CHAPTER - I
INTRODUCTION

The problem of Rural-Development is not a new one to India. It is an old theme. India has a long history of experimenting with various approaches to rural development. Even in pre-independence India it received the attention of many nationalist thinkers and social reformers who initiated a number of rural reconstruction experiments. Well known among them were Tagore's Shriniketan rural reconstruction programme, The Martandum Project, Gurgaon experiment, Sevagram Project, Etawah Pilot Project etc.

1.1.0 Rationale For Rural-Development

However the rising phenomenon of rural-development as a concept and as a discipline gained popularity since the 1970's. The rationale for rural-development emerged out of the failure of technocratic and 'growth oriented' strategies pursued by most developing countries during 1950's and 1960's. Based upon the 'percolation theory' of economic growth it was widely assumed that the benefits of sustained economic growth would gradually trickle-down to the lowest ranks of the people. But during
seventies it was acknowledged that despite impressive economic growth in most of the developing countries its benefits failed to percolate to backward areas and the poor people -- especially the rural poor. It was revealed by many studies that growth alone can not reduce poverty in the absence of more direct policy programmes, especially when there is an unequal distribution of assets and opportunities.

Secondly, the question of rural-development in both developed and developing countries assumed importance not only on account of socio-economic backwardness of rural areas but also on account of demographic considerations. According to World Development Report (1996), 55 percent of the total world population lived in rural areas in mid 1994. In the developing countries 62% of their total population belong to the rural areas in this year. The percentage share of rural population is much higher in low-income poor countries. Besides in developing countries the rural population increased substantially recording an increase in absolute size while in high-income countries the absolute size of rural population has declined.

Thirdly, poverty is more pervasive and intense in rural areas than in urban areas. According to World Bank data the
number of poor in rural areas was estimated to be 1116 millions in 1985 which constitute roughly one-third of the total population of the developing world. It is also noted that nearly half of the developing world's poor live in south Asia. In India, nearly three-fourth of the total poor live in rural areas. Although we have achieved great success in bringing down rural poverty in percentage terms. However, the absolute number of the poor more or less has remained static. Studies based on NSSO recent consumption surveys indicate that the percentage of the rural poor might have gone-up in 1998 to 45 percent. The World Development Report (1990) rightly observes, "Poverty as measured by low income tends to be at its worst in rural areas... The problems of malnutrition, lack of education, low life-expectancy and sub-standard housing are also, as a rule, more reverse in rural areas", Most social and economic indicators such as poor health, low living conditions, high mortality, assetlessness, low physical infrastructure, low skill, low productivity and low social-services, consistently shows that rural areas compare unfavourably with urban areas. It is thus obvious that most of today's developing countries are likely to remain predominantly poverty-striken rural societies even into the 21st century. It is also clear that mere urbanisation and rapid
industrialisation can no longer solve the problems of rural poverty, unemployment and inequality. Rural sector itself, through its own development, shall have to find the means of livelihood for its vast population and vast number of those living below the poverty line. Rural-development can no longer be considered as a secondary problem. If we want to raise the levels of life's sustenance, human dignity and freedom of rural people, we shall have to find the solution in the development of rural economy and society both.

1.2.0 Concept of Rural Development

With changes in its contents, strategies or with the emphasis of its various ingredients the term rural-development has been interpreted differently in different contexts. As rural societies are mainly agrarian economies, so in neo-classical economies rural-development has been equated with agricultural development. Agricultural development, no doubt, constitutes the heart of rural-development, but certainly not the whole of it. It is also not a socio-welfare or social development by pumping money into the rural areas to fulfil the basic human needs.

Rural-development as a discipline suffers from a theoretical vacuum. In the absence of any adequate or universally valid
theory it continues to be a complex phenomenon comprising myriad activities. Based upon the experimentation of different approaches and programmes the term rural-development has both broader and specific connotation. In broader perspective rural-development is defined as an elastic and multi-dimensional concept that implies all round development of rural areas. This comprehensive form emphasises on development of all rural-sector activities like agriculture and allied activities, rural industries, social and economic infrastructure, community services and rural human resource. It implies that increase in production and productivities and provision of improved living facilities would improve not only the quality of life of rural people, but would also enhance their capability to contribute to national development. In specific form rural-development has been defined as, "a strategy designed to improve the economic and social-life of a specific group of people ---- the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in rural areas". (World Bank, 1975). As a discipline rural-development is interdisciplinary in nature including the simultaneous transformation of social, economic, technological, political and psycho-cultural aspects of rural society with a view to break all the structural and
institutional constraints to development. Here rural-development is concerned with socio-economic and political processes, necessary structural and institutional transformation, responsible for the poverty, inequality and low productivity in most of the rural societies. As the rising phenomenon of development integrates all developmental issues in a system approach, we may define rural-development as a process of desired change of the entire gamut to speed-up economic growth in rural areas and to improve the unsatisfactory state of life of rural people.

1.3.0 Rural Development IN India

Right from the first five-year plan the government of India was committed to formulate various plans on rural-development. In every plan document and in every budget speech it is stated that the fruits of economic development should largely reach the poor -- especially the rural poor. The current budget proposals also revolve around the development of rural-sector. In order to banish the scourge of poverty from our land within a decade and put India on a sustained, equitable and job creating growth path the finance minister emphasized on, "strengthening the foundations of growth of our rural-economy... It is essential, he remarked, for alleviating poverty, generating income and
employment, assuring food-security and sustaining a buoyant
domestic market for industry and services". (Budget 2000-2001)

Economic growth is important as it creates more resources
and has the potential of creating more space for the involvement
of the poor. Direct poverty alleviation programmes are also
important. However, they should be oriented towards
strengthening the productive potential of the economy and
providing more opportunities for involving the poor in the
economic process. Poverty can effectively be eradicated when
the poor start contributing to the growth by their active
involvement in the growth process. This requires schemes for
income generation through supplementary employment for the
targeted poor. Besides growth of incomes provision of certain
basic minimum services is very essential to improve the quality of
life of the poor. Ninth plan has identified seven such services
which are: safe-drinking water, primary health facilities, universal
primary education, nutrition to school and pre-school children,
shelter for the poor, road connectivity for all villages and the
Public Distribution System (PDS) with a focus on the poor. All this
is possible through a process of social-mobilisation, encouraging
participatory approaches & institutions & improvement of the poor
through organising rural poor within an institutional system.
Involvement of people in development process at the grass-roots level has been perceived as the most effective means through which economic development meet the aspirations of the people. It ensures that the benefits of development really percolates down to the lowest strata of the society. For rural-development: "the only way is to involve the people in decision-making and implementation process of the development programmes meant for them". But in developing Countries like India with the state taking the responsibility for promoting development and welfare, the governmental bureaucracy has acquired enormous power and functions as the agent of social-change... This command model of development with strong doses of centralisation and top-down planning as its hallmarks left little room for people's participation in the decision-making process, formulation and administration of the development programmes.

Although, to reduce the bureaucratic control and enhance the economic growth the state has allowed the private sector to expand. This expanding private sector and a contracting state, however, leaves many rural development issues unattended. Private sector by its very nature, may not be a substitute for the state. This profit motive and market friendly private sector do not
have a human face and it added further to the already skewed distribution in income and wealth. The diminishing state and the expanding market scenario in India demands for the promotion of the voluntary sector through state policy in order that its capabilities are fully utilised. In such a situation when the state (the first sector) itself is diminishing and the profit motive private sector (the second sector) is little concerned with rural-development, the role of voluntary organisations assumes special significance. In this, respect, Voluntary-Organisation (VOs), which the economists called “Third-sector” or “NGO-Sector” can play a very crucial role in increasing people’s participation through creating awareness, educating, motivating and enlightening the people for social-transformation. They are instrumental in initiating, stimulating and accelerating the process of change in the tradition bound rural societies. With their “human-face” and “public-support”, their history of targeting the poorest in their programmes and their relatively low - cost management style – NGOs seem to be an “attractive alternative” and “effective” instrument in the socio-economic transformation of the rural people.
1.4.0 Conceptual Classification Of NGOs

The growth of NGOs over the past two decades has given them an increasingly important role and led to them forming a distinctive sector within the civil society. NGOs have grown enormously in numbers over the past 20 years or more. At the same time the scope of their work has widened, to the extent that they are now concerned with almost every aspect of human need and endeavour. Some of them have global impact and significance while other affect individuals, particular communities or groups at the local level. It is generally recognised that this quantitative and qualitative explosion of NGOs and their work has been beneficial to the present and future well being of the world and its people. But despite the expansion of NGOs as an important sector of civil society, relatively little has been done to define them and identify the scope of their work. Additionally, it has been recognised that the practices of NGOs vary widely. This has sometimes led to confusion about their role and function as well as suspicion on the part of some governments, who have sometimes seen them as a threat.

'Non-Government Organisations' (NGOs) are characterized as 'formalized organizations' beyond the market and state
receiving their resources from voluntary contributions of the society and on the basis of voluntariness to transform them into collective goods to solve social problems. They may be defined as registered voluntary-associations of people working at the grass-roots level to help the poor and needy through charitable or developmental work on a non-profit basis.

Though the term NGO was coined by the U.N.O. mainly to indicate the difference between the sovereign nation's states which are its direct members and the organisations that collaborates with or receive grants from its agencies to implement the development programmes. However, the title is so well spread now that all the institutions other than the direct government departments may be loosely referred to as NGOs. The various government agencies which are registered as societies, the universities and colleges etc. are also often referred to as NGOs. Of course, all the registered societies are brought under the broad umbrella called NGO.

**N.G.Os in India**

Non-government organisations (NGOs) in India are identified on the basis of certain criteria. The Seventh Plan while recognising the role of NGOs in rural-development programme
listed-out the criteria for organisations to be identified as NGOs. As per the plan yardstick, the N.G.O. should be a legal entity registered under an appropriate Act. The acts under which the organisations can be registered, depending upon the nature and scope of activities, are the societies Registration Act, 1860, the Indian Trust Act, 1882; Charitable and Endowment Trusts Act. In India 'voluntary-organisations and Non-government organisations are used interchangeably and NGOs are variously known as voluntary agencies, non-party processes, social action groups, awareness building groups, grass-root organisations etc. Although it is difficult to make a very specific distinction between a voluntary agency and an NGO in the Indian Context but an NGO may take the form of a body or an institution registered under the Society Registration Act, Co-operative Societies Act, Public Trust Act and the Companies Act, with a general body, executive council, chief executive, paid staff and volunteers. Such organisations may be working at the local, district or state level and in diverse areas like formal education, adult education, setting-up hospitals and dispensaries and other social service schemes. In the field of rural-development, in India, a number of NGOs have come into existence at the national level during the past two decades. These fall into three categories:
(a) **The techno-managerial NGOs:** - Which work on the premises that the process of rural-development can be accelerated through modern management techniques and technology.

(b) **Reformist NGOs:** - Which try to bring about changes in the social and economic relationship with the existing political framework and.

(c) **Radical NGOs:** - Which seek to challenge the existing production relations. Their attempt is to organise the exploited against the exploiters. They also undertake some economic, health or educational programs as an 'entry-point' to mobilise masses for political action. Included in this category are also the NGOs and movements started for the purpose of protection of environment like 'Chipako Andolan' led by Sunderlal Bahuguna and Sulabh Sauchalaya movement.

Thus clear from the ongoing discussion that the concept of 'voluntary-sector' or non-government organisations (NGOs) is one which is easy to comprehend but difficult to expose in precise terms. It has been understood, defined and used in a
variety of ways. Currently, two approaches to defining NGOs are found, one broad and the other narrow. The broad definition holds that 'every organisation in society which is not a part of the government and which operates in civil society, is a non-government organisation', this includes such organisations as political groups, labour and trade unions, religious bodies and institutions, sports clubs, art and cultural societies, professional associations as well as small and large businesses. While the broad definition is based on semantic correctness, it is problematic because it embraces a large number and variety of diverse organisations.

The narrow definition, refers to 'specific type of organisation working in the field to development -- one which works with people to help them improve their socio-economic situation and prospects'. This definition is also problematic because it is both restrictive and broad. Because some take development to exclude welfare and also action, on broad social, economic and environmental issues, it can be restrictive.

To reach a practical and workable definition which is based on the main distinctive characteristics of organisations, N.G.O. is
taken to mean organisations which have all of the following four key characteristics:

1. **Voluntarism**
2. **Independent**
3. **Not for profit**
4. **Not self-serving**

1. **Voluntary** - This means:

   (a) They are formed voluntarily: there is nothing in the legal or statutory framework of any country which requires them to be formed or prevents them from being formed.

   (b) There will be an element of voluntary participation in the organisation: whether in the form of small numbers of board member or large numbers of members or beneficiaries giving their time voluntarily.

2. **Independent** - With in the laws of society, they are controlled by those who have formed them or by boards of management to which such people have delegated or are required by law to delegate, responsibility for control and management.
3. **Not for profit:** - They are not for personal private profit or gain, although:

   (a) NGOs may have employees, like other enterprises, who are paid for what they do. But in NGOs the employees are not paid for work they perform on boards, beyond being reimbursed for expenses they incur in the course of performing their board duties.

   (b) NGOs may engage in revenue generating activities. They do not, however, distribute profits or surpluses to shareholders or members. They use revenue generated solely in pursuit of their aims.

4. **Not self-serving in aims and related values:** - The aims of NGOs are:

   (a) To improve the circumstances and prospects of disadvantaged people who are unable to realise their potential or achieve their full rights in the society, through direct or indirect forms of action and/or

   (b) To act on Concerns and issues which are detrimental to the well-being, circumstances or prospects of people or society as a whole.
The first three defining characteristics begin to suggest essential conditions, which should be present in the environment in which NGOs function. Their existence should be enabled, permitted and encouraged but not required by law. The law should also allow them to function independently. The law should be in terms that ensure that NGOs are not for the personal profit of those who direct their affairs.

The above discussion does not imply that the definition created by the four characteristics is watertight in that it clearly separates NGOs from other organisations such as labour unions, religious organisations, political groups etc. -- operating in the society and legitimately claim to be serving the interests of the society generally. In fact, it is no longer possible to make such distinctions. Changes in the society manifested in the emergence and growing importance of the change and development function of NGOs, has brought them more and more into the arena of societal governance and advancement. Similarly, the enormous changes in economic functioning, employment levels and practices and conditions in the labour-market have brought labour unions and business into the same arena. As organised labour, business and religious organisations have become more and more involved in the governmental and political arena, so too
have they become increasingly involved in NGO fields. This does not make them NGO, but it does mean that the fact that they are involved to an extent in what have been termed NGO activities needs to be recognised. Reciprocally, NGOs have broadened their concerns into those of other organisations. Their increasing involvement in the economic field has seen them becoming involved in business, for production, job creation or income generation purposes. At the same time, business organisations have become more involved in NGO-type activities. They have done this not just out of a sense of charity or to become involved in the care and welfare of employees, their families and communities. They commonly describe what they are doing and why they are doing it as "enlightened self-interest". This ceases them to be a true NGO. However, only when these activities, are the principal business of the organisation and if they therefore satisfy all the four NGO defining characteristics, should they claim to be NGO.

Is 'NGO' the right term?

There is sometimes an uneasiness about the use of the term NGO. It is a negative term, defining organisations by what they are not, rather than by what they are. In some countries,
non-governmental is taken to imply 'anti-governmental'. Some people therefore prefer to use the terms such as 'voluntary-organisations', 'private voluntary organisations' or the American terms 'non-profit organisation' or 'not for profit' organisation. In general, all these organisations, regardless of terminology used, have certain characteristics: that they are non-governmental (although many of them might work 'in partnership' with the government on projects or receive funding from government agencies), and 'non-profit' that they are voluntary (they might have paid staff but in general are working in the area because they volunteer, to, not because they have to-hence voluntary) A pragmatic reason for not following the elimination of the word 'NGO' is its common use in the North.

**What is in a name?**

Some specialists deliberately add a 'D' for development (NGDO), underlining the distinction between development oriented NGOs and those active in some area of social activity without contributing to social change and development in a profound sense. Other specialists use terminology stressing the 'role of the target group' such as 'grass-root organisations' (GRO), these tends to be self-help organisations of the poor or
organisations addressing marginalised masses from within their own midst. In the United States, the term private voluntary organisation (PVO) is more current than NGO - denoting an organisation established and governed by a group of private citizens for a stated philanthropic purpose and supported by voluntary individual contributions'. Other firms one may encounter in other parts are 'voluntary Agencies' (VA), Community Based organisation (CBO), local non-govt. organisations (LONGO) Bigger NGOs are sometimes called (BINGO).

Some authors consequently plead in favour of striking out the word NGO and calling them by the older name of 'voluntary-agencies'. Devaki, Jain thinks that the NGO nomenclature refers to comparative work with government or simply will be understood as antigovernmental. She prefers the name 'voluntary agencies' as it is more positively related to the society and not to the state. In a certain way, Jain by opting for the word 'voluntary-agencies' removes or shifts- the problems For 'voluntary' will become the opposite of functionary and the 'NGDO, the contrary to bureaucratic or governmental institutions and we are now in a period of narrow Co-operation with these bureaucracies. On the other hand many big NGOs have experienced quite well how chrisma has changed into
bureaucracy, just like a lot of bureaucrats have the committed attitude of voluntary workers, working hard for social justice. But a pragmatic reason for not following the elimination of the word ‘N.G.O.’ is its common use in the North as well as in the South. Moreover, the term ‘voluntary-organisation’ had been in use for several decades earlier and it was widely used for social welfare and charity organisations. But ‘voluntary-sector’ has undergone many changes in the last few decades just as the field of welfare and development itself has changed. The concept of ‘voluntary-organisations’ has now changed from welfare to development. The term N.G.O. has now become popular (since 1980s and 1990s) and is used widely in the field of development. The study uses them (voluntary-organisations and NGO) interchangeably as both denote the characteristics mentioned here.

**NGO as an institution**

Most indigenous NGOs started out as small groups with micro projects at the village level. As these NGOs began to build-up their experience base and skills, they began to expand their coverage to village-clusters. With grass-root support, NGOs began to affect other institutions and to confront directly other social-forces and groups. NGOs have followed a fairly well
documented pattern of organisational development, passing through three stages of growth. The first stage is the formation and development stage wherein groups of individuals identify common needs and problems and organize themselves to respond collectively to these problems. The second stage is the consolidation stage. At this point, the NGO consolidates its gains. At this stage, NGO develop and expertise which can be utilised in favour of its beneficiaries. In fact, it is this ability to carry-out its activities and projects effectively and efficiently that gives the NGO a distinctive competitive edge in carrying out its program vis-a-vis other groups. The third stage is the institutionalisation. The NGO has all the requisites needed for its survival as a long-term organisation. Not only, it carry out its programmes and projects well, but these have a certain strategic impact in its geographic locality. In fact, the programme becomes the model after which other NGOs and even government, pattern their programmes. The NGO has a stable resource base both external and internal and has alliance and network linkages. All this leads to the idea that, over time, NGOs transform themselves into institutions becoming permanent structures in a developing society.
The NGO as a sector

Just, as there are public and private sectors in every society, in developing countries, there is an emerging "NGO-sector". Why sector? The reasons are: - one, as the number of NGOs grows, there is a layering in the types of NGOs. NGOs can be classified as: -

Grass-roots NGOs or people's organisation: - These are NGOs established at local level. Their beneficiaries are at the same time members and constituents.

Professional NGOs or intermediaries: - These NGOs often have a specific area of interest or experience. They work with and for beneficiaries but mark their effectiveness by their ability to phase-out and leave viable organisations and institutions behind.

Grant making NGOs: - These indigenous NGOs are able to mobilize local and foreign resources and channel this down through intermediaries or grass-roots NGOs.

Support NGOs: - These NGOs have a specific support expertise. Such NGOs specialize in research training,
communication and education and a wide variety of other functions.

Two – there is a new horizontal growth among NGOs. More and more indigenous NGOs are networking and forming alliances. Such alliances allow NGOs to maintain their identity and their closeness to the lower sector. Through such linkages, NGOs becoming power centers, first as the local bodies later as regional and national federations.

Three-NGOs are developing different areas of expertise, which are, not only shared with each other, but are also used to strengthen NGOs as viable organisations. NGOs are also developing indigenous resources mobilisation schemes to make available financial and other resources to smaller NGOs or engaging in commercial ventures to fund their social development programmes. This is perhaps the most important aspect of NGOs - the support system, they have assembled which enable them to be a 'permanent sector' of the society.

1.5.0 Role of NGOs in Rural-Development in India

There are about six lakh villages in India. About 74 percent of our population lives in the villages. Agriculture and its allied activities such as animal husbandry, dairy, poultry etc. are the
professions of majority of the rural people. Seven out of every ten persons in India depended upon agriculture. About 40 percent of India's export consist of agricultural products and about 20 percent consist of manufactured goods with agricultural contents. Hence, development of Indian villages should be the yardstick to measure the development of India. Development of villages of India can be achieved only with the active co-operation and participation of its people in the process of development planning. People's active involvement, co-operation and support to development efforts in general and their participation in the decision-making process and sharing the fruits of development, in particular, constitute the building block— the "heart-beat and pulse rate" of development administration. The success of rural-development depends upon the active participation of the people through self-help groups. But government in developing countries often discourage such participation. Starting from a "top-down" development philosophy, they have generally concentrated on providing food, services or assets — rather than enabling people to do more for themselves. Governments have seen development as something to be done for, rather, than by, people. But development is people-centred and people participation-oriented. For rural-development — the only way is to involve the people in
development process. The 'voluntary-sector' – the present day 'Non-government organisations (NGOs) as it is known-have greater opportunities to play its role in this context. They play a double role, on the one hand, they enthuse the rural people to prepare meaningful plans for rural-development and also to take part in their implementation. On the other hand, they supplement and complement the role of government in the management of development progressives. They act as a liason between the masses in the rural areas and government departments for ensuring smooth flow of funds and optimal utilisation of resources. Emphasising the role of NGOs in rural-development, working group on 'Block-level planning' (1978), stated that, "the country's social and economic problems are so vast and multifarious that the government's administrative machinery alone can not tackle them. The establishment of a self-reliant society implies progressive curtailment of people's dependence on the government. From time immemorial, 'voluntary-sector' in our country has played a significant role in promoting people's welfare ... The planning team at the district level should consult and actively seek the assistance of voluntary-agencies in their area, while preparing the plan and selectively entrust to them, the
implementation of some sectoral plans in which they may have requisite expertise and experience.

NGOs have played an important role in alleviating the poverty by virtue of their demonstrating qualities, flexible services, personal touch and closeness to the rural masses at large. Since, the NGO's volunteers work effectively among the poor and isolated communities in the rural areas, their role can be viewed as major means to tackle many persistent pockets of deep-rooted poverty that exist in the developing country like India. By reaching those who are "hard to reach or difficult to access"- like women, children, neglected, tribal, illiterate and depressed – the NGOs can bring, rural-development programme an important dimension. Their experience of working at the community level can help bridge the gap between the national policy and local action.

The NGOs can play several important roles in development process. These are expected to:

1. They can act as a watchdog of legitimate interest of women and guide and cultivate women panches to bring self-esteem and awareness among men because there is a need to improve their economic status as poverty and
economic dependence are the roots of their self-degradation and crimes against them.

2. They also have a role in influencing local administration. In most of the developing countries red-tapism and political interferenced restrict the access of government services to the disadvantages groups, here NGOs who represent rural poor can ensure greater responsiveness of local administration to their needs and aspirations. They can act as voluntary checks on rural-development and local bureaucracy.

3. They create confidence among the landless labourers to claim their rights. They can contribute towards rural-development in a broader sense by awakening their zeal for protecting their rights.

4. They can make the government delivery system more effective by identifying genuine target groups.

5. They act as a catalyst in the improvement of the poor and the role of supplementing the government efforts in the delivery of different services to the people.
6. They can act as 'creators', 'preservers' and 'destroyers' in rural areas. They create awareness among people, create livelihood opportunities for people and with their co-operation, preserve what is needful to their environment, appropriate technologies and scientific practices and destroy the evils like alcoholism and superstitions.

Thus, as observed by Prof. K.K. Mukherjee (1994), "there are greater opportunities for involvement of voluntary-organisations and groups with emerging societal changes and their perspective role as negotiators, guides, educators, organisers, pressure groups, watchdogs and experimenters".

1.6.0 Approaches to origin of NGOs

Western scholars have put forward several approaches regarding the origin of 'voluntary-organisations'. The discipline from which they emanate range from economics and political economy to sociology, political science and anthropology. The approaches are partial in that they are not incompatible with one another.

(a) The contract failure approach: - This approach explains why particular kinds of goods are produced by voluntary rather than by the private sector. It argues
that when consumers feels unable to evaluate accurately the adequacy or quality of the goods, they choose 'voluntary-sector' as supplier rather than profit making firms. Consumers distrust for profit firms for such goods because the manager of a 'for-profit firm' may supply inferior quality goods and pocket the additional earnings thus made the opportunities to do so does not exist for managers of 'non-profit concerns as they are forbidden by law from garnering the extra profit. An enlightened consumers thus protects his interests by sponsoring voluntary-associations.

The approach as it is formulated does not appear applicable to the Indian situation since in India most voluntary organisations are set up to meet the needs of vulnerable and those who can not protect their interests and to deliver merit goods. A modern welfare state is expected to provide them, but India has failed to do so. The reasons for failure are many. First the state lacks resources. Therefore voluntary sector frequently supplement the supply of such goods e.g. health-care; Second often negligent public servant fail to perform their duty even when they have no material gain to
derive from this. Of course, there are corrupt officials who can and do subvert enacted policies and reap unauthorised profits from them. In either case, those who are too weak to assert their rights are left out. Third the weak and the vulnerable often do not know how to access merit goods, sometimes they even have to be convinced of their benefits. These are the tasks that typically, the 'voluntary-sector/NGOs is capable of and predisposed to performing. A vast majority of Indian voluntary associations are set up by the organisers to address their shortcoming of the public system.

(b) Exchange Approach: - The exchange approach offers yet another way of understanding N.G.Os It views a NGO as a benefit exchange; the group organiser offers a set of benefits to the members and receivers of benefits in return. To join and continue as a member one may have to pay a subscription, attend meeting etc. These are the costs of a member has to bear to receive the benefits. The ograniser, on his part has to devote time and energy to recruit members and to obtain and deliver benefits to retain them. The
organiser's benefits may take the form or fulfilment of much-cherished goals or monetary compensation. The benefits that either party receives could be material, solidary or purposive.

This approach conceives of the organiser as a political entrepreneur in exchange, the leaders receive return i.e. profits. Only a mutually satisfactory exchange an adequate flow of benefits both to members and organisers can sustain the organisation, the organiser must earn sufficient returns in the form of membership support to enable him to continue his work of providing the benefits. When benefits or profits diminishes or disappear the organisation weakens or closedown. This approach offers a framework for understanding why some organisations thrive and others wither away. The benefit exchange perspective also affords a more balanced view of organisation and particularly of the organiser, he needs to be seen neither as a pure altruist nor as a crass opportunist, but rather as a rational person.
(c) The third economic approach—the subsidiary approach, argues that non-profit organisations benefit from a variety of implicit and explicit subsidies, such as exemption from taxes. Thus, once set up a part of the financial burden shifts to the government, a prospect which acts as an incentive for setting up a non-government organisation (NGO). The approach seems particularly applicable to the Indian situation since 'Non-government organisations (NGOs) here often obtain even their initial funds either from the government or foreign funding agencies. This theory explains the phenomenal growth in the number of 'NGOs' as a result of the abundant availability of funds both foreign and domestic (mainly governmental).

These approaches lend a fresh perspective on 'Non-government organisations.

1.7.0 Review of Literature

Until recently, the activities of NGOs in developing countries were widely considered to be peripheral to the main stream of efforts of government and official-aid agencies to solve the problem of world poverty. Studies at universities and
development centers rarely examined the role and impact of NGOs in development process. By the early 1990's, all this had changed. Together with issues such as women and the environment, their importance has also been recognised on the development front. The universities now run courses and seminars on NGOs for students and government officials as well as for the staff of NGOs themselves. Long-standing development journals are publishing more articles about NGOs, the NGO-community has established its own development journals and funding agencies are providing money for research. These developments have occurred because, in many respects, NGOs have grown as a significant actor in the broader efforts to reduce poverty. There are various reasons for the increasing importance of NGOs in development field. One has been the growth in the number of such NGOs, due partly to the increase in official funding. It is also due to the changing and increasingly positive perceptions of the public at large, which have significantly increased their contribution to the NGO movement. Professor Elsenhans is of the view that insufficiency, trained incapacity and corruption of the bureaucratic machinery, corrupt and inept political leadership of the state to deliver goods, lack of accountability, lack of will and lack of commitment to
development goals and lack of people's participation, are responsible for the rise of NGOs in the third world. Whatever may be the reasons of rise in the growth of NGO-sector, one thing is clear that this sector has attained a significant place in development process both in developed and developing countries. According to an estimate-by 1988 there were over 2500 NGOs in the leading western industrialised countries compared with only, 700 in 1981 (OECD, 1990 a; 29). The number of NGOs located in the developing world itself is now be closer to 50000 (UNDP, 1993: 86), rising to many hundreds of thousands when different types of grass-roots organisations are also included in it. But no one has ever tried to count much beyond the country level (Carroll, 1992). The growth of NGOs has also occurred as a result of the failure of officials aid programmes to reach down and assist the poor and also due to donor pressure on recipient governments to reduce their involvement in development programmes (Riddel and Bebbington 1995). What is remarkable is that this phenomenal growth in the number of NGO, has been accompanied by a dearth/scarcity of independent information on the impact of NGOs aid. NGOs working in developing countries assert that the projects and programmes they fund and promote, play a positive and usually
important role in alleviating the poverty of the millions of people who live in misery. Yet, except a few NGOs, very little is known about individual project performance or more generally the extent to which NGOs succeed in their task of promoting development and reducing poverty. The World Bank study observed (Paul and Israil, 1991) 'a review of the NGOs literature reveals our extremely limited knowledge of ‘NGO-sector’. There is little hard evidence on their impact, costs and other measures of performance (Riddell et al, 1994 and Riddell et al, 1995). Yet, a few studies have attempted to access the contribution of NGOs and factors contributing towards their success. In one such study, Robinson, (1992), identified two factors which are responsible for the success of NGOs (I) genuine participation, strong and effective management and skilled and committed staff. (II) Well-planned and well-designed projects and a local favourable social and economic environment were found to be supportive factors.

On the management issue, Korten (1990), reflects that NGOs are ‘characteristically’ weak on management and planning. In some cases, however, it is apparent that management per se is some times not such a problem but that especially in smaller projects, leadership can often be crucial to NGOs impact. Indeed a new article of faith is simply that “good
leadership” is essential to project success. Judith Tendler also has demonstrated that a common factor in many successful NGOs is ‘chrismatic leadership’. Clark (1991), concluded, though leadership is critical in the success of NGOs, usually little attention is paid to the development of leadership potential or to management training. On the cost issue a series of United States agency for International Development (USAID), sponsored studies on the effectiveness of NGO’s projects in health, nutrition, water-supply and sanitation found that the largely voluntary nature of NGO’s activities, their commitment to use low cost technologies and low staff costs, enable them to operate effectively on low budgets (Carneal, 1988). In contrast Bowden (1990) maintains that NGOs interventions are not low cost. Brodhead suggested that projects which effectively reach the poor require a high degree of administrative skill and capability which means higher costs per beneficiary.

In a study Kapoor (1997) found that the NGOs with maximum number of beneficiaries has the minimum figure of achievement level towards the final target and NGOs with minimum number of beneficiaries shows the highest figure of successful achievements of goal in their programmes. The reasons being better acceptance level better understanding and
co-operation of the beneficiaries and properly trained staff in the concerned implementing organisation. It could also be due to the fact that only one programme is implemented by the high percentage goal achievers bringing the success level very high whereas the other organisations are busy in implementing more than one programme.

Participation is a central tenet for almost all NGOs. How far NGOs really enhance participation is impossible to say. But, one ‘Dutch-study’ - with evidence from Brazil, Indonesia, Zimbabwe and India concluded that NGOs had broadly increased improvement, even if it could not offer quantitative evidence. It reported, “people in the target groups now... act more often as partners in discussions with organisations outside the village, have the courage to lodge complaint with civil servants of the local government move freer and travel more. These are seemingly small change but of much importance for the people themselves.

There has been considerable discussion in the literature on the issue of participation and its importance to the project impact. As Broadhead and Herbert-capaley (1988) point-out that participation increased the likelihood of attaining the project’s
objectives and its sustainability as well as promoting a more
equal distribution of project benefits. In strong contrast, Tendler
(1982, 87), maintained that projects which are not participatory
but which are top down and authoritarian can be more
successful. Similarly de, cerom-brugghe et al (1985) argued that
projects may sometimes succeed without the beneficiaries
involvement in the identification of needs. Even, if their evidence
also leads them to the view that projects, almost always fails' if
the beneficiaries are excluded in the planning phase. Moving
from the particular to general issue of the overall impact of NGO
interventions, what is noteworthy, is that with only rare
exceptions, most substantive analysis based on commissioned
studies come to fairly gloomy conclusions about the performance
of NGO-projects. The main reason put forward for this high
degree of difference are: the lack of data with which assessments
can confidently be made the differing quality of evaluations and a
reluctance to make broader generalisation from limited evidence.

Almost, all NGOs claim to involve the poor in all aspects of
their projects and reaching their benefits to them. But this may be
exaggerated. In one study of 75 U.S. NGO projects, Tendler's
most striking findings was that projects which reached the
poorest were usually designed by well-meaning outsiders. In
another study of NGOs project in two villages in the Indian state of Gujarat, Griffiths (1987) concluded that despite a systematic attempt at proper 'identification and targeting', the poorest were by and large not identified whatever the circumstances. Thus, the NGO rhetoric of working with the "poorest of the poor" is overstated. Judith Tendler, for example undertook a major study on U.S. NGOs, based on 75 projects evaluation. She concluded that beneficiaries were often in the middle and upper ranges of the income distribution. In contrast, Avina (1990), reports that in his experience, the beneficiaries are among the 'poorest-sectors' of the society, even if some of the non-so-poor also benefited.

NGOs are also playing an important role as a catalyst of social changes in the society. Ahlawat (1996) concluded that NGOs have played an important role in mobilising rural people by implementing a number of schemes provided to them by the government under the rural-welfare programmes. Lawani (1999) also concluded that NGOs at the grass-roots level have done a remarkable contribution in bringing some changes in the socio-cultural values of the society. The study shows that more than ¼ of the organisations had been constantly working in bringing some attitudinal change about the social evils existing in the society, at large. The organisations were also working in
uprooting the superstitions. In contrast C.P. Bhambhri stated that NGOs can not change the social power structure but the state can be democratically compelled to challenge the existing power structure. Another political scientist, Mohit Bhattacharya also share the same view. He observed that NGO’s “isolated and minuscule efforts” can’t correct the massive social disorganisation left behind by imperialism and since perpetrated by a feudal capitalist socio-economic system ... To him to expect radical social change through NGO’s efforts, is a kind of day dreaming. But, Rajni Kothari consider, NGOs as the most viable organisation best suited to play the role of a catalyst of social-change and development in a fundamentally voluntarist society, such as the Indian society. The contribution of NGO-sector in the field of social-welfare and social development is enormous. NGOs today have a vast field to work. They have crossed the boundaries of social service and social reform while accepting new challenge of development. They are opening their work accounts in the new fields such as the environmental protection and income generation. Studies reveals that they are now working with multiple objectives and diversified activities. At the same time, it is also revealed that there was a gap between the policies, objectives and programes of the NGOs. In such a study,
Lawani (1999), studied 140 NGOs in district Solapur in the state of Maharashtra, concluded that a considerable percentage of the agencies were having 'women and child welfare' as their main objective followed by welfare of the disabled. Only 29 percent of the agencies were found fully related to these objectives. The study also reveals that most of the agencies have not involved their employees, beneficiaries and community people in designing their programmes.

With the increased involvement of NGOs in rural development programmes, during 1970s', it became difficult for NGOs to undertake constructive works without outside finances. They started accepting from the state government as well as from the center. There was also an increase in foreign aid for development. NGOs from developed countries are receiving a huge amount of monetary assistance. With this, the characteristics of the NGOs has changed. First most of the NGOs became typical delivery organisations implementing government schemes and programmes. Second, some of them built large empires with state funding. Commitment has no longer the value. Professionalism entered and market rate of remuneration to the workers of the NGOs began. Korten (1989) pointed out a political consequence of the working of such NGOs.
He noted that the NGOs pursued the government policies and thus introduced donor government's biases in their programmes. The professional approach was a good grab in which to conceal the donor country's agenda. Hirway (1995) noted some serious disadvantages of foreign funding. Besides influencing the work style and life style among the workers of foreign funded NGOs, a small success transforms these NGOs into internationally acclaimed organisations and soon the key workers lose touch with grass roots reality.

1.8.0 The Present Study

An enormous amount has been written on NGOs in India. There has been a growing body of literature on the NGO-sector. The bulk of the literature has been concerned with debates on funding, partnership, classification and relations with the government. A few studies examine their role and impact in any detail. So more researches are needed to understand the nature, characteristics, working and impact of these organisations. The present study is a modest attempt to examine the above mentioned aspects of NGOs in India, in general and their role and impact on rural people in Haryana, in particular.
With the growing interest of government and donors, the role of NGOs is becoming very important—particularly in the socio-economic development of marginalised communities and left out areas such as rural areas. This study is an analysis of the diagnostic evaluation of the programmes of NGOs and their impact on rural people. An evaluation of the above mentioned points and findings based upon empirical data may be of great relevance and significance as it may help in suggesting some corrective measures and suggestions to strengthen and effective implementation of the programmes of NGOs and to promote NGOs further to play a more active role in rural-development. The study has also much significance and relevance to serve as a reference for all those interested in rural-development and further research on the 'NGO-sector'. The outcome of the present study is likely to contribute to knowledge that may be of interest to policy makers and researchers.

1.8.1 Objectives of the Study

As the major goals of most of the NGOs have been to create awareness, to disseminate information, to mobilise the people, to promote their participation in development activities, to reach the poor to empower them in tackling their poverty, to
deliver basic and emergency services and to tackle gender issues. In this sense, NGOs are playing the role of 'gap-fillers' and catalyst of social-change and total rural transformation. The main objective of the study is to examine the role of NGOs in socio-economic development of rural areas and the people. The specific objectives of the present study are to know the effectiveness of NGOs in:

1. Reaching the poor,
2. Promoting awareness and participation of the rural people,
3. Tackling rural poverty,
4. Empowering the poor,
5. Delivering basic and emergency services,
6. Tackling gender issues.

1.8.2 Limitations of the study

Empirical and sample studies have their own limitations. Although, every precaution was taken to conduct a systematic study and reduce the element of bias to its lowest extent. The main limitations concerning with the present study are indicated below:

1. The first and the foremost limiting factor of the present study are the sample size. Being a micro level study, the study covered only one district i.e. Rohtak of the state of
Haryana... So, the results may not be quite representative of the whole state.

2. The study is mainly based on primary data collected from the respondents. Since, the respondents being illiterate do not keep the records of their income, expenditure and number of employment days in a year etc. The responses are mainly based on their recall of memory and data might not be completely free from their individual biases and prejudices.

3. Due to lack of time, information has been collected from the beneficiaries of NGO's programmes only. The general respondent from the outside could not be covered to know their opinion about the role and impact of NGOs.

4. Another limitation is that there is a dearth of factual information. There are approximately 18 directories of NGOs compiled for different purposes by various government department and independent agencies. Secondly, there is the absence of an agreed definition of the basic term because NGOs vary so much in their size goals, nature, scale of activities, style of functioning etc. So there may be some factual differences regarding the actual
number of NGOs and NGOs actively engaged in rural-development in the state.

1.8.3 Organisation of the Study

The present study has been classified into the following chapters:

Chapter I : presents brief introduction on concept and importance of rural-development, highlights the conceptual classification of NGOs, their role in rural-development and approaches to their origin. Various studies related to NGOs, have been given in the review of literature. Purpose of the present study with its objectives and limitations have also been discussed in this chapter.

Chapter II : includes nature and concept of voluntary-action, voluntary action in India before and after independence government-NGO relationship, NGOs under different five-year plans and economic-reforms and NGOs.

Chapter III : Presents the profile of the study area and methodology including the selection of sample, procedure of data collection, survey techniques and methods of analysis applied in the study.
Chapter IV: deals with the profile of the NGOs working in the study area, their classification on different aspects their aims, objectives, activities, and programmes/schemes.

Chapter V: Is concerned with the performance and achievements of sample NGO programmes in rural-development.

Chapter VI: Deals with the impact of NGOs on the living condition of the sample beneficiaries.

Chapter VII: is the concluding one describing the brief summary, main findings of the study, and the suggestions made for further analysis and research on the problem taken in the present study.