## CHAPTER 2
### REVIEW OF LITERATURE

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Chapter:-2
Review of Literature

2.1 Review of Conceptual Studies

NGOs in principle cannot be separated from the civil society. The origin concept of civil society and its relationship with the government is often traced to the writing of philosopher such as Hobbes, Locke, Montesquier and Baron during the 17th and 18th centuries. All of them held the view of co-existing between the state and civil society.

1. Hegel’s conceptualization of the civil society is even sharper. He places importance to its economic aspects and locates the civil society between the family and the state. However, he points out the superiority of the State over the civil society. On the other hand Marx assumed that the state is a basic requirement and product of the civil society. He argued that the very essence of the modern state is to be found in the characteristics of civil society- in its economic relations.

2. It was only after Gramsci’s presentation (early 20th century) that one could find little specific deviation from Marx’s and Hegel’s views. Gramsci put forth his idea on (1) interpretation of political and economic society, or the state and the civil society and (2) An identifiable autonomy of the civil society . He attributed the qualities of rationality, self regulation and freedom to civil society.

Gellner (1995) and Giner (1995) has characterized present day conceptualization of civil society and of NGOs as a set of diverse non governmental institutions counter balancing the state and historically evolved sphere individual rights and voluntary associations.

3. Shah and Chaturvedi (1983) have classified NGOs into (a) techno managerial (b) reformist and (c) radiate. While Hirway (1995) classified NGOs into three types such as (a) welfare oriented ( including health and education ) (b) development organizations and (c) empowering organizations. Korten (1990) has classified NGOs as (1) relief and welfare organizations and (2) coalitions building community organizations. According to Elliot (1987), there are again the three types of NGOs (1) charity (2) development and (3) empowerment NGOs. Dhanagore on the other hand, mentioned about different stages of action groups such as (1) Social welfare ism (2) radical nationalism and (3) socialist orientation. It is the third stage of development
that action groups (NGOs) develop on alternative social order because of their radical socialist orientation.

4. Professor Das Gupta mentioned three issues relevant to the formulation of a strategy for long-term performance of voluntary agencies. These dealt with: (i) entry and withdrawal of the agency from a given target area; (ii) the recognition of inadequacies and failures in performance as per its own standard; and (iii) the necessity for self-analysis, introspection and learning from past experiences.

5. Prembhai emphasized the importance of spending long periods in the beginning in understanding the local people and in recognizing possibilities of fruitful joint action with them. He suggested that a sustainable and viable development action has to be based upon the adoption of a continuum of four stages: (i) local people’s organizations; (ii) development of trained local cadre; (iii) adoption of integrated project activities covering multi-dimensional need of people; and (iv) geographical expansion. Different volags may choose different strategies but ultimately they must strive to bring together all the four stages into a continuum.

6. Shri Ajay Mehta said that the voluntary movement can be called the people’s management school, wherein local people are helped to manage their activities more effectively. Given this viewpoint, academic institutions should net-work with voluntary organizations to develop more effective ways of enabling local people manage their affairs better. In a similar vein, Shri Viren Lobo suggested collaborative case studies between volags and academic institutions, and many participants opined that formal documentation of the experiences of voluntary organizations, on the pattern of the Jawaja documentation by the late Professor Ravi Matthai, would be very useful.

7. Gujarat’s proximity to the sea has been responsible for the ceaseless mercantile and maritime activities of its people…(xxiv) Acquisition of wealth and its display became an important if not the sole end of life (xxvi) … The soil of the mainland, watered by rivers Tapi, Narmada, Mahi and Sabarmati… made agriculture a lucrative pursuit…The peasantry (of the southern mainland) consequently has always been shrewd, intelligent and, to some extent cultured...(xxvii). These conditions however do not exist in Kathivad of Kachchh where the towns were till recently camps of ruling chiefs and the villages were the homes of a hard-working and oppressed peasantry. This distinction between North and South Gujarat remains true after twelve hundred years. The people of the north generally are serious minded,
steady, religious and of heavy build; those of the south are pleasure, loving, possess a greater sense of humour and enjoy life.

8. Scholars like T. W. Schultz (1968) and Hayami and Ruttan (1971) describe how a community will induce technological change which in turn will induce required institutional change to support a growth momentum. Their assessment is that such induced development will occur more readily in communities with history of the type Munshi found in South Gujarat than in North Gujarat. Sixty years after, he wrote that they found that districts like Valsad, Surat, and Kheda fit the induced development model much better than those in the erstwhile Kathivad. The former districts are convulsed with a rich plurality of institutions (particularly farmer co-operatives of various hues) promoting agricultural growth; in contrast, the erstwhile Kathivad (now known as Saurashtra) has lagged behind institutionally.

9. Governance is the process through which organizations bridge the gap between owners’ and managers’ utility functions; and in principle, best governance is that which minimizes the gap or eliminates it completely.

10. S.P. Punalekar on ‘Tree and the Bark : On Dialectics of Voluntary Organizations and Social Change’ deals with the definition of a voluntary organization, its distinguishing characteristics, historical account and role in national and international contexts. The author observes that the non-governmental organizations have occupied a space left blurred or empty both by the political parties of the right as well as the left orientations. However, he also points out “these praxis-oriented NGOs have a long way to go in approximating their ideals and mission because their fight is essentially on a wider global canvas, driven by both national and international tensions and contradictions”. “Their efforts are laudable, their sincerity is beyond question. But such moral qualities and strengths need to be matched by constant efforts a developing a critical perspective on nature of social transformation and change in India. This project is complex and slippery, it envisages the transformation of structures---economic, social, cultural, and political, “ cautions Punalekar.

11. K. Pradeep kumar, in his paper ‘Role of Voluntary Organizations in Social Change : Some Issues’, makes some observations on NGOs and considers them as change agents in bringing about change in the societal structure and technology. He also identifies the issues related to changing technology and emerging unemployment, lack of entrepreneurship, people’s orientation and participation in sustained
development activities and resistance to change---change in moral and belief systems as well as habits which have to be overcome through education and different communication channels by making them realize the logic of change.

12. Joan Mencher exposed in detail defining and changing role of NGOs in which he wrote that NGOs vary in numerous ways including their (1) composition, (2) size, (3) mission or purpose, (4) source of funding, (5) histories, (6) whether or not they focus on a particular arena such as agriculture or craft production, (7) whether they provide innovative models in “technology, research methods, or institutional arrangements” which can potentially be scaled up, and (8) their manner of day-to-day functioning, including decision-making.

However there are other ways of looking at NGO organizations and how they function. These include: their relationship with various other social movements, including:

(a) the women’s movement;
(b) various movements against diverse forms of oppression. e.g. race, or in the case of South Asia, anti-caste movements;
(c) diverse left movements both within and outside of political parties; her he includes a wide range of NGOs from groups like the People’s Science Movement in Kerala, to NGOs such as those reported on by June Nash, which provide much needed resources to communities within Zapatista-held territory in Chiapas as well as bringing out information suppressed by the government, much as Amnesty International did in Sri Lanka in 1989-90;
(d) diverse rightist groups, including religious fundamentalist, the anti-New World Order group, etc.
(e) environmental movements, e.g. against tree-felling, or the building of dams. (The International Conference on Creativity and Innovation at grass roots for Sustainable Natural Resources Management which was held in Ahmedabad, January, 1999 provided numerous examples of NGOs working on these issues.)

What continue to be some of the positive function of NGOs?

1. To educate people about laws, entitlements, etc.
2. To advocate for changes in society or in structured inequality.
3. To monitor governments both local and national so that the elites and multinationals are partly controlled.
4. While providing credit and helping individual members improve themselves financially, to also empower women and the poor to stand up for themselves, to help create an alternative model of development.

5. Making use of participatory research and participatory decision-making, to try out experiments that the government bureaucracy is not capable of doing but might be interested in spreading if it is proven to be successful.

13. Justice M.G. Ranade, the founder of Indian Economics had argued that India’s economic problem was twice as fold (a) phenomenal poverty and (b) dependence on agriculture and its solution lied in industrialization and commercialization of agriculture. Mahatma Gandhi was the first Indian leader who realized what place a village occupies in the life of Indian nation. He believed that India’s soul lived in her village and through that it the village perished India will perish too. It will be no more India, her own mission in the would will get lost. Gandhiji argued that cities have exploited the villages. The blood of the villages is the edifice on which the cities are built. He wanted the blood that is inflating the arteries of the cities to run again in the blood vessels of the villages.


Deep & Deep Publication-New Delhi, 1994

This vision is however not truly manifested in Indian planning during post independence era on one hand we have 72 percent of population living in villages and 62 percent of workforce depending on Agriculture –but on the other hand the share of agriculture sector in national income has gone down from 55.4 percent in 1950-51 to 30.9 percent in 1990-91 and 26.1 percent in 2001-02. Scholars view this down fall as indicator of development but this has not been truly transcended as people living on agriculture has not declined in comparison with the full income, The plan outlay on agriculture has remained as low as 20 to 24 percent in last fifty years except the fifty plan (1901-56) when it was 31 percent. This lopsidedness has resulted into a considerable gap between the development of rural and urban India.
3.2 Review of Empirical Studies

14. Gupta (1992) finds major historical differences in coastal communities and societies in Gangetic plains as cause for the differences in their mind-sets and how central is progress in individual lives (1). Similarly, massive differences in agricultural and rural development performances of South Gujarat and Saurashtra region in Gujarat are often explained away by the advent during the 1960’s of canal irrigation in the former. However, nearly 74 years ago, K.M. Munshi (1935), a noted scholar and littérateur wrote the following about the historical evolution of the peasantry in these two regions:

15. Michael Porter, a well-known student of corporate and national economic strategy recently explored why certain nations dominate world markets in certain industries and concluded that “nations succeed in industries if their national circumstances provide an environment that supports improvement and innovation, where local circumstances provide as impetus for firms (and individuals) to pursue such strategies (of improvement and innovation) early and aggressively...(where) their home-base advantages are valuable in other nations and where their innovations and improvements foreshadow international needs” (Porter 1991: 29-34).

16. Sustainable Development unit of South Asia Region led by World Bank panel conducted three consecutive studies on “The roles of different levels of governments and the institutional arrangements involved in the provision of key services. The third and last report focusing on Kerala, Karnataka, West-Bengal and Rajasthan has made some important conclusions making a strong case for a general shift to…”

- Giving the lowest level of government-the GP- the responsibilities of asset creation and O & M, while involving it in the planning process through Gram-Sabha;
- Giving the middle tiers, such as the DP, responsibility for human capital development and M & E of outcomes,
- Giving higher levels of government the responsibility of policy and standards; and
- Gradually moving away from rule-based CSS towards fiscal transfers through the state’s consolidated fund, conditional on reforms.

17. G. R. Madan’s paper on ‘Voluntary Organizations and Development’, deals with social work done during ancient, medieval and modern India. Tracing growth of
welfare institutions, Madan narrates historical roots of social work being the foundation of India as welfare state. He has also presented details of various VOs led by national leaders and organizations. He also describes his own efforts aimed at reviving Lok Sevak Sangh visualized by Mahatma Gandhi through his own organization known as Association of Voluntary Social Agencies and Workers, India (AVSAWI).

18. A. Vijayarangan’s Rotary Clubs and Socials Development’ sketches the philosophy and principles of the Rotary organization founded by Paul Harris. As of now Rotary Clubs are spread over 154 countries across the globe. Promotion of health, eradication of hunger and promotion of humanity are the three goals and principles of social action which must involve individuals in terms of their head (intellect), heart (feelings and involvement) and hands (skills and practice). He then describes the various spread of programmes of community service, youth training programmes, a forestation and vocational training.

19. Sudhanshu D. Gore, in his case study on ‘Role of NGOs in Social Transformation’ deals with a kind of grassroots level transformation which is initiated by the people themselves rather than by politicians. They are micro-level movements launched by NGOs. Gore has presented a comparative study of four NGOs working for more than ten years in different parts of Maharashtra. The major objective was to understand the role of NGOs in bringing about social transformation in the lives of the people involved in the movement. The four NGOs studied were: (1) Shramjivi Sanghatana from Thane district, (2) Gramayan from Pune district, (3) Satpuda Adivasi Shikshan Mandal from Dhule district, and (4) Vanarai from Pune district.

20. **ANDRA PRADESH MAHILA ABHIVRUDDHI SOCIETY (APMAS)**

(K. Arokiam)

APMAS is a public society that began its work in July 2001. It is a state level technical support institution for strengthening SHGs and their federations. The objective of APMAS is to enhance the ability of self managed MFIs to provide responsive services to their members on a sustainable basis. APMAS receives support from NGOs, community based organizations, financial institutions, MFIs and Government of Andhara Pradesh (AP). APMAS provides its services for a fee. The core areas of APMAS work are: Quality Enhancement, Quality Assessment, Research and Advocacy, Livelihoods and Partnership and Outreach. APMAS has
a strong governing body. It has about 45 highly experienced staff in various fields.
APMAS has regional offices to support its district level and local initiatives.

21. **SHG and MF Movement in AP and its Challenges:**

AP has around 30 major MFIs (like SHARE, BASIX, SKS, Spandana, Asmita, ASP, and YIP). The government supported Society for Elimination of Rural Poverty (SERP) implements poverty reduction project called Velugu in 865 mandals of the state through SHGs, Village Organisations (VO) and Mandal Samakhyas (MS). There are also a large number of NGOs working as MFIs. Along with this, commercial banks and regional rural banks have also promoted SHG bank linkage programme. Co-operative Development Foundation (CDF) is another agency promoting big thrift cooperatives in AP. There are many achievements of the SHG movement in AP. Under Velugu, SERP and other agencies together have promoted around 5,00,000 SHGs in AP achieving a wide coverage. There are around 5,00,000 SHGs in AP achieving a wide coverage. There are around 30,000 federations and around 1,000 thrift and credit cooperatives. About 75 percent of the SHGs have been linked to the banks. The cumulative credit disbursed to SHGs comes to around Rs. 2,000 crores. The accumulated saving of the SHG members is at least to the tune of Rs. 1,000 crores. The government has given a support of about Rs. 1,000 crores for revolving loan fund and other support. MFIs alone have disbursed around Rs. 1200 crores to poor and vulnerable. Around 2,00,000 personnel (HRs) have been created at different levels to support this movement.

22. **FRIENDS OF WOMEN’S WORLD BANKING, INDIA (FWWB)**

(Vijayalaxmi Das)

Mr. Vijayalaxmi Das shared the experience of FWWB as a support and funding organization for MFIs. FWWB is a non-profit organization established as an affiliate of Women’s World Banking (WWB) in 1982. It was created to extend as well as expand informal credit supports and networks within India. FWWB’s mission is to assist in the formation and strengthening of women’s organization, bringing them into the mainstream of the economy and thereby facilitation their participation in the process of nation building. FWWB is committed to building a society based on equity and social justice where women are the leaders of social change.
FWWB has built a network of nearly 80 NGOs and MFIs in different states across India who in turn has ensured that the funds reach the eventual beneficiaries. The ultimate members are mostly self-employed women, and 96 per cent of them are based in rural areas. FWWB helps them through NGOs and MFIs to set up businesses and explore new livelihood options through savings and credit groups and training programmes. Citibank joined hands with FWWB in 1999 contributing towards the corpus of FWWB for Revolving Loan Fund and towards disaster mitigation initiatives of FWWB in helping rebuild lives and homes across 7 villages in Bhuj district of Gujarat. FWWB’s loans are given out through MFIs, cooperatives and NGOs.

23. BANDHAN (C.S. Ghosh)

Bandhan is an NGO set up by Mr. Chandra Shekhar Ghosh at Konnagar in Hoogly district of West Bengal in November 2000. Initially it was built as a capacity building institution. It was registered under the West Bengal Societies Act, 1961. During the course of time it was felt that there was a tremendous need for credit among the rural poor. Bandhan started its microfinance activities in 2001 and adopted the delivery model of ASA, Bangladesh. SIDBI provided the initial financial assistance to Bandhan. Bandhan has received technical assistance from ASA for implementing the model.

Bandhan has the vision of a society built on the basis of equality and justice, couple with optimum realization of human potential, free from all sorts of exploitation on the basis of caste, creed, ethnicity, sex and religion.” To fulfill its vision, Bandhan has the following objective: i) to empower poor women socially and financially through community participation initiative; ii) skill development for livelihood promotion through employment generation; iii) to promote gender sensitivity and eliminate gender discrimination; iv) to establish a sustainable organization which will continue to promote a health social development sector; v) to establish a community based organization to cater to sector needs; vi) to develop network among MFIs to enable lobbying on issues relevant to the sector, and vii) to reduce exploitation through direct and indirect advocacy strategies.

All MFIs whether big or small do face certain managerial and operational problems during their course of activity. Similarly, even Bandhan has faced certain problems during its short term of working in the field of MF. Some of those are discussed below.
1. Cost of Funds
2. Problems with Banks
3. Lack of Awareness
4. Marketing of Borrowers’ Products
5. Staff Turnover
6. Other Problems

2.4 Nabard funds rise 50% for rural infrastructure

As reported in Times of India –NABARD has Sanctioned Amount Up To Rs 1,085 Crore Under RIDF

AIMED at achieving the goal of rural prosperity in Gujarat, the state regional office of the National Bank of Agriculture & Rural Development (Nabard) has sanctioned Rs 1,085.93 crore during 2008-09 against Rs 712 crore during the previous year enabling the state to carry out its various projects under the Rural Infrastructure Development Fund (RIDF).

Nabard has also provided refinance amounting to Rs 331 crore to commercial banks during the year under review against Rs 310 crore and Rs 665.27 crore of credit facility during 2008-09 as against Rs 803.28 crore during the previous year to three regional rural banks and six district central co-operative banks for extending crop loan to farmers at 7% interest rate said S G Siddesh, chief general manager, Nabard, Ahmedabad regional office.

A total of Rs 1,881 crore has been sanctioned to commercial banks and the state government to carry out its development and infrastructure related works during 2008-09.

With the sanction of Rs 1,084.93 crore to Gujarat government for 4,027 projects during the year under review under the RIDF, the cumulative RIDF sanction to GoG stood at Rs 7,246.82 crore for completing 24,048 irrigation projects, 5,500 rural roads and bridges, 39 drinking water projects and 6,693 social sector projects (anganwadi centres and schools). Disbursements under RIDF were all time high at Rs 884.53 crore during the year, Mr Siddesh added.

Nabard also helped in supporting banks, non government organizations (NGOs) and Kisan Vikas Kendras (KVKs) in Gujarat with a financial assistance of Rs 9 lakh for promoting and maintaining 405 Farmers’ Clubs. As on March 31, 2009 there were 2,660 farmer clubs in the state covering 2,714 villages in the state.
Aimed at enhancing productivity of dry land through conserving soil, rainwater and irrigation, the programme is now being replicated in eight districts of the state. During 2008-09 financial support of Rs 177.38 lakh was provided to 30 projects.

The Nabard took keen interest in protecting the farm products by extending credit facilities to farmers enabling them to set up 1,425 rural godowns and seven cold storages for storing agricultural produce. The aid resulted in creation of additional storage capacity of 3.76 lakh tonnes. A total capital investment subsidy of Rs 1,979.95 lakh was sanctioned under the schemes.

Under the Artificial Recharge of Dugwells scheme the Nabard released subsidy of Rs 35.33 crore for construction of groundwater recharge structures on 1,02,949 dugwells belonging to small and other farmers. GoG was also provided with grant assistance of Rs 3.25 crore for conducting information, education and communication activities as envisaged under the scheme, Mr Siddesh added.

25. With over 5,000, TN has most NGOs

Reviewing the status of NGOs in Tamilnadu D Suresh Kumar / TNN has observed that Tamil Nadu continues to provide fertile ground for mushrooming of NGOs, which now number more than 5,000 in the state, the highest in India.

At least 2,000 of the NGOs in the state have sprung up over the past three years, most of them with the help of funds pumped in by international agencies for post-tsunami rehabilitation work.

According to the lastest statistics released by the Union home ministry, 5,139 voluntary associations have registered under the Foreign Contribution (Regulation) Act, 1976 in Tamil Nadu.

This constitutes nearly 14% of the 37,242 NGOs registered under the Act across India as of February 20 this year. MHA records showed that during 2006-07, the state had 3,009 NGOs, which even then was the highest in the country.

Andhra Pradesh is second on the list with 4,768 NGOs, followed by Maharashtra, which has 3,256. The smaller states of Sikkim and Tripura have 19 and 45 voluntary organisations respectively.

Observers in the social sector confirm that hundreds of NGOs entered the scene in TN only after the tsunami, which ravaged the coastal districts of the state.
“The post-tsunami rehabilitation programme began in 2005-06 and conservatively, at least a thousand NGOs would have come up after this period. Immediately after this period. Immediately after the tsunami, as an emergency measure, the government had waived the criteria that only NGOs with three years' field experience could receive foreign funding under the FCRA,” he said.

**FERTILE GROUND**

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<tr>
<th>STATE</th>
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<td>Adhra Pradesh</td>
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<td>Maharashtra</td>
<td>3,256</td>
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<td>West Bengal</td>
<td>3,087</td>
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<td>Kerala</td>
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Source : Union Ministry of Home Affairs data as of February 20, 2009

26. **SHGS help rural Gujarat to wealth**

Two women helped by NABARD, show the way

Following the precedent set by two women in rural districts of Gujarat, a number of self help groups (shgs) are suddenly springing up leading to a new wave of self-re-reliance in the state, recognizing the movement, the National bank for agriculture and rural development (NABARD) has begun associating with the SHGs in Bagasra, savar kundla, khambha and lathi-liya-damnagar, towns in the amreli district and is also taking initiatives to promote the same

Bagasra has traditionally hogged the limelight for its limitation jewelry and embroidery work, but is fast turning into centre for shgs. The town has a cluster of 100 self-help groups and voluntary organization engaged in manufacturing home made range of consumer goods, beauty products, textiles, decorative articles and cleaning products.

“There are at least 1,350 women in these shgs. They manufacture these products and are also marketing them door-to-door,” said devchand savaliya of vishwa vatsalya manav seva trust, bagasra. Total savings of all the groups in bagasara alone amounts to rs.20 lakh
Similar cases of two women engaged in manufacturing embroidery products and handicrafts articles have been a growth catalyst in savar kundla taluka.

“Damini Vaishnav and Vasanti kevadia of savar kundla, catalysed the social engineering movement in the area, giving work to around 2,000 women from 20-25 villages, with the intention of increasing their turnover and outsourcing their requirement,” said KR salve, assistant general manager, district development, NABARD.

Damini vaishnav said, “NABARD” helped us participate in the exhibition held at Mumbai and Ahmedabad where we sold gooda worth rs.2,70,000” presently, vaishnav is engaged in creating 10 shgs which will include 200 women. Kevadiya’s house trains women in the neighbourhood and is becoming a nurturing ground for more SHGs.

27. **2856 villages depend on tanker water**

Gandhinagar: in a sharp deterioration of the water scarcity situation in gujrat, drinking water sources in as many as nearly 900 villages have dried up during the last one month. Gujrat government figures, made available from the state water suppliers department on Thursday, say that if a month ago, just 1,940 villages had to be supplied water by tanker, as sources went phut, today such villages have increased to 2,856.

The master plan on water scarcity prepared by the state officialdom late last year had estimated that, to meet the drinking water requirement in the state, as many as 3,010 villages out of a total 18,000 in gujrat would need to be supplied water by tankers. But the pace at which villages require tankers suggests, things will significantly deteriorate as the scorching summer heat dries up sources in ever new villages each day.

In late February, the situation was not as many 1,878 villages were being supplied water by tanker, suggesting an increase of less than 100 villages till march-end. But within a month there is a sudden, more than nine-fold increase in the villages where the tankers are needed. “the situation in saurashtra and kuch is turning very bleak” said a tp bureaucrat, “there is no surface water. The equality of water underground is very bad, or there is just no water.”

Indeed, out of the 120 dams in saurashtra, only four dams have water for drinking water supply-bhadar, shatrunje, datarwadi and singoda. As for Kutch, no dam has any water. The situation is so precarious that while Jamnagar city is getting
Narmada waters, the neighboring 73 villages in the khambhalia, okha and dwarka areas are getting 210 bogies of water by train per day, with each carrying 22,000 liters. “Check dams haven’t helped much in fulfilling drinking water requirements,” the bureaucrat insisted.

One just needs to compare the water scarcity situation this year with the summer of 2002. if today 2,856 villages are getting water by 1,837 tankers. “there is no decrease in the number of villages getting water by tankers over the years,” explained a top bureaucrat. “at best, the situation can be called as having remained the same as before.”

In current official thinking, the situation will not improve a bit till narmada waters are made available for drinking purposes in saurashtra, kutch and north Gujarat “increasing number of villages which had sources 10 years ago have slipped back and dried up. Significantly, this has happened despite the fact that 1,006 villages were added to the list of those where water supply pipelines were laid down. This year, another 1,400 villages will become part of the pipeline network,” the bureaucrat said.

The Narmada waters will have to depend on the completion of this network if the tanker culture has to go down, officials opine. “Thanks to this pipeline having been completed, 70 villages in Kutch near Bhachau will soon start getting Narmada waters,” the bureaucrat said, “The number will go up to 260 by June second week, and further to 606 by December-end. Similarly, a distribution network in under construction for four talukas in Surendranagar district. It will supply water by March next year.”

28. Transforming IT and rural India

The massive outlays on the rural employment scheme, health and education present opportunities of exceptional magnitude for the IT industry, as do the large investment proposed in defence and railways, says Kiran Karnik

In any industry, annual growth of over 25 % would be considered excellent: for an industry that is already large – with revenues of Rs 200,000 crore – it is truly exceptional. What makes the story even better is that about three fourths of the revenues come from exports, and that too in a highly competitive global environment. Finally, as icing on the cake, is the fact that this industry created over 300,000 direct jobs last year, and four times as many indirectly. If requires but little knowledge to
infer that we are referring to India’s phenomenally successful IT software and service industry.

It is this outstanding tract record – with exports going from $1 billion to $10 billion in six years, and $10 to $50 billion (this year) in another six years – that has raised high expectations, and created a degree of “policy complacency”. Meanwhile, global competition has intensified, even as a host of supply-side problems (the interrelated issue of shortage of suitable talent, rapidly rising wages, and high attrition or job-change rates; and poor infrastructure) have persisted and the external environment has becomes adverse. This include the impact of the subprime crisis and the general economic downturn in the US and, to a lesser extent, globally; visa difficulties, and a general hesitation to outsource or offshore.

This difficult situation may well be a good time for some transformational changes. Amongst the possibilities are: new business models, including a move away from cost-based pricing; developing products and IPR; developing new markets, beyond the US and UK; moving into new areas of work and new industries. However, amongst the most exciting new opportunities is the one we are amidst: right here in India. The strong growth of the Indian economy, the opening up and deregulation of many sectors – resulting in intense competition – the boom in telecommunications, and financial services, increasing globalization, all these have opened up a huge potential market for IT. The massive outlays on the rural employment scheme, as also on health and education too present opportunities of exceptional magnitude for the IT industry, as do the large investments proposed in defence and railways.

The government has an important role in facilitation this change by accelerating the growth of the domestic IT market. It can do a great deal through policies and fiscal measures that spur the rapid expansion of broadband, lower the price if IT hardware and software, encouraging corporate investment in IT, and created a competitive environment in more sectors.

A vigorous thrust to the increased governance programme and increased government investment on IT R&D, especially for India-specific needs, would also help to boost growth. There will be substantial national benefits from these steps. First, greater use of IT would lead to increased efficiency, lower costs and better service for the consumer and citizen. Second, especially through e-governance, there will be greater transparency and accountability; it will also facilitate citizens’ participation and lead to empowerment. Third, by using IT in the large scale poverty-
alleviation programmes, there will be a reduction – if not elimination – of corruption and “leakages”, and on-line monitoring will lead to more efficient delivery. Fourth, it will create a ready market for developing, testing and deploying new software products and services, which could also be marketed globally. Finally, it will lead to further and large-scale employment creation.

Clearly, a positive intervention by the government could help take the IT industry to its next stage of growth. This is a particularly opportune time on two counts: the growing Indian economy is now well-poised to draw the benefits of embracing IT on an extensive scale; and the Indian IT industry can better weather the global economic slowdown if the government helps to create more opportunities in the domestic market. Already, a combination of these and other factors is making major IT companies (both Indian and MNC) pay greater attention to the domestic market. This huge pool of expertise could develop solutions for India, and thus boost demand for IT, leading to higher overall productivity, more revenues for the industry, and greater employment.

Amongst the most exciting prospects for the Indian IT industry – indeed, for the country – is the expansion of the industry into the hinterland. The phase of moving to Tier-II (Chandighrh, Jaipur, Kochi) and even Tier-III cities (Manglore, Indore, Bhubhaneshwar) is well-established; the industry is now set to move into small towns. In fact, there are some exciting examples of moving into rural areas. Many of these were highlighted at a recent conference in Hyderabad on rural BPOs, organized by the Byrraju Foundation – which is, itself, a pioneer in setting up as also catalyzing rural BPOs. Byrraju’s unique Gram IT initiative has established the viability and success of outsourcing work to the village level. The conference highlighted the surprisingly large number of rural BPOs and the fact that, despite many difficulties, they were all doing well. An example is Vintes, with 100 seats in three pilot projects in rural Kerala, which is emulating and adapting a model it developed for decentralized rural manufacturing.

These rural BPOs are emulating the original “India model”, in which work is broken up into small tasks, appropriate ones outsourced for execution in India; this is then sent back and reintegrated. The very same approach is being followed for work being done in a large facility in India: break it into manageable pieces, ship appropriate ones to the rural BPO, have it executed securely and well, ship back and reintegrate.
This is throwing up new possibilities for rural development. If such rural BPOs can help to retain even a small proportion of educated youth in villages, if can transform the face of rural India. Appropriate government policies can help kick-start such a process. Tax incentives, similar to exports; rural employment zones, with the same fiscal sops as SEZs; schemes to train educated rural youth; high-quality broadband connectivity in rural areas; these are some of the essential steps. Government and industry, working in tandem, can now make India amongst the largest IT markets and certainly the most exciting and ind...caquise...one.

(The Economic Times, Tuesday 10 June 2008)

29. **Credit crisis extends to microfinance**

Microfinance has become almost synonymous with the 2006 Nobel Peace Prize winner Muhammad Yunus of Bangladesh and his Grameen Bank, which gives small loans without collateral. The practitioner has however expressed his deep concern in respect of crisis of funds for NGOs. In a published interview he expressed his feelings as under.

A global credit crisis that has felled large investment banks and prompted multi-billion dollar bailout packages is also hurting unlikely victims half a world away: small south Asian businesses dependent on microfinance.

Microfinance has helped poor women and farmers in Bangladesh and India to set up businesses and grow crops since the 1970s.

But as credit tightens and largesse from corporations and socially-minded investors dries up, microfinance will be hit, impacting poor people who have no other access to finance.

“A liquidity crisis is the worst-case scenario for microfinance institutions,” said Roy Jacobowitz, managing director of development and communications at Accion International in Boston, which backs microfinance institutions (MFIs). “The demise of microfinance will be devastating. It will leave people who depend on it in an extremely bad situation: they could go from a level of success back to poverty.”

South Asia accounts for the most microfinance borrowers, making up more than half of global demand, according of Sa-Dhan, an association of community development finance institutions.
While Accion hasn’t seen a “catastrophic impact” on MFIs there yet, Kashf Foundation, an MFI in Pakistan, whose economy is tanking, is now seeking international lines of credit, he said.

In India and Bangladesh, microfinance has given hope to hundreds of thousands, especially women, who have built successful businesses that have changed their lives.

But these may now be under threat because of tighter credit. “There’s less money out there, so there’s less money for MFIs,” said Siddhartha Chowdri, a manager for Accion in India. “For MFIs, the cost of their funds has gone up, and at the same time, they’re under pressure note to raise lending rates to their borrowers. At some point that becomes unsustainable.”

**Regular income**

Microfinance shot into the spotlight in 2006 when the Nobel Peace Prize went to Bangladesh’s Muhammad Yunus and his Grameen Bank that pioneered giving small loans without collateral.

But today in Bangladesh, one of the poorest nations in the world, microfinance borrowers and workers are a worried lot.

Kulsum Bibi, a 45-year-old mother of three, set up a nursery with a loan of 3,000 taka ($44) from Bangladesh Rural Advancement Committee (Brac), after her husband left her and their children.

“I felt as if I was sinking in a deep sea,” said Kulsum, who also enrolled in a Brac school for adults, and can now read and write and maintain the accounts of her small but profitable business selling plants and saplings that employs 10 people.

Brac is one of the largest providers of financial services to the poor in Bangladesh, having disbursed more than $5 billion to nearly 7 million people since 1972, mostly women like Kulsum. It is institutions such as Brac that are helping develop impoverished regions in Bangladesh and India, but their efforts may be hamstrung by the tighter credit conditions.

“If commercial banks are affected, then the expansion of the microfinance programme will be affected,” said Mahabub Hossain, an executive director at BRAC, adding that its donor-dependent efforts in education, healthcare and family planning are at risk. “I am deeply worried,” said village health worker Hosne Ara, who works on programmes for tuberculosis and family planning.
“I have been working on this programme for many years now, and if it stops my family will be deprived of a regular income.”

**Facing the heat**

In neighbouring India MFIs had served 10.5 million clients at end-2007, according to Sa-Dhan. The market is forecast to expand to 50 million clients by 2012, with the outstanding loan portfolio rising to $6 billion from about $769 million now.

Indian banks have focused on MFIs as part of the government’s “priority lending” requirement of 40 percent of all lending to ensure smaller businesses and entrepreneurs can access funds.

About 500 commercial, regional and cooperative banks are indirectly involved in microfinance, including State Bank of India, ICICI Bank and Yes Bank.

Mumbai, 17 November

FINANCE, Tuesday, 18 November, 2008

30. ABHILASHA OJHA has made an interesting report explaining Jawahar Knowledge Centres’ success in Andhra that inspires other states to train rural youth. The report entitled The village road to IT campus- she has summarized as under

When Srinivas Maggidi joined TCS in Mumbai a year ago, he had debts and medical bills worth lakhs to reply. Maggidi belong to Manchriyal, a village in Andhra Pradesh where his father worked as a coal mine worker till he became too weak to even walk. His mother worked in paddy field and Maggidi;s annual family income was Rs 12,000. Today, Maggidi’s annual package is Rs 3 lakh, enabling him to pay for his sibling’s education too.

There’s a quiet revolution talking place in Andhra Pradesh and Maggidi is just one among rural youth who has benefited from it. Making difference in the lives of Maggidi and many like him, is Jawahar Knowledge Centre, an initiative of the state government, which started four years ago.

An arm of the Institute of Electronic Governance (IEG), a non-profit organization, also started by the state government, to offer quality human resource and services to IT sector, the JKC programme was started with the aim to dig up talent from the numerous towns and villages in the state.

Having received funds worth Rs 1 crore from state government, the first target for JKC was to train 1,000 female students and equip them with technical and communication skills, to facilitate their entry into renowned IT companies. “We
figured that a lot of talented youngsters didn’t have the means to secure a place in IT companies. We also wanted to help IT companies reach out of as many talented youngsters as possible,” explains M Chandrasekhar, director (academic affairs), JKC, adding, “One of our primary goals was to penetrate into the rural pockets of the state where families’ annual incomes were not more than Rs 15,000.”

With that clear objective, JKC has now reached out with 650 odd centres in different collages and institutions.

What’s more, since its inception, it has secured placements of over 10,000 students in different IT companies in India.

That apart, companies like Oracle and IBM have started tying up with JKC to provide free software and trained faculty to some of the centres. Oracle, for instance, provided software worth Rs 5,400 crore only recently while there are tie-ups with companies like Infosys, IBM and Microsoft.

While the annual funding has increased considerably at Rs 13 crore for JKCs, students wanting to pursue engineering and MCA degrees have to pay Rs 2,000 every year to study at the centre. Simply put, colleges which have JKCs usually have a lab equipped with computers and faculty provided by some of the best IT companies.

In addition, it’s the on campus placement by numerous IT companies which attracts the youngsters in the rural areas. “The faculty consists of professionals who are working in the companies, in fact, at times we have ex-JKC students coming back to teach the next batch of students,” says Chandrasekhark.

“It has been a successful model,” congrims Sridhar, who received an offer latter from Satyam and is an ex-JKC student. In fact, governments of Rajasthan and Orissa have also showed keen interest and want to replicated the model in their respective states.

31. The Reserve Bank of India has been sharply critical of the Gujarat government for failing to keep pace with necessary disbursements for developmental expenditure over the last five years. In its latest, “State Finances: A Study of Budgets of 2006-07’, out late last month, the RBI has said, “All states, excepting Guajarat, Orissa and Delhi, witnessed increase in developmental expenditure-Gross State Domestic Product (GSDP) ratio in 2005-06 over 2002-05.”

The authoritative volume says, the median value of developmental expenditure-GSDP rose from 12.3 to 13.2% during the period, and states such as Jharkhand, Bihar and Madhya Pradesh achieved “the highest ranking in terms of
developmental expenditure-GSDP ratio (over 15%).” West Bengal and Delhi had the “lowest ranking (less than 9%), the report said.”

Referring directly to the social sector, the RBI in its report said, “All other states, excepting Gujarat, have shown improvement in respect of social sector expenditures (i.e., social services, rural development, food storage and warehousing under both revenue and capital accounts) as a ratio to GSDP during 2005-06 over that of 2002-05, with the median value improving from 6.8% to 7.4%.”

Budgetary disbursements for education and health, too, suggest a disturbing trend. Gujarat’s expenditure on education as ratio of aggregate disbursement from the budget has been stagnating. The RBI says, in 2000-01 it was 13.6%. It reached 11.2% in 2003-04. And in 2005-06 it went up slightly to 12.6%. The expenditure on public health and family welfare as a ratio to aggregate disbursement was 3.4% in 2000-01 and 3.1% in 2005-06.

The average expenditure as percentage of total disbursements in the country for education stood at 14.3% in 2005-06, and for health 4.4%. Other states that made less-than-average expenditure vis-à-vis budgetary disbursement on education were Andhra Pradesh, Chhattisgath, Goa, Madhya Pradesh, Orrisa, Punjab, Tamil Nadu, West Bengal and Delhi.

As for health services, the states with less-than-average expenditure vis-à-vis budgetary disbursement were Gujarat, Andhra Pradesh, Chhattisgath, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orrisa, Punjab, Tamil Nadu and West Bengal.

“There is an imperative need to improve the share of expenditure on education and health in aggregate expenditure for making available these social service to larger section of populace across the states,” RBI observed.

Gujarat is one of the three states that have shown a declining trend in the expenditure on education as a per cent of total expenditure for social services since 1991, others being Madhya Pradesh, Orissa and West Bengal. As for health, Gujarat is among 11 others states that have shown a declining trend during the same period, RBI in its report said.

THE TIMES OF INDIA, Wednesday, January 3, 2007

32. Corporate India taking country road to beat slowdown blues

Over the past three months or so, India’s top mobile operator has opened hundreds of rural centers, branded ‘I serve’, to activate, retransfer and recharge
mobile connections, sell and exchange SIM cards, and provide value-added services like ring tones and hello tunes across the country.

Airtel plans to have one service center in every Indian village, as its deputy CEO and mobile services president Sanjay Kapoor told ET in an interview last month.

Airtel’s Iserve showcases the new thinking in India Inc: go rural, once again. Marketers across segments—from Maruti Suzuki, Hero Honda, Hindustan Unilever and ITC to LG, Samsung, Nokia and Idea Cellular–are sharpening their rural spies with a vengeance, taking the dusty, unpaved country roads to overcome s sudden dip in urban demand in the face of a devastating global slowdown that claimed thousands of jobs and global markets into a tailspin.

Rural India–home to two-third of the country’s 114.5-crore population–has so far stayed out of all the negative news, thanks to three years of good agriculture growth and government initiatives like the Rs 60,000-crore farm loan waiver, a rural employment guarantee scheme and heightened infrastructure spends (last two accounting for Rs 71,000 crore). All this has left rural consumers richer and more ambitious, and made marketers rush in with special schemes and tailor-made products for the highly price-sensitive rural markets. The results are showing.

(The Times of India, 8 April, 2009 ) nabard ni date

33. NGO brews new life for tribals

Naandi Foundation, an autonomous charitable trust set up by Dr Reddy’s and three other companies, has managed to convert semi-wastelands into organic coffee plantation Araku velley in Visakhapatnam district of Andhra Pradesh by using natural resource management techniques.

This has created livelihood opportunities for poor, landless tribals, benefiting 2,637 tribal families.

They have been grouped under coffee farmers’ clubs and trained by the Coffee Board to maintain coffee plantations spread over 1,000 acre, says the Sustainability Report 2006 of Dr Reddy’s.

Naandi Foundation is supported by Dr Reddy’s, Satya m Computer Services, Global Trust Bank (now merged with Oriental Bank of Commerce) and the Nagarjun group of companies. These plantations are spread over 74 villages and have yielded 11.3 tonne of coffee beans in the 2005-06 season.
The crop is expected to go up substantially this season. For this project, Naandi has partnered with Adivasi Abhivrudhi Samskruthika Sangham. These coffee plantations have secured organic certification from Dutch organic farming accreditation society, making their coffee eligible for export.

Naandi has also initiated other moves, such as allocating land in every settlement for growing vegetables. This is to ensure that the families have income even during the gestation of the coffee crop.

28 November, 2007

There must be a radical change in the thought of the people holding key positions at different steps of development stair. A strong political will and a philanthropist’s heart are the need of the hour. With all the advantages of grass root participation in development, known in theory, it is time for its application in practical, which has got certain valuable aims.

(a) To improve the productivity of the channels of administration.
(b) To make administration flexible, speedy and sensitive to local needs.
(c) To improve the government’s responsiveness to the public and to increase the quality and quantity of services.
(d) To give people ‘we’ feeling by providing a greater say in planning, decision making and thereby, increasing their stake in maintaining political stability.

(Kurukshetra-june-2000, Participatory Rural development Myth or Reality ? – by Manish kumar, Chitra Pathak, Laxmi Joshi.)

35. A developing society rapidly moving from tradition to modernity would experience a variety of social and economic tensions. A sensible voluntary organization working at the village level could help reduce these tensions. Because of close association with the local tradition, culture, custom and environment these voluntary agencies play an effective role in the modernization and transformation of rural societies. Participatory culture of these agencies contributes for the success in rural development. The voluntary organization put more emphasis on people’s involvement in decision making and implementation of any developmental programme. They try to reduce hierarchical distance between leaders and the people at village level.

The other advantage which makes the voluntary organizations more successful in their effort is that they aim at strengthening notions of self-help and self-reliance
through programmes such as social forestry, watershed management, etc. The role of voluntary organizations will be committing the same blunder for which the government agencies are blamed today. The activities of the voluntary organization are diverse. Planning from the bottom (grass root) is the strength of these organizations in the developmental process.

The weakness of these organizations is that there is no worthwhile forum, local or regional for exchange of experience. There is no unified action for the delivery of services and for solving problems. Lack of adequate training facilities, planning and inadequate delivery of inputs adversely affect the activities of these organizations. Besides, there is lack of recognition of voluntary efforts and inadequate resources in terms of both men and material.

36. The prospects of voluntary organizations under the present condition of involving local people in planning and implementation of developmental programmes are quite encouraging. The government has recognized the effectiveness of voluntary organizations in the rural developmental programmes. In almost all kinds of short term and long term developmental activities, we find that the voluntary organizations have worked closely with the people espousing their cause. The collaboration between government and voluntary organizations in rural development is more effective then working independently and separately by them. (Kurukshetra-June-2000, Voluntary organizations for development-by Gopal Krishna Sahu)

37. Weisgrau in her book talks about NGOs and their development as a “rapidly expanding industry” rather than social movement. She also notes that many “small local NGOs do not have an explicit definition of development or a theoretical perspective underlying their strategic plan.” Most of the rural NGOs she examines do a variety of things, mainly concerned with ‘basic needs’.

38. Keeping in view the pivotal role of rural women in the overall rural development, the study “Resources Inventory of Voluntary Organizations working for the welfare of Rural women” was undertaken with a view to identify the voluntary organizations to know their objectives and to pinpoint difficulties in achieving the objectives as well as suggestions to overcome these difficulties. The information was collected through mailed questionnaire from all over the Gujarat state. In all 25 organizations where responded. Out of them Agakhan Rural Support Programme, District Co-operative Sanghs, Grofed and SEWA were the major.
Most of the voluntary organizations faced difficulties in achieving their objectives such as massive illiteracy among rural women. They were subsidy minded; they were in the grip of social tradition and male domination. Such organizations were lacked in infrastructural facilities needed to serve the rural women.

For strengthening the working of voluntary organizations for rural women, literacy drive should be taken up in massive scale, loosen the grip of social traditions and male domination by inspiration and awareness about their rights, subsidy should be discontinued gradually and linkages with Government and other organizations should be tightened to have better infrastructural facilities to gain the desired results. (Resources Inventory of Voluntary organizations working for the welfare of Rural women- Kapila Sakaria and A.O. Kher.)

39. Rural development is recognized as a vehicle for obtaining a measure of national stability and independence through self sufficiency in food production, better distribution of income and as easing of pressing urban problems. In problem solving, however the greatest success has been achieved with volunteers. It is therefore found that such agencies are working voluntarily in the rural areas for the development of the rural masses. However, the success of any organization depends on how far the different groups of farmers have actual perception of the different components of voluntary organization. Keeping this in view, the present study was conducted.

The study was undertaken in three districts, namely, Surat, Valsad and Bharuch. In all 200 adopted and 200 non-adopted farmers were selected from 8 villages of these districts. The data were collected by using an interview schedule. The ‘t’ test was employed as statistical method.

About 81 and 27 percent of the adopted and non-adopted farmers were found to have correct image regarding voluntary organizations than non-adopted farmers. Adopted farmers had knowledge about the activities of their voluntary organizations and they utilized these organizations as a source of information for farm and home guidance. It may be suggested to spread the extension services of such organizations in wider areas.

(Farmer’s image of voluntary organizations in South Gujarat- R.B.Patel and D.N.Pandya.)

Various formal and informal organizations in our country make efforts in development of rural communities since the down of the independence. Voluntary organizations have also been participating in the mission of rural development.
activities. Rural development work is incomplete without renaissance of the life of rural farm women who form a substantial portion of the rural population. In agriculture the contribution of rural farm women great but is does unrecorded with due education and training . The farm women could be made more productive.

40. Voluntary organizations can do their best in educating illiterate farm women in our country, through organizing the different training programmers of rural farm women on a large scale. They could be given practical training in all agricultural operations by the voluntary organizations with the co-operation of agricultural university and department and thus can be better equipped with technical know-how.

(Role of Voluntary organizations in bringing the upliftment of rural farm women- P. M. Parekh and D. M. Pandya )

Extension is a system of voluntary education. To be effective, it must begin with the needs and interest of the people. Extension work is a people programme with Government’s assistance, and not a government’s programme with people assistance.

41. Visualizing the importance of Rural Development much, non-government voluntary organization stepped forward to aid in these humanitarian projects. Tribhuvandas Foundation, is such an organization, and it presents a very unique experiment in itself. The foundation was presented with a sum of Rs. 6,50,000/- by the milk producers of Kheda District, which he donated to start a human health programme in 1980.

The foundation caters to the most vulnerable section of the society i.e. Mother and child. In view of the high mentality rate of infants, special attention is focused on the mother and its child. The foundation has also focused on all aspects or rural development, to help people to increase their standard of living. The work of the foundation is centered around the Kheda District. It provides primary health care in villages as well as managing the associated problems of Nutrition, environmental sanitation and rural poverty.

It has to also tapped some income generating activities for the rural women, as a supplement to the family budget. The main source being handicrafts, which they have also started exporting.

The various programmes run by the organization are-

1. Nutrition Rehabilitation Centre.
2. Immunization and T. B Control.
3. Family Planning Programmes.
4. Balwadi or day care Center.
5. Rural Energy and Sanitation.
6. Income Generating Activities.

The focus is on making whole Endeavour task oriented, problem solving and participatory in nature.

This voluntary organization is unique of its kinds, its main objectives is to utilize the co-operative structure in providing health care to infants and adults and there by designing a programme which can be replicated in the country’s other milk sheds and co-operatives.

Co-operative structure is a powerful tool, for the implementation of the socio-economic transformation of the villages, bringing prosperity and awareness to the rural mass.

This case can pave way to many other organizations working for the cause of rural development.

(Role of Voluntary organizations in Rural development- A case study on Tribhuvandas Foundation, Anand Kaira District, by- Miss Girbani Mazumdar & Dr. H. L. Patel)

42. The PRIA (Participatory Research In Asia) surveys put the number of non-profit organizations in the country at 1.2 million or 12 lacks. More than half of these institutions were unregistered, and most of them (88 %) were small in terms of their paid employees. The dominant areas in which the sector was involved, as measured by the number of organizations in each of them, were religious organizations, community/social services, education, sports, culture, and health, in that order. It is observed that the number of institutions engaged in the area of health care delivery was rather small. Nearly 19.4 million persons were estimated to be engaged in the sector. That is about 3.4 percent of the adult population in the country. A vast majority of these persons (over 16 million) were working as volunteers, whereas regularly paid employees numbered slightly less than 3 million. Thus, a volunteer workforce essentially drove the sector. If employment data are converted into their full-time equivalents, the number of paid employees and volunteers work out to 2.7 million and 3.4 million respectively, with the estimate of total workforce at 6.1 million. Civil society organizations employed more people than a number of key industries. The sector generated a sum of Rs. 17,922 crore as total receipts, which showed an increasing trend. Out of total
A receipt, 5.1 per cent was raised internally through the sale of goods and services. The government funded the sector only to the tune of 32.4 per cent of total receipts. Government funds available to the non-profit sector in most countries of the west were much larger.

The overall conclusion emerging from the above presented mapping exercise is the civil society organizations are diverse, which in turn, reflects the enormous cultural, religious and ethnic diversity of Indian society itself. In other words, India does not have a uniform civil society sector. This perhaps has been the most important reason why a consistent public policy for the sector could not emerge thus far. Therefore, a key challenge before the non-profit sector in India would be to seek the enunciation of a consistent public policy that could clarify and normalize it’s as with foreign donor agencies, much in the same way as the relationship between the corporate sector and government has been established and streamlined in recent years.

Simultaneously, the development and enforcement of codes of conduct by members of the NPO community and their willingness to be accountable are of critical importance for the sector to be viewed as viable by various stake-holders. The non-profit sector, therefore of conduct. Finally, there needs to be a sustained effort to produce reliable information on important parameters of the sector on a regular basis. It is hoped that the ministry of statistics, which is mandated to help in the generation of data sets in the country, will be able to meet the challenges and set up an appropriate mechanism for regularly generating the needed information. (EPW)

43. Minhas, Jain and Tendulkar have shown that incidence of poverty is greater in rural areas by 8-3 percent. In 1987-88 for instance population living below poverty line was 44.8 percent in rural India as against 36.5 percent in Urban India. Instead of looking of percentage if looked at actual number of poor people we come to know the real gravity of the problem. In Urban areas this number in 1987-88 was 77 million which was as high as 289 million in rural India.

One can also find wide gap between rural and urban employment growth. During 1983 to 87-88 growth rate of employment in rural India was 1.36 percent against 2.77 percent in Urban India while the same during the period of 1987-88 to 1993-94 was 2.3 and 3.34 percent respectively

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