Individual or group concern for human care is natural intuition (instinct). It is under its stimulus that individuals volunteer themselves through an organized effort. It may assume the form of what is called, service. Service is basically, a caring instinct and an inner concern for others. An orientation in services generates dedication for and devotion of time and energy to a good cause. It begets the noble quality of sacrifice for others without reward. Public service has been characterized as the noblest and the most delicate one.

Voluntarism has been defined as any metaphysical or psychological system that assigns to the will a more predominant role than that attributed to the intellect. It is not a new phenomenon in this world. We find many activities inspired by Voluntarism, as India’s freedom movement is also a selfless efforts.

Scores of the NGOs have been contributing to the upliftment and economic development in recent years. NGOs have a vast range of diversity in their aims, objectives and functioning. The range of service offered by these organizations is mind boggling, from targeting the poor in hygiene to digging wells, from educating children and building roads to arranging a decant funeral for the dead. Some NGO works, for example, as documentation set up, some runs dance school and so on others are engaged in
different activities. Some NGOs are also working for the upliftment of Indian Muslims. So the role-played by them, the mode of functioning and their achievement will be under the study.

The NGOs organize the people for their betterment by showing how to use the local resources in an optimum manner and distribute the benefits. The NGOs augment and support the effort of the State towards reconstruction upliftment and development. Some NGOs also function independently without the support of the government. They mobilize the resources from different sources and more importantly professionalise voluntarism by training the local population. Unlike the Government organizations, they lack the official machinery and face paucity of funds. In view of the various constraints faced by these organizations, their contribution in the socio-economic development of Indian Muslims appear to be an effective one. Their success and exemplary results of their efforts in various areas of activities justifies the encouragement and support they deserve from the Government, International Agencies and donors.

For the development of various sectors of the economy, the Indian government has taken many steps. Also the government has undertaken various experiments for rural developments under the Five Years Plans. During the Seventh Five Year Plan the Government recognized the importance of NGOs in development process. An experiment was undertaken
by launching specific programmes for a select class or target group of people aiming to reach the outreached. Here, the idea was to involve the people in the development administration. The documents of the successive Five Year Plans laid emphasis on the need for involvement of Voluntary agencies as an important aspect of people's participation in development dynamics. It was felt that to serve the needs of the poorer section in the rural areas, local institutions should be developed. The Government also took different measures for the upliftment and development of weaker and neglected section of the society. But the Indian Muslims, being the largest minority of the country, are still living under deprived conditions.

India has one of the largest Muslim populations in the world, next only to Indonesia. According to 2001 census, Muslims form the largest minority group of over 130 million persons constituting over 13 per cent of India's population. Majority, 64.5 per cent of Indian Muslims stay in rural India while 35.5 per cent live in urban India.

After more than fifty years of independence and a positive economic growth, it is generally felt and also corroborated by analytical reports that Muslim community is lagging behind in a number of outcome indicators of development, compared to majority community. However, it appears that Muslims have failed to keep the pace of development so as to reap the benefits of general progress in
India. This has been felt in every sector and is acknowledged by most analysts, who have put forth a number of reasons for this state of affairs. According to the Minority Commission, the share of Indian Muslims throughout India in Public Sector employment, including the Central and State Governments and public sector units even in the lower levels of administrative hierarchy has never gone beyond 6 per cent. In other areas as well conditions are no better.

NGOs have a closer interaction with the people, and therefore, are better placed in involving the people in the schemes of socio-economic development. This is more important because the people have a lot to teach us and the NGOs have an important role to play here. The NGOs can show how and what the government can learn from them. For example, the people have integrated their life styles, skills, knowledge, experience and services and they practice self-reliance. They do it with a great deal of dignity and understanding. The NGOs again have a role to play here. They can guide the people through training and support as to how best the latter can look after themselves and what their development needs are.

Hence, the present study was undertaken as a modest attempt to highlight this crucial aspect of economic development.
Objective of the study:

The purpose of the present research work is to study the role of Voluntary sector in socio-economic development of Indian Muslims. Muslims in India constitute the biggest minorities. But due to certain historical and political factors, they have suffered from state apathy and the sense of deprivation, so much so that they have started crying for reservation. They have very insignificant presence in private sector. There is no hope to increase their status in the saturating public sector.

The aim will also be to analyse the problem faced by the NGOs, evaluate their prospect in the light of their performance and lastly to highlight the major conclusions and recommendations which have policy implications. Keeping this in view, the present study proposes the following specific objectives:

1. To discuss the theoretical concepts, characteristics, field activities, various classifications and definitions of NGOs in India.
2. To analyse the role of NGOs in involving the people in different activities.
3. To present an overview of the socio-economic condition on Indian Muslims.
4 To study the organization, administration and functioning of few NGOs operating in western Uttar Pradesh.

5 To assess the potentials and limitations of Muslim Funds which are working as NGOs and assisting the community. And also to envisage the inherent strength and built-in-capacity of the infrastructure, their weaknesses and advances as well.

6 To highlight major conclusions and make recommendations for improving the work efficiency and better involvement of the NGOs in their development programmes.

Hypotheses: -

The hypotheses to be tested in the present study are:

1. The role of NGOs is to be recognised as a catalyst between the government and the community as an effective alternative independent institution in promoting a more responsive and sustained approach to development activities for spurring socio-economic development.

2. Neither the government nor the private sector have sufficient political will or adequate economic capacity to respond effectively to the growing and diversified needs of the vast majority of poor population at the grass-roots
**Methodology:**

To study the functioning and problems of NGOs the "Case Studies" method was applied. For this purpose the case study of six NGOs based in western Uttar Pradesh engaged in the development of the locality, providing aid, giving loans of various types have been made.

The analysis of data, which is collected through structured and unstructured interviews with NGOs leaders, members and beneficiaries, is supplemented by field survey as well as discussion with officials and experts. In addition to the materials collected through direct interviews and field observations, the materials are also drawn from published and unpublished reports of government and private organization, journals, articles and books, besides documents on policies and procedures framed on the NGO sector in India.

Beside, the Questionnaire schedules, personal interviews of the manager of the Muslim Funds were conducted to ascertain their views about Muslim condition, problems and their perception for their development. Moreover, other functionaries of these Muslim Funds were also interviewed to ascertain their perception and views.

An attempt has been made to assess organizational potentials and needs of capacity building using qualitative assessment tool rather than statistical methods and quantitative indicators. It is believed such an approach may
have more meaningful conclusions than application of quantitative methods. This approach, nevertheless, implies a certain amount of subjectivity, which must be acknowledged.

Establishing rapport with the management of the Muslim Funds was rather a difficult job. They were not ready to disclose the functioning of the fund. In order to overcome this difficulty, several numbers of visits was made at the funds. It was also necessary, some times, to take the help of local leaders as well as other functionaries to get the information required.

The period of study has been taken from 1996 to 2002. In these periods, the deposits, advances, loans dispersed, aid given to the poor and other activities will be under study and also what are there future plan will be studied. In this given perspective, an attempt has been made in the present study to examine the dynamics of NGOs in socio-economic development of Indian Muslims.

Limitations: -

NGOS never maintain any proper records of their borrowers because they use to lend money in a very traditional manner, just like moneylenders. Moreover, they are unwilling to provide the financial transactions that they maintain with their borrowers. Apart from these most of the borrowers are illiterate and so it is also difficult to get proper information from them. Finally only few selected districts of western Uttar
Pradesh are covered under the study because of time and financial constraint of the researcher.

**Chapter Scheme:**

The study has been divided into the following five chapters-

Chapter-I primarily deals with a brief introduction on Non-Governmental organizations (NGOs) and socio-economic conditions of Indian Muslims and the importance of the study. Moreover, it describes a brief review of literature on NGOs and their activities, and also some review of articles and books on socio-economic conditions of Indian Muslims. Apart from these, objective, hypothesis, methodology and scope of the study are taken into account as well as chapter scheme.

Chapter-II deals with the concept of NGOs in theoretical perspectives. It presents a descriptive analysis relating to definition, characteristics, field activities and various classifications of NGOs, role of NGOs and sustainable long-term approach towards nurturing and supporting NGO in national development at the grass-root level. It also covers typologies and the problem faced by the NGOs and the challenges ahead.

Chapter-III deals with the socio-economic condition of Indian Muslims, their demography, their condition before and after independence, their educational condition and their representation in parliament and administrative service.
Chapter-IV is the core chapter that deals with the case study of six selected NGOs based in western Uttar Pradesh. Moreover, it shows the analysis of their economic performance, social performance and managerial performance and also shows their problem and future prospect.

Chapter-V and last chapter present summary, and highlights major conclusions and recommendation having policy implications.

Conclusions and Recommendations:

Here we present conclusions and makes suggestions, which have policy implications.

Voluntarism has a long history in India and its philosophy continues to influence our development dynamics. There has been tremendous growth of voluntarism and the NGOs long before independence. In the post independence planning era various experiments have been made starting with the Community Development Programme in the First Plan to the ‘people’s Institution’ in the Eight Plan to Micro-Credit in the Tenth Plan. In view of the official recognition received by the NGOs due to their exemplary results shown as an indispensable instrument of economic development and transformation, the present research work highlights their role in socio-economic development of Indian Muslims.
There are numerous examples of the Government incorporating the ideas generated by the NGOs in different sectors. Moreover, the Government departments have tried to involve NGOs in their programme implementation expecting to reach the beneficiaries. But the relations of the NGOs with the Government have not always been cordial as there are laws governing the funding and functioning of the NGOs. The Government of India established The Council for Advancement of People’s Action and Rural Technology (CAPART) in 1986 with the twin objectives of promoting NGO involvement in rural development and also promoting technological innovations through NGOs. There are other bodies also such as Central Social Welfare Board, National Wastelands Board, which like CAPART provide financial assistance to NGOs. Approximately 90 percent of funding to the NGOs in India comes from foreign sources. Although some NGOs prefer funds from government agencies as it saves them from various cumbersome formalities and time, and at the same time government funding provides them the legitimacy that they require and protects them from harassment by local vested interest, political or otherwise. However, the dependence on Government funds leaves NGOs susceptible to changes in Government policy and may result in programme modification to accommodate official funding priorities, or cooperation by the Government. Most of the NGOs seek a blend of funding from Government funding agencies and the foreign sources.
Though Muslim Funds are well spread throughout India. 144 of them have been identified by Bagsiraj, though there may be more operating in various nooks and corners of India. However, their operational size and reach is too small to have a widespread impact on the economy or society of Muslim India. To have an impact on Muslim society, financial and moral support is required.

Muslim Funds mobilize spot Deposits and provide interest-free loans. Most of the interest-free loans are given only against the security of gold. Where as at least 35% of Muslims, possibly more are living below the poverty line in India. They do not have gold or assets to secure interest-free loans, though they need the Qard-e-Hassan loans most.

Muslim Funds have been enhancing economic welfare of people and creating favorable social impact not only on Muslims but also non-Muslims. However, Muslim Funds on the whole are catering to only 3%-5% of non-Muslims, which they need to increase to make a greater socio-economic impact in the coming years.

Muslim Funds are generally promoted and managed by amateur social workers rather than professionals; hence their operations are generally not well organized or very efficient. Their staff is also untrained. They even do not follow a uniform accounting and monitoring practices. But they have
been auditing their accounts by professional Chartered Accountants.

Many of the problems of Muslim Funds of India are emerging from lack of Regulatory Authority. Lack of transparency, diverse accounting and auditing practices, difference in calculation and collection of Service Charges, problems of doubtful and bad debts and so on, can be solved with the help of Regulatory Authority. Perhaps there will be hype and cry from Muslim clergy, as they do not like government regulation on Islamic principles, meant exclusively for Muslims. Moreover it is difficult for the secular Government of India to promote Muslim Funds on Islamic principle.

Muslim Funds are generally providing interest-free loans only against the security of gold jewellery. As nearly 35% of Muslim living below poverty line in India cannot be expected to provide gold or any security. They can be assisted with only Zakah and Sadqah grants. Therefore it is necessary for Muslim Funds to arrange for mobilization as well as disbursal of Zakah and Sadqah funds, so that Muslims living below poverty line can find organized relief and succor.

The deposits of Muslim Funds are very short-term current deposits, as there are frequent withdrawals by the depositors. These Muslim Funds in the mobilization of these deposits are reaching saturation because long-term depositors
expect rightful returns. Hence public deposits can be increased, by distributing profits to depositors based on Profits and Loss sharing Investments.

There are various areas of Muslim Funds that require further in-depth research, such as fund mobilization and deployment policies, tools and techniques of profits earning and non-profit earning etc.

Waqfs like many other institutions established by Muslims can be utilized as Non-Governmental Organizations (NGOs) for ensuring participation of minority communities in the government sponsored schemes. Waqfs are organization registered under Waqf Acts and are like other NGOs, which are registered either under the Societies Act or the Trust Act. Schemes run by the government through the NGOs, facilities given to NGOs for schemes on literacy, primary education, women and child development, family welfare etc. should be entrusted to Waqf institutions that want to take up these activities as NGOs.

Improvement in the balance of influence of Indian Muslims on the process of social and economic transformation of their country must be of the broader objectives of any big-push effort for the economic advancement of Indian Muslims. It is the essential condition, therefore, that the deterioration in the employment pattern of the Muslim minority must be checked immediately, and the forces must be set to operate for
increasing their participation in the corporate and the small scale organized sector as well as in important services included in the tertiary sector.

Indian Muslims, rather, need such financial intermediary as could ensure greater security and a good package of supportive services to the entrepreneurs, along with providing less risky-high yielding investment opportunities to the savers. At the same time it should act as an instrument of creating public enthusiasm for greater saving and investment, and should bring the savers and investors closer to each other in the business so that a larger part of the Muslims population is brought under the category of entrepreneurs.

The present study reveals that the economic problems of Indian Muslims are very wide, acute, complex and deep rooted; they cannot be solved by patch works. They need concreted efforts and short and long term wide range planning to improve the whole situation.