

# Rise of the Corporate NGO in Bangladesh

Sunday 14 October 2018, by [MUHAMMAD Anu](#) (Date first published: 29 September 2018).

**Bangladesh is now known as the land of the largest non-governmental organisation (BRAC), and the largest microfinance institution (Grameen Bank). In the last four decades since independence, Bangladesh has become more marketised, more globalised, and more urbanised than ever. It has had spectacular success in garments export, remittance and food production. The country also has seen a dramatic growth of microcredit and NGOs. Nevertheless there has been very slow progress in poverty reduction, and there has been catastrophic destruction of environment and increase of inequality. An attempt has been made to explore the role of NGOs, their emergence with the rise of the neo-liberal world view and new economic order, as also their retreat, polarisation, integration and subsequent corporatisation.**

We link the poor to the market.<sup>1</sup>

Since independence, Bangladesh has witnessed a spectacular growth of foreign-funded non-governmental organisations (NGOs). The rise of NGOs in Bangladesh coincided with the new world order based on the structural adjustment programmes (SAPs) and poverty alleviation (read adjustment) programmes (PAPs). Although SAPs appeared officially in the mid-1980s, the programmes and prescriptions it holds were very much in the agenda since the early 1970s. Since World War II, the World Bank and the International Monetary Fund (IMF) have been working to shape postcolonial economies in line with the global capitalist system.

To open the space for different forms of privatisation and financialisation, an ideological campaign against state's role was necessary, and it successfully demonised the state, thereby setting the tone for reducing state's responsibility towards its citizens. The gradual withdrawal of these responsibilities left the majority of the population unprotected from hunger, destitution, job insecurity, and illness. Thus came the social safety net and the relevance of NGO. Since the 1970s, the growth of NGOs and their international patronisation indicate a well-organised effort to establish a model to tackle poverty and deprivation without addressing structural causes to promote neo-liberal capitalist development.

An attempt has been made in this paper to explore the context and dynamics of the NGOs, and the emergence, processes, achievements, and limitations of the NGO model. We focus on the NGO model in general, and development NGOs in particular. First, the context of the SAPs, PAPs, and the emergence of the NGOs is discussed. Second, NGO dynamics and various trends within the process are examined. Third, the model's readjustment with the development paradigm is looked at. Fourth, the relationships between the NGO, the government and the donor agencies are explored. Fifth, the brand NGO—BRAC—is discussed as the best case scenario of the NGO model. Finally, the significance of the various NGO programmes is examined.

## The Context

SAPs are the set of programmes (import liberalisation, reforms in exchange rate system and financial sector, privatisation or closure of state-owned enterprises, reducing state responsibility to its citizens) that are aimed at adjusting peripheral economies to the need and direction of the dominant ideology.

As a managerial body of global monopoly capital, the World Bank and the IMF used to play their role to make the globe convenient for corporate capital. Although these organisations are staffed by the technocrat-experts from all over the world, these are controlled by the United States (US)-European Union nexus and directed by the orthodox version of corporate-friendly economic ideology. If any country does not fit into that set, it is not the set but the country that has to adjust to enter into the predetermined set. The experts and the “angels” do not have to bother about the performance of the country they have just finished with because there is nobody to ask, and they do not have any accountability to anyone outside their own world. In fact, in many ways they enjoy immunity.

From the 1950s through the 1970s, many military dictators in the postcolonial world enjoyed support and patronisation from the World Bank group. Although SAPs became identical with the World Bank and sometimes PAPs are considered as an antithesis to SAP, there is clear evidence that endorsement of PAPs by the World Bank had an important role to make PAPs an international campaign. Effectively, “poverty reduction” replaced “development” as national goal. It can be seen as a defence mechanism to the destructive effects of the “growth-oriented modernisation” paradigm. Robert McNamara, the then president of the World Bank, in his “famous” speech of 1973 reflected on the policy rearrangement of the World Bank towards PAPs and this was followed by increased flow of funds in this regard.

In fact, rising poverty and inequality resulting from the “trickle down” modernisation process, created widespread discontent. Therefore, the emergence and growth of development NGOs enjoyed a favourable environment in terms of funding, policy rearrangement as well as public support. As a newly independent but poverty-stricken country, Bangladesh appeared to be an ideal test case and breeding ground for NGOs.

The NGO model in Bangladesh carries some historical legacy. There were few institutional attempts during the 1960s for rural development efforts in the then East Pakistan (Comilla model, Integrated Rural Development Programme [IRDP] or Swanirvar, and so on). Many of the programmes can be identified as the precursor of the NGO initiative. Unlike NGOs, these programmes and institutions were government-owned. Nevertheless, there are similarities in the sense of group formation among the poor, microcredit distribution, and so on. Visibly the aim of these initiatives were to build safeguard mechanism for the poor under growing capitalist relations. The failure of these attempts to alleviate poverty and to attain other goals is well documented (Khan 1983a, 1983b, 1983c; Khan 1987).

New generation of NGOs were born after the strategy for addressing poverty at the global scale asserted for non-government institutional structure with target group approach and international funding organisations expanded their network to support this formation (Muhammad 1989).

For obvious reasons, the World Bank and United States Agency for International Development (USAID) in different official documents expressed their high opinion about NGOs and emphasised their role. The following lessons were pointed out by the World Bank in the early 1980s with regard to “poverty oriented income generating employment activities”:

- (a) target group approach brings together the poor with similar socio-economic background into separately organized productive units and permits them to plan and

implement their own programs is more effective than the overall village organizations which tend to perpetuate the existing rural power structure; (b) well organized groups not only establish an efficient “receiving mechanism,” but also become effective in ensuring inputs and adequate services from government agencies; (c) there are a numbers of traditional rural occupations which still can provide employment/income earning opportunities, provided credit, training, and marketing facilities can be organized to exploit those opportunities; these opportunities can, however, soon reach their limit; (d) availability of credit for financing productive activity is essential, but credit is better utilized when provided as a complement to motivation, skills training and technology; (e) a high repayment rate (under adequate social and technical quidencer and group dynamics) and the willingness to pay appropriate cost money make rural banking a viable proposition; (f) the poor can also save; group pressure seems necessary for maintaining financial discipline; (g) there is a need for flexible, sustained, experimental and action based organizational/institutional capacity to deal with the poor; effective work with rural poor requires a high ratio of trained and committed manpower to financial inputs and; (h) provision of adequate funds is only a part of the need; another part is building capacity which responds to local needs. (World Bank 1983: 100)

Some questions may arise from these “lessons.” Could the NGOs really place themselves as more effective than the “overall village organization which tend to perpetuate the existing rural power structure?” Are NGOs able to create employment opportunity at a significant scale? Is the rate of savings and income generation among the NGO beneficiaries enough to break the chains of poverty?

#### Location of NGOs

After four decades, Bangladesh now has 2,457 NGOs (as of February 2016) registered under the Foreign Donations (Voluntary Activities) Regulation Act, 2016. Moreover, according to the Prime Minister of Bangladesh,

A total of 233 foreign non-government organisations (NGO) of 27 countries have been operational in the country. Of them, the USA-based belongs NGOs are the highest number at 70 while UK 36, Japan 19 and South Korea 11; Australia, Norway and Netherlands respectively 10; Switzerland based 9; Canada and France each 8; Sweden and Germany each 6. Of the states, there are 9 middle-eastern countries. According to the data placed by the PM, 342 foreigners and 15,815 Bangladeshis have been working in the NGOs. (Shaikh 2014)

She was speaking in the parliament to answer a question on foreign NGOs currently working in Bangladesh.

Foreign-funded NGOs are a heterogeneous group. There are many differences in organisational structures, sources of fund, areas of work, objectives, as well as human and material resources. Broadly, there are three types of NGOs: international NGO, national NGO, and local NGO. By another criterion, NGOs can be divided according to their main objectives and work: development NGO, environment NGO, human rights NGO, microfinance NGO, activist NGO, and so on.

In the world of NGOs, we can also notice the increasing presence of religion-based NGOs. Along with Christian or Hindu charity or missionary organisations, we find an increasing number of Islamic or Muslim NGOs, some of them are linked with religion-based political parties. Muslim NGOs are

organised under the Association of Muslim Welfare Agencies in Bangladesh (AMWAB), a parallel umbrella organisation to the Association of Development Agencies in Bangladesh (ADAB).

There are thousands of informal and government-supported NGOs as well. All these organisations work with variations in their methods of work and also on emphasis; they have differences in success and failure, and have effectively been playing a supplementary role in filling the gaps created by both market and government failure.

Since NGOs are heterogeneous, one can find different possibilities among different organisations. Observing some activist NGOs, one can argue that they are able to create space for a non-party political process; these are as an “attempt to open alternative political spaces outside the usual arenas of party and government though not outside the state” and “as a part of a search of new instruments of political action when vacuums in the political space are emerging” (Kothari 1984). On the other hand, if one observes the work of major development NGOs, we have valid reasons to emphasise that the “stress on NGOs can be seen as part of the privatization strategy of the World Bank and most donors” (Westergaard 1996). It may be also argued that, “the role of donors in bringing NGOs and government together under their own agendas of privatization is clearly an important one in Bangladesh in shaping NGO activities” (Lewis 1994).

Shivji (2007) emphasised the “objective effects of actions, regardless of their intentions” despite the good intentions of NGO leaders and activists. Shivji argued that the sudden rise of NGOs is part of a neo-liberal paradigm and not from pure altruistic motivations. James Pfeiffer (2003), in his case study of NGO involvement in Mozambique, speaks of the negative effects that NGOs have had on areas of health within the country. He argues that over the last decade, NGOs in Mozambique have “fragmented the local health system, undermined local control of health programs, and contributed to growing local social inequality” (Pfeiffer 2003).

In fact, the NGO model of development appeared as a convenient option to avoid structural solutions to poverty. During the peak years of neo-liberal reforms (1980-95), NGOs were made an integral part of the policymaking process, and an effective tool of privatisation. In its early stage, Osmany (1989) called this as a “laissez faire approach” and argued that the limits of this approach are manifold. Lewis (1994: 76-77) observed,

The Grameen Bank in Bangladesh—a quasi NGO—currently promotes a credit delivery approach (and secures extremely high repayment rates) without advocating any degree of structural change. Although the Bank targets the very poor (and in particular, very poor women), it nevertheless implies an element of the old “trickle down” theory of development.

Various studies reveal that the poorest of the poor in rural areas are increasingly left out as they are unable to perform suitably with the credit business (Rahman and Sen 1995; Muhammad 2009).

Petras and Veltmeyer (2001: 129) observed that

the proliferation of NGOs has not reduced structural unemployment or massive displacements of peasants, nor provided liveable wage levels for the growing army of informal workers. What NGOs have done is to provide a thin stratum of professionals with income in hard currency who are able to escape the ravages of the neoliberal economy that affects their country and people and to climb within the existing social class structure.

In the initial stage, NGOs appeared with a promise to build grass-roots organisations that would ensure participatory development and stand against traditional power structures. They started working with a commitment to address social issues like inequality, lack of healthcare, and mobilising the poor to stand against exploitation, deprivation, and dominant power structures. However, most of them retreated from their initial promises and concentrated mainly on market-oriented activities. Legal bindings of the state, the risk of antagonising powerful actors, and the conditions of donor funding influenced them to retreat. This retreat shaped the works of NGOs as the supplementary force of the global and local power structure.<sup>2</sup> The points of retreat are discussed below:

**Participatory development:** The concept of “participatory development” means running development programmes at the grass-roots level in such a way that the target group can easily participate in the “decision-making and implementation process;” the NGO would be the catalyst and would not impose anything on the participant target groups.

The concept of “development by participation” was not new to the NGOs, it had been present in some form in the community development and Swanirvar programmes (Muhammad 1995). This concept is further developed in the NGO process. The rural development efforts, prior to the NGO model, also targeted the rural poor. But, for different reasons, the beneficiaries of those efforts were other than the targeted rural poor (Khan 1983a, 1983b, 1983c; Khan 1987). To avoid the same consequences, the target group was clearly defined in the NGO model and their participation was emphasised.

Regarding the participatory development process, the ground realities are far from the claim written in NGO texts; the reasons are not personal inefficiency or deviation. Every organisation begins their work with some definite aims and objectives. Funds are provided to meet some well-defined targets. Prior to implementation of the programmes, they have to collect the funds, and to avail funds they are required to submit a proposal and detailed plan in advance. Therefore, the NGOs have to start their participatory development activities with predetermined programmes and aims. What they actually do is make the target groups believe and accept the NGOs programmes and proposals as their own. The organisations that are vocal about “people’s democratic participation” have acute undemocratic processes in their internal structures. Using the name of charity organisations, they reject any trade union rights of their employees or workers. The employees or workers are not permanent or regular, rather are appointed on a contract basis. The job is not secure, and the employees can be retrenched at will at any time. Their work hours often stretched long. The NGOs take the high unemployment rate existing in the country as an opportunity to employ a majority of its employees and workers at low salaries and wages (Muhammad 1989).

Moreover, the NGO structure is also guilty of the top-down approach. Generally, the NGOs are launched and remain dominated by the vision and authority of one person. Practically, it is this one person or one family who dictates how the whole organisation is run (Muhammad 2000).<sup>3</sup>

**Power structure:** One of the major objectives of the NGOs was to weaken the local power structures that hinder peoples’ initiatives and power. But, the reality developed differently. In fact, the history of NGOs in the last three decades is a history of integration of NGOs with local, national, and international power structures. Practically, the NGOs became a part of the ruling elites in the national and the local levels by compromising with the older ones. There are some NGOs that began their activities in a spirit of direct confrontation with the rural elites, but after some hostile conflicts they realised their limits and started to compromise.

**NGO, government, and the 'donors':** The inefficiency and inability to implement the various grass-roots programmes because of the bureaucratic network of the government machinery is a common feature in countries like Bangladesh. Increasing poverty, unemployment, landlessness, and stagnant productive forces make the situation worse, and alarming. Hence, donors and international moneylenders prefer to keep the NGOs as active delivery agencies in almost all government programmes. Initially, the government did not show interest about it, but gradually it became a normal practice to involve NGOs in not only delivery mechanisms, but also in policy formulation processes.

The policy shift took place in the early 1980s, as an NGO spokesperson observed

[T]he government is now welcoming the NGOs to undertake projects complementing government programmes. Some ministries such as agriculture and forest, health and population control, local government and rural development etc. have already developed a close working relationship with NGOs. They have undertaken a numbers of collaborative projects with NGOs and exploring the possibility of further cooperation. Perhaps the cooperation between NGOs and the government is likely to increase further with NGOs and the government is likely to increase further with NGOs providing their effectiveness in programme implementation and international donor agencies seeking the channel a certain amount of their grants through the NGO sector. (Huda 1984)

**Old 'missing component' theory:** One of the major promises was also to initiate a new development paradigm in contrast to the poverty-friendly dominant development paradigm. But, soon, NGOs became largely concentrated in credit operation and export-oriented activities. It is correct to observe that

the potential irony is that NGOs originally challenged the concept of "trickle down" to help create the target group based approach. But in so doing, they have unwittingly contributed toward its reinstatement, as credit delivery has increased in importance as a key rural development input. (Lewis 1994: 93)

Bringing credit to the poor as a major, and sometimes the lone, determinant of development and poverty alleviation echoes the dominant development strategy of the 1950s that singled out capital scarcity as the major determinant of underdevelopment of the postcolonial countries. It emphasised that capital was the "missing component" of those countries (Meier and Seers 1984). Needless to say, that theory had been used to rationalise export of capital and flow of foreign "aid" from developed capitalist countries.

In 1974, BRAC started its own microcredit programme with group formation (of rural poor) and a target group approach; it later became the largest NGO in the country. The Association for Social Advancement (ASA), another big microcredit agency, was established in 1978. Muhammad Yunus formed the embryo of Grameen Bank as a project in 1976; now it has become the best-known microfinance organisation in the world. A 1981 policy shift allowing private banks made Grameen Bank's establishment in 1983 possible.<sup>4</sup>

Since the 1980s, microcredit/finance programmes have expanded rapidly in Bangladesh. This is the same period when countless unemployed workers came into the labour market from closed-down or privatised manufacturing enterprises and uprooted peasant farms. Different poor-targeted programmes evolved as "safety net" programmes to rescue victims of the SAP. The informal sector

expanded, since it was the only option left to the uprooted, jobless, unprotected people. Microcredit got into this market (Muhammad 2015).

## **Polarisation**

Polarisation within the NGOs is a notable phenomenon that got a clear shape in the last two decades. A few NGOs have gained command over the sector's resources, most of its workforce, and the international support and funder network, while most other NGOs have had to settle into the status of being their subcontractors.<sup>5</sup> These few and large NGOs have accumulated substantial amounts of capital through their market-oriented activities, including microcredit, and have gradually opened various other business windows, including joint ventures with multinational corporations.

This polarisation also brought about a significant transformation in certain NGOs, what I like to call "corporatisation." Grameen Bank and BRAC became global players, entering into joint ventures with multinationals and organisations like the World Bank and turned the groups into corporate companies. The formation of the "corporate NGO" is certainly a new phenomenon, not only in the NGO sector, but also in global capitalism. This also unfolded a new form of private ownership that emerged through charity and poverty-related works. This has shown a similar trend of monopoly or oligopoly in the development of capitalism. Their corporate culture and influence over media and government policies demonstrate their power.

Therefore, although by definition, NGOs are "non-governmental" organisations, they are not non-state organisations. These organisations work within the legal framework of the state, and are increasingly becoming an integral part of the state machinery.

## **Women's Empowerment**

Women's empowerment is an area that deserves special attention in discussing the NGO process in Bangladesh. Bringing "target group" of women into credit market is specifically a success for credit-giving NGOs and the Grameen Bank. This also proved to be much more profitable as women borrowers seem to be more serious and consistent about repayment. The Grameen Bank and other NGOs also developed an alternative to collateral that is group responsibility, this is also an innovative success in expanding banking into the rural poor. Expanding the credit net into rural areas especially among women has also had an impact on women's "private" and "public" lives (Karim 2011).

There are several studies that look into this fact as having a high potential for empowering women. But, one could be sceptical to equate "access to credit" with "empowerment." Despite credit's role in giving women members more space in private life and a relative mobility into social life, one could raise questions about its limitations. First, credit programmes offer women jobs that she is already accustomed to, in that sense it cannot create that mobility of women to go beyond that limit. Second, many male members of the family take the opportunity to use female members to get access to the money. The credit, here, becomes another dowry. It is important to take note that

Amongst the NGOs, Grameen Bank, BRAC and Proshika have gained international reputation for involving large numbers of women. However, none have achieved significant breakthrough in helping women to move to higher productivity or to activities with higher economic returns. (Hamid 1995: 151)

Sometimes this becomes a source of shame and torture (Karim 2011).

NGO experts often argue that the mobility of womenfolk in the last four decades comes from NGO activities alone. This is a denial of women's own strength to survive and create space, as well as a display of ignorance about other factors responsible for women's rising mobility. This proposition also denies the social dynamics as well as survival strategies that women from low-income groups have been using for years, long before the NGO operations began. In fact, the visible income of these families could not explain their mere survival. The mystery behind their survival, despite miserably low incomes, lay in the hidden labour of female member/s of the family in the form of cost-saving and income-generating activities. Women's increasing participation in wage-earning activities is not an outcome of the work of NGOs, it reflects the desperate conditions of rural poor and breakdown of old family life, which in other ways have brought women into social life and given them more mobility than the NGO network can. This is true for the garment sector. The growing number of female workers in this sector has changed the gender composition of the working class; they have become a new social force (Muhammad 2007). Despite severely repressive living conditions, insecurity, and low wages, they earned an identity of their own as workers. Moreover, they have attained stronger potential to assert themselves in the legal-political system that is gender and class biased.

### **Factors for Poverty Reduction**

Partha Dasgupta (1996: 80) correctly pointed out,

[R]esources required for eliminating poverty amount to approximately 10% of their national income in sub-saharan Africa and the Indian sub-continent. The amount needed to eliminate extreme poverty is less of course; it is something like 4% of these countries' national incomes. Assuming a growth rate of income per head of 1% per year, poverty in these parts could in principle be eradicated in 10 years, and extreme poverty in 4 years. Both India and Pakistan have routinely exceeded the growth rate of 1% in income per head. But so far, neither country appears to have recorded a decline in her headcount index. Income hasn't trickled down to the poorest in these societies.

We hear praise of Bangladesh's success in poverty reduction from the government, the World Bank, the IMF, the Asian Development Bank, the *Economist* (2010), local media and consultants. They work to show that the current development paradigm is producing positive results and that the pairing of privatisation and the NGO model is performing well. Yes, the country has had 6% annual gross domestic product (GDP) growth rate for more than a decade; per capita income crossed \$1,000 in 2013; there has been a remarkable growth of exports and remittance earnings; roads, and communications have spread significantly. But, these "dramatic" good numbers in macroeconomic variables cannot hide the bleak picture of human lives and environment in these areas. In fact, we find much deterioration (Muhammad 2015).

One may notice many subtle and conflicting things in poverty data. The Household Income and Expenditure Survey (HIES) 2010 compiled both 2005 and 2010 data to revise poverty estimates for 2010; it showed that the share of people living under the upper-income poverty line decreased from 40% in 2005 to 31.5% in 2010 (BBS 2011). According to the HIES 2016, the share of people living under the upper-income poverty line further decreased to 24.3% in 2016. However, the same report shows that while calorie intake (k.cal/capita/day) decreased from 2,318.3 in 2010 to 2,210.4 in 2016 (BBS 2017), how improvement in poverty goes with the deteriorating calorie intake remains unexplained.

It is important to note that the method, quality of data, and lack of consistency in poverty estimates



raised many questions among independent scholars. Patnaik's elaborate analysis of poverty data in the context of India revealed such anomalies which are relevant also for many other countries, including Bangladesh (Patnaik 2013).

The World Bank has admitted that the proportion of people under the poverty line increases significantly if a little change in the measurement line is made. According to the World Bank's report on Bangladesh (World Bank 2012), if we take the poverty line of per capita, per day income as \$1.09, people living under the poverty level comes to 31.5%; but if we increase it to \$1.25, then it goes up to 43.3%; if we calculate it on \$2, then it goes up to 75.8%. Although the World Bank recognised the limits of their measurement of the poverty line, it continues to make conclusions based on these lines (World Bank 2001).

The most striking facts appeared in a recent government document summarised in Table 1 (p 50). It shows that the proportion of people living under the poverty line in South Asia is the highest in Bangladesh. According to the estimate, while 31.5% people live under the poverty line in Bangladesh, the rates in the neighbouring countries are 29.8% in India, 25.2% in Nepal, 23.2% in Bhutan, 22.3% in Pakistan, and 8.9% in Sri Lanka. There is no explanation available as to why the brand country of microcredit and NGOs lags behind others!

Increasing inequality in the last three decades is also a matter of concern. In 1983, the lowest 5% income group's share was 1.17%. It came down to 0.78% in 2010 in the last national survey on poverty and inequality. The top 5% increased its share to 24.61% from 18.30% in 1983 (MoF 2013). Therefore, the ratio of income of the poorest 5% to the richest 5% increased from 1:15 to 1:32. If we add unearned or illicit income to the income of the richest, it will present a much worse scenario.

All evidence shows that the GDP and per capita income have increased without a significant improvement for the people in poverty and deprivation in Bangladesh and, for many, there may even have been a further deterioration in their living conditions. Because of privatisation, the costs of education and healthcare have increased; therefore, access to both is reduced for the majority, despite growth in these services in private sector. Many development projects made the GDP grow by uprooting people's livelihoods, and destroying river systems and Bangladesh's unique environment.

Nevertheless, there are many parties to claim success in growth and poverty reduction. There are many social safety net programmes. For example, the IRDP, *adarsha gram* project, rural social service, food for works, vulnerable group feeding, rural women development project, youth development project, disaster management and relief, rural poor cooperative project, Palli Karma Sahayak Foundation programmes and so on. Credit expansion is also a major component of government projects.

Since the 1980s, besides NGOs, growth in some other sectors must be noted. The high growth of remittances has had a significant impact on millions of families. Garments, transport, and service sectors have experienced growth and have created employment opportunities. About 9 million people are working abroad and sending remittances, and 4 million people, mostly women, are directly engaged in the garment sector. Most of them come from among the absolute poor in the society.

Despite the expansion of the NGO net in the rural areas in the last 30 years, the largest migration from the rural areas to urban areas was experienced in the same period. A significant portion of them were engaged in the transport sector. Rickshaws account for the lowest per unit value addition as a major transport mode, but its contribution to GDP is the highest in the total transport sector.

There are more than two million rickshaws/vans across the country. About five million people are dependent on this sector alone. Other means of transport, for example, bus, minibus, and machine boat also employed more than 1,00,000 people. The expansion of local roads and national highways, as well as increasing urbanisation create more employment opportunities in the transport sector.

In the last decades, people shifted from agriculture to non-agriculture activities within rural areas and also migrated to semi-urban or urban areas, and increasingly engaged in activities related to small industries, transport, and services. Temporary migration to other countries for jobs has also increased. From the Labour Force Survey data, it can clearly be seen that, from 1983-84 to 1990-91, the growth rate in employment in agriculture, forestry, and fisheries was 0.8%, and from 1995-96 to 2010, and the proportion of labour force in these sectors declined from 48.85% to 47.30%. Within the non-farm sectors, manufacturing (small and cottage industries) shows the highest growth rate (12%), having added 2.3 million new employment opportunities, followed by trade, restaurant, construction, and transport (MoF 2015).

It is possible to get some evidence that NGO credit operations help non-farm activities grow in the rural areas, like small trade, small *mahajani*, small-scale handicrafts, and rickshaws. Despite the claim of the success of microcredit and NGOs in Bangladesh, many studies in the country have revealed the limits of microfinance as a tool of poverty reduction. Nevertheless, BRAC and Grameen Bank have their own spectacular success stories. But, their that success is found not in poverty alleviation, but rather in corporate expansion and the establishment of a new form of financial industry (Muhammad 2009).

### **The Case of BRAC**

BRAC, once a national NGO, has successfully developed and expanded into an international NGO based in Bangladesh. Formerly known as the Bangladesh Rehabilitation Assistance Committee, and then as the Bangladesh Rural Advancement Committee, presently BRAC does not represent an acronym. It is now the largest non-governmental development organisation in the world.

Established in 1972, BRAC is now present in all the 64 districts of the country. It also has presence in different countries, such as Afghanistan, Sri Lanka, Pakistan, Philippines, Uganda, Tanzania, South Sudan, Liberia, Sierra Leone, and Haiti. By 1974, BRAC had started providing microcredit. The *Economist* correctly described it as “the largest, fastest-growing non-governmental organization (NGO) in the world—and one of the most businesslike.” It also said that, “although Muhammed Yunus won the Nobel peace prize in 2006 for helping the poor, his Grameen Bank was neither the first nor the largest microfinance lender in his native Bangladesh; BRAC was. Its microfinance operation disburses about \$1 billion a year (*Economist* 2010).

Until the mid-1970s, BRAC concentrated on community development through village development programmes that included agriculture, fisheries, cooperatives, rural crafts, adult literacy, health and family planning, vocational training for women, and construction of community centres. In 1977, BRAC shifted from community development towards a more targeted approach by organising village groups called village organisations. That same year, it set up a commercial printing press. The handicraft retail chain it called Aarong, was established the following year.

In 1979, BRAC entered the health field by establishing a nationwide Oral Therapy Extension Programme (OTEP), a campaign to combat diarrhoea, the leading cause of the high child mortality rate in Bangladesh. This initial success in scaling up propelled rapid expansion of other BRAC programmes such as Non-formal Primary Education which it started in 1985. In 1986, BRAC started its Rural Development Programme

that incorporated four major activities: institution building, including functional education and training, credit operation, income and employment generation, and support service programmes. In 1991, the Women's Health Development programme was commenced.

In 1998, BRAC's Dairy and Food Project was commissioned. It launched an Information Technology Institute the following year. In 2001, BRAC established a commercially run private university called BRAC University. In the same year, BRAC Bank was started.<sup>6</sup> Shareholders of the bank include BRAC, International Finance Corporation of the World Bank, and individuals, including Fazle Hasan Abed and Tamara Hasan Abed.<sup>7</sup>

BRAC founded its retail outlet, Aarong, in 1978. From a single shop, Aarong has grown into one of Bangladesh's biggest retail chains, with 13 stores spread across the major metropolitan areas of the country. In 2004, its sales totalled almost 14 million. In 2013, Aarong had crossed 50 million in sales.<sup>8</sup>

According to *Guardian* (2008), BRAC

coordinates a whopping \$300 million budget and a staff of 108,000 from a 19-story building in the heart of downtown Dhaka ... Brac's swelling economic clout and increasing monopolization of Bangladesh's development sector is causing concern in some ranks ... There are accusations that Brac is acting like a parallel state, but one that is accountable to no one.

BRAC worked with the US oil giant Union Oil Company of California (UNOCAL) and seed company Monsanto. It moved into hybrid seed production. It promoted hybrid crop seeds to the millions of farmers using microcredit loans. Grameen Bank also has similar records.

In fact, BRAC indicates a new phase in the NGO model, the corporatisation of the NGO as an effective tool to link poor to corporate capital, to give big corporates a way to find a market. It also unfolds a new form of private ownership. Fazle Hasan Abed established BRAC; after 43 years he still holds central and absolute power over all subsidiaries. A small group of people are holding executive power of all organisations just like a corporate group of companies.<sup>9</sup>

## **The Other NGOs**

In the present global scenario, we find some NGOs involved in activism. They protest war, oppose destructive projects, fight the World Bank, the IMF, and the World Trade Organization. There are some NGOs that give space to alternative views, and oppose the neo-liberal model. We know many work here with highest sincerity. William Easterly rightly said, "the NGOs who protested here give some hope that rights advocacy could have some impact." But, he also added, "it is an illusion that the technocratic approach makes irrelevant the global battle of ideas between individual rights and autocracy" (Easterly 2013).

There are differences among activist NGOs too, those who organise funds and work in the Western countries with those who receive funds from Western countries for activism in peripheral countries. The scenario of till degeneration of the spirit of resistance by money flow and dependence in countries like India and Bangladesh is well captured by Arundhati Roy (2014):

[O]f course, there are NGOs doing valuable work. But it's important to consider the NGO phenomenon in a broader political context. In India, for instance, the funded NGO boom

began in the late 1980s and 1990s. It coincided with the opening of India's markets to neoliberalism. At the time, the Indian state, in keeping with the requirements of structural adjustment, was withdrawing funding from rural development, agriculture, energy, transport and public health ... In the long run, NGOs are accountable to their funders, not to the people they work among ... It turns confrontation into negotiation. It depoliticizes resistance ... Real political resistance offers no such short cuts. The NGO-ization of politics threatens to turn resistance into a well-mannered, reasonable, salaried, 9-to-5 job.

## Conclusions

Even with contradictions and degeneration within the system and limits to a great extent, NGOs have played a substantial role in some areas. They have developed an alternative credit institution, brought women as worthy borrowers, weakened the assertive power of traditional *mohajons* (moneylenders), and have provided services in health and education in some rural areas. They have efficiently delivered relief goods as part of disaster management, and have also provided legal and other support to a section of the poor. But, compartmental efforts and high operational cost make these activities non-effective and non-replicable in the long run. However, all these successes and failures, achievements and limits have also proved that poverty, deprivation, illiteracy, environment, malnutrition, insecurity, gender subordination, and unexplored productive potentials are not local or individual problems.

Intervention in the present condition and changing it significantly demands national initiative, social mobilisation and, most importantly, an alternative development paradigm. Grass-roots organisations will be essential to take this forward, but these cannot grow within the NGO model.

The integration of NGOs with the Bangladesh state, as well as with global capital, polarisation of NGOs into rich and poor, big and small, and the retreat of NGOs from initial promises and their surrender to dominant power structures are the logical outcomes of the existing NGO model. Despite the prevailing pretension that the NGOs are "voluntary," "grass-roots" organisations, and that these create an alternative space for the people of Bangladesh, NGOs have proved their limitation even as an institution to build a productive base in the country.

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