeavours there are currently more than 130,000 such technologies in operation in the country (Ministry of Agriculture, 1995).

Consciousness raising: The NGOs raise through training and participatory group discussion the level of consciousness about individual, social and community responsibility and the rights of access to basic human needs and facilities.

Urban and rural development: Though NGOs have focussed their attention more on rural development through various poverty alleviation, infrastructure development, bridges and culverts construction and capacity building programs and activities, urban development has also not been neglected. In the urban areas, NGOs have undertaken and expanded their programs on areas like slum development, low-cost housing, health care facilities, environmental development, etc.

Development of children: NGOs have undertaken various programs for the development of the children, especially the underprivileged. Their programs on children encompass areas like breastfeeding, healthcare services to the children, rehabilitation of orphan children, establishment and preservation of child rights, creating opportunities for child education, stopping child labour, etc.

Group formation and their Mobilization: Group formation and target group mobilization is one of the mechanisms NGOs use to help hopeless, homeless, distressed and disadvantaged people, especially those living in rural areas, to organize into a solid force for realizing their rights and working towards a common goal. The philosophy that ‘united we stand and divided we fall’ is infused into them through this group formation, which helps them undertake investment and trading enterprises with mutual cooperation and group discussions.

Leadership development: One of the important aspects of human resource development programs of the NGOs is leadership development. Leadership to emerge from within the group is the hallmark of NGO training program, conducted among various groups aimed at helping them face situation with courage and equanimity.

Access to government services: The poor and disadvantaged people normally unaware of the services government has established for public welfare are made aware through information dissemination and advocacy programs. Moreover, NGOs facilitate service delivery from public institutions at satisfactory level through contacts and discussions. They try to give the poor access to the 'khas' land and other facilities including healthcare.

Activate local administration: The NGOs play a vital role in activating local administration to make sure that specific needs of the beneficiaries are met without any hindrance as provided under rules and regulations. They act in a manner that motivates administration, especially at the local level, to behave more responsively to allow the poor access to services they are entitled to.

Humanitarian and legal aid: The NGOs provide humanitarian help and extend legal aid to the disadvantaged section in the society. They extend help to the distressed people by way of making them aware about their rights through counselling on legal matters, extending legal

assistance and organizing social resistance to oppression by the strong and privileged in the society.

Environment: The history of Bangladesh is the gradual slide towards environmental disasters through a steady aggravation of environment through natural process and irresponsible manmade acts. The country is termed to be one of the most environmentally endangered regions. Deforestation, desertification and damage to the genetic and aquatic environment coupled with other deliberately environment-non-friendly activities have dragged the country into a horrible stage. The NGOs undertake various programs to combat deforestation and improve the condition through motivation for plantation as well as planting tree themselves. They have also exhibited notable success in deterring activities both by the public and the government that contribute to deterioration of environment. Their programs for afforestation, improvement of sanitation facilities and supply of safe drinking water through distribution of water-sealed latrines and tube-wells among the beneficiaries have earned appreciation from all quarters.

Political participation: The NGOs are initiating and facilitating such democratization processes as can help restructure the existing power-relations through the empowerment of the rural poor and development of their organization through a continuous process of education, conscientization, group formation and resource mobilization. These processes have facilitated participation by the rural poor in the local

decision-making process, such as 'shalish', local elections and similar activities that influence their lives and social interaction. Due to these programs undertaken by the NGOs throughout the country, awareness of the rural poor about their rights, entitlements and obligations has reached such a level that they are no more push-over in the social interaction and various critical issues, and now everybody, including the powerful politicians, has to count on what ways their support and opinion is moving.

Volume and Number

In the absence of any systematic documentation, at the NGO Affairs Bureau as well as in any other forum among the NGOs, the total number of NGOs operating in the country, their program coverage, sectoral allocation, geographical coverage, etc have become very difficult to enumerate. A World Bank study (1996) indicated difficulty in determining the accurate number of NGOs in Bangladesh. The same has been echoed by another researcher in whose opinion the world of NGOs in Bangladesh is inadequately documented (Shelley, 1992). Problems resulted from absence of systematic and comprehensive documentation has been compounded further by the existence of multiple authorities and agencies of the government which give registration to NGOs within their jurisdiction.

Since NGO Affairs Bureau is a recent phenomenon, history unfolded before its birth is not within its reach, as that has not been chronicled

elsewhere for the latter to trace back. However, whatever is available with NGOAB can be of immense value in making an assessment of the programs having been implemented by various NGOs in the country.

Fig 2: FLOW OF FOREIGN GRANT FUND THROUGH NGOs

PERIOD (Date - Year)	APPROVED PROJECTS (NUMBER)	COMMITMENT	DISBURSEMENT	CUMULATIVE AMOUNT APPROVED (TAKA)	CUMULATIVE AMOUNT RELEASED (TAKA)	CUMULATIVE APPROVED PROJECTS (NUMBER)
BROUGHT FORWARD (Upto Janr 90)	8	14,892,279.00 372,306.98	217,169,685.00 5,429,342.13	14,892,279.00 372,306.98	217,169,685.00 5,429,342.13	8
F.Y 1990-91	464	6,341,880,229.33 138,562,005.75	4,264,088,522.19 106,662,013.05	6,356,572,508.33 158,914,312.71	4,481,250,207.19 172,021,255.18	472
F.Y 1991-92	549	11,484,379,404.67 287,109,485.15	6,865,522,344.98 121,638,071.12	17,840,951,913.00 446,023,792.80	9,346,773,032.17 233,669,326.30	1021
F.Y 1992-93	636	13,995,368,116.73 399,844,203.92	7,824,730,680.74 165,705,767.02	33,836,320,079.74 645,908,000.74	17,193,007,732.95 429,375,093.32	1667
F.Y 1993-94	581	11,600,960,788.60 115,024,019.67	6,840,362,330.43 171,009,045.26	44,417,280,816.37 1,160,932,020.41	24,015,366,263.38 610,384,156.58	2228
F.Y 1994-95	576	17,627,496,329.39 440,687,406.82	8,340,189,744.61 209,504,743.72	64,064,777,093.76 1,601,619,427.39	33,399,536,011.69 808,882,900.30	2807
F.Y. 1995-96	702	14,872,587,699.40 366,809,942.49	10,372,077,588.53 239,301,939.71	78,737,174,705.16 1,968,429,369.88	42,767,633,600.52 1,069,190,840.01	3509
F.Y 1996-97	746	10,259,187,684.80 246,496,580.81	10,410,941,131.80 250,142,747.04	88,996,382,479.96 2,138,307,604.04	33,178,574,732.32 1,277,716,836.43	4355
F.Y 1997-98	703	8,324,680,229.10 188,390,281.31	9,380,719,019.00 306,886,718.65	97,521,072,708.96 2,153,160,732.85	62,539,292,751.32 1,382,082,839.61	4960
F.Y 1998-99	1043	18,247,739,187.00 380,161,232.85	13,128,024,841.00 273,500,513.35	115,788,761,875.96 2,411,849,202.75	75,667,318,792.32 1,578,402,466.51	6005
F.Y 1999-2000	716	13,897,601,871.00 257,362,997.61	9,846,902,185.00 182,350,040.44	129,666,363,744.96 2,401,228,958.28	85,514,320,573.32 1,383,596,877.36	6181
F.Y 2000-2001	868	19,414,341,943.00 339,524,850.80	13,348,423,300.00 250,896,732.74	149,080,765,649.96 2,760,739,409.07	99,082,843,877.32 1,834,493,409.14	7649
F.Y 2001-2002	746	19,021,431,138.00 394,639,142.72	11,872,078,573.00 208,282,010.05	166,103,136,227.96 2,914,090,119.79	110,834,718,450.32 1,946,223,130.71	8393
F.Y 2002-2003 (Upto March'03)	364	8,384,155,244.65 150,599,214.82	11,339,756,438.47 198,943,095.08	174,687,292,072.61 3,064,689,134.61	127,274,474,808.59 2,145,166,225.77	8959

Source: NGO affairs Bureau

Data available with NGO Affairs Bureau indicate a steady growth both in the number of NGOs, the projects they submitted for approval and clearance, and the funds they received. The funds disbursed in the early 1990 stood about US \$ 5.5 million, which rose to more than US\$ 150 million in the early 2003. The highest yearly quantum of funds received by NGOs is recorded in 1998-99, amounting to more than US\$ 273 million, reflecting a massive rise in aid flow probably to extend immediate help victims of flood hitting the country all on a sudden. Thus the cumulative funds that NGOs in Bangladesh received from external sources as of March 2003 stood no less than US\$ 2.16 billion

against a commitment of US\$ 3.065 billion for implementing projects which rose to 8959 (Figure 2).

Figure 3: Pattern of Growth of NGOs with cumulative number of projects approved

PERIOD (July - June)	NUMBER OF NGOS REGISTERED			NUMBER OF NGOS CANCELLED			NUMBER OF NGOS			CUMULATIVE APPROVED PROJECTS (NUMBER)
	LOCAL	FOREIGN	TOTAL	LOCAL	FOREIGN	TOTAL	LOCAL	FOREIGN	TOTAL	
BROUGHT FORWARD (Upto June '90)	293	89	382	0	0	0	293	89	382	8
F.Y. 1990-91	102	10	112	0	0	0	395	99	494	472
F.Y. 1991-92	129	12	141	1	0	1	523	111	634	1021
F.Y. 1992-93	77	14	91	0	0	0	600	125	725	1647
F.Y. 1993-94	106	9	115	23	10	33	683	124	807	2228
F.Y. 1994-95	108	5	113	1	0	1	790	129	919	2807
F.Y. 1995-96	97	3	102	0	0	0	887	134	1021	3509
F.Y. 1996-97	113	7	122	0	0	0	1002	141	1143	4253
F.Y. 1997-98	100	8	108	0	0	0	1102	149	1251	4960
F.Y. 1998-99	119	3	122	0	0	0	1221	152	1373	6003
F.Y. 1999-2000	133	12	145	0	0	0	1354	164	1518	6781
F.Y. 2000-2001	101	5	106	0	0	0	1455	169	1624	7649
F.Y. 2001-2002	43	2	47	1	0	1	1500	171	1671	8393
F.Y. 2002-2003 (Upto March '03)	79	5	84	4	0	4	1575	176	1751	8959

Source: NGO Affairs Bureau

The period from 1990 down to 2003 also witnessed steady growth of NGOs, both local and foreign, representing a pattern of relentless effort the civil society made to deliver service to the society through forces that are functionally not associated with public machineries. If this growth and emergence do not explain and illustrate the result of absence of effective public service delivery mechanism, it does characterize the shift of public choice and faith towards alternative forces for services expected under the direct authority of the government. It is difficult to take either of the above for sure, however.

Nevertheless, it can be assumed that the reality of the NGOs in delivering the kind of services the people expected was recognized beyond any doubt. This phenomenon persisted throughout this period reflecting a continuous growth of NGOs at local and international level. So, while NGO Affairs Bureau accorded registration to 293 local and 89 foreign NGOs, it rose to 1604 for local and 184 for foreign, bringing up the total to 1788 NGOs in March 2003 (Figure 3).

Although a World Bank report estimates coverage of about 78 per cent of all villages, providing benefit to 24 million people (World Bank: 1996), NGO operations do not seem to have been evenly scattered and spread all over the country. Heavy concentration in some areas, predominance of certain sectors over the others in terms of quantum of allocation characterizes their operations. These need to be streamlined and steadied in order to ensure uniform coverage of areas and programs through rational distribution and classification. Information on categorical geographical coverage and sectoral allocation is not available with NGOAB by systematic grouping.

Penalization

Deviation from the rules and aberration from the programs approved by the authority has very seldom constituted any actions from the government. This is conspicuously reflected in the history of NGO programs in the country since the early days of her independence. During this long period there has not been any actions taken against any

NGO violating the provision of the Ordinances and Rules under which they operate their functions in the country, until 1991-2 when registration of only one NGO, and in 1993-94 when registration of 23 local and 10 foreign NGOs was cancelled. Such actions do not seem to be a regular phenomenon, as cancellation of registration did not follow on a regular basis except for 1994-95 and 2001-02 when NGO Affairs Bureau cancelled only one NGO each year (Fig. 3). Such actions probably sent down alarming bell to those NGOs who had up their sleeves anything that did not conform to standard rules, regulations and practices.

Conclusion

During more than three decades of her independence, the country has witnessed massive proliferation of NGOs and expansion of program coverage. The impact of NGO programs is conspicuous where interventions are made, especially in the rural areas. But despite its massive growth and expansion, all the areas of the country and all the areas of programs are yet to come under their coverage. There are still a lot of mileages to cover to bring the whole country under their operation and a lot many areas under their program coverage.

Although the impact of their programs is conspicuous in rural areas, especially in the areas of small-scale income generation, it is yet to be felt at macro level. Their efforts at conscientization and leadership development programs, and intervention for adult and child literacy,

social mobilization, etc., are commendable, but those could be more pronounced when such programs will be able to produce an effective social movement towards momentous changes in social fabric and texture—enlightened, responsive and ever-conscious, ready to fight corruption and malpractice. And only then can the NGO contribution in social transformation and reshaping of rural power structure be felt in its true perspectives.

The present day polity exhibits that collaboration between the NGOs and the government agencies at the central level is becoming normal practice. NGOs are working as facilitation agent, adviser on different committees, and in many other capacities for implementing programs, developing materials for advocacy programs in various sectors of the government. Their intervention and interaction with the government at the central level organizations in relief and rehabilitation, family planning, health and nutrition, capacity building, urban and rural development, environment, child rights, and so on so forth are not only being appreciated, these are producing good dividends too. But this kind of interaction is not as vividly pronounced at the grass roots level as in the central level, leaving many opportunities untapped and desires unfulfilled. If interaction and collaboration between the government and the NGOs at the central level can take place and be effective, it can similarly be effective and useful at the local level. The only thing is the strong political will and policy directives which can make such

interaction possible, bringing about qualitative changes in the management and implementation of programs through joint effort.

During recent years, some NGOs and advocacy groups have taken initiatives to heighten the local government issues towards strengthening governance at the local level. NGOs like CARE, PRIP Trust, Khan Foundation, BNPS, Nari Unnayan Kendra, Democracy Watch, Power and Participation Research Center (PPRC), Hanger Project etc have undertaken motivation, mobilization, advocacy and training programs for the public in favour of strong local government, and to strengthen various groups and forces to contribute to roles they need to play in getting a responsible strong local government instituted. These programs have helped NGOs and their beneficiary groups in bringing the issue of strong local government up in the discussion among various power groups in the society, which may exert pressure upon public representatives to work towards that end. The training programs organized have helped develop individual and group management and planning capacity to supplement government's programs on the one hand, and get government agencies and organs to work in line with directives from the central level to fulfil assigned tasks, on the other. Through an institutional arrangements with the UPs, NGOs thus can also play significant roles in developing their management capacity and consolidate, over the period, the foundation of local level governance.

Chapter 9: NGO-UP Institutional Interaction--An Empirical Analysis

Introduction

This chapter is the presentation of the findings of the primary data. The basic objective of this empirical study is to measure the present level of interaction between the NGOs and the UP; and if it does not exist, whether any interactions are possible; and if possible, what are those areas where these two institutions can have effective collaboration and cooperation to put rural development initiatives on a solid footing. The findings reflect the opinions of all shades of people in the society at the local level, representing UP chairman, members, key informants, and field functionaries of the government at Upazila level as well as at headquarters including some think tanks working for strengthening local government institutions for long. The chapter contains analysis and elaboration on the statistics gathered to capture the perception of the people interviewed about a possible collaboration between UP and NGOs, risks anticipated, and framework contemplated.

Over the years, NGOs have been working as effective partners in national development, contributing to formulation of various plans and interventions. They are participating with the government agencies in formulating Poverty Reduction Strategy Plan and are working as important actors in complementing public sector initiatives for economic resurgence and stability. Since their complementary role is

recognized and utilized at national level, their expertise and experience can also be tapped at developing capacities at the local level. This study is primarily designed to examine those possibilities with its probable impact at grassroots level.

Since the 1970s, NGO operations in the post-independence Bangladesh assumed new role against social and economic realities. It has now become a partner for mutual programs to play complementary role not only at the national level but also at rural development and poverty alleviation programs. The Poverty Reduction Strategy Paper now in the process of being finalized for a long-term perspective plan envisages strong NGO presence in implementing the programs along with the government.

NGO operation in the country began on an ad-hoc basis to complement government initiatives to allay the sufferings of the people. Government of Bangladesh (GOB) has time and again categorically stressed the need and importance of involving NGOs as partners of development, especially at the local level. But the vision of involving NGOs in the development programs could never capture the imagination of policy planners, and, as evident, the First to Third Five Year Plans, including interim Two Year Plans in between, do not reflect shift of policy towards that direction. It was only during the Fourth Five Year Plan (1990-95) that it made reference to desire for greater involvement of NGOs in nation building activities across sectors. Nonetheless, the Plan

document had noticeable ambiguity in the policies and lacked articulation about possible NGO involvement. This absence of clear-cut directions in the Plan document about NGO involvement in public programs resulted in NGOs charting out their own course, which led them to get involved in a variety of projects and to work in complete isolation from government functionaries, especially at the local level, making little room for interaction with local level bodies.

NGOs have achieved recognition, both national and international, as a potential force and institutional mechanism to improve and strengthen, to a significant extent, delivery of services to satisfy people's needs. Their achievement may be debatable, and the process and procedures they adopt for program implementation is subject to examination, but their success is by no means anything that can be undermined. Their social mobilization activities against social injustice and exploitation, women empowerment program to ensure women's appropriate place in the society by virtue of knowledge and economic prowess, poverty alleviation and income-generation program through micro financing, intervention in quality health care services have contributed to the change in the complexion of rural society. Even though they have been successful in bringing about momentous changes in the society, they are said to have missed immense opportunities by ploughing a lonely furrow and not working in close collaboration and association with rural power structure which could fetch even greater dividends for the society.

Union Parishad—NGO Interactions

Union Parishads being the lowest tier of local government and grassroots institution have immense potentials for contributing to social change, and the strong belief that an effective and meaningful collaboration between these two institutions—NGO and UP—to strengthen the pace of development in the rural area can produce momentous changes underpins the need for an empirical analysis of such a collaborative arrangement. There have been some general discussions on the role of NGOs in strengthening the local government bodies¹, but no serious empirical study has so far been undertaken to examine the institutional interactions between the NGOs and the Union Parishads.

Given the expanding role of the NGOs and the overall importance the Union Parishads hold as the primary local government unit in Bangladesh, this section of the study attempts to examine the present modalities of institutional interaction between Union Parishads and NGOs; and examine whether any collaborative institutional framework between UP and NGO would be viable for local level development management.

Empirical Observations/Findings

Institutional interaction between the NGOs and the UPs is thought to be an effective mechanism for rural development. But since the two

nstitutions lie far apart in their practice and discipline, systems and hierarchical command and legal standing, the question has always remained unanswered, is that possible; or if possible, how it is possible; and if any institutional arrangement for interaction is made effective what can be the outcome and impact. Attempts have been made to examine these issues through different dimensions. Since rural development initiatives involve a cross-section of key players like public servants, local government representatives, key social leaders, NGOs and other stakeholders, their perception about this proposition carries invaluable weight and influence. Equally important is the perception and opinions of those at the central level whose decision ultimately determines everything. It has therefore been ensured that all those perceptions and insights are properly reflected in the findings and analyses.

The findings of the study based on data gathered through field survey have been presented in tabular form with necessary analysis following it. The data and its analysis represents views and perception of the stakeholders pertinent to a possible collaboration between UP and NGOs. It also focuses on complications a possible collaboration is likely to produce as apprehended by UP representatives, government functionaries and independent think tanks. It would appear that presence of an NGO in rural areas usually, at the beginning, generates a

¹ Regional consultation on Role of NGOs in strengthening Local Government Institutions, April 27-28, 1992, Dhaka: Ford Foundation and NGO Affairs Bureau, Government of Bangladesh.

lot of enthusiasm and interest among the poorer section of the people². It is interesting to observe how that phenomenon moves ahead as the discussion proceeds through observation and analysis.

Observation of UP Representatives

Although NGOs are working at the grassroots level since long, there is no documentation that can suggest the level of their interaction with the UPs. Attempt has therefore been made to ascertain if there exists any interaction between these two institutions.

Rural elite and leaders appear to have a clear understanding about the operation of NGOs in their respective localities. Table 9.1 presents the level of awareness of the sampled UP representatives. The respondents were asked if they were aware of the activities of the NGOs working in their Union or Thana.

Table 9.1 Awareness of the UP representatives about NGO activities in their respective localities

Q: Are you aware of the NGO programs in your locality?

Level of Awareness	%
Not aware of any NGO program	16
Aware of the programs of one NGO	06
Aware of the programs of two NGOs	12
Aware of the programs of three NGOs	29
Aware of more than three NGOs	36
No remark	01
	100

n = 86

Total percentage may exceed 100 due to multiple choice

² Perception about NGOs varies a lot depending on the area it operates in. In some places, they are identified as agents of Christian Missionary engaged in conversion work; in some places as agents of CIA, and in some places as neo-colonialist agents working against national sovereignty.

The fact that more than 85 percent of the respondents are aware of NGO operation being carried out in their localities indicates a high level of interest on the part of UP representative in NGO program and activities. This consciousness about development activities beyond their personal jurisdiction may be a positive factor for a possible collaboration between these two institutions.

The researchers were interested to know whether the NGOs maintain any formal communication with the UP representatives in organizing and managing their programs and projects. Findings are presented at Table 9.2. The data clearly demonstrates that their programs are implemented more in 'isolation' than in close collaboration with the Union Parishads. 70 percent respondents recorded that NGOs do not formally communicate (official letters, formal meetings, etc) with them at any stage of their program implementation. Although the remaining 30 percent respondents noted that NGOs formally communicate with them for organizing their programs and projects, they could not articulate the nature of such communication. In some cases they noted that NGOs made written communication, but in most cases it appeared, NGOs organized meetings for discussion on 'healthy mother' project where UP representatives had been invited through verbal request.

Table 9.2 Existence of Formal and Informal Communication between UPs & NGOs

Q. Do the NGOs formally or informally communicate with the UPs in organizing and managing their projects?

Nature of communication	Response						Total
	Yes	%	No	%	Not known	%	
Whether formally communicate	26	30	60	70	0	0	100
Whether informally communicate	27	31	54	63	5	6	100

NGOs communicate with UP representatives for their personal help and intervention, especially when they face trouble in recovering credit funds extended to various groups.

It appears, in spite of UP representatives having known fairly about NGO operations in their respective locality, there exists little interaction between them. As there is no formal communication and little interaction between the UPs and the NGOs, both the institutions miss the opportunity to complement each other in planning their programs, overcome adverse situations and introduce and implement innovative ideas. This isolation is probably having tremendous impact on the level of success of the programs executed by them.

However, the need for formal institutional linkage between the NGOs and the UPs has been strongly recommended by almost all to make the programs more effective and responsive. 97 percent of the respondents (Table 9.3) emphasized the need for formal linkage between these two institutions. This is a clear indication of how a formal linkage between

the NGOs and the UPs is desired by the representatives of the rural bodies for organizing programs and projects in rural areas.

Table 9.3 Assessment of the UP representatives about the need for formal linkages between the NGOs and the UPs

Q. Do you think that there should be formal institutional linkage between the NGOs and the UPs?

Response	%
Yes	97
No	02
Not known	01
n = 86	

The degree of interest in a formal linkage between the NGOs and the UPs has further been demonstrated in the opinion expressed by the key informants, 100 percent of whom have recommended for institutional interaction between these institutions. It reflects the credibility and effectiveness of NGO programs in the rural area.

Those who have underscored the need for formal linkage between the UPs and the NGOs have also identified advantages that may come of such linkages and the grounds that underpin such initiatives. Table 9.4 represents such advantages as perceived by the respondents.

Table 9.4 Advantages of formal linkage between the NGOs and the UPs

Q. Why do you think such linkages are needed?

Reasons	%
Ensure popular participation	56
Ensure NGO accountability	30
Ensure coordinated effort to stop duplication	23
Exchange ideas/information	22
Promote mutual support	22
Enhance public awareness	21
Train up UP personnel in management	03
Ensure proper utilization of NGO funds	19

n= 84

Total percentage may exceed 100 due to multiple choice

While 56 percent respondents feel that a formal linkage between the NGOs and the UPs will ensure 'popular participation' in the NGO activities, a 30 percent feel that this will ensure NGO accountability, which is a cause of concern among all quarters to a high degree. About 23 percent respondents consider that such linkages would stop duplication of efforts or help exchange ideas and information or help promote mutual support or enhance public awareness. However, the key informants stress more on the exchange of ideas and information and mutual support than on other areas. 40 percent key informants stress on mutual support.

The above data clearly imply that a formal linkage between the NGOs and the UPs will enjoy large-scale support and have tremendous impact on the functional efficiency and effectiveness of the two institutions. Rural institutions usually suffer from lack of public interest and participation in their activities, making it sometimes undemocratic and

unrepresentative, and very often non-transparent. As the anticipated interaction is expected to increase popular participation in NGO activities, it will lead to transparency and accountability in its activities and promote mutual support.

As the interaction is expected on a high note, the respondents were asked to identify the functional areas in which they think formal linkages could be launched between the UPs and the NGOs. 64 percent of the sampled respondents stress the need for linkage with regard to project selection, designing and implementation, and 35 percent respondents observe that NGOs should consult the UPs for selection of target groups as the UPs know the people of their localities more intensely than anybody else.

Table 9.5 Functional areas in which the respondents have suggested formal collaboration.

Q. *In what functional areas do you consider more formal interaction between UPs and the NGOs should be initiated?*

Areas	%
Project selection, designing & implementation	64
Selection of target groups	35
Administrative/technical support	23
Help resolve functional problems	22
Monitoring and evaluation of NGO activities	17
Resource mobilization	17
Motivation & mobilization of the public	17
n=86	

Total percentage may exceed 100 due multiple choice

Administrative and technical support could be an effective area of interaction that would also help NGOs resolve functional problems

during implementation of their programs. About a quarter of the respondents recommend linkage in these above two areas, and 17 percent respondents note that formal linkages could be an effective catalyst that would help the UPs in resource mobilization and motivation and mobilization of the public for their contribution to development needs of the UPs (Table 9.5).

The respondents were asked about the programs and project areas where NGOs can provide services to the Union Parishads. Given their capability and in context of national as well as local priority, the respondents have identified certain pertinent areas where they think NGOs can provide useful support and assistance. Table 9.6 represents their opinion. 67 percent respondents put health on top of the list, followed by income-generation program with 53 percent. Mass education, livestock & fisheries, and social forestry capture almost similar priority. But what is noticeable is that although maintenance of law & order receives quite a significant priority for NGO intervention, areas like women empowerment, democratization process and legal and human rights occupy no importance to them at all.

Table 9.6 Programs/projects where NGOs can support the UPs

Q. In what program/project areas do you think the NGOs can provide support and assistance to the UPs?

Areas	%
Family Planning and Health	67
Income-Generation and Poverty Alleviation	53
Mass Education Program	50
Livestock and Fisheries	45
Social Forestry and Environment	41
Infrastructure Development	35
Agricultural Development	08
Maintenance of Law & Order	27
Women empowerment	01
n = 86	

Total percentage may exceed 100 due to multiple choice

An element of reciprocity is also reflected in the keen interest exhibited by the UP representatives. They have asserted that UPs can also provide, like the NGOs do to the UPs, support and assistance to the NGOs in solving problems during program implementation, identifying target groups, helping monitoring and evaluating their projects, planning future projects, providing moral and practical support in case of troubles and developing linkage with higher administration at Upazila and district levels (Table 9.7).

Table 9.7 Programs/projects where the UPs can help the NGOs

Q. In which activities do you think the UPs can help the NGOs?

Activities	%
Solving problems during implementation	62
Implementing projects	33
Identifying target groups	29
Monitoring and Evaluating of NGO projects	26
Planning future projects	24
Provide moral and practical support in case of troubles	23
Developing linkage with higher administration at Upazila and district level	20
n=86	

Total percentage may exceed 100 due to multiple choice

The above data is a clear indication of the need for interaction between the NGOs and the UPs on a number of areas and programs. There are areas where the NGOs can help the UPs, and there are areas, similarly, where the UPs can help the NGOs. It implies a strong urge for complementarity between the two institutions in order that both of them can benefit from each other through such collaboration and cooperation. The collaboration is suggested not only in functional areas, but also in operational issues like project designing, problem solving during implementation, target selection, monitoring and supervision, future planning, mutual support to overcome troubles, etc. It seems, the interaction can derive immense benefit as it enjoys wide support and expectation from the larger section of the population and supplement the observation that the interaction is needed in more ways than expected.

As interaction between the two potential institutions is expected to derive benefit for each other, there is a need to identify the areas where NGOs are strong as well as areas where they are weak. In the same breath, the UPs characterize both strength in certain areas and weaknesses in some other areas. The researchers were interested to tap the opinion of the UP representatives with regard to their perception about the institutional strength and weaknesses of the UPs as an institution closest to the people at grassroots level, as well as the strengths and weaknesses of the NGOs. Tables 9.8 through 9.11 show the distribution of such responses.

Table 9.8 Institutional strengths of the UP as perceived by the UP representatives

Q. In your opinion what are the institutional strengths of the UPs?

Strengths	%
Popular participation in the activities	59
Accountability	31
Dependable leadership	31
Confidence of the people	30
Support of the National government	28
Commitment for local development	27
n = 86	

Total percentage may exceed 100 due to multiple choice

UP representatives seem quite happy about their political representativeness. They consider representativeness as the strongest feature of the UP as an institution. Popular participation and accountability together with dependability of leadership are considered to be the important aspects of the institutional strength of the UP. It also appears that they are very concerned about their power base, and

confidence of the people in their leadership characterizes the very basic element of a democratic and popular institution. They therefore consider them committed to local development and as such enjoy considerable support and confidence of the national government. But that does not make them utopian. They are fully aware of their limitations too. Given the role and functions that the government has delegated to them through various Ordinances, the researchers asked the UP representatives to identify some of their institutional weaknesses. Table 9.9 represents those weaknesses.

Table 9.9 Institutional weaknesses of the UP as perceived by the UP representatives

Q. In your opinion what are the institutional weaknesses of the UPs?

Weakness	%
Lack of fund	76
Control of Upazila/District level GOB officials	23
Failure to mobilize local resources	17
Lack of manpower and logistics	14
Too much dependence on national government	10
Poor management skill	06
Lack of popular of funding	03
Lack of legal power	05
	n=86

Total percentage may exceed 100 due to multiple choice

About a quarter of the UP representatives considers that control of GOB officials at district and Upazila levels is an impediment to UP growing up as an effective local level institution. But the lack of fund, compounded with their failure to mobilize local resources, is way above all other considerations. This high degree of financial constraints

weakens the UPs to function as an effective institution. UP representatives recognize that lack of motivation among the common people about the need for their contribution to local level development, wrong perception about their moral obligation lead to such constraints. Moreover, lack of manpower and logistics and poor management skill is a constant problem for them. Apart from the Secretary and chowkidars, they don't have any staff to organize, plan and implement programs that could bring forth positive changes in the financial sustainability, which eventually makes them perennially dependent on national government for financial and logistic help. They think that with a bit of legal power delegated to them they could possibly be in a better shape in terms of administration and financial management.

The respondents were asked to identify the institutional strengths of the NGOs. It appears, UP representatives are quite appreciative of the performance of the NGOs. Table 9.10 shows the distribution of their impressionistic observation about NGO strengths. 30 percent respondents consider that a good logistic system, received from the donors in the form of generous support, is their mainstay of success in program implementation. It makes their program easier to plan and execute, free from unnecessary tensions. Regular funding from the donor that comes under logistic system is a great help and assistance they receive to work out their plans uninterruptedly. The UP representatives also noted that the NGO staffs are technically skilled, they are disciplined and have good links with Upazila and district level

officials to get support for their programs. These qualities significantly contribute to their target achievement overcoming any problems encountered. The other two important elements contributing to NGOs' effectiveness are their commitment to mission and lack of bureaucratic practices in their decision-making process. Because of these they can decide faster and act faster than the government functionaries.

Table 9.10 Institutional strengths of the NGOs as perceived by the UP representatives

Q. In your opinion what are institutional strengths of NGOs?

Strengths	%
Good logistic system	30
Technical skill	22
Disciplined Staff	21
Good links with Upazila and District level Officials	20
Accountability and transparency	09
Commitment to the mission	17
Lack of bureaucratic practices	15
n=86	

Total percentage may exceed 100 due to multiple choice

Table 9.11 Institutional weaknesses of the NGOs as perceived by the UP representatives

Q. In your opinion what are the institutional weaknesses of the NGOs?

Weakness	%
Lack of appropriate long-term planning	42
Lack of committed staff	15
NGO projects are not sustainable	12
Lack of popular support	10
Lack of support from National Government	10
Lack of accountability and transparency	10
Lack of public confidence	10
Lack of understanding of local culture and values	09
Negative attitude towards public representatives	07
n=86	

Total percentage may exceed 100 due to multiple choice

The UP representatives were also not unaware of institutional weaknesses of the NGOs (Table 9.11). Nearly half of the respondents seem to be skeptical about the impact of the NGO programs and projects being undertaken for implementation. They feel that NGO projects seriously lack any vision beyond, and projects and programs, designed on ad-hoc basis, are not likely to make a significant contribution to overall national as well as local development on a long-term basis. As a consequence, those will not be sustainable. And because of this short-term approach, NGOs seem to lack popular support as well as public confidence and support from national government. The representatives consider the perception about NGOs' understanding of local culture and values and attitude towards public representatives on a negative note. This reflects an isolationist approach on the part of NGO functionaries.

The researchers were interested to tap the opinion of the respondents about the impact of NGO activities over the Union Parishads. It appears (Table 9.12), that 48 percent of the representative have little concern about the expansion of NGO activities in the rural areas and do not feel that the Union Parishads have any reason to feel threatened because of their rapid expansion. But more than half of the UP representatives have obvious reasons to make cautious observations about the threat the NGOs are posing to the existence of the UPs. 35 percent respondents feel that they are making people dependent on NGOs rather than on the UPs, thus overtaking the role that UPs would otherwise have fulfilled.

About 10 percent consider them to be encroaching upon the operational arena of the UPs by becoming alternative force to challenge the authority of the UPs. Another group noted their role as being agents that are creating division among the public, consequently making them belligerent against establishments like the UPs and other local government bodies. All these factors combined together are contributing to the weakening of the UPs as a representative effective grassroots local government institution.

The empirical evidences above seem to suggest that expansion of NGOs at the grassroots level may pose threat to the foundation of UPs as the basic unit of local governance. If that is the perception of majority of the UP representative the question it is needed to find answer to is: can there be then expected any kind of interaction between the two organizations since NGOs are encroaching upon the domain of the UPs. A close look into the issues will suggest that that is possible.

The evidence shows that although more than half of the respondents are suspicious about NGO motives, some 45 percent people feel that they are making people dependent on NGOs who are gradually taking over UP areas of activities. In reality, these are suggestive of strong scope for collaboration between the UPs and the NGOs. People are becoming dependent on NGOs not because that they dislike UPs, and NGOs are encroaching upon the domain of the UPs not because that they try to annihilate the existence of the UPs. Rather, space left vacant by the

UPs through their inactivity and ineffectiveness paves the way for NGOs to fill up. If the UPs can make good use of the technical support and experience of the NGOs in making themselves effective and dynamic through meaningful collaboration and interaction, the people will run to the UPs for the services they are getting from the NGOs, and NGOs will then no longer get any space to encroach upon because of the efficiency of the UPs. The UPs can effectively make collaborative arrangement with the NGOs for complementing each other in management and sharing knowledge and experience for better administration of services. This position is clearly substantiated by the evidences shown at Table 9.13 to 9.15, which strongly suggest that larger numbers of respondent representatives are in favour of interaction between these two institutions despite apprehension that the NGOs are weakening the UPs, because they believe that collaboration will brush aside all these negative possibilities and bring forth positive dividends for both the institutions.

Table 9.12 Opinion about impact of the NGO Activities over the UPs

Q. Some people say that the NGOs are weakening the local bodies—Do you agree?

Response	%
Yes	52
No.	48
n=86	

The UP representatives were asked if they apprehend any problems in any possible collaboration between the NGOs and the UPs. It appears that the optimists outnumber the pessimists in this regard (Table 9.13).

27 percent pessimists apprehend problems, which would stem from the two differing philosophy they represent- UPs representing bureaucratic hierarchy and the NGOs representing pro-people welfare oriented action program. 20 percent feel the clash would generate out of conflicting interests of the UPs and the NGOs. Individual ego, local political intricacy and clash with the interests of the chairmen and other influential persons have also got to do with this phenomenon. But the optimists have a more positive approach to take a look into this issue. More than half of them believe that there is no reason for the problems to brew as both the institutions are concerned about the development of the area as they hail from the same area. Rather, a consequent understanding and environment of collaboration between them will crystallize towards achieving a common goal.

Table 9.13 Problems apprehended in collaboration between the UPs and the NGOs

Q. In all probability, a positive result is expected out of NGO-UP interaction. But do you apprehend any sort of problems likely to develop in such collaboration?

Response	%
Yes	41
No.	59
n=86	

Given the context, the obvious question likely to come up is whether any collaboration is at all possible. An overwhelming 63 percent respondent believe in an effective collaboration between NGOs and the UPs, which seems to reflect an increasing trend in understanding between these entities. The sceptics, however, tend to believe that

because NGOs are suspicious about the UPs, and less likely to be interested to allow UPs to monitor their programs, and donors do not like it, it is unlikely that there can be institutional interaction between the NGOs and the UPs.

Table 9.14 Perception about possibility of collaboration

Q. Do you believe that such collaboration is possible?

Response	%
Yes	63
No.	37
n=86	

Table 9.15 Perception about NGO membership on UP bodies as non-voting members

Q. In some countries like the Philippines, NGOs are included on the local bodies as non-voting members. Do you endorse such an arrangement for NGO-UP collaboration?

Response	%
Yes	65
No.	35
n=86	

However, there can still be arrangements under which NGOs can be invited to sit on UP bodies as non-voting members, like the one in the Philippines, which would provide them ample opportunity to guide and advise UP representatives in management of UP affairs (Table 9.15).

Based on the above survey findings, we may draw the following broad observations:

- a. There exists little collaboration and communication between the NGOs and UPs although the former seek help at times of troubles encountered during recovery of funds extended under micro-credit programs.
- b. UPs are apprehensive of NGO designs, which may weaken them. In spite of that a strong support for collaboration between the NGOs and the UPs and expectation from it characterize the opinions expressed by UP officials.
- c. UPs are primarily a weak institution, lacking fund, capacity to mobilize resources; lacking manpower, management and technical skill, though they have popular support, accountability and public confidence. On the other hand, NGOs have good logistic system, technical skill and disciplined staff. So, an effective collaboration between them can complement each other.
- d. There can be effective collaboration between these two institutions in regard to project designing, target groups selection, program and project areas selection to avoid duplication, solving problems during implementation, implementation of programs and projects, mutual support, training of UP personnel, etc.

Observations of NGO Officials

Institutional interaction between the NGOs and the UPs is a two-way traffic. Initiatives have to come from both sides for understanding and finding a common ground for mutual support and collaboration. The previous chapters illustrate the perception of UP representatives about a possible collaboration. Illustration in the following is therefore an attempt to capture the perception of the NGO representatives working

both at the field based operational level as well as headquarters level about a possible interaction between these two institutions since they are the other key player in the operation.

A total of 56 NGO officials—50 from field level and 6 from the Headquarters along with one think tank group have been interviewed.³ The researcher wanted to tap their opinions and impressions regarding the institutional and functional/operational linkages and collaboration between the NGOs and the UPs as well as their perception about the need for such collaboration. The NGO representatives at the field level were asked if they formally communicate with the UPs regarding program planning and operation (Table 9.16).

Table 9.16 NGO perception about the need for a formal linkage between the NGOs and the UPs

Q. Do you formally communicate with UPs in organizing and managing your projects?

Responses	%
Yes	64
No	36
n=50	

Although a significant percent of respondents say that they do formally communicate with the UPs, the answer they have given falls short of corroborating their claims. Their reply lacks articulation and specificity, which suggests something more like informal communication than formal one. It seems they informally communicate with the UPs quite

significantly, especially in programs like CARE's RMP, VGD programs, etc. But whatever their level of formal or informal communication with the UPs, all the NGO representatives expressed their positive attitude about institutional linkage between the NGOs and the UPs. The leading NGO personalities at the Headquarters level expressed that linkage between NGOs and the UPs is not only necessary, it is a must. They note that NGOs can contribute significantly towards strengthening of local government by organizing local people to establish accountability of the local government if they are given powers to deal with it without having to make reference to central government or its representatives at district or Thana level. Table 9.17 and Table 9.18 vividly show the rationale and area of formal linkage between them.

Table 9.17 Perception about rationale for the linkage between the UPs and the NGOs

Q. Why do you think such linkages are needed?

Reasons	%
Ensure popular participation	56
Ensure accountability of UPs	20
Ensure coordinated effort to stop duplication	12
Exchange ideas/information	08
Ensure mutual support	08
n=50	

Total percentage may exceed 100 due to multiple choice

³ NGOs at Headquarters include BRAC, Gono Shasthya Kendra, Nijera Kari, Proshika Manobik Unnayan Kendra, Development Center International, Gono Kalyan Trust and PPRC.

Table 9.18 Functional areas where formal linkages are recommended

Q. In what functional areas do you consider that more formal interaction between UPs and the NGOs should be initiated?

Reasons	%
Facilitate project selection, designing and implementation	24
Selection of target groups	12
Administrative/technical support	12
Resolve functional problems	10
Monitoring and evaluation	08
Resource Mobilization	10
Bring in innovation in development approach	08
Motivation & mobilization of the people	04
n=50	

Total percentage may exceed 100 due to multiple choice

Like their field functionaries the NGO leaders at the policy level at the Headquarters feel that a formal linkage between NGOs and the UPs is a felt need of the time, and linkage between these institutions will create a tremendous clout contributing to constructive development at the grassroots level. Perception about the program and project areas where NGOs can provide support and assistance to the UPs is quite evenly distributed. However, family planning and health has drawn the highest attention followed by income-generation and poverty alleviation programs. Women empowerment and democratization process are the two buzz 'words', both for the international and the local civil society. But the responses received from NGO field functionaries indicate a shift in the importance these areas enjoy in the country; they are rather more interested about mass education, livestock development and social forestry and environment programs which point to more objective orientated approach. Some leading NGO personalities however are very

keen in women empowerment. One of the pioneering NGO personalities in the country is strongly in favour of giving women members in UP enough power and responsibility such as making them joint signatory of NGO accounts to ensure accountability, making them Vice Chairmen of certain specific UP committees on women empowerment and development, health & education, law & order, etc.⁴

Whether communication between the UPs and the NGOs exists or not, NGO functionaries indicate a strong feeling that the role of UPs in solving NGO problems during implementation is important. Table 9.19 shows the role the UPs can play to provide help and assistance to the NGOs. The less importance they have attached to help for planning future projects seemingly points to the lack of capacity, vision and expertise on the part of the UP representatives.

Table 9.19 Perception about the activities for which UPs can help NGOs

Q. In which activities do you think that the UPs can help the NGOs?

Activities	%
Solving problems during implementation	84
Implementing projects	32
Identifying target groups	24
Ensuring safety, security and discipline	20
Planning future projects	12
Mobilizing popular support	08

n=50

Total percentage may exceed 100 due to multiple choice

⁴ Opinion expressed by Dr. Zafarullah Chowdhury of Gono Shasthya kendra during interview.

The NGOs are in no doubt about the representative character of the UP leadership. 60 percent of the NGO respondents therefore think that representativeness of the UP is their strongest strength (Table 9.20), though their patriotism and concern for local development is put under doubt. About a quarter of the NGO representatives are satisfied with their accountability, but dependability of leadership, confidence of the people and support the UPs receive from national government do not carry as strong points as representativeness. This indicates weakness in character and quality of the UP leadership, but illustrates the fact that they do not want to remain dependent on national government for financial help, rather desire to develop their own capacity and financial sustainability such that they can be self-dependent.

Table 9.20 Perception about the Institutional strengths of UPs

Q. In your opinion what are the institutional strengths of the UP?

Strengths	%
Popular participation in the activities	60
Accountability	24
Dependable leadership	16
Confidence of the people	16
Support of the National Government	16
Commitment	16
Patriotism & concern for local development	04
n = 50	

Total percentage may exceed 100 due to multiple choice

Table 9.21 Perception about the institutional weaknesses of the UPs

Q. In your opinion what are the institutional weaknesses of the UP?

Weaknesses	%
Lack of fund	64
Control of Upazila/District level GOB officials	34
Failure to mobilize local resources	20
Lack of manpower and logistics	12
Too much dependence on national government	04
Poor management skill	04
Lack of popular participation	04
Lack of legal power	04
Lack of confidence of the people	04
Division in local politics	04
Lack of commitment & concern of the UP	04
n = 50	

Total percentage may exceed 100 due to multiple choice

Table 9.21 shows the inherent weaknesses of the UPs that haunt this organization all along. Lack of fund is considered to be the greatest weakness (64 percent), compounded with their failure to mobilize local resources. Probably, lack of manpower and logistics and poor management skill can explain this factor. The NGO representatives consider that UP should enjoy more freedom to be able to exercise more discretion in management and decision-making process. However, this may raise the question as to how they can be able to exercise more discretion while their management skill and manpower and logistics are at a very low key.

NGOs themselves believe that it is not their technical skill and disciplined staff which are key to their success, rather it is good logistic

system that come in the form of generous donations from donors, and regular source of funding that come to be their strongest points in justifying their strong positions in development programming and implementing projects (Table 9.22).

Table 9.22 Institutional strengths of NGOs

Q. In your opinion what are the institutional strengths of the NGO?

Strengths	%
Good logistic system	72
Regular source of funding	48
Technical Skill	40
Disciplined Staff	40
Good links with Upazila and District level Officials	36
Accountability and transparency	32
Commitment of the mission	32
Lack of bureaucratic practices	20
n=50	

Total percentage may exceed 100 due to multiple choice

Table 9.23 Institutional weaknesses of NGOs

Q. In your opinion what are the institutional weaknesses of the NGO?

Weaknesses	%
Lack of appropriate long-term planning	28
Lack of committed staff	08
NGO projects are not sustainable	04
n=50	

Total percentage may exceed 100 due to multiple choice

Because of these factors they tend to believe that NGO projects suffer from lack of long-term vision and unsustainability (Table 9.23). They are in no mood to agree to the notion that they lack accountability and transparency and linkage with local culture and values.

With regard to notion that NGOs are weakening local bodies, there is a strong tendency towards negation. Though some of them believe that they are weakening the local bodies measurable by certain parameters, majority of them expresses just the opposite. This is explicitly evident in the opinions of the NGO representatives, only 16 percent of whom believe that collaboration is not possible because the UPs are not cooperative, but 40 percent believe that collaboration is possible and this will enhance better management in the UPs, generate sense of participation and of ownership with strong social cohesion among the public (52 percent). Not only that, interaction between the NGOs and the UPs will result in innovation in administration and making the UP financially sound (Table 9.24).

Table 9.24 Opinion about the benefits a formal linkage between the NGOs and the UPs will produce

Q. If you think that the formal linkages between the UP and the NGO are possible, what benefits do you think such linkages will produce?

Resultant benefits	%
It will enhance better management in the Union Parishad	40
It will help the UPs generate sense of participation among the public with the activities of the UPs	20
It will help UPs develop sense of ownership among the general public	16
It will help create strong social cohesion	16
It will bring in the innovation in administration & development approach	16
It will help make UP financially sound	12
n=50	

Total percentage may exceed 100 due to multiple choice

Given the context the respondents are almost equally divided in expressing positively and negatively in the apprehensions of problems in possible collaboration.

The respondents were asked if they agree on the common complaint that there is no transparency and accountability in the NGO activities. A significantly 80 percent do not tend to agree on this. This indicates confidence in their management. This may also at the same time point to their bias to their own judgement because of the fact that only 32 percent of the respondents perceive accountability and transparency to be their strengths.

Table 9.25 Opinion about transparency and accountability in the NGOs

Q. Do you agree with the common complaint that there is no transparency and accountability in NGO activities?

Responses	%
Yes	20
No	80

n=50

Their accountability to the clientele groups is recognized only by 20 percent of the respondents, though a larger majority feels that they are accountable to donors, government and NGO Management Committee.

Based on the empirical analysis the following broad observations may be drawn:

- a. The opinion that NGOs formally communicate with the UPs lacks clarity and shrouded in ambiguity, which amounts to non-existence of an effective relationship between the NGOs and the UPs.
- b. In spite of NGO suspicion about UP, a strong support and desire for collaboration demonstrated by NGO functionaries both at the field and the headquarters make the case more relevant that such an institutional arrangements will result in salubrious changes in the approach and management of the development activities in the country.
- c. Despite its representative character UPs are weak institutions. On the other hand, NGOs lack long-term vision and sustainability. In such a context, both the UPs and NGOs can benefit from each other by mutual collaboration and cooperation for project selection; selection of target groups; ensuring popular participation, accountability and stopping duplication; solving problems during implementation; implementing projects and planning future projects and programs.
- d. The NGOs can address the major problem the UPs confront—lack of management capacity---by collaborating with their activities and sharing their experiences and technical knowledge with them.

Observation of GOB Officials

Observation of GOB officials about NGO operations and UP performance is relevant and important as they observe both the institutions from a different perspectives from a distance and therefore is an important factor in determining any kind of relationship between the NGOs and the UPs as well as its long-term ramifications. The

following illustrations are an attempt to capture the perception of government officials working under different disciplines and lines of hierarchical command.

A total of 50 field-based officials belonging to different departments were interviewed. Of them 10 were Upazila Nirbahi Officers (UNO), 2 were Assistant Commissioner, Land (AC Land), 6 were Social Welfare Officers, 8 were Cooperative Officers, 5 were Upazila Engineers, 3 were Agricultural Officers, 3 were Education officers and the remaining 13 belonged to other departments like female education scholarship program, rural development, youth development, local government, statistics, women affairs, etc.

GOB officials working at the Upazila level are not very much appreciative of the efficiency and experience of the UPs, which can ensure governance at the local level by a satisfactory degree (Table 9.26). A significant percent of officials (64) consider their efficiency much below satisfactory level. Since all the officials have working relationships with the UP representatives, the opinion they have expressed is by obvious reasons based on close evaluation of their character and personal practices. This points to the fact that the UP representatives need training and motivation is beyond any argument as the observation is made by those who are closely linked with them through various forms of activities and programs. Officials at the Headquarters level, including Director General of NGO Affairs Bureau,

observe that the present level of efficiency and expertise of the UP representatives are not enough to ensure proper governance at local level. They recommend a host of measures to be undertaken and introduced to make sure that their services are effective and efficient. These include: training and motivation for attitudinal change, creating environment for good people to come forward for UP activities, reduction of government interference in UPs, introduction of bottom-up planning processes to make their own planning through proper guidance, reformation in the election regulation and delegation of more financial authority through close monitoring.

An overwhelming percent of officials, therefore, believe that a formal linkage between the NGOs and the UPs will have definite impact in regard to strengthening of local level governance (Table 9.27). About sixty percent of those ready to accept the proposition that strengthening of governance will definitely come through a formal linkage between NGOs and the UPs, believe that such a linkage will ensure popular participation in the UP activities (Table 9.28), with more than a quarter expecting a change in the local accountability. They are however lukewarm about interaction on exchanging of ideas and information, promoting mutual support and so on. Officials at the Policy level think that linkage can definitely contribute to change visualized through a contract-out approach. CBO can motivate local people for wider participation through awareness building, training, complementary programs to avoid duplication, etc. They are, however, divided on the

issue: some of them think that leading NGOs are engaged in profit-making activities, and that their activities are limited; so it is a tough proposition to put a collaborative arrangement in place, but if it is possible, it will help strengthen local level governance.

Table 9.26 Perception about the level of efficiency and expertise of the UPs to ensure proper governance at local level

Q. Do you think that the present state of efficiency and experience of the UPs is sufficient to ensure proper governance at local level?

Response	%
Yes	36
No	64

n=50

Table 9.27 Perception about the contribution the linkage between the UPs and the NGOs can make towards strengthening local governance

Q. Do you think that a formal linkage between the NGOs and UPs can contribute significantly towards strengthening of local level governance?

Response	%
Yes	94
No	06

n=50

Table 9.28 Perception about the need for linkage between the UPs and the NGOs

Q. Why do you think such linkages are needed?

Reasons	%
Ensure popular participation	56
Ensure local accountability	26
Ensure coordinated effort to stop duplication	20
Exchange ideas/information	16
Ensure mutual support	14
Promote public awareness	08
Strengthen women empowerment	08
Ensure gender equality	08
n = 50	

Total percentage may exceed 100 due to multiple choice

Table 9.29 shows functional areas where government field functionaries consider that more formal interaction between the NGOs and the UPs can be put into effect. About two-third of the officials therefore recommend formal interaction between them in respect of project selection, designing, implementation and selection of target groups. Interaction may also be considered in respect of mobilizing and motivating the public towards their participation in the development process with a positive and participatory outlook. Government field functionaries are, however, less convinced about a possible interaction with regard to resource mobilization and local conflict resolution.

Table 9.29 Functional areas where formal interaction between the UPs and the NGOs are recommended

Q. In what functional areas do you consider that more formal interaction between the NGOs and the UPs should be initiated?

Areas	%
Project selection, designing & implementation	46
Selection of target groups	28
Administrative/technical support	10
Resolve functional problems	10
Monitoring and evaluation	08
Resource mobilization	06
Local conflict resolution	04
Motivation and mobilization of the public	16
Human resource development	04
n = 50	

Total percentage may exceed 100 due to multiple choice

Government field functionaries consider that family planning and health is the prime area, followed by income-generation and poverty alleviation, where NGOs' support and assistance to the UPs is most

needed (Table 9.30). Mass education, livestock & fisheries, and environment are also important areas where NGOs can extend considerable support and assistance for the UPs.

Table 9.30 The program/project areas where the NGOs can provide support & assistance to the UPs

Q. In what program/project areas do you think that the NGOs can provides support and assistance to the UPs?

Program/Project Areas	%
Family Planning and Health	74
Income-Generation and Poverty Alleviation	56
Mass Education Program	46
Livestock and Fisheries	34
Social Forestry and Environment	30
n=50	

Total percentage may exceed 100 due to multiple choice

UPs on the other hand can extend support and assistance to NGOs in a number of ways. 66 percent officials feel that the UPs can support the NGOs in solving problems during program implementation. 34 percent consider that UPs can help by implementing projects, and more than a quarter think that they can also play vital roles in identifying the target groups, which justifies the fact they know local people better than anybody else.

Government field functionaries do not fail to recognize the representative character of the UPs (Table 9.31). A significant 60 percent respondents consider the UPs as a representative institution run on the basis of popular participation in its activities, and although there is sharp debate over the state of accountability in the UPs, that is

blunted by the opinion expressed by 36 percent of the respondents. Dependability of UP leadership and people’s confidence in it as well as support from national government is not as strong as their representativeness, but what is shocking is that the UP leadership is not as committed and concerned for local development as desired. Officials at the policy level at the headquarters are divided on the point of UP strengths. While majority are of the opinion that representativeness and accountability are the strong points for the UPs, differing opinions do not tend to agree that popular participation in the UPs is their strong strengths. Policy level officials however quite overwhelmingly convinced to note that commitment and concern for local development are their strong strengths.

Table 9.31 Perception about institutional strengths of the UPs

Q. In your opinion what are the institutional strengths of UPs?

Activities	%
Popular Participation in the Activities	60
Accountability	36
Dependable Leadership	18
Confidence of the People	18
Support of the National Government	18
n = 50	

Total percentage may exceed 100 due to multiple choice

Empirical evidence shows the weaknesses of the UPs. A significant percent of officials (76) indicated that lack of fund is the top weaknesses of the UPs. Other weaknesses like control of Upazila,

failure to mobilize local resource, lack of manpower and logistics, lack of poor management skill, lack of legal power, etc. do not appear strong weaknesses of the UPs. With minor divergence, however, officials at the policy levels tend to go with the opinion expressed by field functionaries. They also identify failure to mobilize local resources, poor management skill, lack of commitment and accountability, parochial outlook and preference for personal interests as well as interference by the MPs as the weaknesses of the UPs.

Tables 9.32 and 9.33, on the other hand, demonstrate the institutional strengths and weaknesses respectively of the NGOs as perceived by the government field functionaries.

Table 9.32 Perception institutional strengths of the NGOs

Q. In your opinion what are the institutional strengths of the NGOs?

Strengths	%
Good logistic system	52
Regular source of funding	38
Technical skill	22
Disciplined Staff	18
n=50	

Total percentage may exceed 100 due to multiple choice

Table 9.33 Perception about institutional weaknesses of the NGOs

Q. In your opinion what are the institutional weaknesses of the NGOs?

Weakness	%
Makes rural people dependent	36
Lack of appropriate long-term planning	22
n=50	

Total percentage may exceed 100 due to multiple choice

More than half of the respondents note that good logistic system is behind the success of NGO programs, and about 40 percent respondents observe that regular source of funding explains why NGOs can work unconcerned about funds. They are however hesitant to acknowledge NGO's commitment and accountability, though technical skill and disciplined staff are two other better-placed strengths as perceived by the respondents. Government officials at the policy level at the headquarters have varying opinions about NGO strengths. DG, NGOAB considers good logistic system, technical skill, disciplined staff as their strengths. Officials at the Local Government Division tend to disagree to a certain degree with the DG, NGOAB, who opt to express that commitment to the mission and lack of bureaucratic practices are their strongest strengths along with technical skill.

With regard to institutional weaknesses of the NGOs, the lack of vision required for long-term perspective planning is their paramount weakness. This contributes to the fact that NGO projects do not appear to be sustainable, and that is why, arguably, their projects lack popular support and support from national government. With minor divergence among officials at the policy level, their opinions principally go with the opinions expressed by the field functionaries.

The respondents were asked whether the NGO activities have weakening effect on the very existence and acceptance of UPs. 58 percent officials note that they do not think that UP's existence is under

threat because of NGOs' overpowering operational expansion, while 42 percent consider that NGO operation is weakening UPs. In response, the questions, coming up as corollary to this observation, seek to know how NGOs are weakening the UPs. The impact is somewhat indirect. 34 percent opine that creating a tendency amongst the public towards NGOs for help rather than UPs is rendering the UPs redundant. NGOs are also becoming an alternative force challenging the authority of the UP, creating division among the public and instigating people against social values and culture which is being replaced progressively by alien cultures and practices.

The common complaint raised against the NGOs is that they are out to execute donors' agenda and are not concerned about what that means to the common people of the country. More than fifty eight (58) percent respondents feel that NGOs are concerned about fulfilling donors' agenda instead of responding to local needs and priorities. About one-fifth respondents think that NGOs are not fulfilling donors' agenda, and about the same percent are not sure what is they are up to.

NGO leaders have quite interesting answers to this perception. Some say, of course, NGOs will be serving donors' agenda as long as NGOs are dependent on donor fund. They also counter-questioned, is not the government serving donors' agenda even by larger degree. Some say, it is applicable to some smaller NGOs, but not a dominant factor, because larger NGOs, having been able to mobilize funds of their own to pay

for costs related to their overheads and operations, do not fall prey to donor pressure. For example: BRAC and Proshika mobilize 80 percent of their total budget expenditure out of funds generated through their programs, relying on donors only for the remaining 20 percent. In that case, donors would not fund if the projects and programs do not meet their requirements. Some say, donors do not have any secret agenda, but what is important to note that donors lack sustainable agenda without having any ability to prioritise projects in line with local needs.

Perception about donors' hidden agenda is mixed and interesting. Sometimes their values may contradict and clash with our social and religious values, but their prescription may require closer examination before making any concrete explanation. NGOs are also ambiguous in their answer about this.

The perception of the government officials about the possibility of problems in the collaboration between the UPs and the NGOs is diverse. A large majority (60) of government field functionaries foresee troubles in the event a collaborative arrangement is put in place, and more than one-third respondents anticipates problems because they think that the two institutions represent two conflicting philosophy---the UPs representing bureaucratic hierarchical practice, and the NGOs representing people-centred development culture. They also foresee problems likely to brew up from out of personality clashes, superiority complex on both sides, local political intricacy and sensitivity,

suspicion of NGOs about UP intention, etc., but none of these factors represent more than 6 percent support. Those who do not anticipate any problems have different views. Majority of this group find no reason for problems, as both the institutions will be working for the development of the same area, and for that matter both will be known to each other working for the common goal. As a result, people will like to see the collaboration to succeed.

At the policy level at the headquarters, diverse shades characterize their opinions. DG, NGOAB foresees between the NGOs and the UPs uneven competition, undermining of the UPs, political interference, clash of interests and attempt by the UPs to grab NGO funds. Officials in the Local Government Division are divided on the issue. Some say, NGO-UP interaction will be put to severe test; and some say, there will be no problems. But according to DG, Monitoring, Local Government Division, it depends on the extent of collaboration. Problem is unlikely if the collaboration is within a limited scale, but that may surface if the collaboration is on a massive scale in which case NGOs may be subjected to losing their freedom.

Table 9.34 Perception about non-voting status of NGOs in the UPs

Q. In some countries like the Philippines, NGOs are allowed to sit on local bodies as non-voting members. Do you support any such arrangement?

Response	%
Yes	42
No.	40
Not sure	18
n=50	

Total percentage may exceed 100 due to multiple choice

The respondents were asked if they support the idea of allowing NGOs to sit on the UP as non-voting members like the one in the Philippines. They are equally divided on the issue, with less than one-fifth not being sure about this. In the ministry, positive attitude heavily outweighs negative outlook.

Based on the above empirical analysis, the following broad observations may be drawn:

- a. The level of efficiency and experience of the UPs being much below the acceptable level is not suitable for ensuring local level governance, and linkage between the UPs and the NGOs can contribute significantly towards its strengthening.
- b. Good logistic system, regular source of funding, technical skill and commitment of the NGOs can help galvanize into a strong bondage between the UPs and the NGOs in making interventions on program and project areas like health and family planning, income-generation and poverty alleviation, mass education, forestry and environment and infrastructure development. On the other hand, popular support, accountability, dependability and support of the national government for the UPs can act as great assets for the NGOs in solving problems during implementation, identifying target groups, planning future projects and providing protection against threats. Thus a strong institutional arrangement for complementarity between the NGOs and the UPs can produce tremendous outcome in administering services and mobilizing popular participation in nation-building activities.
- c. Government officials are suspicious about NGO agenda, which is tuned to the interest of the donors, and interlinked with their own existence, as development in real sense will end the justification of their programs.

- d. Collaboration between the NGOs and the UPs may produce complexities; even then senior officials at the headquarters are less apprehensive, and recommend an institutional linkage and a mechanism allowing NGO representatives to sit on the local bodies as non-voting members, which is expected to bring in substantial qualitative changes in administering and managing development initiatives within a framework of articulate planning and design.

In the context of a seeming acceptance that NGOs are performing better and their contribution is good, a natural question coming up is to know how their performance is evaluated by those who look from outside and those who look from within. NGO Affairs Bureau feels that their programs are having positive impact on the overall economy and have been able to bring about changes in the superstition of the people. People are now turning to NGOs, which will become further threat to the UPs if the latter do not rectify themselves. Officials at the policy level do not come to consensus on the issue. Some say, they are doing both positive and negative impact; others say, NGO activities are mostly “point input-continuous output” in contrast to local needs of “point input—point output” based, and that makes them totally doubtful about any impact of NGO programs on the overall economy of the country.

NGO leadership are unanimous in a strong fashion regarding the contribution NGOs are making to overall economy. Their contribution in health, education, creation of self-employment, family planning program, micro-credit financing, environment, etc can in no way be

ignored. They say, if we think of poverty scenario, we can see that GOB has failed to reach the poor and the poorest, and without NGOs being by their side, their fate could be worse. In fact, according to them, NGOs are filling the gaps left vacant by the public sector.

Granting of legal power to local government is an issue of hot contention. NGO leadership are strongly in favour of giving more legal powers to local bodies, because responsibility without power is meaningless. Some have recommended less central control to allow them to take initiative and seize opportunities. Some are, however, more cautious before allowing such legal power. They say small rules and regulations, which are hampering UP function, have to be properly examined and streamlined by clearing off its ambiguity.

Government officials are also in line with NGO leadership. However, while conceptually accepting its necessity, some have expressed caution in terms of absorptive capacity of the UPs, and therefore, considering their level of training and personal capacity, have suggested that this can be tried on a test case basis.

With regard to apportioning a part for the UPs of the profits NGOs are said to be making by operation of micro-credit financing in rural areas, opinion of officials at the policy level does not converge. Some do not agree at all, others agree to such an arrangement but to a limited extent. NGO Bureau feels that there should not be a straightforward transfer of

funds to the UPs, rather such a percentage of profits should be recycled and reinvested in the UP area in some other projects in joint collaboration between UPs and the NGOs.

NGO leadership also subscribes to such an idea, but with cautious note. They say, this option can surely be examined, but on condition that local bodies are made independent and directly accountable to local people, and that NGOs are made non-voting members on the UP. Moreover, this can go through a mechanism, not as a direct funding to the UPs, to make sure that funds so transferred are being properly utilized. But a think tank organization expresses that this may be counter-productive, as there is risk of a rent-seeking attitude being developed among the UP representatives. So, instead of a blanket decision, this option can be examined through a pilot experimentation, and funds so desired can be utilized through programs, not through direct transfer.

NGOs and the Local Bodies: Focus on Relationship

Considering political sensitivities and economic realities, NGOs' involvement in development interventions cannot be ignored. Their role has now assumed much greater significance in the light of recent concerns to strengthen democratic institutions and promote civil society to consolidate gains so painfully achieved on the ashes of national identity.

Experiences drawn (William 1991) have established that the NGOs have demonstrated particular strengths in their works with the disadvantaged groups in:

- a. devising management practices adapted to difficult areas and client groups;
- b. devising technology that meet the needs of the rural poor and particularly the women;
- c. designing linkages with input suppliers and the local groups;
- d. delivery of inputs and services either of their own or being contracted out by the GOs;
- e. innovating new technologies and methods;
- f. developing new social innovations, which bear on technological changes;
- g. lobbying for specific projects at the local level; and
- h. mobilizing disadvantaged groups for empowerment.

Moreover, NGOs can also help the local bodies in the following areas (Aminuzzaman 2001):

-Developing and Operation of Infrastructure: NGOs can help Local bodies, including the UPs to design and develop local level small scale infrastructure projects, operate and maintain infrastructure such as irrigation schemes, conservation of natural resources and environment;

run health care facilities partnering with GOs, develop and manage social forestry project, etc.

-Facilitating Development Communication: NGOs can assist the local bodies in establishing effective communication with the local level bureaucracy, banking institutions and the functionaries of the donor agencies to develop programs and projects.

-Technical Assistance and Training: NGOs can also provide technical assistance and training to the officials of the local bodies in designing projects and its implementation.

Empirical evidences thus suggest that there is enough room for effective collaboration and complementary support for each other. In spite of variations in stress and importance, and prioritization in programs and projects expressed in opinions, the general consensus for institutional linkage between the NGOs and the UPs is univocal. It should now be seen then what mechanism and institutional arrangement can be taken to make the linkage meaningful and effective.

Future Research Questions

In the study the researchers have attempted to examine two broad areas of interaction between NGOs and the Union Parishads: to make an overview of the existing modalities of relationship between the NGOs and the Union Parishads, and to examine the possibilities of

institutional interaction between these two organizations in setting up an effective management, planning and program implementation mechanism which can fetch mutual benefits for these two entities and produce salubrious results for local level governance at the grassroots level. However, there are other issues, which may have direct impact on the outcome of such interaction. The present study has not looked into those issues. These issues need to be looked into in-depth in order that effective collaboration can be expected without any consequences. Some of these issues may be as follows:

1. Examine the capacity of the NGOs in giving the management and organizational training to the UP personnel to make it efficient and responsive to people's needs and priorities.
2. Examine legal complications and complexities of the arrangements under which NGO representatives sitting on UP as a member will have their opinions expressed contradicting the opinions and interests of the UP representatives.

Chapter 10: Conclusions and Recommendations

From a theoretical perspective expanding role of the NGOs in Bangladesh can be justified by both *Public-Good theory* and *Contract Failure theory*. NGOs have proved, to a great extent, their worth as a force for democracy, poverty alleviation and efficiency enhancement. NGOs in Bangladesh have, by now, been recognized as the third sector in development management. The Task Forces Report of 1990 duly recognized NGOs as “a positive force in national development” and advised the GOB to consider and recognize the NGOs as a constituting and distinctive sector and to “create conducive and congenial policy environment ensuring an uninhibited operation of the NGOs to enable them to contribute effectively to national development (GOB 1990)”.

Nevertheless, there seems to be a noticeable ambiguity in the policies of the GOB on the role and scope of the involvement of the NGOs in Bangladesh. NGOs, to a great extent, are working in isolation, confusion and suspicion.

Empirical evidences have widely established the fact that the Local Government in Bangladesh are structurally and functionally very weak and lack capabilities to design, organize and manage development program (Aminuzzaman1993, 1998). Comparative studies provide evidences of relative superiority of the NGOs over the Local

Governments in project design and management suitable to local conditions of rural Bangladesh (Ahmed et. al. 1996).

The scope for initiatives and innovative activities by the NGO community, designed to contribute to national development, largely depends on the nature of the relationship with the state. Closer understanding and greater confidence between the government, both at the national and local levels, and the NGO sector would be most helpful for making NGOs' programs and objectives more effective. The cloud of mistrust and distrust, and of rivalry borne out of political sensitivity, has to be dispersed for the better use of potentials complementing each other for national development.

At present, the relationship between the UPs and the NGOs is largely informal and in practical sense non-existent. NGOs tend to mistrust the UPs and maintain a distance from the UPs. UPs on the other hand, also have a kind of 'suspicion' about the role and motive of NGOs. In spite of that, both the organizations are optimistic about a positive result from possible collaboration between these institutions.

An objective assessment of the development arrangement dynamics, especially at the local areas, however suggests that an institutional arrangement needs to be designed in order that a partnership relation could be developed between the local NGOs and the UPs. Findings of the study indicate that there are a number of areas where the NGOs and

the UPs can enter into an effective partnership. The initial hiccup, which is normal in all such collaborations, likely to surface can be addressed through a progressive outlook. Presently, the GOB is in a process of reviewing, examining and reorganizing the local government system as well as redefining the role of NGOs in the overall economic development of the country, especially in context of developing Poverty Reduction Strategy Paper (PRSP). International community, and the donor community as well, are interested to see a meaningful role of NGOs in the country's development process. Keeping in view the issue of popular participation, accountability and mutual support, appropriate policy measures need to be devised and institutional arrangements made to establish such an effective linkage between the NGOs and the Local Government, especially the UPs, as can help gather renewed momentum to lead the development perspective to a new height.

In the backdrop of the above, and the empirical evidences, built on the data gathered from the field survey and interviews of policy planners and opinion leaders, following broad observations can be drawn:

- a. There exists little collaboration and communication between the NGOs and UPs although the former seek help at times of troubles encountered during recovery of funds extended under micro-credit programs.
- b. UPs are apprehensive of NGO designs, which may weaken them. In spite of that a strong support for collaboration between the

NGOs and the UPs and expectation from it characterise the opinions expressed by UP officials.

- c. UPs are primarily a weak institution, lacking fund, capacity to mobilize resources, lacking manpower, management and technical skill, though they have popular support, accountability and public confidence. On the other hand, NGOs have good logistic system, technical skill and disciplined staff. So, an effective collaboration between them can complement each other.
- d. There can be effective collaboration between these two institutions in regard to project designing, target groups selection, program and project areas selection to avoid duplication, solving problems during implementation, implementation of programs and projects, mutual support, training of UP personnel, etc.
- e. The opinion that NGOs express that they formally communicate with the UPs lacks clarity and is shrouded in ambiguity, which amounts to non-existence of an effective relationship between the NGOs and the UPs.
- f. In spite of NGO suspicion about UP, a strong support and desire for collaboration demonstrated by NGO functionaries both at the field and the headquarters make the case more relevant that such an institutional arrangements will result in salubrious changes in

the approach and management of the development activities in the country.

- g. In spite of its representative character UPs are weak institutions. On the other hand, NGOs lack long-term vision and sustainability. In such a context, both the UPs and NGOs can benefit from each other by mutual collaboration and cooperation for project selection; selection of target groups; ensuring popular participation, accountability and stopping duplication; solving problems during implementation; The level of efficiency and experience of the UPs being much below the acceptable level is not suitable for ensuring local level governance, and linkage between the UPs and the NGOs can contribute significantly towards its strengthening.
- h. NGOs with their good logistic system, regular source of funding, technical skill and commitment can help the UPs in a number of program and project areas like health and family planning, income-generation and poverty alleviation, local resource generation, mass education, forestry and environment and infrastructure development and so on so forth; on the other hand, the UPs with their popular support, accountability, dependability and support of the national government can help the NGOs in solving problems during implementation, identifying target groups, planning future projects and providing protection against threats.

- i. Although collaboration between the NGOs and the UPs is apprehended to produce complexities to a certain extent, senior officials at the policy level are less apprehensive, and are in favour of institutional linkage and developing a mechanism allowing NGO representatives to sit on the local bodies as non-voting members.

Recommendations

The Local Government (Union Parishad) Ordinance, 1983 and its subsequent amendments up to 2001 assign to Union Parishad as many as 38 functions (Part 1 of First Schedule) for administering services for the people within its geographical jurisdiction. The UP has also got to perform some more functions [(Section 30(2)] that relate to maintenance of law and order, protection of public property, development of local resources and their use, etc. But historically Union Parishad has failed to fulfil the expectation by not being able to execute even a partial of the important functions entrusted to it, firstly because of failure to generate local resources badly needed to bear the costs involved; and secondly due to lack of technical and management capacity; and lastly owing to failure to mobilize public opinion for spontaneous participation in ensuring continuity of development processes.

Although recognized, and desires expressed, in the planning documents (Fourth and Fifth Five Year Plan Documents, PRSP documents), that

NGOs are able, and will be involved, to help local level institutions in the development process by playing complementary role, these documents fall short of articulating the mechanism, which would provide room for NGOs to get involved in the development processes initiated by local level institutions. It is therefore imperative that NGOs are offered platform to get involved in local level governance through a mandate incorporated in the existing Ordinances. Necessary reforms should therefore be made to carry local level governance forward through a strong NGO-UP collaboration for ensuring development in rural areas. The following recommendations are suggested for collaboration between the UPs and the NGOs for local level governance:

General Policy Recommendations:

1. The Local Government Ordinances should incorporate an institutional arrangement and mechanism that would give NGOs a legal mandate to work hand in hand with Union Parishads to play a complementary role in enabling it to perform its functions effectively. Necessary modifications and changes can be inserted in the Ordinances providing spaces for the NGOs for greater involvement in the administration of services being provided by the UPs.
2. The foreign donation (voluntary organization) regulation ordinance and the foreign contribution regulation ordinance

should be modified such that it neither strangulates NGO activities, nor gives too much latitude to NGOs that would provide escape route for the wrongdoers. It needs to be formulated in such a way that NGOs can actively participate in nation-building programs of the national and local government without fear and fury, but under appropriate monitoring that would facilitate their activities with proper accountability and transparency.

3. The country's planning document can spell out the specific tasks NGOs would be expected to associate themselves with, with articulation of mechanism to be put into practice in effecting their association with government's program.
4. A broad coalition of the government, the NGOs and the development partners can be formed to monitor NGO programs in its true perspective to make sure that NGOs can utilize the funds received from donors only for the purpose it is meant for, allowing little room for executives to manoeuvre to their personal advantage and interests.

Specific Recommendations

1. NGOs can be given the status of non-voting members on the Union Parishad to contribute to the building

management capacity of the UP members and improvement in the planning processes of the Parishad.

2. UPs and NGOs can enter into agreement for mobilization of public opinion, collection of taxes and devising ways for diversifying resources generation.
3. NILG and NGOs can enter into collaborative agreements for assessing training needs, designing training curriculum, and organizing training programs for UPs in order to improve and enhance management capacity of UP representatives.
4. NGOs can enter into agreement with the UPs to develop a protocol under which a part of NGO profits generated through micro-credit operations will go to the UP fund for undertaking designated development works specially targeted towards upliftment of the socio-economic condition of the poor and the destitute.
5. NGOs and UPs can enter into agreement for designing local level perspective plans for each other with a vision beyond 20 years next.

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