

THE NONPROFIT SECTOR: WORLD AND BANGLADESH

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Abstract

There is a lack of research on third sector; maybe that is one of the reasons why we know very little about it. Research on this sector has been mainly in the North. Voluntary efforts in the impoverished South have remained largely unexplored, uncared for. To some writers NGOs in the South are not part of the third sector. Taking Bangladesh as a case study this paper argues that the recent emphasis on NGOs and civil society in the South is largely donor driven. It may further weaken the state. NGOs in the South can only supplement the role of the state particularly in reaching and serving the poor. In that sense, reform in the state has become urgent.

Introduction

We now divide a society into three sectors: public or state, private or market and nonprofit or third sector. The nonprofit sector is arguably present in almost every society today but its nature and function which is neither state nor market vary from country to country. A clear difference could be found between the North and the South. This article deals with my findings from a literature search on the third sector. Interestingly, most studies on the third sector or nonprofit sector are on the North. There is little discussion of these themes in Bangladesh.

Between the state and the economy, a third sector evolved during the 1980s as a new subject of social policy. Originating in the changing economic and political conditions associated with the 'crisis of the welfare state', an enormous increase in the number and types of nonprofits began in the 1970s in more than 60 countries, and a takeoff in their utilisation and funding by governments to implement public policy. Within a few years, a parallel growth in privatisation and commercialisation occurred, mainly during the 1980s, in the fields formerly dominated by nonprofits who faced increasing competition and declining government support (Kramer, 2000).

The most recent trend is the convergence and blurring of lines between the sectors, resulting in the emergence of two contrasting perspectives. The dominant and prevailing one celebrates the rapid institutionalisation of the third sector as a primary partner with government in the delivery of services, and as an advocate and core of the civil society. The other view is sceptical about the validity of a sectoral model based on type of ownership in the face of a convergence of boundaries and extensive interdependence. Because more suitable concepts and theories for these new patterns of interorganisational relations in the human services industry are missing, there is a need to develop more appropriate analytic paradigms for a mixed economy where sectoral lines may have less significance (Kramer, 2000).

After studying the nature and functions of third sector in the world Anheier and Seibel (1990b) observed that there remains a lack of comparative data on the size, scope, and composition of the third sector. Cross-national surveys confront formidable measurement problems in terms of validity and comparability. They also observed that there is a need for historical research on the origins, emergence, and development of the third sector. Despite several historical studies on the sector in the United States, England, and Germany, comparative historical analyses remain all too rare (Anheier and Seibel, 1990b). Salamon and Anheier (1996; 1997) have laid foundations for such studies in a substantial project but sought to launch, not conclude, studies in the field.

Whatever little research is done on the third sector, most of it is on the 'developed world'. Smith (1995) identifies six challenges confronting research on nonprofit organisation and voluntary action: more attention must be given to informal volunteering as a social process; the dark side of nonprofit organisations has been given insufficient attention; more research should focus on member-benefit organisations; the distinction between volunteer organisations and paid-staff organisations should be emphasised; we must understand more completely what factors contribute to values of service and altruism in paid staff; and nonprofits research must examine and incorporate the experience of the 'Low income Economies' (Smith, 1995). After analysing recent research on the PVOs (Private Voluntary Organisations which we usually call NGOs in the South) in Africa, Anheier (1990) found four major shortcomings in the PVO literature.

First, many studies fail to differentiate different types of PVOs, e. g. self-help groups, grant-giving and operating foundations, indigenous and foreign, and secular and religious PVOs. The fact that the Ford Foundation and the Progressive Young Farmers' Association are both nonprofit does not imply that they necessarily reveal comparable organisational behaviour or face similar dilemmas.

The *second* problem of the problem of the PVO literature is its narrow, ahistorical focus. As an organisational species, PVOs, the organisational innovators in the Africa (also in Asia and Latin America) of the 1980s, are by no means recent arrivals on this continent. Many in particular religious, PVOs predate the African states considerably. Indeed, church-related organisations are closely related to both colonialism and independence movements. Many PVOs are part of the last 50, sometimes even 100, years of African history, and they are not a recent response to a discouraging social and economic situation.

Third, internal and external changes in the organisational environment of PVOs have been neglected. This applies in particular to 'bureaucracy' and 'co-ordination'. PVOs are often described as fearful of 'bureaucracy' and as guarding their organisational autonomy most jealously. The irony is that some PVO projects are successful because they are bureaucratic (I do not agree with this), while others are unsuccessful despite their non-bureaucratic approach.

Finally, all too often, PVOs are seen in isolation from the surrounding larger political economy of other organisational actors in Africa and abroad. Like all organisations, PVOs exist in an environment of organisations. Therefore, in order to understand the potentials and constraints, as well as the behaviour and impact of PVOs in Africa, the organisational field of their operation is one crucial area to examine (Anheier, 1990).

In a latter study, Salamon and Anheier (1997) found certain striking similarities in the structure and character of NPO activities in the Low Income Economies. *One* is the prominent role of NGOs in 'development' and humanitarian assistance, but also in the field of advocacy and human rights. Some NGOs are western-based 'development' agencies transplanted to the Low Income Economies to