Chapter II

Voluntarism in India: A Historical Perspectives

India has a long history of civil society based on the concepts of daana (giving) and seva (service). Voluntary organizations\(^1\)—organizations that are voluntary in spirit and without profit-making objectives—were active in cultural promotion, education, health, and natural disaster relief as early as the medieval era. Rather, it is a part of our cultural heritage and way of life. Voluntarism in India is as old as the emergence of organized society itself. It originated as pure philanthropy of charity and this motivation sustained the voluntary efforts all through history in the ancient and medieval period. The voluntary efforts in the process of welfare and development have undergone evolutionary changes with changing emphasis on various experimental development programmes in India. The history of voluntary action is an integral part of the study of evolution and changes in the Indian society. The history of voluntarism in India may be broadly divided into the following phases:

HISTORY OF VOLUNTARISM IN INDIA

I. Voluntarism in the early phase up to nineteenth century.

II. Voluntary efforts during Pre-Independence era since the beginning of the nineteenth Century
   a. First half of the nineteenth Century in the era of Social Reform Movements
   b. Second half of the nineteenth century
   c. First half of the twentieth century and Gandhian era.

III. Voluntarism during the post-Independence era:
   a. Voluntary efforts upto mid-Sixties.
   b. Efforts during mid-Sixties to mid-Seventies.
   c. Efforts in an integrated development phase in the 1970s and 1980s

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\(^1\) The terms “VO” (voluntary organization) and “NGO” (nongovernment organization) are often used interchangeably in India. However, some draw a distinction between the two, arguing that voluntary organizations are a subset of NGOs and distinguished by the spirit of volunteerism and independence from government and business.
IV. Contemporary voluntary action since the early 1990s.

I. Voluntarism in the early Phase up to Nineteenth Century

Voluntarism in early days had its genesis in charity, philanthropy and relief activities. In ancient and medieval India, charity on a voluntary basis outside the religious channels operated freely and extensively in the fields of education, health, cultural promotion and scour in crises during natural calamities such as floods, famine, droughts, and epidemics. The voluntary efforts in the early phase were limited in scope and were marked in rural and community development such as digging wells and tanks, planting trees etc. The history reveals that the responsibility of assisting the individual-in-need was shared by the community and the rulers. The kings and the chiefs used to provide free kitchens during famine and shelter to homeless. The directives of the emperor were restricted to the rules of Dharma Sastras. Religion emphasized on the value of charity, philanthropy and mutual help.

The developed welfare-statism was evidenced during the Maurya and Gupta empires. The state would come to the rescue of the community in extreme contingencies of helplessness. The kings responded with royal charity doles during out breaks of famine and natural calamities. The voluntarism found its most human expression at the time of natural calamities. The communities pooled their resources to help the needy. Philanthropy was widespread and the philanthropists came forward with their ardent belief in ‘dhana dharma’.

During the colonial period, voluntary efforts received a boost with new religious, cultural and social surroundings. The Laissez Faire policy of the British Government in economic, religious and social matters left no other avenue of development open to the ‘natives’ than resort to the ‘self-help’ form of voluntarism. Schools and colleges were established by educational societies set up by English-educated natives and affluent businessmen, traders and zamindars. In terms of scope and coverage in development activities, Laissez Faire occupied the largest portion followed by voluntary action through philanthropy, association and individual actions, while the state intervention was minimal during this phase.

II. Voluntary Efforts during the Pre-Independence Era
Prior to the nineteenth century, family, kinship, caste and the village community were the main institutions to meet the needs of the poor and downtrodden. In the nineteenth century, voluntarism gained new stimulus. The history from nineteenth century onwards has more tangible linkages with voluntarism in India. Voluntary organizations proliferated and actively participated in various fields of social action during the British rule. They were engaged in social welfare activities, literary and relief works. The voluntary action during the pre-Independence era may be divided into the following sub-phases:

(a) Efforts in first half of the Nineteenth Century (Era of Social Reform Movements)

The dawn of voluntary action was the emergence of reform movements. The introduction of western ideas and Christian faith by the end of the eighteenth century precipitated the widespread emergence of religious and social reform movements in India during the first half of the nineteenth century (1800-1850). Social reformers like Raja Ram Mohan Roy, Ravindranath Tagore, Dayananda Saraswathy, Iswara Chandra Vidyasagar, Kesava Chandra Sen, Ram Krishna Paramhansa, Sayyed Ahmed Khan, Swami Vivekananda had focused their social action against the rigid social evils and practices like Sati, Child Marriage, prohibition of widow remarriage and other caste-directed practices etc. The social reform movement was spear-headed by Raja Ram Mohan Roy with the formation of Atmiya Sabha in 1815 in Calcutta, which was one of the earliest voluntary associations in India. The other prominent associations originated during this period were: the Unitarian Committee (1822), Brahmo Samaj (1828), Dharma Samaj (1830), Widows Remarriage Association (1850) and so on. Many literary and educational institutions e.g. Royal Asiatic Society (1834), Dhyan Prakash Sabha (1840), took shape at this time. One religion, one caste and one God were the voice of various associations. During this period, the voluntary organizations based on a ‘reformist approach’, were striving for the eradication of social evils, religious dogmas, caste rigidity, untouchability, human bondage and inhuman treatment to women and children which were deep rooted in the social fabrics of that era. The secular western education and ideas played a crucial role in the process of social reforms and many individuals and organizations influenced by modern western thought began mobilizing people against the prevailing social disabilities.
The work of the Christian missionaries that began at the end of the eighteenth century, took concrete shape in augmenting the voluntary action during this period. In the beginning, missionaries had confined their activities to purely evangelical work. Historically, American Missionaries started schools in Naga villages as early as 1830. They also taught the villagers, the technique of cultivating tea. The advent of Christian missionaries dates back to 1845 when Lutheran Missionaries started their activities particularly, in rural and tribal areas. They participated in charity, reform activities and services in the fields of education and health. Eradication of untouchability and other social evils were part of missionary works during the period of social reform movements. In the succeeding periods, they ventured into new areas.

The spirit evoked by reform movements had inspired voluntarism in this phase to work for the rights of deprived, marginalized and backward classes of society in different regions of British India.

**b) Voluntary Efforts during Second half of the nineteenth Century**

The second half of the nineteenth century had witnessed a steady evolution and growth of voluntarism due to continued efforts of the reformers and the growing socio-political awakening. More organized voluntarism was marked during this phase. British colonial rule was consolidated further over the political and economic life of the Indian society. A growing consciousness of middle class in the forefront of a socio-political awakening, was aroused during this phase. The other hallmarks of this period were the failure of the first war of Independence in 1857 and establishment of the Indian National Congress in 1885. The spread of nationalist consciousness and emergence of self-help as the primary focus of sociopolitical movements largely influenced the course of voluntarism.

The period witnessed a process of further consolidation and institutionalization of social and religious movements and a large number of reform associations originated in different parts of the country, attracting many people to voluntary work. The establishment of the Friend-in-Need Society (1858), Prathana Samaj (1864), Satya Shodhan Samaj (1873), Arya Samaj (1875) further consolidated the reform movement and also the voluntary movement in India. The other
prominent organizations which emerged and inculcated voluntary spirit for the service of the poor and the neglected in this period were, e.g. National Council for Women in India (1875), Indian National Social Conference (1887) etc. The Ram Krishna Mission founded in 1898 was actively involved in many amelioration programmes. Literary and educational societies and associations became a widespread phenomenon during this period. The voluntary organizations received growing importance and the process of greater institutionalization prompted the enactment of the literary, scientific and charitable organizations. The enactment of Societies Registration Act, 1860 was another hallmark of voluntarism during this phase of history.

Voluntary efforts of the Christian missionaries continued in this phase in greater proportion, in the field of education, health, relief and welfare of the poor and neglected sections of the society. Roman Catholic missionaries appeared in India during this time and their organised efforts began in 1885. Missionaries belonging to several congregations like Baptist, Anglican, Westeeyan etc. participated in charity and reform activities. Apart from literary, educational & health care services, missionaries organized tribals to protect themselves from exploitation and land alienation and they defended them especially regarding their rights of land tenure and land services. Uplifting the poor, conscientising them, establishing hospitals, schools, and constructing roads etc. were some of their major activities. The missionaries promoted the establishment of voluntary institutions in the length and breadth of the country. The period also witnessed the emergence of trade union organisations. The spirit of voluntarism with high moral and ethical values gained wide social recognition during this period. However, voluntarism was limited in scope and was mainly confined to educational, health, medical, relief and social welfare in the country.

c) First half of Twentieth Century and Gandhian Era.

In the initial years of the 20th century, religious fervor gave way to more rationalist principles. The establishment of Servants of India Society in 1905 by Gopal Krishna Gokhale laid the foundation of secular voluntary action in India. The wave of Swadeshi Movement swept the country during the initial decades of the twentieth century and marked the beginning of mass involvement inculcating the spirit of strengthening voluntary action through self-help and
autonomy, through institution building in education, agriculture, industry, business and fostering economic production, particularly of industrial goods through swadeshi and boycott of imported British goods.

Cooperative movement started during this period. Several national literary and educational societies were set up to expose the emerging middle class to secular western thoughts and ideas. Notable among them were Gokhale Education Society, Servants of India Society (1905), Servants of People Society (1921) etc. Some organizations aiming at the goal of emancipation of women and backward classes, were also established e.g. Depressed Classes Mission (1906), Mahila Silpasrama (1907) and the All India Seva Samiti (1914).

The second decade of the twentieth century witnessed the First World War and during this period, the economic hardships led to the growth of a revolutionary movement in the country. During 1915-16, the Home Rule (Swarajya) Leagues started by Bal Gangadhar Tilak and Annie Besant led to a self-government or Swarajya movement in the country. The emergence of Mahatma Gandhi into the Indian political arena during 1916-17 changed the complexion of the national movement and also that of voluntarism. The period marked the beginning of a more principled and value-based voluntary action in India.

**Gandhian Era: Constructive Work**

Gandhiji propagated national reconstruction on the basis of swadeshi, village self-government and self sufficiency. Gandhiji gave a new impetus to voluntarism. His model of society was based on values of non-violence, justice and freedom. He reinforced the strength of voluntarism in the economic aspect of national life by decentralization of political authority to the Gram Panchayats (Village Councils). His wisdom that India lives in villages, guided him to concentrate his efforts on villages. His strong adherence to high social ideals and a practical approach inspired sincere and conscientious workers to follow him with a genuine sense of dedication towards voluntarism. With Gandhiji, began a process of networking of organizations and he played a vital role as the chief propounder of voluntary efforts in rural development in the country. Gandhiji started his ‘Constructive Work’ between 1922-28 which entailed among others
Charkha (spinning wheel), Khadi (handwoven cloth), Gramodyog (village industries), basic education, removal of untouchability etc. Development of village crafts and village industries were his main thrusts. ‘Gandhiji’s Constructive Work’ became part of the mass national movement for political freedom and he insisted that political freedom must go hand in hand with a sense of social responsibility.

The fundamental principles of Gandhiji’s Constructive Programme were: voluntariness and sharing, cooperation, mutual aid, decentralization, non-violence, self-reliance, self-help and moral action. Inspired by Gandhiji’s ideology, voluntary movement in India gained further momentum and a large number of organisations based on Gandhian Constructive Programmes emerged in the Indian voluntary sector. Gandhiji founded Harijan Sevak Sangh, Gramodyog Sangh, Hindustan Talim Sangh, Adivasi Seva Mandal, etc. Many other specialized organisations like e.g. All India Spinner’s Association (1925) and All India Village Industries Association (1934) were active in this era. Gandhiji’s call for people’s participation at the grassroots level enabled voluntarism to penetrate into villages.

A number of outstanding individuals motivated by a strong desire for rural uplift, undertook experimental projects for the development of rural people in different parts of the country. Rabindra Nath Tagore was convinced that real freedom could come when people are independent of fear and hunger. His experiment in rural reconstruction at Sriniketan, West Bengal in 1921 aimed at making villagers self reliant and helping people to develop their own resources. Other similar notable experimental projects for rural development undertaken by a number of outstanding individuals from different walks of life from both within and outside the government include:- Marthandam Project in Kanya Kumari district in Tamil Nadu in 1921 under the leadership of Dr. Spencer Hatch, Gurgaon Project in 1927 by F.L Brayne, the Deputy Commissioner of the Gurgaon district, Baroda Rural Development Project initiated by Raja Sir T. Madhav Rao, a minister of the princely state of Baroda and gained momentum with V.T. Krishnamachari, the Dewan of Baroda who started Rural Reconstruction Centres (RRCs) in 1932; Gandhiji’s Rural Reconstruction Project at Sevagram, a village near Wardha in 1936, the Firka Development Scheme in Madras Province in 1943 for the economic development of villages by promoting khadi and village industries, and Nilokheri Project also known as Refugee
Rehabilitation Project, though started in 1943 became fully operational in 1948 when it developed a new township for displaced persons from West Pakistan. Another project named Etawah Project launched by the government of Uttar Pradesh in October 1948 under the guidance and help of Albert Mayer, was a new experiment in rural planning and development. The success of Etawah Pilot Project later led to the evolution of Community Development Projects (CDP) in October 1952 as an instrument to transform the social and economic life of the village community. In the formulation of the CDP, a major role was played by the ‘Grow More food Campaign’ (GMFC) which was the first organized effort to increase food production in the country. This campaign was initially started in 1943 in the wake of the Bengal famine.

### III Voluntarism during the Post-Independence Era

In the initial phase after independence, the legacy of the Gandhian era influenced voluntary action to fulfill the unfinished tasks undertaken before independence. The efforts to further spread the khadi and village industries not only became an important area of voluntary effort but also a governmental responsibility. Following the demise of Gandhiji in 1948, a number of freedom fighters and ‘Constructive Work’ followers joined voluntary organizations. A fellowship of brotherhood under the Sarvodaya Samaj and a coordinated organization named Sarva Seva Sangh for all the constructive work institutions were established. Many prominent followers of Gandhi inculcated Gandhiji’s spirit of voluntary efforts in the post independence era and notable among them are Acharya Vinoba Bhave, Jaya Prakash Narayan, Thakkar Bapa & others.

Vinoba Bhave in his attempt to transform rural India came forward with the idea of Bhooadan and Gramdan Movements in 1951 and 1952 respectively, giving a new impetus to voluntary efforts. He started the Bhooadan (land gift) movement in Pochampalli (Telangana in Andhra Pradesh) with the essential characteristic of the movement being that the surplus lands were to be donated by landlords and redistributed to landless peasants. Similarly, his Gramdan Movement (village gift) started in Mangroth village in Uttar Pradesh involving community action with the ownership of land vested in the village community. He further widened the concept to Shramadan (gift of labour); Sampatidam (gift of wealth) and Buddhidan (gift of
mental abilities) for the realisation of Sarvodaya (welfare of all) and the benefit of the society as a whole. Vinoba Bhave, thus, built a powerful voluntary movement which had shown a way for peaceful transformation of the rural society. Thakar Bapa also made a mark in the history of voluntarism in the field of education, health and tribal development.

After independence, the social welfare and developmental responsibilities which were the main responsibilities of voluntary sector, shifted to the government sector. The government launched a massive relief, welfare and developmental programmes aiming at upliftment of the weaker sections of the society in which the voluntary organisations now played a supplementary role. Jawaharlal Nehru, the chief architect of independent India, further carried on the tradition of voluntarism in incorporating the possibilities for voluntary actions in the government programmes.

(a) Voluntarism during the phase of Nation- Building till the mid - 1960s

The first two decades of independence till the mid- 60s, were considered to be the phase of an intense process of nation-building. Both, social reform based voluntary organizations and the stream of Gandhian Constructive Work organizations joined hands in sharing the government responsibilities and the tasks of national reconstruction and nation-building. The work of the missionaries gained further diversification in their activities after independence. With the introduction of the planning model in 1951 and the launching of the community development programmes, the voluntary organizations redefined their role in the process of nation-building particularly in the process of rural transformation and development. The community development programmes with its approach of effective participation of people, provided the voluntary efforts fresh impetus and the voluntary organizations continued, with renewed vigor, their innovative experiments in rural development. The National Extension Service (NES) was launched in the country in October 1953 for development with the self-help strategy.

In the early decades of independence, a democratic process of development with the goals of nationalism and secularism inspired by the spirit of the New Constitution of India dominated the Indian scene. A sudden spurt in the growth of organized voluntary action was
witness during this period. The voluntary movement in the country was marked not only by a quantitative growth but also a qualitative change with growing professionalism in the organisational set up and approach in the voluntary sector. According to a study, about 11 percent of all voluntary organisations were set up before 1951 and the remaining were established in the post-independence and planned development era.

The year 1953 was a turning point in the history of voluntary efforts with the formation of Central Social Welfare Board (CSWB) with the primary objective of the promotion of voluntary organizations in social welfare and development. The establishment of CSWB also marked the beginning of government funding to the voluntary organizations through the Grant-in-aid. The Board has been focusing on a special emphasis on women and children, taking up projects through voluntary organisations such as ‘Balwadis’ (community crèches and pre-basic schools) etc. The creation of CSWB brought revolutionary changes in voluntarism in the country.

In the early fifties, the introduction of National Community Development Programme and National Extension Service, led to the process of decentralization of voluntary efforts in development. Further decentralisation took place with the introduction of a three tier Panchayati Raj in 1958. By the end of first decade after independence, Balwant Ray Mehta Committee reported on the adoption of democratic decentralisation as a means of promoting local action for development. This report further stimulated voluntary efforts in the process of development under the aegis of the CSWB and the Panchayati Raj institutions.

During the 1950s, Farmer’s Unions were formed to generate interest in the community development projects. This phase was also marked by cooperative movements in various sectors like consumers etc. and the formation of federations to facilitate solutions to the common problems of the farming community. The period had witnessed the fast growing phenomenon of ‘networking’ of voluntary organisations and the formation of national federations, providing a common platform for voluntary action in India. For instance, Association for Voluntary Agencies for Rural Development (AVARD) began in 1958 as a consortium of major voluntary agencies, coordinating voluntary efforts in rural development in the country.
In the early sixties the emphasis in planning was laid on agricultural development. This was followed by programmes specially designed for the weaker sections and special areas such as drought prone, hilly, tribal, coastal areas etc. The governmental efforts were to reorient the programmes of community development through special area projects with a beneficiary approach serving the weaker sections such as small and marginal farmers, share croppers, landless labourers, artisans etc. The approaches shifted from the community to agricultural production during the third five year plan (1961-66). This approach led to the introduction of Intensive Agricultural Development Programme (IADP) in 1961 and Intensive Agricultural Area Programme (IAAP) in 1964. The voluntary efforts made gradual evolutionary changes according to the changes in the governmental experiments in approaches and programmes in the process of development.

(b) Voluntarism between the Mid-60s & 70s

The developmental programmes and programmes for rural services with the approaching ‘trickle down’ theory of development did not succeed. The National Extension Service also did not help in agricultural production to the desired level. During the late 1960s, the country was caught up in the crisis of economic stagnation and political instability. This period was marked by massive droughts, floods and famine (1963-67) and increased rural misery. Student movements gained momentum during 1967-69. The National Social Service Scheme (NSS) formed in 1969, provided impetus to voluntarism with young students motivated to work on voluntary basis for the development of the weaker sections of the society. The economic and political circumstances during this phase motivated new generations of people to enter the voluntary sector. An alternate and integrated rural development began to be experimented during the late 60s. The Nehru Yuvak Kendras that were established at the grass-roots level offered opportunity to rural youths to participate in community services. Youth Clubs and Mahila Mandal operated in rural areas involving themselves in extension services and development programmes. During this period, several radical voluntary organisations emerged, seeking to bring radical changes in the society. New professionally trained youth volunteers also began to enter the voluntary sector and they undertook various new developmental initiatives.
During the Third Five Year Plan, the government recognized voluntary efforts as an aspect of public cooperation and sought more cooperation from voluntary organizations particularly in the rural development programmes. During the mid-60s, many foreign NGOs entered the Indian scene to work in the voluntary sector for organizing relief and rehabilitation work necessitated by severe drought (1965-66 & 1966-67) and famine. Foreign funds started flowing in during this period thus changing radically the character of the voluntary sector in the country. During the early seventies, at the call of Jaya Prakash Narayan during 1973-74 for ‘Sampurna Kranti’ (Total Revolution), a large number of voluntary organisations rallied behind him and built up People’s Power (Lok Shakti) against the State Power (Rajya Shakti). During the early 1970s, the government launched the minimum needs programme covering aspects such as rural education, health, water supply and sanitation, roads, rural electrification, housing, nutrition, rural energy etc. Various new programmes were launched covering these aspects of Minimum Needs Programmes. The approach of the government programmes earlier changed from community development and area approach to rural development was reoriented as ‘integrated rural development’ during the Fourth Five Year Plan (1969-74). The Rural Works Programme was redesignated under the area programmes as e.g. the Drought Prone Area Programme (DPAP) in 1973-74 and later the Desert Development Programme in 1977-78. The voluntary movement slowly gaining momentum in the first two decades and until early 70s in the post independence era, but got a serious set back during the declaration of ‘State Emergency’ in 1975 which continued until 1977.

(c) Voluntarism since the mid-seventies.

Following the State Emergency, the country’s political scenario changed and the Janata party came into power in 1977. The Janata Government (1977-80) assigned special roles to the voluntary organisations and thus began a new phase in the history of voluntary efforts in India. The government visualised a special role for voluntary organisations through its programmes such as Adult Education, Integrated Rural Development Programme (IRDP), Antyodaya Scheme, block level planning and training programmes of lower level functionaries. The industrial and business houses were granted special tax exemption to involve voluntary organisations in rural development works. Encouraged by the incentives from the government
and their concern for the alleviation of rural poverty, a new generation of professional groups i.e. educated and qualified young men, some of them with foreign training entered the voluntary sector to work as social activists in the rural areas. A new type of voluntary movement thus started in the late 70s.

The developmental programmes and approaches in the post-independence era went through several experiments and evolutionary stages. The changing nomenclature of programmes resulted in a shift in emphasis in different phases from: community to target/beneficiary groups to agricultural production to employment generation and now to empowerment of people. With this changing emphasis with the passage of time, the ministries and departments also changed their nomenclature e.g. the Union Department of Rural Development which was under the Ministry of Agriculture and Rural Development was reorganized into the Ministry of Rural Reconstruction in 1979 and later into the Ministry of Rural Development. Similarly, the Ministry of Welfare changed its nomenclature to Ministry of Social Justice and Empowerment. Although the developmental programmes passed through several evolutionary stages, yet the concept of development with people’s participation as the basic approach did not undergo changes. During the 1970s, ideas about conscientization and more people’s participation in development began to emerge. During this period, more focused work with target groups e.g. women, children, landless laborers, artisans, small and marginal farmers, scheduled castes and scheduled tribes etc. became the basis of voluntary efforts. Various area and target group programmes such as Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Laborers Development Agency (MFAL) were integrated into a new programme called Integrated Rural Development Programme (IRDP) which was launched on 2 October 1980. With the changing programmes and emphasis on development, the voluntary sector in the country was marked with increasing numbers, scope, sectoral specialization and professionalism throughout the 1970s and 1980s.

IV Changing Scenario & Contemporary Voluntary Action

Although there has been a steady growth of voluntary organisations in India during the post- independence era, however, the advent of state welfarism and government initiatives of
programmes and the establishment of Panchayati Raj institutions as people’s institutions hindered the full promotion of voluntarism in the rural areas. With the introduction of economic liberalization policies since 1984, shift of power from a centralized state sector and decentralization of people’s own efforts and the growing recognition of the role of voluntary organizations since the Sixth and Seventh Plan period, there have been marked changes in the complexion of voluntarism in India. The Seventh Plan Document (1985-90) pronounced a greater involvement of the voluntary sector particularly in the process of rural development. The government provided support to voluntary organizations in successive plan periods in the rural development programmes. The government provided funds to voluntary organization for rural development through People’s Action for Development of India (PADI) which came into being in 1973. A new organization of Council for Advancement of Rural Technology (CART) was formed in 1983 aiming at improving rural conditions through promotion of technology and supporting voluntary organizations. Both PADI and CART merged together in 1986 as the Council for Advancement of People’s Action and Rural Technology (CAPART) to encourage, promote and assist voluntary efforts in the implementation of rural development programmes. The establishment of CAPART was another turning point in the history of voluntarism in India and it became an apex developmental agency for voluntary action in rural development. Since then, there has been an unprecedented growth of voluntary organizations in the country working in rural development programmes.

However, an organized voluntary action in the field of rural development is comparatively new, slowly evolving and not yet fully complete. The total voluntary efforts in rural development in terms of geographical coverage are insignificant as compared to the needs of the country. As per some estimates only 3 to 5 percent of the 0.75 million villages in the country are covered by voluntary action. Although the voluntary action in rural areas is more diversified today, however, there are still many areas that need to be covered by voluntary action. Moreover, a large number of Mahila Mandals (Women’s Clubs) and Youth Clubs operate in rural areas, but most of them are unregistered organizations and they are unevenly distributed in the country.
During the 1980s & 90s, with the growing recognition and support of the government and the international donor agencies, the growing volume of funding by them, and the changing paradigm of the concept of development with more emphasis towards people’s participation in various development projects, all have contributed to a more rapidly growing voluntary sector. In fact, voluntarism in India has undergone fast revolutionary changes and the voluntary sector has become a distinct third sector in the civil society. They are now more diversified with growing professionalism and the sector has been playing a greater role in welfare and development, holding an immense potential for social action and change in the years to come.

GROWTH, ROLE, NATURE & TYPOLOGY OF VOs IN INDIA

Voluntarism in India has gained momentum with the advancement of society. The growth of voluntary organisations over the past four decades has given them an increasingly important role and led them to form a distinctive sector within civil society. They have emerged as a viable institutional framework and a well defined ‘third sector’-next to government sectors and private enterprises, to serve as a catalyst for development and change. The nature of VOs has undergone considerable transformation in recent times with the changing nature of society and its problems. The VOs in India today, vary widely in terms of size, form, objective, methodology, vision and characteristic. The term voluntarism is derived from the Latin world ‘voluntas’ meaning ‘will’ or ‘freedom’. Voluntary action is initiated by one’s own volition and it is the expression of the human will to work for the needy and destitute.

The voluntary organization is a group of individuals organized on the basis of voluntary membership for the pursuit of one interest or several interests in common. The term VO, has been understood, defined and used in a variety of ways. Lord Beveridge (1979) defined a voluntary organization as “an organization in which whether its workers are paid or unpaid is initiated and governed by its own members without external control”. Modeline Roff added that VOs should depend in part at least, upon funding support from voluntary sources. D.K. Sills, a sociologist, explains that a voluntary organization is “as a group of persons organized on the basis of voluntary membership without state control for the furtherance of some common
interests of its members”. Norman Johnson examined various definitions of voluntary social services and found that they are based on four factors:

- Method of formation – which is voluntary on the part of a group of people.
- Method of governing – with a self-governing organisation to decide on its constitution, its servicing, its policy and its clients.
- Method of financing – with at least some of its revenues drawn from voluntary sources.
- Motives – with the pursuit of profit included.

The voluntary effort leads to the people’s participation and involvement of members of the community in endeavors of social and economic well-being and empowerment. It is sometimes used interchangeably with people’s participation. People’s organizations are the means of empowerment to the poor and marginalized sections of the society. A people’s organization is a democratic organization which is composed, controlled and run by the people for whom it is intended. These may include producer organizations, farmer’s organizations, service providers, trade unions, cooperatives, mandals, disaster relief organizations, school committees and so on. The form of the organization often determines the degree of control. The guiding force however, should be from the people.

A voluntary organization is set up to provide a service to society. It is purely voluntary in nature without any intended benefit to those who control and manage it. VOs have an important role to play in the emergence and continuous capacity building of people’s organizations. Voluntary action is the common goal of people’s organizations, and voluntary organizations.

In India, there exists a large number of caste & communal organizations, educational and philanthropic associations, missionary and religious organizations. A definitional problem becomes apparent when one looks at the host of organizations that are active in diversified fields in India today, VOs are found in different forms, sizes and called by different names such as Voluntary Association, Voluntary Agency (VA), Private Voluntary Organisation (PVO), Voluntary Development Organization (VDO), Non-Profit Organisation, Social Action Group, Social Work Agency, Citizen’s Group, Self-Help Organization, Welfare Organization,
Community Development Organization & so on. At another level, they are called church groups, village communities, national consortium, women’s groups, youth clubs etc.

Although the terms VOs & NGOs are used interchangeably, however, they differ widely in their objectives, methodology, style of functioning, motives, legal status, socio-political orientation, ideological affinity, economic strength etc. The voluntary organizations are opposite to business, cooperative and trade associations. Voluntary organizations or agencies are essentially non-profit and non-partisan organizations. They are largely independent of the government and are characterized primarily by humanitarian or cooperative rather than profit making objectives. The quintessence of VOs is voluntarism and the spirit of voluntarism stems from varied sources such as e.g., love of humanity, charity, welfare of the needy and destitute etc. VOs are controlled and administered by an association of citizens rather than any influence from the government.

The term NGO, has acquired wide acceptance internationally. The United Nations nomenclature of an NGO refers to any international organization which is not established by inter-governmental agreement shall be considered as an NGO including organizations which accept members designated by governmental authorities, provided that such membership does not interfere with the organization’s free expression of views. The broad definition holds that every organization which is not part of a government and which operates in civil society is an NGO. They are also sometimes influenced, controlled or sponsored by the government and private business houses. NGOs include people’s organizations such as professional associations, community groups, labor and trade organizations, peasant and women organizations, youth clubs etc. and also include all educational, cultural and religious institutions and cooperatives. Although a vast majority of NGOs are formally independent and have nonprofit ethos, however, there are many NGOs working in the voluntary sector initiated by consultancy firms for profit and they are commercially oriented.

Therefore, the term NGO in India has been used to denote a wide spectrum of organizations which may be non-governmental, quasi or semi governmental, voluntary or non-
voluntary, partisan or non-partisan, formal or informal, non-profit or profit oriented bodies, with a legal status and registered under any of the Acts prescribed by the Government for the purpose.

The NGOs have a legal status and they are registered under an appropriate Act and the specific Act under which they have to be registered depends upon the nature and scope of their activities and objectives. On the contrary, VOs, the term widely used in India, usually referring to those organizations which are voluntary in spirit and with non-profit making objectives and exist as a legal entity, registered under the Indian Societies Registration Act, 1860 or Charitable and Endowment Trust Act or corresponding State Acts, covering only a limited areas of action. There exists however, a large number of VOs working at the grass-roots level which remain formally unregistered. Registered VOs are thus limited and constitute a small proportion of NGOs. NGO is a much broader concept than VO. In other words, all VOs are NGOs but not vice versa.

Criteria for Identification of VOs

The Seventh Plan Document (1985-90) of Planning Commission of India while recognizing the role of VOs in rural development programmes listed out eight criteria for identification of the voluntary organisations, and they are as follows:

- The organisation should have a legal status.
- It should be based in a rural area and be working there for a minimum of three years.
- It should have broad based objectives serving the social and economic needs of the community as a whole, mainly the weaker sections. It must not work for profits but on a no profit no loss basis.
- The activities of the organization should be open to all the citizens of India irrespective of religion, caste, creed, sex or race.
- It should have the necessary flexibility, professional competence and organizational skills to implement programmes.
- The office bearers of the organization should not be elected members of any political party.
- It must be committed to secular and democratic concepts and methods of functioning.
• It should adopt constitutional and non-violent means for rural development purposes.

**Characteristics of VOs**

The voluntary organizations have distinct characteristics that make them different from other organization in the society. Ideally, the chief characteristics of VOs are:-

• They are initiated by individuals or group of individuals for undertaking welfare and developmental activities for the disadvantaged groups of the society.
• They are self-governing organisations and decide their own constitution and the system of governance without any external control.
• They are non-statutory autonomous organisations and the membership is purely voluntary in nature.
• The work of VOs and their activities are focused on issues and people beyond their own staff and membership.
• They plan and implement their own policies and programmes with their own voluntary or paid workers.
• They have considerable autonomy and flexibility in the planning and management of their programmes.
• They can be both non-political as well as politically or ideologically oriented.
• They are neither formed nor run for profit making.
• Most of the VOs have a non-formal style of functioning.
• They have a managing committee that is elected/ nominated by the members.
• They have motivated leadership and a sense of commitment and dedication.
• They mobilize some of their resources from the community and voluntary sources.
• They have a legal status through registration under an appropriate Act.

**Role of Voluntary Organizations:**

Voluntary organizations perform the traditional role of delivery of services to the deprived and underprivileged sections of the society. Another major role of VOs is the ‘watchdog’ role which is more fundamental for social development. These include prevention
and misuse of governmental authority and economically powerful interests in perpetuating social injustices and arresting the trends of inefficiency and non-accountability of public administration. The third major role of VOs is cooperating with government agencies or supplementing their efforts in the implementation of their programmes.

The Seventh Five Year Plan Document had identified the role of voluntary agencies in the implementation of developmental programmes as follows:

- To supplement the government’s efforts in offering the rural poor choices and alternatives;
- To be the eyes and ears of the people at the village level;
- It should be possible for the voluntary agency to adopt simple, innovative, flexible and inexpensive means with its limited resources and less overheads to reach a larger population group with greater community participation.
- To activate the delivery system and to make it effective at the village level and respond to the needs of the poorest of the poor;
- To disseminate information;
- To make communities as self-reliant as possible;
- To show how village and indigenous resources and how human resources, rural skills and which local knowledge is grossly under-utilized at present, could be used for their own development.
- To demystify technology and bring it in a simpler form to the rural poor;
- To train a cadre of grass-root workers who believe in professionalizing volunteerism;
- To mobilize financial resources from within the community with a view to making communities stand on their own feet.

**Functional Role**

The nature of VOs in India has been changing from the traditional role and gradual shift of emphases in their functional areas. Voluntary efforts have now changed the focus from the traditional relief, rehabilitation, charity and welfare activities to more towards developmental
endeavors. VOs are now widening their outlook towards area development and rural transformation. In fact, they were the early catalyst for a new thrust in rural transformation and their role was that of a pioneer, innovator and scientist.

With the growing recognition of VOs and an increasing emphasis on the need for their involvement as a significant aspect of people’s participation in various developmental endeavors, the VOs & NGOs are becoming more specialized with growing professionalism. There has been now a clear cut shift in emphasis in the voluntary sector from care, charity and welfare towards empowerment, development and change. They are now more concerned about capacity building, conscious raising, conscientising and awakening and developing human resources. The nature and types of VOs in India are closely linked to the nature of their activities and the functional role played by them. The common functional areas of VOs in India can be grouped under the following broad categories:-

- **Relief & Rehabilitation** – Traditionally, VOs provide relief and rehabilitation services to the needy and destitute and the victims of natural and man-made calamities such as floods, cyclones, earthquakes etc. and to refugees and displaced persons, bonded labor, aged, infirm and handicapped, children and so on.
- **Charity and philanthropy.**
- **Social welfare in the fields of education, health and family welfare, drinking water and sanitation etc.**
- **Art and cultural activities.**
- **Services and delivery** – VOs provide specialized services such as e.g., consumer protection services, medical aid, legal aid, micro-credit, family planning and health services etc.
- **Education & Advocacy** – VOs are advocating causes such as adoption of a small family norm, promoting adult literacy, improving womens status, preventing environmental degradation etc.
- **Development** – The developmental VOs in India are involved mainly in three areas of activity:
  a) the socioeconomic development of the backward areas
b) the development of human resources through training programmes  
c) the development of human beings particularly the weaker sections of the society through activities such as conscious raising, awakening, conscientising, organising etc. in order to achieve the goal of the socio-political empowerment of such groups.

- Financial, technical & man-power assistance – Mobilisation of resources from the internal and external sources is one of the chief functional areas of VOs.
- Networking and alliance-building.
- Research and innovation, evaluation and monitoring activities.
- Capacity building – VOs undertake various vocational professional training programmes, training social workers and functionaries at various levels and
- Information dissemination and documentation.

In the contemporary era, NGOs and voluntary organizations play the role of promoters of development, catalysts of social and emotional changes, are a mechanism for popular participation in influencing public policy and public opinion, act as motivators, engage themselves in conscientization, play a role in the enforcement of law and social legislation and are a vital link between the people and the government. Creating awareness among the rural masses about their basic rights to services is an important role played by the voluntary agencies. Generating awareness to demand their rights has made the local delivery system more responsive to the needs of the poor especially in the rural India. During the Eighth Five Year Plan (1992-97), in a high level VO-Government Meeting, identified a number of areas for VOs participation. These included:

- Watershed management,
- Sanitation and drinking water,
- integrated
- rural development,
- family welfare,
- education & health,
- development of women and children,
➢ social welfare,
➢ labor,
➢ Science and technology,
➢ non-conventional energy
➢ sources,
➢ urban development dealing with the problems of urban slum dwellers, street children and environment and forests.

In the field of environment, many VOs, apart from creating environmental awareness, are engaged in various action oriented research and have played a ‘watch dog’ role in protecting the environment from further degradation. Environmental and eco-movements are the recent phenomena. Many VOs have taken up ecological issues in their agenda for action towards a sustainable development. They have many a times mobilised the local populace against the destruction of the environment and on the question of their rights for compensation and rehabilitation, thereby, making them conscious towards the contemporary environmental issues.

**Future role:**

The roles of NGOs and voluntary organizations in India however, have been limited to certain sectors of activity as compared to the immense potential they hold for social action and change. The future role of voluntary organizations could be broadly envisaged as below:

➢ More intensive voluntary efforts need to be mobilized in the traditional areas where problems remain unresolved. The problem of the alleviation of poverty and upliftment of the weaker sections of society are the most challenging areas for future actions. Besides, education and health for all, woman and child development and the question of social justice, promotion of handicrafts, consumer protection and social welfare services for the disadvantaged groups deserve greater attention today than ever before. Secondly, the hitherto neglected areas of large scale voluntary action such as agriculture, animal husbandry and dairy development, slum improvement, land reforms, land and water management, wasteland development, housing, provision of safe drinking water and
sanitation, ecological issues, the question of communal harmony, and the national integration call for greater participation and cooperation of VOs in the coming years.

- With the fast changing economy and society, voluntary actions in the coming decades are expected to expand into the non-conventional areas like communications for awareness generation, modern means of dissemination of information, non-conventional energy sources, marine affairs, drug abuse and alcoholism, juvenile delinquency, tourism and so on.

- VOs can also act as facilitators to ensure sound governance. True governance is not merely the rule of law, transparency or accountability, it implies building up citizenship, enabling its people to participate and build their capacities to influence. Governance is another thrust area that needs to be added in the future agenda of voluntarism.

- Another area of massive voluntary efforts is in population education. As population explosion is the crux of all social, economic and environmental problems, awareness generation and education of people regarding the population related issues thus call for greater involvement of voluntary organizations. To many people, population education is simply a family planning or sex education. It is however, juxtaposed with family planning and is programmes designed to make the people understand the broad inter-relationships between population, development, environment and the quality of life. Family planning and sex education meant for enhancing the quality of life are the only part of the programme in population education. In the late 1990s, hundreds of government assisted VOs participated in the population related programmes. However, greater voluntary efforts are needed in the population, family welfare programmes that are linked directly to the question of a sustainable development.

**Strength and Nature of VOs**

Certain nature of VOs makes them play a vital role in nation-building and national development. The strengths of VOs that put them in positions with more advantage over the governmental actions in effective implementation of programmes are:-
The philosophy of VOs is always extolled as ‘people-centered’ and ‘pro-poor’ and they serve the poor and disadvantaged sections of the society with rare dedication and moral commitment.

VOs use the participatory method to promote people’s participation in various developmental programmes which is the key to successful or sustainable development.

VOs are close to the community and they are well aware of their local needs, demands, priorities and problems.

VOs help identifying the right beneficiaries for the effective implementation of programmes.

The inter-personal relationship and intimate contact with the people help them mobilising more collective efforts in bringing social change and development.

High innovativeness, motivation, dynamic leadership and professionalism exist in the voluntary sector.

VOs are less rule bound and are non-bureaucratic, non-formal, easily accessible and flexible in their structure and operation.

VOs can easily stimulate and mobilize community resources including the local personnel and labor for effective implementation of programmes.

VOs can reach effectively the most isolated locations where government programmes are limited, non-existent or ineffective.

Voluntary action is more rapid and cost-effective in reducing administrative costs and minimizing the wastage of the limited resources.

VOs are equipped with trained, experienced and dedicated workers.

VOs protect against abuse of authority and play a watch dog’ or surveillance role and check Unbalanced growth and development.

VOs believe in development with social justice, equity and equality.

VOs are more humane and committed to secular and democratic concepts and methods of functioning.

VOs are free from political and other external influences and thus maintain a high degree of autonomy.
- VOs are the links between the people and their government and thus help stabilising democracy.
- VOs encompass institutional, behavioral and attitudinal changes and easily raise awakening and awareness among the masses.
- VOs are best suited for the tasks of information dissemination, knowledge, evaluation and monitoring activities.

**Trends and Patterns of Growth of the Voluntary Organizations**

India has a vibrant voluntary sector today. VOs cover a wide spectrum in the country from small loose knit local organizations to national federations. The number of VOs has grown enormously over the past few decades. Although there is no complete survey or comprehensive study on the total number of VOs & NGOs working in India, however, according to some estimates their number is more than 100,000 of which, only 25,000 to 30,000 are active. The size of the voluntary sector varies widely across the country. The largest number of voluntary agencies is in Maharashtra, West Bengal, Tamil Nadu followed by the other southern states. There are above 21,000 societies which have been registered with the Ministry of Home Affairs, Government of India under the Foreign Contribution (Regulation) Act (FCRA), 1976, since its inception in October, 1999. Besides, more than 6,000 societies are registered under the Prior Permission Category. There has been a mushrooming growth of VOs in the country during the last three or four decades and it is mainly due to factors such as widespread poverty and deprivation, growing problems arising from issues of development, environment, socio-economic crises, social conflicts and tensions, rising awareness and social concern, ineffective and weakening government delivery mechanism, growing recognition of the role of VOs by the governments at the national and international levels and rapid increase in the volume of national, government and foreign funding to the voluntary sector and so on.

**Pattern of the Growth of VOs**

The contemporary voluntary sector in the country depicts some pattern in its growth. These are outlined below:
• There are a countless number of voluntary organizations which are active in the rural areas but have no legal entity or in other words, they are not formally registered under any Act.

• There exists a large number of urban-based registered VOs and even though they are working in the rural areas, have their offices located in cities and towns.

• There exist wide regional variations in voluntary actions and in terms of the number of voluntary organizations. Most of the VOs working at the grassroots level, are small and medium-sized organizations with a weak financial base. The number of large-sized VOs is few in the country and they are mainly urban based. Some states such as Maharashtra, West Bengal & Tamil Nadu have a larger number of VOs. Yet there are few village level organizations in these states. On the other hand, Punjab, Assam and states in the North Eastern region have a large number of village level organizations particularly the Mahila Mandals.

• There exist few networking, alliance-building, umbrella or support organizations in the country.

• The number of VOs is growing at a faster rate and they are depicting wide diversities in their form, size, nomenclature etc.

• From the functional point of view, there are a large number of VOs found in the field of social welfare.

• There has been a growing professionalism and specialization in the voluntary sector.

• VOs are gradually playing a greater role in policy processes and policy development and have considerable impact on the evolution and development of public policies, particularly in the areas of environment, women’s issues, agro-business, child welfare and development etc.

• The flow of government funding from national and international levels to the voluntary sector has been increasing over the years and as a result of which, a growing number of developmental VOs have appeared in the Indian scene, actively participating in various government programmes particularly, in the rural development and social welfare programmes.
Types of Voluntary Organizations

The types of VOs and NGOs in India are more diversified, exploratory and evolving. No single parameter can provide the basis for understanding the wide range of VOs that exist in India today. They are distinguished by a considerable spectrum of bases concerning their form, size, origin, philosophical, ideological or religious affinities or sources of inspiration, economic strength/ funding, target groups, forms of control and governance, functional diversity, activity, legal status, level of operation etc. They may be grouped on the basis of motives of voluntarism ranging from love of humanity, religious faith, political freedom, welfare of the needy, neglected and destitute, poverty alleviation, development and empowerment of the weaker sections of society, social justice, equity, human rights etc. VOs cover a wide spectrum that ranges from strong to very fragile and weak, from small, isolated to large organisations, from durable and growing to short lived organisations and from local to national and international NGOs.

THE ROLE OF THE STATE IN VOLUNTARISM AND VO-GOVERNMENT RELATIONSHIPS

The Government-VOs relationships are most controversial and complex but are the most crucial issues in voluntary actions. They are dynamic and ever-changing in nature. Government co-opts, control and curb voluntary action depending upon its changing needs. There are two types of control seen over VOs. Firstly there is an internal or self control which the VOs are subjected to and can be regulated through solidarity among VOs that are influenced by external control where the state plays a crucial role. The predominant method of this control is the control by laws or legislation.

The adoption of a legal entity, and government regulatory arrangements require each VO to have a constitution, by-laws, memorandum of association or a similar document which establishes a framework for the governance of the organization. The self regulation control of the organization vest on the hands of a Board of Management, through which an VO is accountable to the public, members, and/or beneficiaries of the organization and the funders or donors. Accountability and transparency of VOs are the two important foundations for the sound governance of an organization.
The laws governing the registration of Societies and the FCRA give the central government the power of scrutiny and the prevention of financial irregularities by the VOs. The freedom of action of the VOs is greatly restricted by the state interventions. VOs face great difficulties because of the restrictive and cumbersome laws and regulations under which they have to operate. Many problems arise out of the various government laws relevant to VOs such as Income Tax Act, labor laws, Registration Acts, FCRA, etc. VO-Government relationships broadly arise over the issues of resource mobilization, service delivery and in the process of implementation of programmes and in broader spectrum, social and economic changes. These relationships depend much on the information, communication and dialogue between the two. The relationships between the government and VOs in India have been continuously evolving and undergoing qualitative changes. The State acts as a regulator, funder and development actor in the voluntary efforts. The government controls and regulates the functioning of voluntary organizations through: -

- Registration under an appropriate Act.
- Enforcement of minimum standards through statutes such as e.g. Juvenile Justice Act.
- Licensing under appropriate legislation.
- Inspection by the inspectorate of grant-giving departments.
- The work of the organization to be as per the conditions of the grant regulation.
- Levy of income tax on the profit of the organization.
- Applicability of the labor legislation on the employees of VOs.
- Giving clearance for receiving funds from foreign donor agencies etc.
- Official policy statements in the plan documents indicating promotion and support of voluntary action as an important aim.
- Establishing commissions, committees, studies, working groups etc.
- Providing grants-in-aid for the implementation of programmes.

**State as a Regulator:**

The state has been controlling VOs through its role as a regulator. The government enacts a variety of regulatory mechanisms through its organizations and agencies as well as through laws and legislations. Three types of legislations directly affect VOs in India
➢ **Laws of Registration or Incorporation:**

The most common form of registration is a society or a trust. The Society Registration Act (1860) has been subsequently modified and amended by several state governments in different parts of the country. Through this act the government regulates the VOs.

➢ **Legislation Relating to Finance: Income Tax Act (1961):**

The government offers three principal forms of tax relief for voluntary organizations under the Income Tax Act.

✓ Section 80G allows voluntary organizations working in specified areas deemed to be charitable to register with the income tax authority. This enables donors (individuals and companies) to claim tax relief on 50% of the amount donated, up to 10% of the donor’s income. The beneficiary organizations are required to issue a receipt or certificate in a prescribed format to the donor to enable the donor to claim tax deduction. This is the most widely used tax benefit for charitable giving.

✓ Section 35AC allows contributions to be 100% deductible. However its application is specific to projects, generally research projects, rather than to organizations. To benefit under this section, the recipient organization must typically be implementing the project itself. Approval must be sought from the National Committee for Promotion of Social and Economic Welfare based in New Delhi. Donations to government development agencies, such as the Integrated Rural Development Program are 100% deductible under this section.

✓ Section 35 (I to III ) provides for a similar 100% exemption for donations to approved scientific research associations such as universities, colleges, or other institutions for scientific research, research in social science, or statistical research. Section 25 businesses are exempt from paying income tax on profits “incidental to the attainment of the objects of the non profit organization,” as long as separate books of account are maintained. Bilateral development assistance to NGOs continues to be governed by the Foreign Contribution (Regulation) Act, 1976. Only organizations registered under the act—nearly 30,000 at present—are permitted to receive bilateral assistance.
Foreign Contribution (Regulation) Act, 1976:

Foreign Contribution (Regulation) Act, 1976 was created during the emergency in 1976. It regulates the flow of foreign grants and contributions to all kinds of VOs in the country. The Government of India has entrusted the responsibility of implementation of the act to the ministry of Home Affairs. The act initially provided for provisions for VOs receiving foreign contributions to report on a six monthly basis, the grants received, the sources, the amount and the purpose. The amendments to this act in 1984 through an ordinance and subsequently, enactment of legislation in January 1985, enabled the government of India to further restrict the receipt and utilization of foreign contributions by the voluntary development organizations. It made another provision of prior permission for receiving foreign contribution.

State as Funder (Government Funding)

The constitutional goal of distributive justice, the vastness of the size of the country, unfulfilled basic needs of people at the lowest strata of society including SC, ST backward classes, minorities and women, widespread gender discrimination at household and societal levels and work places, the new social upsurge amongst the dalits, a growing feeling that the fruits of development have not percolated uniformly down for whom they are intended coupled with the inability of the government ministries/departments to reach out to the unreached to meet those needs, exponential growth in sectoral programmes and outlays with the thrust on anti-poverty programmes, need for greater freedom, flexibility and innovation in the implementation of those programmes and the need to fight leakage and wastage in the delivery mechanism, the desire on the part of the government to benefit by the rich grassroots level experience of many VOs and the desire on the part of VOs to have the interaction on a regular basis made the government to begin utilizing its access to vast resources to provide land, facilities infrastructure and funds through a large number of voluntary organizations.

VOs have two important roles to perform in supplementing the government efforts towards inclusive development:
Mobilization and organization of the poor including specially disadvantaged and vulnerable sections of society such as women, the handicapped, disabled and the aged preceded by education, awareness building and conscientization with a view to empowering them, breaking the culture of silence and dependence and to put people at the lowest strata of society on a foundation of individual and collective self-reliance thereby converting them from passive recipients of doles to active participants in the process of planned development.

Providing delivery of services by the implementation of various development projects with government assistance or assistance from external funding agencies on the recommendation of the government in the following directions:

- Providing relief and rehabilitation to those who have been affected by natural calamities like flood, cyclone, earthquake, etc.
- Providing rehabilitation to the physically and orthopaedically handicapped (deaf, dumb and blind), non-formal education to street children and urban slum-dwellers and also cater to their health and family welfare.
- Creation of infrastructure (such as school buildings, health centres, etc.)
- Meeting basic minimum needs (such as drinking water, sanitation, literacy, immunisation, family planning, primary health care, nutrition, housing etc.)
- Creation of community assets (such as roads, irrigation, tanks, water harvesting structures, community latrines, community biogas units, community forestry, etc.)
- Helping in the economic and social empowerment of women through provisions of easy credit, skill training, increased income earning opportunities, support services, child care and nutrition services.
- Other initiatives and thrusts which do not necessarily imply delivery services but issues like creation of awareness for conservation of the environment, women’s equality and empowerment, national integration, communal harmony, etc.

The trend which has emerged over the years is that fewer VOs are coming forward to take up programmes of mobilization and organization and more VOs are coming forward to
take up public works (roads, school buildings, health centres, irrigation works, low cost dwelling units, drinking water and sanitation, etc.)

People have to be put on the centre stage of development. People have to be organized and helped to be active participants of the development process. While the government can create a climate conducive to such organization the government by itself cannot organize the people. This role has to be appropriately left to the VOs. The government cannot by any stretch of imagination control or regulate VOs. The government can lay down an appropriate policy and generate an environment conducive to the creation of self supported and self-managed institutions (VOs, Panchayats, etc.) for facilitating integrated development in urban, semi-urban and rural areas and the removal of constraints adversely affecting that process.

**CONSTRAINTS IN VOLUNTARISM, RESOURCE MOBILISATION & FUNDING TO VOs**

Despite an increasing recognition of the pivotal role of voluntary organizations in the process of people-centered development of the country, the voluntary sector has been facing enormous legal, structural, operational and financial constraints in their endeavor. While they have improvised ways and means to overcome certain constraints, they have encountered new ones in their endeavor, posing serious functional bottlenecks. The set of constraints that the VOs face today in their efforts are given below:-

- People’s perception and public recognition to voluntary efforts are often with pre-conditions as well as critical success factors, for the achievement of their social objectives. A conflict between the voluntary organization and the people who stand to be benefited from their actions, could often pose serious constraints for effective voluntary work. The growing international recognition to voluntary efforts and the continuous flow of international funding to VOs have led many people to perceive them as ‘privately owned shops’ and blame them on the grounds of siphoning off funds. VOs experience great difficulties in securing social acceptance and appreciation. These stand as one of the major constraints in the implementation of
many government programmes that involve people’s mobilisation, awareness
generation and people’s participation.

- The essentiality of acquiring a legal status through a form of registration under the
  common forms such as Indian Societies Registration Act, 1860, Trust Act,
  Cooperative or Trade Union Act, Companies Act etc., restricts the overall autonomy
  of the organisations. In addition, the choice for a form of registration is rather limited.
  Organisations promoting income generation, asset creation programmes, find it
difficult to create an appropriate form of registration. Thus, there is a need for simple
and alternate forms of registration that can incorporate the wide range of roles that the
VOs play today.

- Most of the voluntary agencies in India are working in isolation and they are
  scattered, unorganized and operate at micro-level. They lack coordination and
  cooperation between themselves and with other institutions as well. This sometime
  leads to multiplicity of agencies and overlapping of functions.

- Most of the VOs working at the grass-roots level, lack the technical expertise,
  professional competence, organizational infrastructure and capabilities which restrict
  their endeavors’. They also face conflicts within the organization among the diverse
  set of people particularly, on the question of roles and responsibilities.

- There has been a marked shift in voluntary efforts from the traditional activities to
  social development. The major thrusts are towards social justice, social development,
  social planning and action. They are unable to promote community initiative and
  peoples’ organising capacity effectively due to lack of knowledgeable and trained
  social workers. Thus, in order to take up the contemporary developmental and social
  problems, they have to employ trained social workers who can tackle the new
  challenges and needs of development.

- Most of the NGOs lack proper management and administrative capabilities and they
  also lack exposure to modern management principles, methods and tools essential in
  the implementation of government programmes effectively.

- VOs often face ideological problems, problems of motivated leadership and very
  often encounter ego- problems leading to conflicts within and between organisations.
They face large scale staff turnover and the problems of retention of trained manpower.

- Wide diversities, and an uneven development of voluntary efforts exist in the country.
- Mutual perception and critique of each other’s independent development initiatives within the sector is a crucial factor in coordinated voluntary efforts. There is a need for networking among the VOs to discuss their common problems and making them a viable instrument influencing government policies and public administration for development and change.
- A large number of VOs lack proper infrastructures to utilize the inputs and assistances (financial and technical) provided by the government.

Besides, there are innumerable conceptual, organizational and operational problems the voluntary sector has been saddled with that inhibit their potentialities as a major factor for being a successful partner in the process of development and to emerge as a viable third sector in civil society. The sector today faces more criticism for the lack of transparency, autonomy, accountability and credibility. This poses a serious problem to their democratic functioning and values based voluntarism. The greatest challenges and the serious constraints faced by most of the voluntary organizations, however, have been the unavailability of adequate funds and the lack of knowledge regarding the sources and nature of funding. Due to the lack of consistent financial support, many organizations die out and others survive on limited resources. Many organizations function only on borrowings and thus face a serious debt crisis, critically restricting their efforts. They face difficulties in mobilizing non-institutional resources from the community of the area of operation, which is in fact, the most potential resource base. They are heavily dependent on the institutional funds i.e. the grants from the government and international funding sources, which are rather limited and fluctuating sources of funding.

GOVERNMENT POLICIES TOWARDS VOs AND GRANTS-IN-AID

The crucial role of voluntary organizations in welfare and development has been well recognized by the Government of India (GOI) ever since the First Five Year Plan in 1951. The GOI takes a cooperative stance towards the voluntary organizations and supports voluntary
efforts with a view to create a ‘welfare state’ within the framework of the Constitution of India. The year 1953 was a turning point in the history of VO-Government relationships when the government established the Central Social Welfare Board (CSWB) with the primary objective of promoting voluntary efforts in social welfare programmes. Since then the Government of India, has not only been giving wide recognition to voluntary efforts but also promotes, stimulates and develops voluntary organizations by providing assistance (both financial and technical) in the furtherance of their objectives in the successive Five Year Plan periods.

**Government Policies towards VOs During Various Plan Periods**

The government in the first two decades after independence adopted policies of working with VOs for the welfare of the people. The First Five Year Plan (1951-56) Document states that:

“A major responsibility for organized activities in different fields of social welfare falls naturally on private voluntary organizations. The private agencies have since long been working in their own humble way without adequate aid for the achievement of their objectives and their own leadership, organization and resources. Any plan for social and economic regeneration should take into account services rendered by these agencies and the state should give maximum cooperation in strengthening their efforts”.

The Third Five Year Plan (1961-66) had characterized voluntary action as an aspect of public cooperation. Greater emphasis during this plan was on public cooperation. The importance of the role of VOs for the successful implementation of the plan was recognized as follows:

“People’s part in attaining democratic values is of supreme importance. The peaceful struggle for freedom and traditional constructive work associated with it had marked out for people, a decisive role in the tasks of planned development initiated years ago. It is evident however, that the possibilities of the full involvement of people in the processes of change and growth are not being realized to a sufficient degree”.

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Discussing people’s participation on an ideological level, the Plan Document found it necessary to give it a concrete shape and observed that the concept of cooperation of the people is related in its wider aspect to the sphere of voluntary action in which initiative and motivational responsibility rest completely with the people’s leaders.

The Fourth Five Year Plan period (1969-74) marked another phase of increasing the governments’ cooperation with VOs with the launching of People’s Action for Development in India (PADI) in 1973 through which the government channelized funds to VOs. Most of the VOs are now recipients of government funding. As public policy tends to lean more and more on VOs, this, in turn, has motivated them in upgrade their technical skills. The Fourth Five Year Plan Document states that:

“Since VOs play an important role in welfare activities, assistance will be given to them for, taking up projects for backward classes, publicity and propaganda for removal of untouchability, running hostels and educational institutions, organizing welfare and community centers, social education etc.”

Since independence until the Sixth Five Year Plan (1980-85), however, there was little efforts on the part of the government to define the role of voluntary organizations or to recognize the importance of VOs in the development process. Realizing the importance of participatory development, the Sixth Plan Document emphasized the promotion of voluntary organizations in order to secure people’s participation in its various programmes.

With a view to translate the concept of social justice as laid down in the Indian Constitution, the Sixth Five Year Plan focused on a comprehensive Minimum Needs Programme to provide certain basic social services to the poorest section and distribute justice through programmes of redistribution of assets. The minimum needs programme of the Sixth Five Year Plan for the rural sector focused on elementary education, adult education, rural health, rural water supply, rural roads, rural electrification, nutrition etc. Aiming at improving rural conditions by way of innovation and introduction of appropriate technology along with the support of
voluntary organizations, a new organization of Council for Advancement of Rural Technology (CART) was formed in 1983.

It has been argued among a section of development theorists that government bureaucracy being rule-bound and essentially conservative, it may not be advisable to entrust development work on the bureaucracy. Especially in certain spheres of activity demanding creativity, innovativeness, high motivation and commitment, non-bureaucratic organizations may be more suitable. From this standpoint, VOs, if equipped with necessary technical expertise, can be useful agencies of socio-economic development. Raj Krishnan, an eminent economist and a former member of the Planning Commission echoed the same sentiment: “more and more work should be entrusted to non-official agencies”. Government departments should help them, legally, administratively, technically and financially to make and implement area plans”.

Recognizing the important role of voluntary agencies in accelerating the process of social and economic development, the Seventh Five Year Plan (1985-90) had placed a great deal of emphasis on people’s participation and voluntary action in rural development. The Seventh Plan had relied heavily on the VOs in the implementation of anti-poverty and minimum need programmes. The Planning Commission in the approach paper for the Seventh Plan raised the issue of an alternative monitoring machinery to lend a hand to the development bureaucracy for meeting the problem at hand to reach aid with faster pace to the poor. The Commission identified voluntary actions as the alternative mechanism for the purpose. The Planning Commission made a beginning in this direction in 1982 when the then Prime Minister emphasized the need for widening the role of voluntary actions for the implementation of the 20 point programme with a suggestion to set up a consultative group of voluntary actions. For integrated rural development and allied services covered by the anti-poverty and minimum needs programme in the Seventh Plan, the function and scope of People’s Action for Development (PADI) was enlarged and merged with the Council for Advancement of Rural Technology in 1986 to form the Central Nodal Agency namely, Council for Advancement of People’s Action and Rural Technology (CAPART). It aimed at encouraging, promoting and assisting voluntary agencies for effective implementation of rural development programmes. The Seventh Plan Document says that: -
“The tasks involved in the implementation of antipoverty and minimum needs programmes are so vast that the government alone can not perform everything. Supplementation of efforts by VOs will be necessary as expertise of a different kind is required, strategies of a different nature need to be designed and personnel with different attitudes and orientation will need to be mobilised to reach the target groups”.

The Seventh Plan Document reiterated that ‘serious efforts will be made to involve voluntary actions in various development programmes, particularly in the planning and implementation of programmes of rural development.” Criteria for identification of voluntary actions for enlisting help in relation to the rural development programmes were adopted. The role of voluntary agencies was defined “as providing a basis for innovation with new approaches towards integrated development, ensuring feedback regarding the impact of various programmes and securing the involvement of the total community particularly those living below the poverty line.” In pursuance of this policy, a number of programmes and areas in which voluntary organizations can participate were also identified during this Plan. The emphasis in the Seventh Plan period was mainly to professionalize voluntarism by introducing professional competence and managerial expertise keeping in view the resources and capabilities of voluntary organizations.

The Eighth Plan Document aimed at further broad basing and strengthening voluntarism. In the Eighth Five Year Plan (1992-97), people’s initiative and participation became the key elements in the process of development. The Eighth Plan identified human development as its main focus. During this plan, the approach of people’s participation was included in programme based strategies creating or strengthening various people’s institutions at various levels (districts, block and village levels) in order to optimize benefits at the grass-roots level. The focus was developing multiple institutional options for improving the delivery systems by using the vast potential of the voluntary sector.

The Ninth Five Year Plan (1997-2002) Document also conforms to this policy. The plan recognized that the role of the government should be to facilitate the process of involvement of the voluntary organizations by creating the right types of institutional infrastructure. The basic
objectives of the Ninth Five Year Plan arising from the common minimum programme of the government, besides others include:-

- Promoting and developing people’s participatory institutions.
- Empowerment of women and socially disadvantaged groups such as scheduled castes, scheduled tribes, other backward classes and minorities as agents of socioeconomic change and development.
- Priority to agriculture and rural development with a view to generating adequate productive employment and eradication of poverty.
- Ensuring environmental sustainability of the development process through social mobilisation and participation of people at all levels.

The Ninth Five Year Plan envisaged a major role for voluntary organizations in organizing and empowering the poor & marginalized sections of society. The Plan Document reiterates the need for people’s participation in the process of development which can be achieved by the strengthening of institutions such as cooperatives, self-help groups, associations of workers or small producers and other forms of institutions. It further states that the “government will seek active partnership with the voluntary sector in organizing and promoting these institutions”.

The policies of the government towards voluntary organizations have undergone evolutionary changes with the changing social, economic and political complexion of the country. A gradual and growing interdependence between VOs and the government in India is marked in the post-independence era, particularly in the 1980s, 1990s and during the first decade of this century.

**Grant-In-Aid**

In pursuance of its policy to encourage and involve voluntary organizations, the government of India has been providing financial assistance to them through an instrument called Grants-in-aid. Grants-in-aid may be defined as an instrument of transfer of funds from a
higher level federal authority to lower level authority under certain guidelines governing procedure, conditions and obligations. The basic objectives of grants-in-aid are:

- Promotion of voluntary action and people’s participation,
- Promotion of innovation and experimentation of programmes,
- Provide service delivery with speed and flexibility,
- Bring about decentralization,
- Cover the uncovered areas, sectors and groups.
- Sharing tax funds for welfare and development etc.

The beginning of the system of grants-in-aid dates back to the early fifties when the Central Social Welfare Board (CSWB) was established in 1953 with an aim at administering government funds for assisting voluntary organizations involved in social welfare programmes. Since then a number of central agencies have been created for funding to the VOs. These include Council for Advancement of People’s Action and Rural Technology (CAPART), Khadi and Village Industries Commission (KVIC), Rashtriya Mahila Kosh (RMK), National Children Fund (NCF), Rural Development Fund (RDF and the like. Provisions of grants-in-aid have been helping the agencies to augment their resources and undertake several welfare and development activities. The main purpose of grants-in-aid is to encourage innovation and promotion of voluntary effort in areas where it is nonexistent.

It is also meant to help voluntary agencies develop a professional approach through the induction of trained manpower and build their administrative and organizational competence. One critical issue arises from the grants-in-aid scheme is the fact that various ministries/departments depend on the state governments/UT administrations for recommendations/reports on the functioning of the voluntary organizations based on which the installments of assistance were being released. However, in most of the cases the reports from the concerned state governments get delayed resulting in many VOs being deprived of assistance or the installments of sanctioned grants getting delayed thereby badly affecting the projects work.
The government of India apart from giving financial assistance provides technical, material and training assistances and guidelines to voluntary organizations in different forms. The central funding to voluntary organizations is extended by various ministries and departments in the form of grants-in-aid, subsidies, government loans/bank loans, stipends, honorarium and cash awards etc. Depending on the nature of the project and type of activity, the government provides financial assistance to voluntary organizations in the form of both recurring, non-recurring grants, such as administrative grants, maintenance grants, grants for purchase of land and construction of buildings, extension and repair work, paying rent, purchase of equipment/furniture and meeting the expenses of teaching/learning materials, salaries and allowances of staff workers, transport and travel costs, printing and copying postage, stationary, typing and telephone charges etc. Similarly, non-financial assistances take the form of technical resource support, training, goods and services whenever required, depending upon the type and nature of the project.

Recognizing the need for professionalism in social work and the financial and other constraints of appointing professional social workers in the voluntary sector, the government has been assisting for the last three decades, the VOs in training their voluntary and paid workers. In the initial stages, the School of Social Work undertook this responsibility during their vacation as a part of their extension activities. However, recently, the NIPCCD (National Institute of Public Cooperation and Child Development) contributed a great deal in providing training and orientation to the board members, office bearers and paid employees of the VOs in order to upgrade their programme planning, management and monitoring skills.

The government of India is now concerned with the rationalization and simplification of procedures of grants-in-aid to VOs for effective utilization of resources. In response to the recommendations made by the Krishnaswamy Committee in 1988, the Department of Administrative Reforms, Public Grievances and Pensions in the Ministry of Personnel, had produced a Study Report (1997) entitled, “Monitoring of Government Aided NGO Projects” which primarily focused on issues relating to the methods and procedures adopted for the release of grants-in-aid to voluntary organizations. In this report, the department recommended that the central ministries/departments should adopt more open and transparent procedures for release of
grants-in-aid to voluntary organizations. Individual departments and ministries of the government of India laid down a clear cut policy framework for the active participation of voluntary organizations in various national programmes.

There are however variations in the procedures / guidelines of different departments of the Central and State Governments for involving VOs in different schemes. Departments / Ministries have developed specific guidelines for their projects and programmes to be implemented by VOs (an illustrative list of such Government schemes may be seen at Annex-IV). On the basis of their guidelines, the projects are solicited from VOs and then approved by the sanctioning authority of the concerned Department /Ministry. Some common features of the procedures adopted for providing financial assistance to VOs are:

- VOs / NGOs should be registered under the relevant statutes.
- They should have completed two / three years from the date of registration, by the date of application for funding.
- They should have had a bank or post office account for at least two / three years preceding the date of filing the application for funding.
- Some Departments / Ministries have adopted a decentralized system of funding either through field offices or involving an intermediary agency, such as a mother NGO, under the RCH scheme of the Ministry of Health.
- There are desk & pre-funding appraisals, mid-term appraisals and final evaluations. Some departments involve a panel of in-house monitors and others involve external experts for monitoring & evaluation.

In most cases, Government assistance is available only through strait-jacketed schemes. Moreover, most Departments / Ministries have not played any pro-active role in establishing partnerships with committed VOs and have generally confined their attention to only those who apply for funds to their offices. It is also becoming difficult for Government departments to thoroughly examine the large number of proposals received from VOs / NGOs and to monitor their activities. It is now crucial to simplify procedures to create an enabling environment that promotes and facilitates the work of emerging voluntary sector.
There have been earlier attempts in this direction. Different expert groups / committees have been set up by different departments to examine and simplify the procedures for the involvement of VOs. For example, the Report on Review and Simplify Procedures for Processing Proposals for Grants-in-Aid to Voluntary Organizations (1988) and Study Report on Monitoring of Government Aided NGO Projects (1997) by the Ministry of Personnel, Public Grievances & Pensions; Report of the Steering Committee on Voluntary Sector for the Tenth Plan (2002-07) by the Planning Commission (2002), and the Report of the Advisory Committee on Voluntary Organizations (2004) by the Ministry of Social Justice & Empowerment. The major recommendations emerged from the reports of these groups include the following:

- **Electronic integration of data** - Adequate mechanisms should be put in place for electronically integrating information regarding the quantum of grants made to VOs, progress regarding sanctioning of the projects by all Departments/Ministries of the Central and State Governments and International Funding Agencies.

- **Social pressure through RTI Act** - Social pressure should be put upon VOs for disclosing all the necessary information pertaining to financial and project details. Information about each project should be made available to the public by VOs through their annual reports, web sites, etc. in order to ensure transparency and bolster public confidence in the voluntary sector.

- **Different standards for eligibility for VOs** - Different standards / norms should be set up for VOs working at the grassroots, district or national level, keeping in mind the resources and infrastructure available to these VOs.

- **Standardized accounting format/standardized bond** - There should be uniform grant-in-aid guidelines keeping in mind the general financial rules, financial accountability and procedural simplicity across Government funding institutions. Standardized norms for accounts for the VOs should be established and a standardized bond should be executed.

- **Monitoring and flexibility of grants** - Online monitoring systems can be used to simplify procedures, bring about greater transparency and make the process user friendly. Basic documents of VOs, like memorandums of association should be put on their websites as well as on the websites of the donor agencies for greater public oversight.
Flexibility for VOs in project implementation - There should be flexibility in the use of funds within the overall budget, so that the ground realities not envisaged at the time of formulation of the project can be taken into account to ensure the most effective use of grant funds.

Need for consultation with VOs - There is a need to consult a wide range of VOs in the process of formulating, implementing and monitoring a scheme. Schemes should be reviewed with VO feedback once in every 4-5 years. Joint consultative forums, having representatives from the voluntary sector along with the departmental officials, should be set up by the concerned donor departments.

Need for an Ombudsman – An ombudsman should be set up to look into the mal-administration, corruption, irregularities in Departments/Ministries and State Governments dealing with VOs, *suo moto* or otherwise.
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1. **Preamble**

1.1 This Policy is a commitment to encourage, enable and empower an independent, creative and effective voluntary sector, with diversity in form and function, so that it can contribute to the social, cultural and economic advancement of the people of India.

1.2 The voluntary sector has contributed significantly to finding innovative solutions to poverty, deprivation, discrimination and exclusion, through means such as awareness raising, social mobilization, service delivery, training, research, and advocacy. The voluntary sector has been serving as an effective non-political link between the people and the Government. This policy recognizes the important role that the voluntary sector has to play in various areas and affirms the growing need for collaboration with the voluntary sector by the Government, as well as by the private sector, at the local, provincial and national levels.

2. **Scope of the Policy**

2.1 In the Policy, voluntary organizations (VOs) mean to include organizations engaged in public service, based on ethical, cultural, social, economic, political, religious, spiritual, philanthropic or scientific & technological considerations. VOs include formal as well as informal groups, such as: community-based organizations (CBOs); non-governmental development organizations (NGDOs); charitable organizations; support organizations; networks or federations of such organisations; as well as professional membership associations.
2.2 To be covered under the Policy, VOs should broadly have the following characteristics:

a) They are private, i.e., separate from Government
b) They do not return profits generated to their owners or directors
c) They are self-governing, i.e., not controlled by Government
d) They are registered organizations or informal groups, with defined aims and objectives.

3. **Objectives of the Policy**

3.1 The specific objectives of the policy are listed below:

3.1.1 To create an enabling environment for VOs that stimulates their enterprise and effectiveness, and safeguards their autonomy;

3.1.2 To enable VOs to legitimately mobilize necessary financial resources from India and abroad;

3.1.3 To identify systems by which the Government may work together with VOs, on the basis of the principles of mutual trust and respect, and with shared responsibility; and,

3.1.4 To encourage VOs to adopt transparent and accountable systems of governance and management.

The following paragraphs describe how these objectives are to be achieved.

4. **Establishing an Enabling Environment for the Voluntary Sector**

4.1 The independence of VOs allows them to explore alternative paradigms of development to challenge social, economic and political forces that may work against public interest and to find new ways to combat poverty, deprivation and other social problems. It is therefore crucial that all laws, policies, rules and regulations relating to VOs categorically safeguard their autonomy, while simultaneously ensuring their accountability.
4.2 Voluntary organizations may be registered as societies, as charitable trusts, or as non-profit companies under Central or State laws. Some States have adopted the Societies Registration Act (1860), with amendments, while others have independent laws. Similarly, laws relating to charitable trusts vary across States. Over time, many of these laws and their corresponding rules have become complex and restrictive, thus leading to delays, harassment and corruption. As the nodal agency for interface between the Government and the Voluntary Sector, the Planning Commission will encourage State Governments to review prevailing laws & rules and simplify, liberalise and rationalise them as far as possible. In order to facilitate registration of non-profit companies, the Government will examine measures to simplify procedures under section 25 of the Companies Act (1956), including those for license, registration, and remuneration to member-employees.

4.3 The Government will also examine the feasibility of enacting a simple and liberal central law that will serve as an alternative all-India statute for registering VOs, particularly those that wish to operate in different parts of the country and even abroad. Such a law would co-exist with prevailing central and state laws, allowing a VO the option of registering under one or more laws, depending on the nature and sphere of its activities.

4.4 There has been much public debate on the voluntary sector, particularly its governance, accountability, and transparency. It is widely believed that the voluntary sector must address these issues through suitable self-regulation. The Government will encourage the evolution of, and subsequently accord recognition to, an independent, national level, self-regulatory agency for the voluntary sector.

4.5 At the same time, there is need to bolster public confidence in the voluntary sector by opening it up to greater public scrutiny. The Government will encourage Central and State level agencies to introduce norms for filing basic documents in respect of VOs, which have been receiving funding by Government agencies and placing them in the public domain (with easy access through the internet) in order to inculcate a spirit of public oversight.

4.6 Public donation is an important source of funds for the voluntary sector and one that can and must increase substantially. Tax incentives play a positive role in this process. Stocks
and shares have become a significant form of wealth in the country today. In order to encourage transfer of shares and stock options to VOs, the Government will consider suitable tax rebates for this form of donation. The Government will also simplify and streamline the system for granting income tax exemption status to charitable projects under the Income Tax Act. At the same time, the Government will consider tightening administrative and penal procedures to ensure that these incentives are not misused by paper charities for private financial gain.

4.7 International funding of voluntary organizations plays a small, but significant part in supporting such organizations and their work in the country. An organization seeking foreign funding must be registered under the Foreign Contribution (Regulation) Act. This law prescribes stringent screening norms that often restrict the ability of VOs to avail foreign funds. When approved, there are problems like funds must be held in a single bank account, thus presenting enormous difficulties to VOs working at different locations. The Government will review the FCRA and simplify its provisions that apply to VOs, from time to time, in consultation with the joint consultative group to be set up by the concerned Ministry (as suggested under para 5.4).

4.8 The Central Government has framed guidelines for bilateral agencies to give direct assistance to voluntary organizations for projects of social and economic importance. It controls access to such funds and their utilisation, both through the FCRA and through regulation by the Department of Economic Affairs. This system needs to be simplified in consultation with the joint consultative group to be set up by the concerned Ministry (as suggested under para 5.4).

4.9 The Government will encourage all relevant Central and State Government agencies to introduce pre-service and in-service training modules on constructive relations with the voluntary sector. Such agencies should introduce time bound procedures for dealing with the VOs. These would cover registration, income tax clearances, financial assistance, etc. There would be formal systems for registering complaints and for redressing grievances of VOs.
5. **Partnership in Development**

5.1 The voluntary sector can play an important role in the development process, particularly through community participation. VOs can offer alternative perspectives; committed expertise; an understanding of the local opportunities and constraints; and perhaps most importantly, the capacity to conduct a meaningful dialogue with communities, particularly those that are disadvantaged. It is therefore essential that the Government and the Voluntary Sector work together. Where feasible, such partnership may also include other entities such as *panchayati raj* institutions, municipalities, academic institutions, and private sector organizations.

5.2 Partnership between Government and VOs implies identifying shared goals and defining complementary roles. It must be based on the basic principles of mutual trust and respect, with shared responsibility and authority. These principles must be explicit in the terms and conditions of the partnership. They must also be evident in the formal and informal systems of collaboration.

5.3 This Policy recognizes three instruments of partnership, viz., (i) consultation, through a formal process of interaction at the Centre, State and District level; (ii) strategic collaboration to tackle complex interventions where sustained social mobilization is critical over the long term; and (iii) project funding through standard schemes. The Government will ensure that these three instruments of partnership are given due attention in Annual Plans prepared by Ministries and States. The action that will be taken in respect of each of the three instruments is discussed in the following paragraphs.

5.4 The Government will encourage setting up of Joint Consultative Groups / Forums or Joint Machineries of government and voluntary sector representatives, by relevant Central Departments and State Governments. It will also encourage district administrations, district planning bodies, district rural development agencies, *zilla parishads* and local governments to do so. These groups will be permanent forums with the explicit mandate to share ideas, views and information and to identify opportunities and mechanisms of working together. The Government will introduce suitable mechanisms for involving a wide cross-section of the voluntary sector in these Groups / Forums.
5.4.1 The expertise of the voluntary sector will also be utilized, by including experts from VOs in the committees, task forces, and advisory panels constituted by the Government from time to time to help address important issues.

5.5 The country faces a number of complex problems that require adaptive, multi-sectoral solutions where sustained social mobilization is particularly important. These include poverty alleviation, skill promotion, entrepreneurship development, empowerment of women, population stabilization, combating HIV/AIDS, managing water resources, elementary education and forest management, to name a few. Such areas urgently require strategic collaboration between the Government and VOs, through national level programmes that are long-term in duration, and utilize multiple strategies, methodologies and activities to achieve their objectives. The Government will identify national collaborative programmes to be implemented in partnership with VOs. Each national collaborative programme will involve a finite set of reputed, medium or large VOs with a proven track record, and the ability to work on a reasonably large scale. The Government will ensure that such national collaborative programmes are given due importance in Plan documents.

5.6 The third instrument of partnership between the Government and the voluntary sector is project funding. A large number of Government agencies operate schemes for financial assistance to VOs. These schemes usually deal with activities such as surveys, research, workshops, documentation, awareness raising, training, creation and running of public welfare facilities, and so on. Project grants are a useful means for the Government to promote its activities without its direct involvement. They are also a valuable source of support to small and medium VOs. Nevertheless, there are legitimate concerns regarding the effectiveness of grant-in-aid schemes. Outdated design of funding schemes, arbitrary procedures, selection of unsuitable VOs, poor quality of implementation, and misuse of funds are some of the reasons for the possible defeat of the objectives of such funding. Concerned Government agencies would be encouraged to ensure proper accountability and monitoring of public funds distributed to VOs.

5.6.1 Some Central agencies have achieved good results by decentralizing the process of project funding. Rather than administering various schemes directly, they appoint
regional or State level intermediary organizations to do so on their behalf. This allows for
closer interaction for better selection and monitoring of VOs. Intermediaries could
include umbrella VOs, professional or academic institutes, State Government agencies, or
multi-stakeholder standing committees. The Government will review the experience of
such decentralized funding and make suitable recommendations to Central agencies.

5.6.2 There is reason to believe that accreditation of VOs will lead to better funding decisions
and make the funding processes more transparent. Further, accreditation may provide
incentives for better governance, management and performance of VOs. No reliable
accreditation system is in place at present. The Government will encourage various
agencies, including those in the voluntary sector, to develop alternative accreditation
methodologies. It will allow time for such methodologies to be debated and gain
acceptability in the voluntary sector, before considering their application to Government
funding of VOs.