

**ASIA PACIFIC PHILANTHROPY CONSORTIUM**

**STRENGTHENING PHILANTHROPY IN THE ASIA PACIFIC:  
AN AGENDA FOR ACTION**

**Background Paper: Bangladesh**

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## **ABSTRACT**

Philanthropy is an old trait that can be traced back to the early days of human civilization. With the passage of time, it developed by constantly changing its form and content. However, its basic character remained the same, that is, doing social good. This is a human urge, as well as a necessity.

The country has a rich tradition and culture of philanthropy. There are many individuals, as well as groups, who have been rendering voluntary service for the benefit of others, particularly the backward and poor strata of society.

In the post-independence period, more institutionalization in this field has taken place in the form of NGOs. The voluntary sector in Bangladesh is one of the largest in the world with a big clientele.

The corporate sector in Bangladesh is still small and weak and needs to be integrated in the network of philanthropy. This probably requires some change in fiscal policy.

The government acknowledges the need and the role of the voluntary sector. To respond to the needs of the situation, a host of regulatory rules have been made to allow for the smooth functioning of the sector.

In national policy documents, government-NGO collaboration is highly emphasized. This needs to be promoted further with appropriate adjustments in the policy framework.

## INTRODUCTION

The concept of philanthropy is as old as human civilization. It refers to the basic tenets of humanitarianism. The term “philanthropy” in its present day usage corresponds to a non-governmental and nonprofit entity with assets provided by donors and managed by its own officials, with income expended for socially useful purposes. Foundations, endowments and charitable trusts are terms used interchangeably to designate these organizations, which can be traced far back in history.<sup>1</sup>

Philanthropy perhaps transcends charity. It resonates a state of mind that cares about other living beings. This is something that emanated from the communities as a natural attribute. With the passage of time, this attribute has undergone significant programmatic and institutional transformation. It has emerged as a distinct form of social and non-profit work.

There are, however, debates on the definition of philanthropy. Is it tantamount to social work or somewhat different from it? Nevertheless, there is a general understanding about concomitant features, which together define the scope of philanthropy, as follows:

- Involves the community
- For the good of the community
- Not for profit
- Can bring about social change
- Actions can be institutionalized

## CONTEXT OF PHILANTHROPY IN BANGLADESH

### PATTERNS AND LEVELS

#### A. Sources

The people of Bangladesh are endowed with a rich tradition and culture of philanthropy. The fertile soil of this delta has historically molded the mindset of its inhabitants as soft, peace-loving and spiritual. Religions that attempt to overcome social stratification and seclusion flourished here during the middle age. *Sufiism* that combines the liberal tenets of *Islam* and *Hinduism* embraced millions of hearts with the message of truth, love and duty.

Philanthropy has taken different forms. It may be individual. It may be institutional. Institutionalization also takes different shapes under different ideological and management forms and styles. Here, four broad categories of philanthropic entities are identified.

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<sup>1</sup> Encyclopedia Britannica

## 1. Individual

There are individuals who pursue philanthropy either as a natural trait or as a legacy of family tradition. Philanthropy was almost synonymous with charity work in the past. In the past, *Zaminders* and other members of the elite used to build dykes for protection of crops against floods, dig ponds to cater to the need for drinking water and set up institutions for education. Informal groups of volunteers were spontaneously created in response to emergencies to help victims of flood, famine and epidemics. There are many examples of *bonya tran samity* (flood relief society) or *poshu klesh nibaroni samity* (society for protection against cruelty to animals) in our literature. Such groups ceased to function when the situation improved. Youthful altruism, coupled with the contemporary ethical value of looking after the tenants when in distress, is the main inspiration behind such activities. With the passage of time, society has transformed significantly. Nevertheless, the natural idiosyncrasy of providing succor to the distressed has continued. We observe many individual and family efforts during times of such natural disasters as floods and cyclones.

During the devastating cyclone of November 1970 that swept away the coastal region of the country, volunteers from all nooks and crannies rushed to the victims with disaster relief. During the catastrophic floods of 1988 and 1998, cross-sections of people responded spontaneously with whatever resources they could mobilize. Families who were economically better off operated gruel kitchens and fed the flood-affected vulnerable people, particularly women and children. Experience has demonstrated that individual and family philanthropy has helped the people survive during the transition period before any official relief assistance reaches the affected areas.

## 2. Corporate

Efforts were made to institutionalize charity work and social welfare activities. Through this process, organized groups emerged based on person- or interest-oriented coalitions. Such coalitions take different forms, as follows:

- (a) *NGO*: One major form of corporate body is the non-government organization (NGO), which function under a host of regulatory provisions and acts. They operate with medium and long-term objectives and programs and address services to a particular clientele. There are over 22,000 registered NGOs in the country, though many of them are not functional.<sup>2</sup>
- (b) *Business House*: Business houses may also be grouped in this category, having some definite role in welfare activities. They create employment and provide utility services within the framework of general economic laws of profitability. The type of business one does is perhaps indicative of one's frame of mind and tenet. Some produce goods and services purely for the market. Others produce "socially desirable products," such as life saving drugs, juvenile literature, etc.

However, business houses are sometimes engaged in non-profit welfare activities. There are examples of established business houses funding and managing charity activities in

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<sup>2</sup> Ahmad, Mohiuddin: Bottom UP, NGO Sector in Bangladesh, CDL, Dhaka, 1999

the form of hospitals, schools, etc. An example is the Ispahani Group, which funds Islamia Eye Hospital in Dhaka.

(c) *Club/Association*: There are many informal or semi-formal collectives like clubs and associations, which render welfare services within small catchment areas. They run activities through individual subscriptions and donations.

### 3. Foundation/Trust

Foundations, in the context of our society, are mainly family or closed circuit coalitions. These are also corporate bodies in some form and they function like NGOs. They are treated as NGOs in the official literature. They run mostly charity works without any profit motive through a trust fund. Among the organizations still functioning with a non-religious character, Kumudini Welfare Trust is perhaps the oldest in the country, founded in 1944. It runs a hospital and several educational institutions. Among the recent ones are Khan Foundation, Ayesha Abed Foundation and Grameen Trust.

### 4. Religious

Charity work has a long tradition of religious orientation. During the British colonial period, Christian missionaries initiated many welfare activities. They constituted the first generation of non-profit organizations in the country. They selected remote and poverty-stricken areas to set up hospitals, schools, orphanages and so forth. Many such institutions have been functioning for well over one hundred years. Among the oldest still functioning is the Christian Mission Hospital, which was founded in Rajshahi in 1880. The legacy continues.

There are traditional educational institutions like *madrassas*, orphanages and mosques that are managed by individuals and groups with strong adherence to religious principles. Many of these institutions are not meant for the promotion of religion; however, they definitely provide services to members of particular religious communities. *Waqf* estates manage many of these.

*Waqf* is an old institution in which the individuals and families in the *Muslim* community donate part or all of their assets and properties in the name of a welfare institution or activity (like *madrassa*, mosque or orphanage). Income from such assets/properties is used to run these activities.

## **B. Purposes**

The main thrust of philanthropic individuals and organizations over the past years was social welfare activities. They are being increasingly incorporated into the mainstream of national development endeavors. NGOs, however, have emerged as the main form of philanthropic institutions. They are now acknowledged as partners in development. In countries like Bangladesh, external economic assistance plays a key role. A part of this assistance is channeled through the NGO sector. Sectoral allocation of such funds is often indicative of the donor preference, which reflects the international context of the aid regime. According to a study sponsored by the Asian Development Bank (ADB), the

largest number of Bangladeshi NGOs (59%) implemented their various programs with a major focus on “social welfare.” Thirty-eight percent implemented mainly “development” programs, meaning poverty alleviation and economic enhancement, and another three percent focused on religion.<sup>3</sup>

The voluntary sector is making inroads to different fields. Many of them are assuming multi-sectoral initiatives. They are implementing projects parallel or complementary to government initiatives. Major areas of involvement by this sector in Bangladesh are:

- Relief and rehabilitation
- Rural development
- Urban development
- Education
- Health and family planning
- Micro credit
- Women development
- Environment
- Agriculture, livestock and poultry
- Fishery
- Legal aid
- Policy advocacy
- Consumer issues
- Infrastructure development
- Disability
- Research and communication
- Vocational training

Organizations are increasingly shifting their thrust from charity work to the social and economic development of vulnerable groups. The oldest form of organized philanthropy was succor to the distressed in the form of relief and rehabilitation. Then emerged a host of organizations that involved themselves in the delivery of social services, particularly in the fields of health and education. Since the eighties, organizations have been participating more and more in economic development.

One important form of philanthropic giving is based on services. This includes, among others, counseling on different issues, facilitation in the marketing of products, and dissemination of information. Many producers’ cooperatives are benefited by such services. KARIKA is a pioneer in this field.

Policy advocacy on different issues of concern has been a recent activity by citizens’ groups and organizations. There are forums particularly involved in campaign and lobbying on such issues as conservation of the environment, gender equity, trafficking of women and children, good governance, and aid conditionality.

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<sup>3</sup> ADB, IDSS: Cooperation with NGOs in Agriculture and Rural Development, Manila, 1989.

Many issues are gaining prominence in line with the global environment. “Think globally, act locally” is a catchword from the seventies. The United Nations has promulgated collective initiatives, such as women’s development, which started in 1975 in Nairobi and was later reinforced through political commitments to the world’s women in Beijing in 1996 as “gender concerns.” The whole of the eighties was mainly focused on a global campaign for human rights. Since the late eighties, environmental concerns topped the list of priorities in the development agenda that took a definite shape at Rio in 1992. With the collapse of the bi-polar world, development of vulnerable groups and their mainstreaming became a lead agenda, culminating in the social summit at Copenhagen in 1995. Through these events, the voluntary sector of Bangladesh became integrated with global initiatives and networks.

## **CURRENT ISSUES**

### **ENABLING ENVIRONMENT**

#### **Legal and Regulatory**

##### Societies Registration Act

During the British colonial period, the voluntary sector was regulated as “literary, scientific and charitable societies” through the *Societies Registration Act of 1860*. This Act was promulgated for “improving the legal condition of societies established for the promotion of literature, science and fine arts, or of the diffusion of useful knowledge, the diffusion of political education or for charitable purposes.” Seven or more persons, by subscribing their names to a memorandum of association and filing with the Registrar of Joint Stock Companies, could form themselves into a society under this Act.

##### Voluntary Social Welfare Agencies Ordinance

The *Voluntary Social Welfare Agencies (Registration and Control) Ordinance* was promulgated in 1961 “to expedite the registration and control of voluntary social welfare agencies and for matters ancillary thereto.” A Voluntary Social Welfare Agency was defined as an:

“...organization, association or undertaking established by persons of their own free will for the purpose of rendering welfare services in any one or more of the fields mentioned in the schedule and depending for its resources on public subscriptions, donations or government aid.”

The Director of the Department of Social Welfare was appointed the registration authority. Organizations involved in the following activities were identified as voluntary social welfare agencies:

- Child welfare
- Youth welfare
- Women’s welfare

- Welfare of the physically and mentally handicapped
- Family planning
- Recreational programs intended to encourage people away from anti-social activities
- Social education, that is, education aimed at developing a sense of civic responsibility
- Welfare and rehabilitation of released prisoners
- Welfare of juvenile delinquents
- Welfare of beggars and the destitute
- Welfare of the socially handicapped
- Welfare and rehabilitation of patients
- Welfare of the aged and infirm
- Training in social work
- Coordination of social welfare agencies

#### Foreign Donations Regulation Ordinance

The *Foreign Donations (Voluntary Activities) Regulation Ordinance* was promulgated in 1978 to regulate the receipt and expenditure of foreign donations by NGOs. NGOs are required to submit certain information to the government in prescribed forms to obtain approval for undertaking projects with donations received from outside the country or from aid agencies of foreign origin working inside the country. Prior approval is also needed if an NGO wishes to have the services of a volunteer from outside the country. Later the government simplified administrative arrangements by setting up an NGO Affairs Bureau.

#### NGO Affairs Bureau

The government set up the NGO Affairs Bureau within the Ministry of Establishment (Prime Minister's Office) in 1990 to coordinate and regulate the activities of NGOs operating with foreign donations. NGOs of foreign origin also come under the purview of the Bureau. The necessary approval, known as *the FD Registration*, is obtained from the Bureau by concerned NGOs. Separate approval is needed for each project.

#### Government Policy

The government attitude toward the NGO sector, as manifested in its successive five-year plans and other literature, has been positive throughout. It was stated in the social welfare strategy of the First Five-Year Plan (1973-78), in which the government encouraged private social workers and organizations to participate in a coordinated manner on social welfare programs envisaged in the Plan.<sup>4</sup>

One of the strategies of the Third Five-Year Plan (1985-90) was to encourage NGOs to undertake programs in the fields of training, development of infrastructure and extension services for primary health care. It was also mentioned that the NGOs would be strengthened to provide social, health and economic benefits to women living in poverty.<sup>5</sup>

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<sup>4</sup> Planning Commission, Government of Bangladesh: First Five-Year Plan 1973-78, Dhaka, 1973.

<sup>5</sup> Planning Commission, Government of Bangladesh: Third Five-Year Plan 1985-90, Dhaka, 1985.

One “specific strategy” of the Fourth Five-Year Plan 1990-95 was to facilitate community participation through NGOs. In this context, the following aspects were explicitly mentioned:

- (a) “The Fourth Five-Year Plan considers the poor and the disadvantaged as relatively efficient and therefore aims at bringing them from the periphery to the center of the development process. The NGO activities, therefore should supplement the main thrust towards decentralized participatory planning with upazila as the coordinating unit.
- (b) Where the NGO activities have to be specific target group oriented, it would be advisable to fix income-generating targets for the respective income groups and specify strategies through which the poorer income groups can graduate to self-reliance over a specific period. Therefore, all NGO programs should aim at increasing the capability of the poor and the disadvantaged to save and invest over time so that a NGO can gradually withdraw its activities from the concerned area at an early date and shift its activities to another area not yet covered by such program of graduation to self-reliance.”<sup>6</sup>

Over the years, non-governmental voluntary initiatives grew and developed into a large sector in terms of membership and resources used. They are now an integral part of the aid regime and are currently absorbing one-sixth of total foreign economic assistance to the country. The government acknowledges the positive contributions of the NGOs and understands donor logic. Donors support NGOs on the ground that, given the existing “inefficiencies” of the government delivery system to reach the poor, NGOs can play a more creative role in overcoming gaps. This argument has created an indirect pressure on the government delivery system to become more efficient. The resultant competition between government organizations and NGO programs to reach the poor proves to be a healthy sign because it brings questions of cost-effectiveness, transparency and accountability of the use of public funds into sharper focus.<sup>7</sup>

While the facilitating role of the government is manifested in the creation of the NGO Affairs Bureau for one-stop service and the easing of some regulatory measures, the general attitude of a section of the bureaucracy towards the voluntary sector remains largely passive and hostile. The voluntary sector is often perceived by the government as a competitor for the scarce official development assistance. This is manifested in the delay of project approvals. Underhanded transactions to get projects approved have been reported.<sup>8</sup>

## **PUBLIC UNDERSTANDING AND AWARENESS**

Philanthropy is a natural trait. It sprouts and expands in a favorable environment. With the passage of time, people’s needs and expectations increase manifold. Under changed

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<sup>6</sup> Planning Commission, Government of Bangladesh: Fourth Five-Year Plan 1990-95, Dhaka, 1990.

<sup>7</sup> Planning Commission, Government of Bangladesh: Fifth Five-Year Plan 1997-2002, Dhaka, 1997.

<sup>8</sup> Ahmad, op. cit.

realities and circumstances, the role of the public sector is also being squeezed. Now there are many more private initiatives that are targeted to human, social and economic development. Development is no longer perceived as an exclusive domain of the government. This has created new ethos. More institutionalization has been taking place in the voluntary sector. Regulatory laws and institutional arrangements are periodically made and amended in recognition of growing public understanding and aspirations. Two decades ago, there were hardly any pressure groups in society outside of political parties. Now NGOs, professional groups and other civil society organizations are crystallizing to find their voices through the voluntary sector. This is a new global phenomenon.

The voluntary sector has come out of its traditional arena and is now contributing to development sectors. As the demand for such goods and services as consumer products industries, marketing, finance, banking and communication has been increasing, the voluntary sector is expanding its domain over these fields as well. The demand for and supply of these goods and services have resulted in changes in the enabling environment for the voluntary sector.

### **INTERSECTORAL RELATIONS**

Government and the voluntary sector are often compared, though they are not mutually exclusive entities. Government's attitude towards the voluntary sector has been sporadically mentioned in various official documents. In a circular of the Cabinet Division in February 1988, the government promoted the concept of intersectoral collaboration in the mainstream of the national development process. The government policy in this regard is summarized below.<sup>9</sup>

- (a) Participation in development activities will be encouraged if otherwise not found detrimental to government policy or national security.
- (b) Efforts will be made to ensure that the voluntary sector can implement programs smoothly within the framework of government rules and policies.
- (c) A project included in the national development plan of the government or a specific part can be implemented through the voluntary sector.

The collaboration first took place in a concrete manner in the field of health and family planning. Later this was extended to other fields, such as agriculture extension, fisheries, livestock and poultry, education, water and sanitation and training.

The collaboration between government and the voluntary sector works smoothly in some projects. The Bangladesh Rural Advancement Committee (BRAC), one of Bangladesh's largest NGOs, assisted the Ministry of Health in achieving its goals in the Expanded Program of Immunization. In the Population and Health Project, 45 local NGOs are responsible for the targeted delivery of maternal and child health-care and family planning services to the poor. Within the framework of agricultural extension projects of

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<sup>9</sup> Ahmad, op. cit.

the government, 23 NGOs are involved in the technology transfer of homestead agriculture. The Directorate of Relief and Rehabilitation, the Department of Fisheries and the World Food Program are jointly sponsoring a program of pond aquaculture within the framework of the Food for Work Program.

There are examples in which the collaborations resulted in a strained relationship. Conflicts have arisen due to lack of understanding of each other's perspective and lack of experience in working together.

## **CHALLENGES AND CONSTRAINTS TO SUSTAINABLE FUNDING**

### **GOVERNMENT ATTITUDE AND BEHAVIOR**

The government acknowledges the positive role of the voluntary sector and is willing to expand collaboration. This was reflected in a recent policy statement. The government expects that "the NGOs will continue to expand their pro-poor rural development projects. An effective GOB and NGO collaboration will be necessary. The fields in which such collaboration are feasible will be determined by mutual consultation." In an explanatory note, the government emphasized production and employment projects based on social mobilization of the poor for implementation. "Under the social mobilization strategy the poor at the grass-root will be enabled to organize themselves, identify their own problems, make their own development decisions particularly in areas which concern them most. This process would be helped by government functionaries, NGOs, other community organizations, people's representatives, local leaders and local government bodies."<sup>10</sup>

The voluntary sector is absorbing more and more external resources every year, an issue that emerged as competition with the public sector in pulling such resources. This has created antagonism within a section of the government bureaucracy that wants the voluntary sector to pull resources from within and perform a complementary role, instead of taking programs away.

Government wants the voluntary sector to stand on its own feet. No NGO is allowed to spend more than ten percent of its budget on administrative overhead. The NGO Bureau uses this as a criterion for project approval and thus intends to restrict NGOs from "lavish spending." However, the government has not formulated any regulatory provision to discourage the voluntary sector from using external funds.

The fiscal policy of the government does not favor charity work at the individual or corporate level. Individual contributions are not tax-free. NGOs had enjoyed tax-free "income" for investment in social development activities. This has since been abolished. On the other hand, contributions from the corporate sector for charity were tax-free until the nineties. At present, contributions to disability programs outside Dhaka city are

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<sup>10</sup> Planning Commission, Government of Bangladesh: Fifth Five-Year Plan 1997-2002, op cit.

exempt from tax. Existing fiscal policy works as a disincentive for the corporate sector to pull resources through income-generating projects.

### **PUBLIC AWARENESS**

People in Bangladesh are, in general, poor. They lack awareness of macro issues. Nevertheless, they try to extend a helping hand to members of their immediate neighborhood. The people want to work for the general welfare, as they are mostly guided by social norms and values with strong adherence to religious teachings. The religions in this part of the world encourage people to think good and to do good. But most of them are not aware of a broader perspective where individual efforts can be linked together. As a result, many of these efforts end up in individual charities on an *ad hoc* basis and do not sustain in the long run.

### **PROGRAMMATIC SUSTAINABILITY**

Presently the issue of programmatic sustainability is being debated as a core question. The legacy of welfare and development initiatives has predisposed traditional organizations into the belief that the disadvantaged sections of the community can be brought into the mainstream of development through the supply of key inputs like health, education and credit. This reflects a major capitalist theory of development from the fifties and sixties and is still strong amongst a number of NGOs today.

Many NGOs and the government attempted to overcome poverty by transferring resources from the center to the periphery, undermining the absorptive capacity of the latter. The distinguishing feature of the present generation of NGOs is that the commitment to self-reliance, and therefore sustainability, is based on an analysis of the communities within which the NGOs work, and of the strategies necessary to achieve their goals. The characteristics of proximity, trust, commitment, flexibility and cost effectiveness are still considered essential, but simply as components of the overall strategy for the poor to achieve self-reliance.

The emerging technology for stimulating self-reliant sustainable development amongst the rural poor has been the result of continuous debate with planners and civil society organizations. Its underlying assumption is that the poor can only move towards a position of self-reliance through their own organizational structure. The emphasis on institutional development of the grassroots groups and village organizations is indicative of this realization. Once this self-reliance is achieved, dependency on catalytic assistance and, therefore on external resources, would certainly diminish.

Some family endeavors seem to have more sustainable sources. One major form of foundations is the *Waqf* estates with assets and income sources. These estates do not pull much resource from the people.

## **CORPORATE ATTITUDE**

Corporate involvement in charity work is of recent origin. Several business houses provide charitable services. From an employment perspective, they are rendering an important service to society. With the exception of a few sporadic cases, their contributions to sustained welfare activities are limited. They, too, look for external assistance for welfare activities. For example, many female children lost their jobs in the garment industry because of the United States Congress' *Harkin's Bill*, which called for abolition of child labor. As a result, thousands of child laborers below fifteen years of age were displaced. No other option was left to them except going back to the informal sector. An innovative project was formulated for their rehabilitation. A curriculum was designed for their education in special schools. The BGMEA (Bangladesh Garments Manufacturers and Exporters Association) was asked to rehabilitate these children. The BGMEA contributed some money. The donor community also mobilized some funds. Special schools were set up by NGOs where the child laborers were enrolled as students. Each girl was provided with a stipend of Tk 300<sup>11</sup> per month, close to what they made as "apprentices." After the completion of the course, they went back to their respective jobs.

Since the bulk of the labor force in the readymade garment industry are women, there is a need for childcare centers. Some enterprises provide such facilities within their premises, but many enterprises in the formal sector do not. Some do not even maintain the minimum safety measures for their workers. As a result, many workers would be killed or injured if a fire breaks out.

A more favorable fiscal policy might have encouraged the corporate sector to become more involved in welfare activities. Though the corporate sector campaigns for exemption and reduction of taxes on their inputs and outputs, they seldom adhere to the general principles of minimum wage and work standards, and hardly lobby for the restructuring of fiscal policy for charity work. There are many examples in which the corporate sector runs social utility enterprises like hospitals and educational institutions as private limited companies within the framework of standard commercial norms. These enterprises function well, and are financially viable and sustainable. However, the services are available at very high cost and only a small section of the population can access them.

## **INDIVIDUAL ATTITUDE**

People help others, irrespective of their financial capacity. In fact, the poor seem to contribute more to society than the affluent class, as they are stronger followers of moral and religious teachings. In a predominant Muslim society, people help others, particularly poor relatives and neighbors, in the form of contributions like *jakat* and *fitra*. As these contributions are seldom institutionalized, they do not bring any significant social and economic change. There is a high degree of duplication and overlapping. In one sense, individual attitudes are very positive, as people are willing to contribute to the common good. In another sense, they are sporadic and do not result in any sustained change. If all

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<sup>11</sup> Equivalent to \$US 5. \$US 1 is equivalent to TK 58.

such contributions could be pulled together, a substantial amount of resources would be mobilized for planned actions.

## **INSTITUTIONAL DEVELOPMENT**

There are temptations for the development of an external agency, one that would be impatient to see problems being tackled. It may have a strong desire to pour resources immediately into the client organization once it is established. The best moment to provide external resources is when the local organization has developed sufficient internal capacity to absorb the external agency's assistance as a component of its other resources. Providing funds before an organization proves its worth creates dependency. It is like putting the cart before the horse. A problem of even greater significance is the temptation for developing agencies to create beneficiary groups simply as an absorptive mechanism for funds.

The Comilla Model of rural development pioneered by Akhter Hamid Khan in the sixties was instrumental in the mobilization of small and marginal farmers into functional cooperatives. Some of these groups eventually grew into successful cooperative societies, with millions of Taka as shares and savings.

In the seventies and early eighties, beneficiary groups developed and obtained strength through confrontation with antagonistic forces like the landed elite and private moneylenders. A major reason for their success was that they were not offered any financial promises. There are examples of landless groups in Sunamganj (sponsored by BRAC), in Noakhali (sponsored by *Nijera Kori*) and in Pabna (sponsored by *Samata*), who were involved in protracted struggles to gain access to community resources against the power elite and ultimately established effective control over *khas* land.

## **RESPONSES AND NEW DEVELOPMENTS**

### **BY SECTOR**

#### **A. Government**

In the backdrop of widespread poverty, unemployment and vulnerability to natural disasters, the government has been assuming important roles, not only in facilitating private initiatives, but also by directly implementing certain programs. The Ministry of Social Welfare (MoSW) was established in November 1989. The following areas were put under its disposal:

- Formulation of national policy of social welfare
- Subjects related to the development of neglected communities
- Running the affairs of a National Social Welfare Council
- Registration and control of voluntary social welfare organizations
- All matters related to the Directorate of Social Welfare

- Provision of financial grants to voluntary social welfare organizations
- Implementation of Vagrant Act and running centers and orphanages for vagrants, the poor and the destitute
- Matters related to education, training and rehabilitation of persons with disability
- Rehabilitation of beggars, vagrants and those involved in juvenile crimes
- Rehabilitation of prisoners after their release
- Liaison with international welfare organizations
- Collection and preservation of relevant data
- Enforcement of laws related to the Ministry

The Ministry of Social Welfare, including the Directorate of Social Welfare, does not have adequate staff and resources to implement programs for which it has a mandate. However, the MoSW has a regular program of providing financial grants to local NGOs. This program helps many small local initiatives to sustain.

Among the most recent initiatives of the government are: an old age pension program serving more than 0.4 million persons; financial assistance to over 0.4 million destitute women (widowed or abandoned); a project for capacity building of street children; and a project for sustainable livelihood of socially disadvantaged women and their children.

## **B. Business Community**

Social welfare activities by the business community have been mostly limited to the fields of health and education. They are self-financed enterprises. Most are individual and family endeavors.

One recent corporate initiative is a service-oriented organization named MIDAS (Micro Industries Development Assistance and Services), established in 1982 with financial support from USAID. Its objective is to generate employment opportunities by promoting the development of small enterprises. Among its activities are counseling, training on business development, organizing sales outlets and extending loans and equity support to small entrepreneurs, particularly women. Since 1993, it stopped receiving outside financial support and has been running on a self-sustainable basis. Until 1998-99, MIDAS developed 1,481 projects, of which 1,265 were financed. In 1998-99 alone, it financed 227 projects.

The business community possesses the potential to contribute more in the field of philanthropy, as it has resources. As the profit motive is the driving force of this community, certain incentives are necessary to attract businesses. This necessitates an amendment in fiscal policy. On the other hand, members of the business community need more education and awareness about social development programs and priorities. Established NGOs should develop appropriate orientation courses and exposure programs for them.

### C. Civil Society

In the context of Bangladesh, mainstream civil society formations are mainly philanthropic groups, citizens' coalitions and professional bodies. Amidst a deep-rooted philistine outlook, hypocrisy and feudal remnants, sporadic civic actions take place against the prejudicial acts of the government and the hegemonic stratum. These activities are few in number, but perhaps they are increasing slowly and gradually. Given a legacy of colonial and military administration, civil society is still very weak and in a formative stage. Civil society formations are the constituency of the intelligentsia, and many of them have been developing outside the domain of the NGOs as self-reliant independent entities. This is a recent phenomenon since the eighties.

Issues broadly addressed by the civil society in the context of philanthropy are mainly in the fields of education, health and environment. Activities are mainly targeted to enhance social awareness through the sharing of information, advocacy and lobbying. Some examples are cited below. These examples manifest a high degree of participation by the people.

- (a) The Rotarians are involved in the "polio plus" campaign. Activities include a campaign, citizens' rally, the mobilization of resources and an action program for the eradication of polio.
- (b) Several citizens' groups are involved in anti-smoking and anti-drug campaigns. *Adhunik*, a group of physicians and social workers, has been campaigning against smoking for over a decade.
- (c) *Lions Club* is involved in eye care, particularly for the elderly. It arranges temporary eye clinics in different urban and rural areas of the country and treats poor eye patients free of cost.
- (d) *Sandhani*, an association of medical students, is mainly involved in raising awareness for blood donation. Citizen response to Sandhani is spontaneous and exemplary. It helps many poor patients during emergencies.
- (e) In recent years, human rights journalism has developed considerably. Correspondents try to report incidents of human rights violations occurring in remote villages, sometimes risking their lives. They have reported on violence against vulnerable groups, including women and minorities, corruption of a section of public servants and political leaders, misappropriation of public resources, etc. Press reports are increasingly used as input for lobbying, campaigning and action by advocacy groups and human rights organizations. The print media has emerged as a powerful tool of the civil society. The media often takes the initiative in mobilizing resources from the citizens and then spending the money for rehabilitation of the victims of political and social oppression. Recently *Prothom Alo*, a national daily, was involved in a campaign for raising money for rehabilitation of the victims of acid burn. It received positive responses from all walks of social life.

## INNOVATIONS

Government, donors and philanthropic organizations have respective strategies for fundraising. External resources are becoming increasingly scarce. The government is trying to become more self-reliant by decreasing its dependence on external aid and increasing mobilization of domestic resources. It is trying to strengthen its resource base by expanding its taxable capacity and fiscal restructuring.

The donor community is trying to withdraw from traditional mechanisms of funding. For example, it operates a micro credit program to provide a revolving fund to its NGO clientele, so that the credit program of the NGO can sustain on its own. It has been observed that the service charge earned through the program is sufficient to cover its overhead expenses.

About 1,000 NGOs in Bangladesh are involved in the micro credit program. In order to maintain the revolving fund, the government established a facilitating organization named the Polly Karma-Sahayak Foundation (PKSF) in the early nineties under a joint government-donor initiative. PKSF provides soft loans to grassroots cooperative societies and micro credit NGOs at a five percent rate of interest, whereas the latter are free to charge an interest rate of up to 16 percent to their clients. This enables the NGOs to cover management costs and earn a nominal profit. It also ensures the judicious use of the revolving fund by the lending organizations at the grassroots level, as the loans must be repaid.

One major form of attaining sustainability is to embark on commercial ventures. This provides some NGOs and foundations with a measure of independence, as well as protection against uncertainty. Such support enterprises provide income for welfare-oriented programs. For example, BRAC, a leading NGO in the region, has been able to meet three-fourths of its financial requirements by resources earned from commercial ventures. *Gono Shasthya Kendra* runs a pharmaceutical factory and a couple of hospitals. ASA, another national NGO involved in large-scale micro credit program, meets its administrative costs entirely from interest earned on its loans. A few NGOs, including BRAC and *Proshika*, run Internet services on a commercial basis.

In view of increasing “aid fatigue,” NGOs have been trying to develop their own resource base for sustainability. In recent years, some of the NGO commercial ventures have been subject to severe criticism from the “private sector,” as the latter reportedly face uneven competition from the NGOs that do not pay taxes on some of their commercial ventures. NGOs argue that they do not appropriate profit from these ventures. Rather, they spend these resources on other development works for the community. The ongoing debate is whether NGO commercial ventures should enjoy tax relief for financing their philanthropic activities, or should incentives be provided in some other form.

Another recent innovation is the Bangladesh Philanthropy Resource Centre of the Bangladesh Freedom Foundation (BFF). Launched in May 1999, BFF is committed to promoting three fundamental freedoms in Bangladesh: freedom from poverty,

freedom from ignorance, and freedom from oppression. Underlying BFF's work is the belief that it is only in an environment of freedom that the creative potential of a people finds its most productive expression, and that an actively involved and vibrant citizenry can play a catalytic role in the process of economic development and social change.

In 2000, realizing that the potential of philanthropy as a resource for development and social change in Bangladesh remains largely under-tapped, BFF established the Bangladesh Philanthropy Resource Centre. In order to contribute to the creation of an institutional and policy environment conducive to the promotion of indigenous philanthropy, the Centre seeks to increase understanding and awareness of philanthropy as a practice and as a resource for development and social change; undertake studies and action programs on government policies, legislation, and institutional support systems, and recommend policy changes that could be conducive to informed, organized, and effective philanthropy.

## **CONCLUSION**

Philanthropy is a natural phenomenon. On the demand side, there is a need for succor, support and solidarity. On the supply side, there are individuals and groups who tend to offer services for vulnerable people. As society moves forward, immediate needs are fulfilled. Still new demands are created, thereby creating a new era for philanthropy. Philanthropy may be viewed as a need, as an ideology, as a profession and as an obsession. It assumes different forms at different times and under different circumstances. In human society, every woman and man has an obligation to other fellow beings. Philanthropy is a reflection of such an obligation. It is not only a passion for charity, but also a state of mind, a way of life.

Philanthropy, as a positive agenda for society, needs to be promoted and strengthened. In order to facilitate more pro-active initiatives, the following are suggested to create a more conducive environment in this field:

- (a) The role and involvement of the actors in the field of philanthropy should be more clearly spelled out in Government's policy documents. In official documents, general policy guidelines have been mentioned, but clear delineation of roles and responsibilities is absent.
- (b) Incentives in the form of fiscal measures should be provided to concerned individuals and organizations in order to attract more investments in social entrepreneurship.
- (c) Appropriate administrative arrangements should be made to pull resources from individuals for planned investments in the social sector.

## **PARTICIPANTS OF THIS PAPER**

This paper is the result of two rounds of in-country discussion meetings on Strengthening Philanthropy in Bangladesh, organized by the *Bangladesh Freedom Foundation*, Dhaka. This paper has been revised and edited on the basis of a report on the in-country meetings prepared by Mohiuddin Ahmad. Participants of the meetings were as follows:

First In-country Discussion Meeting  
BFF Conference Room, Dhaka  
March 19, 2001, 09:00 – 13:30

1. Mr. Ruhul Amin  
Vice President, Haqqani Mission Bangladesh, Dhaka
2. Mr. Safi Rahman Khan  
Country Director, Ashoka Foundation, Dhaka
3. Dr. Iftekhar Zaman  
Executive Director, Bangladesh Freedom Foundation
4. Mr. Mohiuddin Ahmad  
Chairman, Community Development Library, Dhaka
5. Mr. Selim Reza Ahmed  
Program Coordinator, Dhaka Ahsania Mission, Dhaka
6. Mr. Md. Shahidul Haque  
Executive Director, Social Assistance and Rehabilitation for the Physically Vulnerable, Dhaka
7. Mr. Osama Taseer  
Director, Tiffany's Wear Ltd., Dhaka
8. Mr. Maqsood Sinha  
General Manager, Waste Concern, Dhaka
9. Mr. Sarder Md. Asaduzzaman  
Program Officer, Bangladesh Freedom Foundation, Dhaka
10. Mr. Saidul Haque Chunnu  
Executive Director, Blind Education and Rehabilitation Development Organization – BERDO, Dhaka

Second In-country Discussion Meeting  
WVA Auditorium, Dhaka  
April 28, 2001

Dhaka

1. Mr. Ruhul Amin  
Vice President, Haqqani Mission Bangladesh, Dhaka
2. Dr. A. I. Begum (In-charge)  
Trustee, Radda MCH-FP Center, Dhaka
3. Prof. AQM Mahbub  
Director, Disaster Research, Training and Management Center, Dhaka
4. Mr. Muhammad Jahangir  
Executive Director, Center for Development Communication, Dhaka
5. Ms. Perveen Ahmed  
Chairperson, KARIKA-Bangladesh Handicrafts Cooperative Federation Ltd., Dhaka
6. Mr. Khandaker Jahurul Alam  
President, National Forum of Organizations Working with Disabilities, Dhaka
7. Dr. Dilruba  
Director, Center for Training and Rehabilitation for the Destitute Women, Dhaka
8. Mr. Safi Rahman Khan  
Country Director, Ashoka Foundation, Dhaka
9. Ms. Sylvia Mondol  
Executive Director, Mother and Child Integral Welfare Organization, Dhaka
10. Mr. Akku Chowdhury  
Director, Liberation War Museum, Dhaka
11. Mr. Harun –Ur-Rashid  
Director, Community Development Library, Dhaka
12. Syed Tamjidur Rahman  
Director, ChangeMaker, Dhaka
13. Ms. Ramsa Rahman  
Program Officer, Bangladesh Fund Raising Group, Dhaka

14. Mr. FM Sarwar Hossain  
Assistant Coordinator, Bangladesh Nari Progati Sangha  
(Bangladesh Women's Progress Organization), Dhaka

15. Mr. Lt. Col. Shahriar A. Chowdhury (Retd.)  
Head of Human Resources, Transcom Electronics Ltd., Dhaka

16. Mr. Shahjahan Kabir  
The Asia Foundation, Dhaka

17. Dr. Iftekhar Zaman  
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19. Ms. Rahima Sultana Kazal  
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20. Mr. Habibul Bashir  
Executive Director, Socio-Economic Development Assisting Center, Jhenaidah

21. Ms. Nurunnahar Baby  
Convener, Nari Oikkyo Mancha, (Women's Unity Forum), Sylhet

22. Mr. Badiul Alam  
Executive Director, Dristihin O Dustho Kalyan Sangstha, (Blind & Distressed Welfare Association), Barisal

23. Mr. Ruhul Amin Sidduque  
Executive Director, Tripartite Development Council, Rajshahi

24. Mr. Nasiruddin Faruq  
Program Officer, Shushilan (A civil society organization), Satkhira

25. Mr. Mahmood Hasan  
Executive Director, Alternative Development Organization for Research and Evaluation,  
Khulna

26. Mr. Himangsu Mitra  
Chief Executive Officer, Association for Youth Advancement, Sylhet

27. Mr. M.A. Samad

Executive Director, Center for Community Development Assistance, Daudkandi

28. Ms. Anita Das Gupta  
Secretary, Jagrata Mahila Samity, (Conscious Women Association), Sylhet

29. Ms. Nargis Chowdhury  
Executive Director, PALOK – A Platform of Rural Disadvantaged People, Kushtia

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## Case Studies<sup>12</sup>

### 1. Phulki

According to the Factory Act of 1965, it is mandatory for a factory management to provide childcare facilities in the establishment if there are more than fifty women workers. Unfortunately, factory owners often think having childcare centers in these factories would increase costs and hamper their business interest and, in the absence of legal coercion, show little interest in adhering to the Act.

Suraiya Haque and her CSO, *Phulki*, have taken an initiative to prove that compliance to this law will bring more profit to the factories in the end. *Phulki's* aim is to implement sustainable day care centers in factories by creating a joint venture between major stakeholders, such as, mothers, employers and its own organization. In 1996, it launched a pilot childcare project. *Phulki* approached a garment factory owner with the idea and convinced him for partnership in the pilot project. With some fund from *Radda Barnen*, the first factory-based day care center was launched. According to an agreement, the factory owner provided the space for the center, while fund from the donor covered all operating costs.

The pilot exercise was a success. *Phulki* focused on sustaining the centers without donor fund. Therefore, the second day care center was launched with the factory owner providing the space, all start-up costs and agreeing to pay salary of caretakers. The mothers with some contribution from *Radda Barnen* brought food for the children and paid 50 Taka each annually to *Phulki* for the service.

Under the agreement with factories, *Phulki* manages each center for a period of six to twelve months. The factory management then chose to take over the operation for which *Phulki* provides management training. If the factory decides not to take over the center, *Phulki* continues the service in exchange of a management fee.

*Phulki* has demonstrated that factories have large economic gains in the form of higher productivity and regular attendance of the workers. *Phulki* started 55 centers, 20 covering 24 factories and 35 in other work places. It currently manages 15 day care centers.

### 2. Waste Concern

Dhaka city with a big population of about eight millions is experience serious difficulties in dealing with waste management. The amount of solid waste generated everyday is about 3,500 tonnes. Bulk of this is left uncontrolled, as the municipal authority does not have the capacity to cope with it.

In response to this problem, Maqsood Sinha and Iftekhar Enayetullah and their organization *Waste Concern* have taken an initiative of setting up a network of community based compost plants for converting household garbage into bio-fertilizer. The program has created a self-sustaining service by engaging the community, public bodies and private sector enterprises.

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<sup>12</sup> Source: Ashoka Foundation

Scarcity of land for waste processing was a problem. *Waste Concern* convinced the *Lions Club* to allow its land for the project. After successful demonstration, *Waste Concern* convinced some government agencies possessing vacant land to set up pilot compost plants in different parts of the city.

*Waste Concern* has also initiated a program in slum areas where the residents are participating in composting their kitchen waste in specially designed compost barrels. *Waste Concern* buys the compost and the profit is shared amongst the slum dwellers. The compost is sold to buyers needing organic manure for enriching their land.

*Waste Concern* has signed a memorandum with the Dhaka City Corporation, the Public Works Department and Dhaka University for setting up compost plants in eight different areas of the city. It has also signed a three-year MOU with a fertilizer company for supplying the compost.