NGO Governance in Bangladesh: Quest for Accountability and Transparency

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Bangladesh is well endowed with a dense and neatly designed network of Non Government Organizations (NGOs). Approximately 45,000 NGOs are registered with the Ministry of Social Affairs and there are around 2000 development NGOs currently operating in Bangladesh. Amongst these development NGOs, a small group of very large NGOs stands out as having grown to unprecedented size and importance. The dominance of large NGOs is more pronounced when focusing on micro credit sector. There are around twelve hundred Micro Finance Institutions (MFI) but the industry is dominated by four large MFIs (BRAC, Grameen Bank, ASA and Proshika) that serve around 14 million or 85% of all clients (NGO Affairs Bureau, 2008).

Three decades of growth in the NGO sector reached to a certain point where the issue of internal governance mechanism of NGO gained prominence. The rapid growth and diversification of the sector have also given rise to questions and concerns (Khan, 2003). Government is concerned about alleged NGO involvement in proscribed political activity and financial irregularities, a concern that led to a freeze on foreign funds of some NGO s as well as moves to tighten the regulations overseeing NGOs. Observers within and beyond the sector also acknowledge the weakness of the existing regulation overseeing NGOs.

The NGO governance in Bangladesh is concentrated within three areas: i) accountability to the people (internal accountability); ii) accountability to government rules and regulations (external accountability); and iii) accountability to funding organizations (external accountability). The big question is how this accountability and transparency to be achieved. Participation of clients in NGO decision-making is one of the established ways of achieving it. More, recently, there have been efforts to include poor service receivers in decision-making and regulatory bodies of NGOs. Still it is debatable how much space is made available to the poor and marginalized people. In many instances participation turned out to be a tool that enabled local communities to agree with what NGOs already intended to do. This paper explores the accountability frameworks and processes exist in Bangladesh and try to critically analyze the effectiveness of these mechanisms to the mandates, claims and constituencies of development NGOs in Bangladesh.

NGO accountability works at the macro-level as well as the micro-level. Accountability at the macro level implies ensuring congruence between institutional policy and actual implementation and the efficient distribution and use of organizational resources. This requires not only financial accountability but also effort on the parts of internal and external actors to monitor the overall economic performance. Accountability at the micro-level is increasingly emerging as a focus of the NGO sector in Bangladesh. It entails shifting of accountability directly to citizens and service receivers. There are two types of mechanisms to enforce micro-level accountability. They are exit mechanisms and voice mechanisms. ‘Exit’ mechanism denotes the scope of service users to ‘exit’ from an unsatisfactory service. Such an exit risks incomes and affects the job security and pay prospects of the service provider. The ‘voice’ mechanism allows articulation of preferences and demands by the service users. It is empirically proven that accountability is increased when NGOs are made more responsive and work in a competitive environment (Mander and Asif, 2004). Though these mechanisms are some extent in operation, their effectiveness has not been uniform. Both these mechanisms are availed mainly by the privileged section of the society. The poor cannot often demand accountability from NGO officials, as they do not have enough voice. Besides they cannot easily exit from services because of their economic restraints.
This paper aims to explore the theoretical understanding of NGO accountability and transparency and compare this theoretical framework with the current rules, regulations, policies and practices and to identify and analyze the problem areas of internal governance of NGOs. Because of the vastness and diversification of the sector, this study only covers the development NGOs and their governance issues.

References


