The main objective of this chapter is to provide an overview of the setting of the study, the nonprofit sector in Kerala against the larger backdrop of the national sector. First, an analysis of various approaches to defining nonprofit organisations is presented. It is then followed by a brief theoretical discussion on the reasons for the emergence of nonprofit sector. The chapter, then, shifts its focus onto the nonprofit sector in India and Kerala. History of the sector in the country, the legal framework, and the role and significance are elaborated with a view to present insight into the nonprofit sector in the country, especially Kerala. Detailed description of the size and scope of the sector are also provided in this chapter.
2.1 Defining Nonprofit Organisations

The task of defining the nonprofit sector is a difficult task because the organisations constituting the sector are so varied in legal status, organisational forms, revenue structures, and operational domains. The institutional diversity of the sector is a major impediment for a sound and all-inclusive definition. Nonprofit organisation (NPO) is generally understood as an organisational entity whose primary objective is not profit-related. One can find different approaches in literature to defining nonprofit organisations. These approaches are discussed briefly here.

A simple way to delineate nonprofit organisations is to identify them by their legal status. By this approach, the legal framework of the country in question determines the ‘nonprofit’ nature of the organisation. The legal definition approach is the most unambiguous and straightforward method for defining non-profit organisations (Salamon and Anheier, 1992). Thus an organisation is non-profit if it comes under the appropriate statutes or acts of the country of operation. A nonprofit organisation is what the law of the country says it is (United Nations (UN), 2003). The major limitation of this system is that there is no common ground for comparing the sectors across different national settings. Similarly, not all organisations which are ‘legally nonprofit’ are treated as nonprofit organisations by experts within the nonprofit sector. For example, in India, an organisation can claim nonprofit status if it is registered under any of the following statutes (CSO, 2009).

1) The Societies Registration Act, 1860
2) The Indian Trusts Act, 1882
3) Public Trust Act, 1950
4) The Indian Companies Act (section 25), 1956
An Overview of the Nonprofit Sector in India and Kerala

5) Religious Endowments Act, 1863
6) The Charitable and Religious Trust Act, 1920
7) Mussalman Wakf Act, 1923.
8) Wakf Act, 1923

All organisations registered under any of these acts are legally nonprofit because these organisations are granted nonprofit status and allowed tax benefits as per Income Tax Act, 1961. However, experts in Indian nonprofit sector do not consider all registered organisations nonprofit. Several religious organisations, business associations, private hospitals and schools with nonprofit status exist mainly to serve the interests of a particular community or a closed group and are not generally considered as part of voluntary sector (Sen, 1993). Another limitation of a legal definition is that many nonprofit organisations, especially those in a developing country like India, function outside the purview of any legal frame work. But it must be said that the number of such organisations is on the decline as the benefits of legal incorporation are several. Still, legal definition proves inadequate to cover the entire nonprofit sector considering those sections of nonprofit activity that do not come under any legal provision. Therefore legal definition, though easy to apply, suffers from serious insufficiencies.

Other frameworks for defining nonprofit organisations in literature focus on organisational characteristics of the entities constituting the sector. Morris (2000) identifies three common bases for defining nonprofit organisations – kind of inputs, nature of output, and how the net earnings are distributed. According to the first approach, an entity can be classified as for-profit, household or nonprofit depending on the source of financial resources. According to this
economic or financial definition, the key feature that sets the non-profit sector from others is that the organisations of this sector receives the bulk of their income not from commercial markets, but from financial contributions of their members and supporters. But this definition is fraught with complications as there are nonprofit organisations that run purely on self generated income.

The second basis for defining a nonprofit organisation is the nature of output of the organisational process/operations (Morris, 2000). Public purpose nature of outputs will determine the nonprofit status of an organisation. Functional definition identifies nonprofit organisations by the nature of services they provide. Provision of public services to serve the public at large distinguishes nonprofit from other organisations. One potential problem of this definition is the existence of commercial organisations engaged in the field of public services such as special education, health care for the old etc.

Finally one can categorise an organisation on the basis of how it distributes its net earnings (Morris, 2000). Non-distribution constraint is the distinguishing characteristic of the third method. Hansman (1980) describes a nonprofit organisation as one that is not allowed to distribute its net-earnings to its members or any other person who has a control on the organisation. The above condition of non-distribution of profit is recognised as the most distinguishing characteristic of a nonprofit organisation (CSO, 2009). But making economic surplus during the course of their operations is not prohibited for such organisations. The restraint here is that the surplus, if any, is to be used for the accomplishment of organisational mission and not to be distributed among the members. However, the members or other individuals associated with the organisation can be paid compensations for services rendered by them. Non-distribution clause differentiates nonprofit organisations in a
An Overview of the Nonprofit Sector in India and Kerala

particular service provision from its for-profit competitors in the same area of operation.

The definition that has found widest acceptance in literature for its comprehensiveness seems to be the structural-operational definition suggested by Salamon and Anheier. According to this definition, an entity will be considered a non profit organisation if it satisfies the following five criteria of being: organised, non profit distributing, private, self-governing, and non-compulsory/voluntary (Salamon & Anheier, 1992). The above definition forms the basis of the working definition adopted for distinguishing nonprofit organisations in UN Handbook of Nonprofit Institutions (United Nations, 2003). Following the UN recommendations, Central Statistical Organisation (CSO) in India has also adopted the same definition for System of National Accounts –SNA (CSO, 2009). Sen (1993) comments that the structural–operational approach is the most suitable definition for nonprofit organisations in Indian context for its capability to incorporate the complexities of the sector in India. By applying the structural-operational definition, trade unions, cooperatives and self help groups (SHG) are excluded from the sector, although legally these organisations are granted nonprofit status.

The distinguishing features of a nonprofit organisation according to the structural-operational definition are briefly discussed here.

a) Organised

This indicates the institutional identity of the organisation as separate from the individual identities of the founder or the members. This condition excludes a temporary or ad-hoc gathering of people with no real organisational structure. But legal incorporation or legal standing is not a necessary condition.
b) **Non-profit distributing**

Non-profit organisations do not exist for profit. But profit or surplus may be generated in the course of their operations; but no profit is to be distributed to its members or those who have control on the organisation. This condition is the ‘non-distribution constraint’ identified by Hansman (Hansman, 1980). All profit/surplus is ploughed back into mission-accomplishment.

c) **Private**

The organisation is institutionally separate from the government. This does not rule out support from the government. But sufficient autonomy in governance and operational matters must lie with the organisation itself. Similarly nonprofit organisations do not have the same authority of the government in implementing the programmes unless the government grants it (Salamon & Anheier, 1992).

d) **Self-governing**

Nonprofit organisations should not be under the effective control of any other entity. The organisation must have control on the management and operations to a significant extent. That is, the organisation can be said to be “in charge of its own destiny” (Salamon & Anheier, 1992). It can dissolve itself, make/amend by laws, mission, structure etc (UN, 2003).

e) **Non-compulsory.**

Membership and contributions of time and money are not required or enforced by law or made a condition of citizenship. This separates the non profit organisations from tribal clans and similar social groups (UN, 2003).
It can be concluded from the above review that ‘non-distribution constraint’ is the most salient feature of a nonprofit organisation. However, from the point of view of marketing-exchange, financial structure of the organisation is an important consideration. Financial structure is important in the present context of this research as it is the source of the differences between nonprofit marketing and for-profit marketing.

2.2 Emergence of Nonprofit Sector

The scope and role of non-profit sector have expanded considerably in most countries over the years (Salamon, et al., 1999). Non-profit sector accounts for a considerable percentage of national GDP in many countries. Also, it is a substantially big employment provider. A vibrant non-profit sector can extend the reach of the government in certain fields of development, can propose alternative models of development especially when mechanism for constructive debate on national policies are absent and thus justifying the label of Third Sector (Defourny, 2001). Nonprofit sector’s influence has also begun to extend beyond the traditional domains of public service to even business sector. Scholars in business have made note of the elevated role of nonprofit sector in business as a de-facto regulator (Prahalad & Brugmann, 2007). This role of the nonprofit sector is likely to gain more significance in the light of the current trend of deregulation policies of governments. At the same time, cross-sector partnerships are also on the rise as several business organisations have started looking at nonprofit organisations as potential partners in their social responsibility initiatives, marking a clear deviation from the confrontational relationship between corporate sectors and nonprofit. Thus nonprofit sector has become a prominent player, wielding influence in social and economic spheres.
Various theories have been offered in literature to explain the emergence and continuous growth of the sector. These theories are briefly discussed here.

a) **Heterogeneity or Government / Market Failure theory**

The theory proposed by Burton Weisbrod is a demand–side theory. It states that the unmet or unsatisfied demand for public goods/services in a society results in the emergence of nonprofit sector (Weisbrod, 1975). This implies that a diverse country, where the government cannot satisfy all sections of the society because of the heterogeneity in demand, is likely to have a more active nonprofit sector. Heterogeneity in a society increases the chance of failure of the other two sectors, market and government. Private sector is guided by profit concerns and therefore the selection of products/services of this sector depends on market forces. Similarly, Government actions are determined by political processes. In both cases, certain sections of the society are likely to be unsatisfied as their preferences for public goods may vary considerably from those of the majority at whom the services are targeted. This stimulates the growth of nonprofit organisations.

b) **Trust-related theories**

Due to the profit non-distribution constraint on nonprofit organisations, nonprofit organisations are regarded more trustworthy than for-profit organisations in matters relating to the quality and quantity of public goods. This results in increased preference for nonprofit sector in provisions of public goods. This theory explains why nonprofit sector is still strong in countries with strong government presence in social sector. Hansman (1980) predicts that in cases of ‘contract failure’ nonprofit organisations are more likely to display greater effectiveness and
efficiency than for-profit and government organisations. This leads to a preference for the services of nonprofit organisations.

c) **Entrepreneurship theory.**
This offers a supply-side perspective to the development of nonprofit sector in a society. The presence or rather the supply of social entrepreneurs or groups or individuals with social commitment and willingness contributes to the growth of the sector. This supply is often influenced by the surroundings, for example, religious competition. This occurs when religions or similar congregations compete with one another to provide social service with a view to win more followers (Salamon & Anheier, 1997).

d) **Interdependence theory**
This theory postulates that cooperation and partnership between government and nonprofit sector contributes to the growth of the sector. In this case, with the support from the government, nonprofit sector can scale down its limitations in reach and scope. Here, the government supports the growth of nonprofit organisations by managing the ‘voluntary failure’ (inherent limitations of the sector as a mechanism to meet public needs) by supplying financial and other resources (Salamon, Sokolowski & Anheier, 2000).

### 2.2.1 Role of Nonprofit Sector

Bhatt (1995) envisages three kinds of roles for NPOs in India: developmental, mobilisational and political roles. Developmental roles aim to improve the quality of life. Mobilisational role refers to self reliance, participation, and capacity building and empowerment. Political role is influencing the political system, its policies, laws and legislations or process and performance. Salamon,
Hems, & Chinnock (2000) identifies five roles for nonprofit organisation: service role, innovation role, advocacy role, expressive and leadership developmental role, and community development and democratisation role.

1) Service role. NPOs provide services of public or collective character which are often neglected by private and government sectors. This is an important role of nonprofit sector in society.

2) Innovation role. On account of their organisational flexibility and adaptability NPOs are likely to be more innovative than the other two sectors. Moreover these organisations, being not driven by profits can conceive more innovative solutions for social issues.

3) Advocacy role. NPOs carry out this role effectively as they are not weighed down by profit concerns or influenced by government machinery. Nonprofit organisations can therefore actively push for changes in government policies and in societal conditions.

4) Expressive and leadership developmental role. The authors describe NPOs as vehicles for individual or group self expression.

5) The community building and democratisation role. By encouraging social interactions, NPOs help to create habits of trust and reciprocity that in turn contributes to a sense of community.

These roles are similar to the roles visualised by Bhat in Indian context. Though the sector in India has not advanced to the level of the sectors in the developed world, it still carries out many of the roles successfully.

2.3 History of Nonprofit Sector in India

Nonprofit movement has a long history in India. The earliest reference to volunteerism can be found in Rig Veda (Singh, 1999 as cited in Ravichandran
et al., 2006). The origin of the sector is deeply rooted in the religious and cultural values of the country. Volunteerism in its ancient form was mainly individualistic in nature, shaped largely by religious beliefs and practices. These individual efforts hardly had any resemblance to the western ideals of institutionalised volunteerism. Most works on the Indian nonprofit sector acknowledge the influence of religions on the emergence and shaping of the sector, especially in the early phases. (Sen, 1993; PRIA, 2001b; and Viswanath & Dadrawala, 2004), while the culture of voluntary action was instilled in people by religious faiths, organised efforts came into being by the slow and steady forces in the social and political arena. “The history of the nonprofit sector in India is marked by the absence of any underlying theme or pattern to its development” (PRIA, 2001b). But philanthropy is firmly rooted in the culture of the country because all religions of the country extol the virtues of charity and giving. But the volunteer efforts were mostly unorganised till the emergence of Buddhism during 600 BC. Buddhist Sanghas were the earliest examples of organised philanthropy in India (PRIA, 2001b). Later, Christianity and colonial rulers brought in the modern notions of volunteerism and philanthropy to India.

During the colonial era, many swadeshi movements also took form to organise social reform efforts in the society. Gandhian movements, which continued to inspire many generations of NPOs for several years, also entered the scene. The 90’s saw the emergence of new areas of nonprofit activities in the more globalised economy. Public advocacy, environmental protection, human rights, gender issues etc are some of the areas which have seen most growth in the larger arena of non profit activity in the country.
Some consider that the history of nonprofit sector in India can be divided into four phases (PRIA, 2001b). A brief description of each period as discussed in the above report is given below.

1) Pre-Colonial phase (1500 BC to late 18th century)
2) Colonial Phase (late 18th century to 1947)
3) Post independence (up to 1975)
4) Post –emergency phase.

The following paragraphs give a brief description of the important characteristics of these phases.

1) **Pre-colonial Phase (1500 BC to late 18th century)**

Charity was solely inspired by religious faiths and values. Buddhist *sanghas* in this phase are widely believed to be the earliest forms of organised voluntary efforts in the country.

2) **Colonial Phase (late 18th century to 1947).**

The phase is closely linked to the social reforms and freedom movement. Most were formed to uproot social and religious evils prevalent in those times. Brahmo Samaj and Arya Samaj are some of the examples of organisations of this mould. Education and public health were also focal areas of growth in voluntary action. Boundaries between political and voluntary associations were very blurred as the leaders of both sectors actively participated in the other. Gandhiism and Gandhian principles hugely influenced the setting up of most nonprofit organisations in this phase. Gandhi, himself set up his *asram* at Sevagram in Wardha. Village industries, indigenous technologies and home-grown models of education received most attention by the movements that took inspiration from Gandhian models of development.
3) **Post Independence**

After independence, the state took upon itself the most important role not only in the field of development but also in the social and cultural lives of the country. This, in a way affected the pace of growth of the sector. Many nonprofit movements became part of the government after independence. Khadi movement, for example, became a government programme under Khadi and Village Industries Commission (KVIC). Education and health continued to be important fields of voluntary action. Christian missionary movement continued their work in education and public health especially among the central, eastern and north-eastern regions of the country. Ramakrishna Mission also carried on with their nongovernmental voluntary character. Disillusionment with the state and its policies became a central feature of the early 70s when many political movements emerged as a result in many parts of India like naxalism in the south and the Jayaprakash Narayan led movement in the north. These organisations although not NPOs by strict definition of the term used for the study, are still important milestones in the history of voluntary action in India.

4) **Post Emergency.**

State’s distrust of the nonprofit sector became very strong in this phase. Foreign Contribution Regulation Act (FCRA), 1976 was enacted. Under this Act, all organisations receiving foreign funds are required to be registered with home ministry and get clearance from the government for all foreign funds. This phase also saw the increased infusion of foreign funds. Government’s direct funding of the sector also started in 80’s. All government-funds were channelled through People’s Action for Development India (PADI). In 1986, it was amalgamated with CART (Council for Advancement of Rural Technology) to form
Chapter 2

CAPART (Council for Advancement of People’s Action and Rural Technology). Under CAPART, total funds channelled to the sector increased. In the post emergency phase, association between nonprofit and government began to increase. Post-globalisation, nonprofit sector has expanded itself to many areas especially in civil rights, environmental protection, gender issues etc.

2.4 Legal Framework for Nonprofit Sector in India

In India, there are many legal provisions for the formation and regulation of non-profit organisations. But, there are a great number of bodies which do not fall under the purview of any of the Acts. However, as a legal body, a nonprofit organisation can avail some benefits which make legal incorporation advantageous to these organisations (PRIA, 2001a).

Below given are the major statutes under which an organisation can get registered as a non-profit entity in India. These laws can be classified into two major divisions based on whom the services of the organisation are targeted at (CSO, 2009):

A. Organisations created for the larger public good
   a) Societies Registration Act, 1860
   b) Indian Trust Act, 1882
   c) Public Trust Act, 1950
   d) Indian Companies Act (section 25), 1956

B. Religious non-profit organisations.
   a) Religious Endowments Act, 1863
   b) Charitable and Religious Trust Act, 1920
   c) Mussalman Wakf Act, 1923
   d) Wakf Act, 1923
In addition to the above, organisations registered under Cooperative Societies Act, 1912 and Trade Union Act, 1926 can also claim nonprofit status under Income Tax Act, 1964.

Majority of Indian nonprofit organisations belong to the first category of organisations (organisations created for the larger public good). The second category of organisations although non-profit in nature, are formed for the benefit of certain religious communities and not for public at large and hence are not generally considered as part of nonprofit sector. Cooperatives cannot strictly be called a nonprofit organisation although the legal framework in the country allows tax benefits to a cooperative similar to any charitable organisation. These cooperatives are allowed to distribute profit among members, which violates the *non-distribution* condition for an NPO. Trade Unions do not distribute profit among members. But these are basically membership organisations working for the benefits of their members and not for the *larger public good*. Also, many trade unions function under the control of some political parties, which implies that these are not *self-governing*. Hence, the above mentioned organisations are normally not considered as part of the nonprofit sector in the country (Sen, 1993). According to the CSO study on Nonprofit institutions, about 90% of the nonprofit organisations registered in India fall under the purview of Societies Registration act, 1860 or India Trust Act, 1882 or their state variant (CSO, 2009).

The major Acts are briefly discussed below.

a) **Societies Registration Act (SRA), 1860**

This is an all-India act meant for the formation of organisation of scientific, literary and charitable societies. However, as 'literary, scientific, religious and charitable associations' is a state subject, many
states have repealed it and have passed their own acts in its place. The following societies can be registered under this Act. Military orphan funds or societies; societies established for promotion of science; literature or fine arts; societies established for instruction and diffusion of useful knowledge or for diffusion of political education; societies established for maintenance of libraries; reading rooms for general public; societies established for public museums and galleries for paintings or other works of art and collections of natural history; mechanical and philosophical inventions; and instruments or designs (section 20 of SRA, 1860). Any seven or more persons associated for literary, scientific or charitable purpose can register a society by subscribing their names to a memorandum of association.

b) **The Indian Trust Act, 1882**

The act deals with laws relating to private trust and trustees. This act is applicable to only private trusts and not to public trusts. The subject is a concurrent item in the Constitution. Thus, the Act applies to all of India unless it is specifically amended or altered by the state. So, there is no national law governing public trusts in India. In Maharashtra, Gujarat and Rajasthan, there are specific acts for the governance of public trusts, namely Bombay Public Trust Act, 1950 and Rajasthan Public Trust Act, 1959.

c) **Indian Companies Act, 1956 (Section, 25)**

A company can be formed for promoting commerce, art, science, religion, charity or any other useful subjects, provided the profit if any, or other income is applied only for promoting the objects of the company and no dividend is paid to its members. Section 25 companies
can avail tax benefits as applicable to any society or trust duly registered under relevant acts.

d) Foreign Contribution (Regulation) Act, 1976 (FCRA)

Foreign Contribution (Regulation) Act, 1976 is another important legislation relevant to the Indian nonprofit sector. The act is aimed at regulating and monitoring foreign contributions to nonprofit organisations in India. As per the Act, all nonprofit organisations must register themselves under the Act, or get prior permission from the government before receiving any foreign contribution. Separate set of accounts and records are to be maintained by nonprofit organisations for foreign contributions. The Act stipulates that returns, along with the receipts and payments, and balance sheet, duly certified by a chartered accountant should be filed with the Ministry of Home Affairs within 120 days of the closure of the financial year.

e) Income Tax Act, 1961

Some sections of this Act are applicable to nonprofit organisations. The act gives hundred percent tax exemption to nonprofit organisations, subject to certain conditions. In case of private trust-run educational institutions and hospitals, special exemption will have to be sought for gross receipts over Rs.1cr. All private religious trusts or any nonprofit organisation set up for the benefit of any particular community or castes are not exempt from tax.

2.5 Nonprofit Sector in Kerala

Kerala has a unique place in the social and economic development scene in the country. Amid the dismal performance of several states in India on most of the human development indices, Kerala has been a consistent performer.
Kerala’s Human Development Index (HDI) is the highest among the Indian states and compares well with that of the developed world in spite of low per capita income. These remarkable achievements in the social field are the result of sustained public actions from all social agents - the state, the political society and the civil society (Ramakumar & Nair, 2009). Like the rest of India, emergence of nonprofit sector is closely linked with social reform and freedom movements. Christian missionaries too had a major presence in the sector especially in education and health care sectors.

2.5.1 Legal Framework Specific to Kerala

The act applicable to organisations for registering as a society in Kerala is Societies Registration Act, 1860 as amended by Madras Act No.24, 1954 for Malabar region (Kasaragod, Kannur, Wayanad, Kozhikode, Malappuram and Palakkad districts) and Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 for the rest of Kerala. For trusts, the relevant act is The Indian Trusts Act, 1882.

2.5.2 Size and Scope the Sector in Kerala

According to the Nonprofit Institutions Survey conducted by Central Statistical Organisation (CSO), there are 31,74,420 registered non-profit organisations registered under Societies Registration Act, 1860 or Mumbai Public Trust Act or its state variants in the country (CSO, 2009). In Kerala, the number of registered societies and trusts is estimated as 3,26,392. The number of nonprofit organisations reported by the above study however includes all registered societies and trusts since 1860 and includes even membership organisations like professional organisations, trade unions, residence welfare associations, self-help groups, private family trusts, educational institutions, private hospitals etc. These are organisations that do not come under the
structural-operational definition suggested by Salamon and Anheier (1992). Thus it has to be said that the earlier quoted numbers indicate the number of entities that can claim legal ‘nonprofit’ status and therefore the numbers are definitely higher than what the real nonprofit sector would contain. Nevertheless, these numbers does indicate the general measure of the size and scope of the sector.

In India, the number of NPOs per thousand persons is three and in Kerala the number, second highest among all the states is ten (Table 2.1). The study also shows that at all-India level, urban organisations constitute around 59% of the total NPOs in the country. In Kerala, however, the rural NPOs are about 84% of the total (Table 2.2). Social services, education and research and culture and recreation are, in that order, the top three subsectors in all India level. These three sectors together constitute 60% of the total nonprofit sector in India (Table 2.3). The study also tells us that there has been a substantial increase in the number of NPO registrations after 1990. Of the total of 3.1 lakhs, over 2.2 were registered after 1990. The same pattern of growth can be seen in Kerala too (Figure 2.1).

Table 2.1: Number of NPO Registrations since 1860

<table>
<thead>
<tr>
<th></th>
<th>Total no of NPOs</th>
<th>No/ 1000 persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>3174420</td>
<td>2.77</td>
</tr>
<tr>
<td>Kerala</td>
<td>326392</td>
<td>9.66</td>
</tr>
</tbody>
</table>

Source: CSO, 2009

Table 2.2: Rural–Urban Distribution of NPOs

<table>
<thead>
<tr>
<th></th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>N/ 1000</td>
</tr>
<tr>
<td>India</td>
<td>1863381</td>
<td>2.3</td>
</tr>
<tr>
<td>Kerala</td>
<td>278644</td>
<td>11.1</td>
</tr>
</tbody>
</table>

Source: CSO, 2009
Table 2.3: Distribution of Subsectors (Top 3 subsectors)

<table>
<thead>
<tr>
<th></th>
<th>Social Services</th>
<th>Education &amp; Research</th>
<th>Culture &amp; Recreation</th>
<th>Total (top 3)</th>
<th>% of the total sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total No</td>
<td>1310911</td>
<td>615954</td>
<td>369912</td>
<td>2296777</td>
<td>72%</td>
</tr>
<tr>
<td>Kerala</td>
<td>133834</td>
<td>6280</td>
<td>69084</td>
<td>209198</td>
<td>64%</td>
</tr>
</tbody>
</table>

Source: CSO, 2009

Figure 2.1: Growth in the Number of NPO- Registrations

2.6 Conclusion

The aim of the chapter was to provide an overview of the nonprofit sector in general, and the sector in India with a special focus on Kerala. The chapter began with a discussion on various approaches to defining nonprofit organisations and the various theories on the emergence of nonprofit organisations. The overview of the sector in India dealt with the history and
legal framework of nonprofit sector. A general comparison between the nonprofit sectors in India and Kerala in terms of the size and make-up of the sector was also provided.