

PART ONE

The Country Report

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1 | Introduction

This study has been undertaken to understand the culture of giving voluntarily for the good of other people. Such giving is an old practice all over the world going back to hundreds of years before Christ, and has its roots in the value of “sharing and caring” for the common good. Bangladesh is no exception. However, in this context it is important to remember that this culture has survived and changed in form and substance over time. In recent years there has been a growing realization that besides the government and for-profit private enterprises, a large number of organizations are formed and sustained by people acting voluntarily to provide services to others without the consideration of personal gain for the initiators. It is important to note that recently the recognition of the importance of social capital for development has provided impetus to understanding the nature and function of these non-profit organizations. It is however recognized that these organizations need funds to remain active and provide continued service. The sustainability of these organizations depends largely on how funds are mobilized and managed. Many of the organizations do not operate to generate a surplus and they provide service to members at a nominal price. These organizations grow out of private initiative and are managed by private individuals but operate within the regulatory environment of the legal framework created by the government. Such organizations may pursue limited objectives that are confined within the commonality of interests of the members but quite often they operate to benefit others in the community. The funding of such organizations vary widely ranging from government or donor grant to the generation of surplus through its activities; the smaller ones with restrictive focus depend on membership contribution and support from their community or beneficiaries while larger ones have external sources and/or activities that generate surplus. The legal format for the operation of such organizations vary as options exist as to the forms of legal entity in most countries.

This tradition of voluntary organization has been in existence for centuries in what is now Bangladesh. It is noted that volunteering is a part of the culture and religion of the people of Bangladesh dating back to pre-Aryan days, when the community was the prime organization led by an elder. But it is difficult to find documents on that period. In an article, Samiul Hasan discussed the organizational, spatial, financial, structural, functional and organizational diversity of not-for-profit voluntary organizations in Bangladesh based on a survey and field study that was conducted in the early '90s. He concluded that such organizations mobilize significant resources through voluntary contributions and that despite diversity in involvement and some income-generating activities, these organizations need to develop a marketing strategy for their services to generate surplus for the sake of sustainability and self-perpetuation.

The focus of this study is on resource mobilization by non-governmental organizations. The study has used the case study method to look into the income flow of 20 organizations and their organizational structures including issues of volunteerism, leadership and management. The study also includes the results of a household survey and a survey of voluntary institutions. The household survey was undertaken to understand who gives financial support to whom and why. The survey on institutions, especially non-profit organizations, was undertaken to see how the funds are received, from whom and for what purpose.

The study starts with a synoptical overview of the geography, history and culture of Bangladesh, recent socioeconomic developments, followed by a specific discussion of the survey and case study findings. The study ends with certain observations and recommendations. ▶

2 | Geography, History and Culture

Bangladesh is a small country (56,000 square miles). It extends from the Bay of Bengal in the south and merges into the foothills of the Himalayas in the north. It is surrounded by Indian territory on three sides. This tropical landmass is the largest delta in the world and funnels the outflow of the Ganges-Brahmaputra-Meghna rivers. The country is predominantly flat having highland tracts in the upper middle, southeastern and northeastern parts of the country.

Bangladesh is an old country with an old civilization. The culture of the people is essentially a composite one, a mosaic of various elements drawn from disparate sources ranging from pre-Aryan indigenous people to Aryans who largely displaced them with an anthropomorphic but higher order of culture in terms of cultivated learning, use of tools of production and institutionalization of the social strata for governance and production. Hindu and Buddhist dominance was overtaken by the intrusion of the Islamic culture particularly after the thirteenth century. This culture was an amalgam of Arabic, Persian, Turkish and Central Asian influences. Then came the Christian European influence through the Dutch, Portuguese, Armenians, French and British. The forte of Bangladeshi culture, where the Muslims are a dominant majority, "lie in the literature and music, mysticism and metaphysics." Thus a mixture of different religious and cultural traditions arising from its historical past has led to the development of a rich and diverse cultural heritage expressed in daily lifestyle, art, music, theater, etc.

The South Asian subcontinent, of which Bangladesh is a part, was partitioned in 1947 when the British departed, giving the reins of power to the Congress in India and Muslim League in Pakistan. The region which is now Bangladesh was known as East Bengal and later as East Pakistan. As a part of Pakistan, the province of East Pakistan was subjected to military non-democratic rule, centralization of administrative power and non-equitable access to development resources and investment in modernization.

This resulted in a transformation of the two regions into two polities and two economies. The process resulted in the liberation war in 1971 and the establishment of a new independent country, Bangladesh. Since independence, Bangladesh has been subject to recurrent famines, non-democratic political rule and natural disasters. The democratic governance since 1991 has helped the civil society to get organized and articulate demands for the establishment of the social, economic and political rights of all citizens in a just, tolerant and democratic state.

The culture of giving is rooted in the social history and religious beliefs of the Bangladeshis. Sharing and caring have been eulogized in its folk tales and literature. Sacrificing everything one has, even life, for the good of others, in defense of what is just and for saving what is best, are part of the belief system of the people. Historically, the social leaders and administrative decision makers have made provisions for the public good, e.g., providing safe drinking water, caring at times of epidemics, collective provisioning at times of famines and natural disasters such as floods and cyclones. As natural disasters are regular visitors to this part of the world, such social callings have become a part of the ethos that govern the psyche of the populace. History is replete with tales of kings giving away their riches, the poor becoming wealthy because of kind deeds, visible signs/blessings from the Almighty for doing a good turn to a downtrodden and helpless person or even an outcast. Such tradition has prompted religious giving to mosques, temples, churches, makhtabs and madrassas (Islamic schools), tolls (Hindu religious schools), etc., and the creation of “social endowment” for public good. Charity has always been cherished as the ultimate form of good deed. Social leaders like Ishwarchandra Vidyasagar (the famous Hindu social reformer and philanthropist of 19th century Bengal) or Muhammad Muhsin (the famous Muslim philanthropist of 19th century Bengal) have been eulogized for their generous help to others and for founding educational endowments. Zemindars, large estate holders, have always established or helped to establish educational institutions or charitable dispensaries. Creating what is known today as social capital was the prime responsibility of the well-off. In many ways, with the advent of donor-aided corporate NGOs and the migration of the rural elite to the urban metropolis resulting from the abolition of the Zemindari system, such social giving has been disrupted, though religious giving has not been much affected. The culture of giving continues, but the marketing approach for collecting the offerings has not been there in the primarily non-monetized rural society of Bangladesh. Urban

society is hardly one generation old and thus a systematic approach to giving and a marketing approach for mobilization of the funds is at the nascent stage. ▶

3 | Legal and Regulatory Environment

The legal and regulatory framework of Bangladesh has been a product of the common law legacy left behind by the British with Muslim and Hindu laws being operative in specific areas of philanthropy.

Bangladesh is a unitary state with powers centralized at the apex level. As a result, local level governance is weak. There has been much discussion about administrative reforms but no meaningful reforms of structure, institution or devolution of powers have taken place. Civil service reform has basically addressed the issue of vertical structure and changed the hierarchy at the horizontal level. Legislative reform is overdue and the legislature is yet to address the issues of non-profit organizations now active in various sectors. The judicial system is yet to be independent of the executive and its capacity remains constrained in the absence of legal reform.

There are different legal forms available for a non-profit organization to be a legal entity. A non-profit organization is required by law to register. In Bangladesh, there are many non-profit organizations which are not registered with the government and they operate informally as an association of individuals after adopting a constitution for its operation. This is necessary to open an account with a bank.

Of the legal forms, the most often used is the unincorporated association. For this, the relevant law is the Societies Registration Act of 1860 (SRA), which is the earliest legislative framework to make provisions for the registration of societies. Such societies can be formed at will and range from small semi-formal common interest groups to large social and religious organizations. A variety of activities are carried out by societies registered under this act ranging from promotion of thrift to undertaking charitable, educational, cultural, social and scientific activities. The SRA gave to societies

- (a) legal entity;
- (b) right to own property; and

(c) legal capacity to sue and to be sued.

Each society/association usually draws up its own constitution, articles, rules and bylaws which is submitted to the registrar at the time of registration.

The Trust Act of 1882 provides the legal cover for private acts of public charity. The charitable trust is also inherited from common law. A charitable trust is an obligation that rests on the trustees as owners of a trust fund or property to manage these for the advancement of objectives mentioned in the trust deed which must be registered with the designated authority. Muslim law allows trusts to be formed for the benefit of siblings or for public good or for religious purposes. Hindu law also allows the formation of trusts for religious purposes and/or for public good. Foundations may also take the form of a charitable trust. The Charitable Endowments Act of 1890 also allows for the creation of endowments, the income from which is to be spent for charitable purposes and for the advancement of any objective of public good as may be specified.

The Voluntary Social Welfare Registration and Control Ordinance was promulgated in 1961 to provide government assistance to social work in an organized manner to provide institutional support to the disadvantaged groups. In many respects it is similar to SRA 1860 except that the registration is done with the Department of Social Welfare. The ministry extends registration easily, provided the constitution of the organization is drawn up according to its given format. The non-metropolitan associations prefer to be registered under this act.

The Companies Act of 1913, amended in 1964, contains a provision for registering non-profit companies. This act provides a strong legal entity and the provisions of the act require adherence to all the rules and regulations of a private limited company.

The Cooperative Societies Ordinance of 1964 also permits voluntary organizations to be registered but this is not popular with associations mainly engaged in government sponsored savings and loans activities and some groups of people performing similar activities (e.g., small traders, non-mechanical transport owners, etc.)

The government promulgated the Foreign Donation (Voluntary Activities) Regulation Ordinance in 1978 to oversee and control the flow of foreign donor funds to voluntary organizations. This requires all non-governmental organizations to register with the NGO Affairs Bureau and pro-

cess papers to get permission to receive funds. Before formal permission, the bureau requires clearance from the concerned ministry (according to area of work) and the Ministry of Home Affairs. Further in 1982 the Foreign Contribution (Regulation) Ordinance was promulgated to widen the coverage to all contributions. After 1990, some relaxation has taken place but still the control is significantly tight.

From the above, it is clear that formal registration with a government agency is a requirement to acquire legal entity, and the laws also impose certain conditions for according registration. Even though the registration process has remained largely a formality it has some continuing clauses and its tangled process can delay or deny formation of association. Transparency of the process is not yet a subject of debate but its arbitrariness can cause harassment. To avoid this, many small associations prefer to operate without registration. The registration is not compulsory and it is only a requirement if certain benefits are to be accessed, e.g., government grant, foreign funding, tax-exempt donation. However, the prevention of fraudulent practices, which has been reported in the press with respect to operation of micro-credit associations, does suggest positive aspects of registration. In the context of Bangladesh, informal or unregistered associations and societies seem to be quite large in number even though the registration process is a simple, one-stop, single-step system. However the receipt of foreign funds would require two-step registration. It needs to be noted that registration is merely a permission system. The laws offer a choice of various legal forms. The most common are societies and cooperatives. Trusts and non-profit companies are rare. The limitation on business activity for organizations registered under the Societies Regulation Act or Voluntary Social Welfare Registration Act remains. Only incidental activities related to the purpose of the society is permitted but surplus so generated has to be ploughed back for the continued performance of the objectives of the society/association. It may be recalled that organizations can only undertake specific activities, such as education, sports, culture, research, arts, science, relief, charity, and the like. The charitable purpose has been well defined under the common law, i.e., advancement of education, advancement of religious activities, poverty alleviation, and activities beneficial to the community. The trust registration requires a property or endowment, and non-profit companies require capital.

Bangladesh is a country with many voluntary organizations of various kinds. It has now come to recognize that the existing laws and regulations need harmonization. Inconsistencies need to be removed.

In Bangladesh, as is clear from the above, the controlling agencies are the Department of Social Welfare, the Registrar of Societies, the NGO Affairs Bureau and some line ministries, e.g., Women and Children Affairs. However in matters of taxation, the National Board of Revenue is in the picture and in matters of clearance the Home Ministry plays an important role. The controls are over registration, receipts of foreign funds, appointment of expatriate officials/volunteers, use of funds, dissolution. The laws of the land also empower relevant authorities to inspect, supervise and monitor and take over an association in case of dispute or complaint.

Tax exemption status is unclear. It is known that funds used for “charitable” purposes are exempt from taxes. The government’s donations to associations require dispensation by the National Board of Revenue to be tax exempt. Until recently, the business income of societies/associations were considered tax exempt but in fiscal year 2001, the government imposed a tax rate of 25 percent on representation of trade bodies. Passive income, i.e., dividend, interest, rent, royalties, capital gains, etc., so far has not been taxed. It seems that passive income, unless explicitly exempt, may come under the purview of the new financial law.

The laws, except those related to non-profit companies, do not require a capital structure and incentive for capital accumulation. The societies and associations under prudent management accumulate capital through receipt of funds or income generating incidental activities. The trusts are required to protect basic property and augment it through its contacts and activities. The Societies/Associations are allowed investments where principal is not subject to speculative destruction. The use of foreign fund is restricted by conditionalities and even interest income cannot be generated through its use, although construction facilities and procurement of equipment to perform designated activities agreed upon by the two parties and vetted by the NGO Affairs Bureau are permitted.

The Social Welfare Registration Act provides a structure of internal governance while such structure for all associations/non-profit companies are given in their constitution or memoranda or trust deed. The basic management policies are put forth in the rules and regulations. Most associations are too dependent on the founder/founder members or the persons in the executive committee. The basic duty of the functionaries is administration of funds and properties in a manner that is consistent with the objectives of the association. In performing their function, such executives are obliged to observe “a duty of care and a duty of loyalty” so as to act in good

faith, honestly, prudently, reasonably and rationally with a vision, always avoiding conflicts of interest.

The accountability of these associations is expressed through an annual report and an audited account presented to the general body of members and submitted to the registration body as per law. The annual reports are filed with the designated government agencies as well as the donors. The audited report is also filed along with the annual report. Bangladesh has no commissioner of charities nor is there an express requirement to file audited accounts with the income tax department.

The laws of the country do not require such associations to make public disclosure of their activities or their accounts; nor is there a general provision for inspection and audit by a government agency except in case of complaint and dispute, particularly for those which are registered with the Department of Social Welfare. However government supervision and control are blurred in the legal system of the country. But civil law jurisdictions may provide such opportunity through common law tradition.

A dissolution clause is mandatory in all deeds, memoranda and constitutions of the associations. The grounds of dissolution are not specified in law but a given procedure is to be followed by the general body of members. The dissolution of an agency by the government is derived from the common law tradition and grounds include improper use of funds, activities outside the purpose of the association, inability to pay debts, violation of terms and conditions of registration, etc. ▶

4 | Social and Economic Development

The non-profit organizations seek funds from households and economic organizations. Even though the cultural value of giving remains a basic driving force, the ability to give is often determined by the economic condition of individual households. This in turn is affected by macroeconomic trends and policies and social capital formation engineered by these.

Bangladesh has shown positive trends with respect to its macroeconomic situation over the decade of the 1990s. The GDP growth rate increased from an average of above three percent per annum in the early '90s to above five percent growth rate in the late '90s. Much of this has been due to growth in the agricultural sector, construction sector, and non-traditional manufactured goods sector (e.g., ready-made garments). Bangladesh is still a predominantly agricultural economy but the share of the agricultural sector in the GDP has declined sharply over the years from 70 percent in the '70s to around 20 percent in the late '90s. This change has been due to the fast growth of the service sector, particularly trade, transport, communication, banking and administration. The contribution of the industry sectors remains low at about 10 percent on the average.

Value-added growth rate in agriculture is very important for Bangladesh not only for food sufficiency and rural employment opportunity but also for the supply of raw materials to industry and the creation of trade opportunities. In Bangladesh, agriculture is affected by extreme weather conditions and natural calamities. There was above 4.5 percent growth rate in the '70s in this sector, but it came down in the '80s to 1.8 percent due to unfavorable urban-rural and agricultural-manufacturing terms of trade. The agricultural growth rate picked up to above 5 percent due to better management of input supply, reintroduction of subsidy, shift to non-flood season crop and increased investment in fish culture. The growth of the manufacturing sector had stagnated in the '80s and deindustrialization took place due to the structural adjustment policy and liberalization of trade. In the manufac-

turing sector, ready-made garments and knitwear maintained their growth though smaller units are facing difficulty. The construction sector boom has accelerated over the '80s and '90s and energy sector investment has picked up recently due to the opening up of the sector to private investment.

The service sector in Bangladesh has maintained a steady growth rate. The sub-sectors which have shown high growth rate are banking and insurance, administration, social sector services (i.e., education and health), trade, transport and housing.

As a result, GDP per capita has shown rising trends, increasing from US\$273 in 1990-1991 to US\$370 in FY '99/'00.

Sustainable economic growth depends on the ability of a country to save enough for investment. The domestic savings rate in Bangladesh has increased over the years but the average during the '90s was as low as 15 percent of the GDP. The positive increment in domestic savings rate is low but encouraging. This low rate is due to the negative savings in the public sector, low retained earnings in the corporate business sector and the presence of a large non-monetized sector. Despite the low savings rate, the average annual rate of domestic investment has increased. Public sector investment increased during the '90s despite declining foreign aid due to increased domestic borrowing. The government has followed a persistent policy of promoting the private sector and attracting foreign direct investment. Private entrepreneurship is still shy and requires not only policy support but also equity support from public sector institutions or public sector-supported institutions. The capital market has not shown much resistance even when government channeled long-term loans to the private sector and provided policy support and tax incentives. Private sector investment has remained concentrated in garments, toiletries, pharmaceuticals and real estate. The foreign direct investment is low and concentrated in the energy sector. On the whole, savings investment imbalance is persistent in the economy.

Bangladesh has a low revenue/GDP ratio even though it has increased from an average of 7.7 percent in the '80s to over 12 percent in the late '90s. The revenue effort has shown an increasing trend due to tax rate reforms, expansion of direct tax base through value added tax and an improvement in tax administration. The trend of growth rates of total tax revenue and non-tax revenue is positive and significant for the '90s. The direct tax as a proportion of total tax is low but has increased over time. In spite of the positive trends, the overall budget deficit has remained above or around 5

percent of GDP due to increased revenue expenditure as well as expanded capital expenditure. The total public expenditure is about 18 percent of GDP. Part of this has been due to the need to subsidize non-performing SOEs, poor quality of public expenditure and a large bureaucracy.

Improvement in fiscal and budgetary discipline has become important in the face of official aid (ODA) dropping from 8 percent in the early '90s to 4 percent in the late '90s. On an average, about 3-5 percent of aid is food, 3-6 percent is commodity, but the bulk is project aid. The foreign aid utilization rate however is low with the disbursement range oscillating between 20-26 percent during the late '90s although the utilization rate of food and commodity aids was much higher. Foreign direct investment (FDI) has increased in the '90s though it has registered a decline in the late years of the decade. The investment is concentrated in energy, telecommunication and service sectors and the sources of FDI are the USA, Malaysia and U.K.

There has been significant growth in the merchandise export of Bangladesh throughout the '90s. However there exists high commodity concentration and high market concentration. There are signs of weakening external competitiveness due to inadequate supporting physical infrastructure, low technological improvement and inadequate growth in labor productivity. Compared to exports, imports have increased at a faster rate due to increased domestic demand and high import content of industries. While the narrow base of Bangladesh export causes extreme vulnerability, there has been a sharp increase in imports through import of capital goods. Moreover intermediate goods have not shown an increasing share over the years. This has resulted in widening the balance of payments deficit which has put pressure on foreign exchange reserve. This pressure could not be counterbalanced by remittances from Bangladeshi workers abroad due to a decline in demand for unskilled and semiskilled labor in the Middle East and U.K. The flow of remittance through official sources is about US\$1.5 billion or 3 percent of GNP, i.e., 30 percent of export earning or 20 percent of import payments. Remittances continue to rise but unofficial channels seem to blur the actual amount and importance of overseas employment.

Bangladesh has consistently registered improvement in the human development index, the value being 470 in 1999; it was 309 in 1991. The adult literacy rate increased from 35.3 percent in 1991 to 60 percent in 2000. The increase is largely due to the increased adult literacy of women though the male-female differential persists. The net primary school enrollment rate has increased to 80 percent and the gender ratio is equal. The

primary completion ratio has increased to over 60 percent. At the secondary level also, the net-enrollment rate, completers rate and rate of girls' participation has improved. Much of the improvement has been due to non-formal education provided by NGOs and continued private initiative at the primary and secondary level with support from the government. The quantitative expansion however hides the decline in quality due to inadequate educational input and a lack of investment infrastructure. Science and technology education has not expanded. Public expenditure on education has also increased but much of it is spent on salaries and wages under current expenditure and on construction under development expenditure.

The health status of the population in Bangladesh has improved. The life expectancy at birth has increased from 56 in 1991 to 59 in 1999. The male-female life expectancy ratio has also shown positive trends. The crude birth rate per 1,000 has declined from 32 in 1991 to 25 in 1999, and the crude death rate has declined from 13 to 8 during the same period. The infant mortality rate declined from 92 in '91 to 75 in '99, U5MR declined from 146 to 110, and MMR declined from 4.7 to 4.2. The immunization coverage has improved. The health service delivery network has expanded to the lowest tier of administration though availability of medical personnel for health outposts is limited. The NGOs still play a minor role. Sanitation and safe water availability has improved a lot but remains far from satisfactory. The public expenditure in health is less than 8 percent of the budget and about 1.5 percent of GNP. The private sector offerings of tertiary health services have expanded in the urban areas. Though public sector facilities have increased, the use of these has declined during the same period of time. The political commitment to health issues seems to be inadequate and interventions are largely donor-driven.

Bangladesh suffers from endemic poverty. The human poverty index value is 43.3, which places Bangladesh at the 73rd position among 90 developing countries. The extremely poor households (22.7 percent of rural households) lie clearly below the poverty threshold having an average per capita annual income of Tk. 3,757. The moderately poor household (29.2 percent of rural households) lie around the poverty threshold with a per capita annual income of Tk. 6,287. The vulnerable to poverty group (21 percent of rural households), having a per capita annual income of Tk. 8,368, live just above the poverty threshold but is vulnerable to income erosion due to natural disaster, loss of job, illness, etc. Though the human poverty index has improved over time, poverty remains a major concern of

Bangladesh. The rate of decline in income poverty has been modest and the burden of poverty falls disproportionately on women in the areas of nutrition, employment, wage rate and health care. The elderly have been identified as the most vulnerable to destitution and extreme poverty. The poverty situation in the urban slums is worse than in the rural areas. The micro-finance operations by GOs and NGOs have made modest reduction in the incidence of poverty, particularly extreme poverty.

The value of gender-related development index for Bangladesh is 0.459, which places the country at 121st among 146 countries. The GDI ranking has improved over time. The low status of women is the result of women's low share of earned income and the literacy gap largely due to patriarchal gender discriminatory attitudes. Women are yet to be incorporated meaningfully in the decision making structure of the country. Though some improvement has been registered in the public and private top level employment scene and public representative governance bodies, in terms of ownership of assets, including land, women's share is still low and it is perpetuated by social-cultural-religious norms. Women's access to productive resources remains restricted and their contribution to the economy invisible or undervalued.

In Bangladesh, environmental degradation has been caused by population pressure, poverty and unplanned urbanization. The rich biodiversity is under threat due to deforestation. Soil degradation due to the use of chemicals and a decrease in water level has caused stagnation in crop yields. Water resource management has been poor, ad hoc, non-integrated and without conservation of large water bodies and rivers. ►

5 | Institutional Survey

Bangladesh has nearly fifty thousand non-profit voluntary organizations of different types. There are big national non-governmental organizations and branches of international NGOs. There are numerous small national and local organizations of which less than 50 percent are registered. An attempt was made to undertake a survey of these small organizations scattered all over Bangladesh. The institutions vary in size, form, purpose and locale. Their ability to access funds are conditioned by the economic condition and value orientation of the households and individuals. The institutional survey was undertaken to complement the findings at the household level for a comprehensive understanding of the issue of giving and fund raising.

Bangladesh has six administrative divisions; one district from each division was selected and then a randomly designated area in the municipalities and a thana in the district were selected. At the second stage the place selection procedure was neither random nor wholly purposive. Field interviews of institutions in the places so selected were done in June 2001. All organizations were listed with the help of government officials and informed social workers. A census was done according to a pre-tested questionnaire. The total number of voluntary organizations so surveyed was 870, of which 56.3 percent were from rural and peri-urban areas, 20.7 percent from district towns and 23 percent from metropolitan areas.

Location of Organization	
Location	Percentage
Rural + Peri-Urban	56.3%
Urban	20.2%
Metropolitan	23.0%

table 1.1

Survey Findings

The ages of the institutions varied widely. About 8.3 percent of them were established before 1900, 5.5 percent in 1901-1970, and 12.5 percent in 1970-1975. Thus 26.3 percent or roughly 1/4 of the organizations have been working for over 25 years; 13.8 percent of them are of longer standing.

table 1.2

Age Distribution	
Year of Establishment	% of Organization Surveyed
Before 1900	8.3
1901-1970	5.5
1970-1975	12.5
1975-	73.7
	N=870

The areas of their primary activity are: culture (14.7 percent), sports (6.9 percent), education (25.9 percent), recreation (13.8 percent), health care (4.3 percent), women development (2.1 percent), social welfare (6.9 percent), orphanage (3.4 percent), religious activity (12.4 percent), and others (6.9 percent). However, many of them are engaged in multiple activities. A secondary area of activity was undertaken by most of the organizations surveyed. These areas included culture (21.4 percent), sports (12.9 percent), non-formal education including adult and religious education (29.8 percent), health education (3.6 percent), child and maternity care including

table 1.3

Areas of Activity			
Area	Primary	Secondary	Tertiary
Culture	14.7	21.4	13.4
Sports	6.9	12.9	6.1
Education(including nonformal, religious and adult education)	25.9	29.8	14.9
Recreation	13.8	-	-
Health Care(including health education, child and maternity center)	4.3	6.8	-
Women Development(including women and child care)	2.1	2.9	5.7
Social Welfare	6.9	-	-
Orphanage	3.4	-	-
Religious Activity	12.4	-	-
Others	-	1.2	2.1

day-care (3.2 percent), women development (2.9 percent) and others (1.2 percent). A tertiary area of activities was mentioned by 43 percent of the organizations. These included culture (13.4 percent), sports (6.1 percent), non-formal education (14.9 percent), women and child development (5.7 percent) and others (2.1 percent).

Of the organizations surveyed, 4.5 percent are registered with governmental agencies. Most are registered with the Department of Social Welfare (26.6 percent), followed by the Ministry/Department of Education (16.8 percent), Ministry of Religious Affairs (6.8 percent), Ministry of Women Affairs (3.3 percent), Ministry of Labour and Manpower (5.6 percent), Ministry of Rural Development and Cooperatives (3.3 percent), Ministry of Sports and Culture (2.3 percent) and others (1.3 percent). These add up to 66 percent of which about 12 percent have multiple registration. But what should be noted is that majority of these organizations are not registered.

These organizations are not large: nearly 39 percent of them are run by volunteers and 61 percent have some permanent employees. Of these, 34.7 percent employ less than five paid workers, 9.1 percent employ 6-15 workers, 3.3 percent employ between 16 and 24 workers while 4.6 percent employ more than 25 paid workers. Only 6.9 percent of these organizations employ part-time or temporary or seasonal (project-related) employees. About 95.6 percent of these organizations have volunteers/members who work one to eight hours per day for one to seven days a week. The percentage of organizations benefiting from voluntary work performed by 1-5 members amount to 17.1 percent while 29.7 percent benefit from voluntary work by 6-15 persons.

Size According to Paid Staff	
Number	Percentage
Less than 5	34.7
6-15	9.1
16-24	3.3
25 +	4.6
Volunteers Only	39.0
Part-time or temporary worker	6.9

table 1.4

At the other end of the scale, 10.1 percent benefit from work done by more than 50 individuals, 20.4 percent benefit from work by 30-50 volunteers, and 18.5 enjoy voluntary work from 16-29 volunteers. The number of volunteers indicated are averages per month.

table 1.5

Voluntary Work	
No. of Volunteers	% of Organization
1-5	17.1
6-15	29.7
16-29	18.5
30-50	20.4
50 +	10.1

Most (67.7 percent) of the volunteers contribute one to three hours' work per day on average with variations over the week or month. Only 10.3 percent of the volunteers contribute more than five hours of work per day. These are mostly office bearers. It is noticed that 59.8 percent of voluntary work is devoted to administration and 72.3 percent of such work are related to activities such as teaching, training, child care, treatment of patients, cultural activity, and sports.

In terms of expenditure, about one percent of these organizations spend more than Tk.20 lac per annum, and another one percent spend between 10 to 20 lac. At the other end, 20 percent of these organizations spend Tk.10,000 or less per annum, 26.7 percent spend between 10 and 25 thousand taka per annum and another 22 percent spend between 25 and 50 thousand taka per annum. Thus about 68 percent of the organizations surveyed are small and very small. Another 18 percent of organizations spend between one and five lac, 4 percent spend between five and ten lacs. The remaining 10 percent spend between 50 thousand and one lac annually. The large spending organizations are active in the areas of education and social welfare, including child and women welfare. Some of these are engaged in religious activity as well as culture, sports and recreation.

table 1.6

Size of Organization by Operating Budget	
Taka in (000)	Percentage of organization
- 10	20.0
10-25	26.7
25-50	22.0
50-99	1.3
100-499	18.0
500-1000	4.0

Of these organizations, only 18 percent receive government grant; about 15 percent generate income from their own sources, and 17.2 percent have income generating activities. Membership contribution is collected regu-

larly by 72 percent of the organizations, and contribution by local individuals are received by 48 percent of organizations. Contributions from individuals are solicited and raised by 33.4 percent of the organizations. The organizations which are active in religious, recreational and educational areas tend to raise funds from individuals more than others.

Modal contribution by local philanthropists is about Tk. 25,000 per annum and the median contribution is Tk. 10,000. The average contribution by patrons is around Tk. 17,000 per annum, while the average contribution by members is around Tk.7,000. These categories of people seem to contribute about the same amount each year over the recent past.

Much of the fund is collected from home (67.7 percent), and patrons and philanthropists make contributions mostly on request (44.8 percent). Special effort is made to raise funds during religious or cultural festivals (16 percent). In 20 percent of the cases, the organizations send out appeals for fund. Roadside collection is resorted to by 4 percent of the organizations and 1 percent of the organizations organize special events to raise funds.

Mode of Collecting Fund	
Mode	Percentage
From Home	67.7
On request	44.8
Cultural Event	16.0
Public appeal	20.0
Roadside collection	4.0
Special event	1.0

table 1.7

Reasons for Giving	
Reason	Percentage
Religious belief	44.0
Humanitarian Value	38.0
Promoting local level activity	42.0
In lieu of voluntary work	6.0
Feel Good	4.0
Personal Contact	7.0
Ability to give	67.0

table 1.8

The institutions believe that most people give because of religious commitments (44 percent), for humanitarian reasons (38 percent), and to promote local level activity (42 percent). The psycho-behavioral reasons were identified as feeling good (4 percent), in lieu of voluntary work (6 percent), personal relations (7 percent), responding to a positive purpose (12 percent), and being able to give (67.7 percent). The reasons for not giving were not having the ability to give (27 percent), and not supporting the purpose (14 percent). ▶

6 | Findings from the Case Studies

The Bangladesh team has prepared 20 case studies of non-governmental organizations to understand the specificities of sources of funds. The organizations are Dhaka-based and in that sense the findings complement the results of the institutional survey.

Classification According to Primary Area of Activity	
Area of Activity	Number of Organizations
Culture and recreation	3
Education and research	5
Health	3
Social Service	7
Environment	1
Legal Aid	1
Total	20

table 1.9

It should be noted however that most of these organizations have secondary areas of activities and thus it is difficult to strictly classify them. The classifications, revised according to two primary areas of activities, are then as follows:

Classification According to 2 Areas of Primary Activity	
Areas	Numbers
Health and Social Service	4
Education and social service	6
Culture and education	7
Legal aid and Social Service	1
Health and Education	1
Environment and Education	1

table 1.10

The size of the organizations vary. The number of paid staff was taken as an indicator. The organizations were classified into four categories: very small (less than 10), small (less than 25), medium (less than 100) and large (more than 100).

table 1.11

Classification of Organizations According to Employed Staff	
Size	Number
Very small	6
Small	7
Medium	6
Large	2

However some of these organizations depend on volunteers to carry out its activities. The organizations are classified according to the degree of dependence on voluntary service.

table 1.12

Dependence on Voluntary Service	
Dependence	Number
Very High	6
High	4
Low	7
Minimal	3

The size of the organizations was also measured by the operating budget. These organizations have been classified into four categories: those with an annual operational budget of less than Tk. 5 lac, those with less than Tk. 15 lac, those with less than Tk.30 lac, and those with Tk.30 lac or more.

table 1.13

Size of Organizations According to Operating Budget	
Size of Operating Budget	Number
Very small (-500,000Tk)	8
Small (-15,000,000 Tk)	4
Medium (-30,000,000 Tk)	4
Large (30,000,000+ Tk)	4

Sources of funding was also important. Some depended entirely on grants, others generated their own funds or got non-grant funding (e.g., donations). The distribution of the organizations is given below.

table 1.14

Distribution According to Percentage of Non-Grant Funding	
Size of non-grant funding	Number
Up to 20%	2
21-50%	3
51-75%	30
76-99%	2
100%	10

Indeed a large number of organizations depended heavily on non-grant funding for their operations.

Distribution According to the Age of the Organization	
Age	Number
10 years	4
11-30 years	9
31-50 years	4
50+	3

table 1.15

The age distribution suggested a mix of old and new organizations. Old organizations often depended on a few stable sources while the new ones looked for alternatives.

The non-grant sources of funds were further looked into. Only one organization depended on a single source of non-grant funding. It will be seen that most of the organizations depended on two or three sources of non-grant funding. The important sources were service fee, membership contribution, public donation service and interest income. This indicates that fund raising drives through special events are rare.

Number of Sources of Non-grant Funding	Number of organizations
1	1
2	6
3	7
4	5
5	1

The effectiveness of fund raising methods varied widely. While donation has been most effective for some, it was least effective for others; similarly while service fee had been the primary source for some, it was not

Nature of Prime Activity of the Board Members	
Activity	Number
Activity Planning and Policy Decisions	7
Fund Raising/finance	5
Supervision and monitoring	3
Networking	3
Supporting an Executive	3
Initiating New activity	2
Allocating resources	1
Running the program	1

table 1.16

effective for others; this effectiveness depended on the nature of the organization and its organizational capability.

The management style varied widely among the organizations. In some, the board was heavily involved while in others the involvement of the board was marginal. In most cases the chief executive officer was the key person.

It will be seen from the table that the most important function of the board is to plan activity and make policy decisions. Fund raising is perceived as a board function.

The staff implements the decisions of the board. Do they participate in planning activities or plan fund raising activities? In the organizations that became subject of the case writing, the role of the staff was primarily to carry out activities as directed or to run programs as planned. In only two organizations did the staff state that they took part in planning organizational activities.

table 1.17

Role of Staff as Perceived by Management	
Activity	Number
Implementation of program/activities	20
Participation in Planning activities	4

Involvement of volunteers has been important for some organizations more than others. Out of the 20 organizations under review, volunteers played an important planning and implementation role in nearly half them.

table 1.18

Importance of Volunteers' Involvement	
Degree of Importance	Number
Very important	7
Important	6
Not so important (limited)	7

Volunteers played different roles in different organizations. In some organizations, the volunteers were involved in all activities and in some others voluntary work had limited scope. Only in four organizations were they directly involved in fund raising.

Management played a leadership role in these organizations. The leadership function in all the cases was reflected in planning and organizing. It was more formal for the older and/or larger organizations while for the smaller ones, it was less formal and more participatory. However, all the

organizations under review were not free of conflictive conditions inflicted from outside or from divisions within the organizational hierarchy. The better managed organizations were the ones that mobilized increasing resources, financial and non-financial. Accountability and transparency in activities and fund utilization helped increase the commitment of voluntary labor, improvements in organizational effectiveness and beneficiary response, helping sustainability of the organization. The organizations with a clear long-run strategy managed funds better than those which had become static and limited to short-run survival. Committed management have managed crises better and survived threats, internal and external.

Donor management requires good public relations, proper reporting of activities and strategizing of approach. The donors external to the country prefer a logical analysis, conformity with their agenda and acceptance of their recommendations. This often puts off an independent and visionary management which may differ from western development and approach.

There is competition for some funds, e.g., religious giving where visible record of performance or locational advantage seem to be helpful. There is competition for governmental funds which is often routinely allocated, but visibility and public relations help. Here also, contact with the top management and knocking on the right door at the right time matter. The organizations have not yet undertaken a professional approach to fund raising. Their way of public appealing is very conventional in nature. The dependence on a few methods of fund raising had often limited the possibility of probing into the “fund market” for non-profit organizations. The role that the media can play is highlighted by one of the cases (Prothom Alo).

Fund raising is a difficult activity—the organizations have often depended on mobilizing funds from their own sources, from donations from approachable persons and from collection of small donations. The third sector is yet to be organized professionally, although their competence in providing targeted services is quite high. The donor’s priority has often influenced diversification into areas which may not be the priority of the organizations. Rigidity imposed by grants often affected optimal allocation of resources. Organizations normally depended on proven or workable methods of fund raising, though some of them looked for new sources, particularly where leadership was dynamic and well connected. However, it must be said that there was limited skill in fund raising and experimentation was generally avoided. In Bangladesh, the number of corporate sponsors is still quite limited. However, business houses are becoming responsive to the value

of promoting good causes. A new area of expatriate donation has surfaced but remains largely unexplored. This leads to the conclusion that there is a need for the organizations to sensitize themselves about raising funds from sources other than grants, which essentially consist of activity-specific allocation by donors, and search for unexplored but emerging areas. ►

7 | Household Survey Findings

A household survey was undertaken in June-July 2001 to understand the culture of giving in Bangladesh. The number of households surveyed was 1,062, of which 23.4 percent were in the metropolitan areas, 22.2 percent were in other urban areas, and the rest (54.4 percent) in villages. The survey looked into giving to institutions as well as giving to persons. The respondents were mostly male heads of households (92.95); only 7.1 percent of the respondents were female. The modal size of the household was 4 to 5 members. The average monthly income and expenditure was around Tk. 5,000—in towns, Tk.8,000 and in metropolitan areas, Tk. 15,000. Less than half of the family members were involved with any organizations; however involvement was more in villages than in town or metropolitan areas. The involvement was mostly with religious organizations, educational organizations, social welfare organizations and professional organizations. However, 35.2 percent of the families were associated with the establishment of one or more organizations in their locality. About 96.3 percent of respondents have helped with contribution, cash or kind, persons or organizations. The incidence of giving to organizations was higher than incidences of giving to individuals.

	Incidence of Giving (Percentage)			
	Household surveyed	% of giving	% of giving to org.	% of giving to Individuals
Metro	23.4	87.8	62.3	30.2
Urban	22.2	88.7	69.1	42.2
Rural	54.4	64.9	57.2	55.5
Total	1062			

table 1.19

Households overwhelmingly gave in cash but giving in kind was also prevalent in rural areas; nearly 40 percent of rural households gave to organizations in kind. Some 32 percent of households in urban and metropoli-

tan areas also gave in kind, mostly hides and skins of sacrificed animals. Giving in the form of clothing was also common (41 percent) in urban and metropolitan areas.

Most of the households gave to religious institutions, educational institutions and orphanages.

table 1.20

Percentage of Households giving to Institutions											
	Sports	Culture	Education	Health	Social Welfare	Recreation	Professional	Religious	Child org.	Orphan	Others
Metropolitan	11.1	3.0	39.1	2.1	8.7	20.5	3.2	89.7	4.1	15.1	0.8
Urban	3.2	1.9	19.8	1.9	6.1	18.2	2.2	81.2	1.9	8.6	0.4
Village	0	0	4.1	0	0	1.3	0	58.0	0	0	0
% of total	3.7	1.1	15.2	0.9	3.4	9.5	1.4	70.5	1.4	5.4	0.3

In all the areas, the principal beneficiary of household giving were religious institutions (e.g., mosques, madrassa). In metropolitan areas, 89.7 percent of households surveyed gave to religious institutions, in other urban areas, it was 81.2 percent. The reason was obvious. People of all religions, Muslims, Hindus, Buddhists and Christians, by their culture, tradition and sense of obligation, give to religious institutions.

Educational institutions came a poor second as a recipient of household giving. About 39 percent of metropolitan households gave donations to educational institutions, so did about 20 percent of peri-urban households. In rural areas only 4 percent of households surveyed gave in cash or kind to such institutions. The third in order of recipient institutions were the recreational clubs. Slightly more than a fifth of the households surveyed in metropolitan areas gave to such institutions; similarly somewhat less than a fifth of the households surveyed in urban areas did so. Such giving in rural areas was rare.

Another notable recipient were the orphanages in the country. These are mostly privately run and have religious overtone. Some 1.5 percent of households in metropolitan areas and 8.6 percent in urban areas gave in cash or kind to such organizations.

The survey showed that the average annual giving was highest for health followed by recreation, social welfare and education. Religious institutions received from more households but the average amount was less. The aver-

age amount received was least for orphanages, organizations for children and professional associations.

Average amount given in cash to organizations last year by households			
Types of Organizations	% of giving	Average Amount in Tk.	Range
Sports	3.7	546	100-5000
Culture	1.1	487	100-5000
Education	15.2	1488	100-25000
Health	0.9	3700	100-10000
Social Welfare	3.4	1558	100-5000
Recreation	9.5	1680	100-10000
Profession	1.4	400	100-1000
Religious	70.5	900	100-25000
Children	1.4	230	100-1000
Orphanage	5.4	169	100-1000
Others	0.3	100	100

table 1.21

The mode of collecting funds differed among organizations. The table gives the distribution of the mode of fund collection by types of organizations. Collecting from home was the most preferred mode for religious organizations and orphanages. Collection from members or patrons was high for recreational clubs, health service organizations and professional associations. Personal contact was a source of collecting funds for organizations for children, educational institutions and social welfare organizations. Direct mail was resorted to by religious organizations and social welfare organizations. Public appeal was a mode used by social welfare organizations only. Collection during festive seasons was done by religious organizations, orphanages, social welfare organizations and cultural organizations. Special

Type of org →	Mode of collecting funds											Total
	Sports	Culture	Education	Health	Social welfare	Recreation	Prof.	Ac enc	Religious org	Child org	Orphanage	
Mode of giving ↓												
From home	27.7	15.4	15.0	2.0	15.6	2.1	-	90.1	2.9	81.1	2.3	62.5
From road	-	-	-	-	13.1	-	-	32.1	-	-	0.1	20.6
By mail	-	-	-	-	3.1	-	-	2.3	-	-	-	4.6
Through public appeal	-	-	-	-	11.1	-	-	-	-	-	-	0.3
Personal contact												
From members	39.5	45.3	10.9	92.1	25.6	97.3	98.9	3.9	18.7	-	19.2	15.5
During festivities	-	26.7	-	-	13.9	6.9	-	34.1	6.9	41.2	9.3	18.9
Special show	10.3	10.7	-	-	1.9	3.1	-	-	-	-	1.9	0.6
Others	11.4	4.5	44.9	-	4.2	1.1	2.9	1.1	4.6	-	5.4	5.4
Total	3.7	1.1	15.2	0.9	3.4	9.5	1.4	70.5	1.4	5.4	0.3	
House hold												

table 1.22

shows as a mode of collection from households was used by sports and cultural organizations. This distribution of household by mode of collection indicated the level of underdevelopment of the market for collecting funds for the non-profit sector.

The survey also asked the household respondents their reasons for making contributions to the organizations. There was little difference by location in the reasons given by all the households. The most often cited reason was religious belief, followed by humanitarian consideration. The least mentioned were commitment to the cause of the organization and joy in giving to charity.

table 1.23

Reasons for Giving to Organizations (% of giving)			
Reasons for giving	Metropolitan	Urban	Rural
Humanitarian	63.5	59.6	39.3
Religious belief	81.9	87.6	89.9
Personal relation	37.7	39.1	45.3
Promoting local organization	36.1	47.2	41.3
Promoting a cause	17.5	21.3	13.2
Being able to pay	31.3	29.2	21.7
Donation in lieu of time	21.9	23.2	20.1
Involved with the organization	33.3	37.3	13.7
Social pressure	33.3	39.2	27.1
Personal contact	43.1	39.5	23.3
Joy of giving	11.1	15.2	13.3
Others	12.9	7.7	3.1

The households were also asked to provide the reasons for not contributing to any organizations. The three most often cited reasons were not having faith in the mission of the organizations, not having faith in the ability of the organization and not being approached for contribution. The least mentioned causes were inability to pay and strong non-commitment to semi-organized charity initiatives.

table 1.24

Reasons for Not Giving to Organizations (% of households not giving)			
Reasons for not giving	Metropolitan	Urban	Rural
No faith in the cause	51.2	47.9	21.5
No faith in the organizational capability	36.7	39.6	31.2
No approach made	28.2	49.1	45.7
Unable to make contribution	19.6	21.7	23.4
Strongly opposed to local semi-organizational initiative	12.1	15.6	17.2
Others	9.1	13.1	3.2

This table seems to suggest that there is a segment of society who would be willing to make a contribution if approached properly, for a cause that would appeal to them. Only less than a fifth of the households that did not contribute cited inability to pay and about a sixth preferred a “transparent and accountable” organizational structure to make a contribution. The issue of organizational capability was raised by a third of non-contributing households. ▶

8 | Giving to Persons

Households also gave to individuals: to friends, relatives, neighbors, beggars and the needy. More than 95 percent of households surveyed gave to individuals. The beggars were the prime beneficiary in number (83.9 percent), though the amount given was small. Relatives (42.8 percent) were the second most frequently helped group followed by the needy (21.8 percent) and neighbors (15.5 percent). Friends were helped by 6.1 percent of households surveyed. The distribution by locality is shown in the table below.

Giving to Persons (% of households giving)				
Category	Metropolitan	Urban	Rural	Total
Friend	7.2	8.2	14.7	6.1
Relative	28.1	37.3	48.2	42.8
Neighbor	8.3	12.5	28.4	15.5
Needy	15.5	21.2	26.2	21.8
Beggar	69.5	89.3	92.6	83.9
Others	1.0	1.2	0.03	0.9
% of household giving	30.2	42.4	36.9	N=1062

table 1.25

Of the households surveyed, there were more in rural and urban areas that gave to beggars than in the metropolitan areas; the same was true with regards to neighbors, the needy, relatives and friends.

Average amount given to individuals last year		
Category	Taka	Range
Friend	461	100-5000
Relative	2048	100-25000
Neighbor	880	100-25000+
Beggar	158	100-500
Needy	1180	100-25000+
Others	298	100-500

table 1.26

The amount given to different categories of individuals however varied widely.

The average amount given to relatives was the highest, while the lowest amount was for beggars. A neighbor benefitted more than a friend. A person in need received the second highest average contribution from households that gave.

The survey also probed into the reasons why households helped individuals. The reasons for giving widely varied and are presented in the table below.

table 1.27

		Reasons for giving to individuals (% of households giving)								
Reason	Individual	Humanitarian	Religious belief	Expect help in return	Ability to help	Joy of giving	Persistent Approach	Social pressure	Maintain Relation	Others
Friend		30.7	4.9	3.0	10.2	6.0	40.1	3.0	15.1	3.0
Relative		24.1	-	36.0	3.0	-	42.0	-	27.1	-
Neighbor		34.2	26.0	9.1	15.2	16.7	14.3	15.2	20.3	-
Beggar		4.9	54.3	-	13.1	9.0	21.0	3.0	-	-
Needy		40.1	24.9	-	12.3	3.0	3.1	6.0	12.0	-
Others		3.0	-	-	-	-	3.0	3.0	-	-

It will be seen that giving to friends were premised on humanitarian cause, persistent approach, maintenance of relationship and ability to pay. Giving to relatives were explained by expectation of help in return, persistent approach, maintenance of relationship and humanitarian cause. Helping a neighbor was due to humanitarian cause, religious belief, and maintenance of relationship with others who lived in close proximity. Giving to a beggar was explained by religious belief and ability to help. It appears that compassion and religious values are more important in giving than social pressure or personal compulsion.

As to reason for not giving, the only one cited was inability to give. This seems to suggest that ability to give is the prime determinant to sharing a part of one's income with others. Once the ability is there, the decision maker decides which category of individuals would be given help. The reasons seemed to vary. Of the reasons cited, compassion and religious be-

iefs were important followed by personal and social relation. This seems to be quite logical for a traditional society. ▶

9 | Conclusion and Recommendations

Despite some methodological limitations, the study confirms that the culture of giving and voluntary organizations are deeply rooted in Bangladeshi history. The emergence of these organizations in the past was caused by the need to fill a gap unaddressed by for-profit private sector activities or traditional governmental engagements. The religious belief system and values derived therefrom played a significant role as people sharing certain values/mission were central to the creation of these organizations.

These organizations manifest diversity in age, size, structure, activities, legal form and coverage. Compared to the public sector organizations and for-profit private sector organizations, the income of such organizations comes from diverse sources, i.e., membership fee, sale of services, donations, bequests, special shows, and contractual work. The source is limited for small organizations serving members/service-seekers.

A majority of households surveyed gave for charitable purposes irrespective of their location. On average, it was more than one percent of per capita income. The major reason for giving was a response to religious and humanitarian causes. The most often cited reason for not giving was the inability to give. Institutionally, most indigenous voluntary organizations depended on fees and donations. Some were recipients of grants. Public appeal to raise funds was rare if we exclude the appeal made by religion-centered organizations during religious festivities. Special shows to raise funds were limited to cultural organizations. Personal contact seemed to be important and the eminence of people running the organizations also mattered.

Most indigenous organizations depended on volunteers for running the organizations which limited the size and coverage but made the structure of management simple and informal. However, there are well-structured organizations which are large and where management is formal and functionally departmentalized.

In large organizations, the boards are more concerned with policy decisions while implementation is left to the top and middle management. In small organizations, such division is not to be found. The charismatic leader is the philosopher, planner, implementor and guide. The organizations that have a long history of service have gone through ups and downs. In the sluggish period, the problem was lack of leadership and in the period of its expansion and high visibility, it was again the quality of leadership and management that made the difference.

It is to be emphasized that the essential element in non-profit organizations are the volunteers. Voluntary organizations are essentially collectives of volunteers who have gathered to perform certain agreed functions that benefit more people than the members only. Most of these organizations have little wealth but the large ones have been able to build up capital assets.

Financial sustainability has always been difficult to achieve by non-profit voluntary organizations. Most of these organizations have no explicit strategy for attaining financial, economic or social sustainability. The dependence on grants for many is critical. It is said that to attain sustainability the basic requirements are: the articulation of a coherent vision with social appeal; an ability to demonstrate capacity to plan and implement it efficiently through quality management; and the capacity to enlist support. Many non-profit organizations manifest weakness in one or the other of these aspects. It is important to avoid frustration and disappointment among the volunteers and among the target group which the organization serves.

The surveys indicate that excluding the grant element, it is the individuals, members or non-members, that contribute a significant part of the total resources of the small and medium non-profit organizations. The religious and humanitarian reasons are prime movers in this respect. But philanthropic support has its limitations and thus fund raising has emerged as an important area for exploration. But few organizations have experience or appropriate programs for raising funds and professional help in this regard has not been sought. Raising funds through the provision of services are more common than raising funds with the help of a professional firm. Campaigning for funds is uncommon. The general public also has no planned programs for giving except during religious festivities and natural calamities. But some experiences have shown that people do respond to public appeal in the case of worthy causes. As grants become limited, the nonprofit organizations should definitely examine the possibility of raising funds in a planned manner. To achieve this, a realistic budget on the basis of planned

activities is helpful to define the gaps in resources. Identification of potential support base and articulation of the cause to the constituency, the cultivation of which require good public relations, are also significant factors. Most of the organizations lack capacity in this regard. Thus programs of education and training as well as a successful demonstration of alternative methods is a necessity for facilitating and improving the capacity for fund raising of the non-profit organizations of Bangladesh who are playing a significant role in providing service for public good. ▶