Chapter -II
ROLE OF NGOs IN DEVELOPMENT DYNAMICS

2.1 Introduction:

The present chapter takes a detailed review of the role of Non-Government Organizations in development dynamics. In this effort the major areas covered are voluntary action as a development alternative, theories of voluntarism, concept and characteristics of NGOs, role, typologies and government agencies and NGOs.

The various facets of human services, like, health, social and economic enlistment, and public education are key to all forms of welfare development. These are due to reinforcement of emotional, political, philanthropic and mutual help. Each of these factors may have different form of impact; some of them may be posing serious challenge to natural unity and integrations.

At the turn of the century, it is natural for the thinkers in the society to take a hard look at the achievement and failures in its pursuits for the development of mankind. The government under Public sector undertakings carries out most of the development works. Besides it, Non–Government organization also render useful services for the development of mankind. Voluntary action is a worldwide phenomenon. It has been a fact of life in all-human societies. Voluntary action
has been a long tradition and occupies a pride place and greater significance especially in the field of welfare. Positive helping behaviour and far reaching Voluntary action comes from love and from a sense of duty. Other motivating forces such as reputation urge from recognition and approval also play a significant role in electing Voluntary action.

There has always been a great deal of sanctity attached to the voluntary movement. Non-government organizations (NGOs) symbolize the sprit of Voluntarism, the ideology of self-help, and the ability to survive without any assistance from the state. The NGOs have emerged as an important feature.

There have been reports of commissions and committees on education in particular. Likewise, the Wolfenden committees conducted an intensive investigation on voluntary organizations and their role in the U.K, 1978. The long spell of the conservative government in the U.K. and U.S.A. has activised the voluntary-government partnership for development.

Similar trend is visible in India. The seventh plan placed an emphasis on enlisting the cooperation of voluntary sector for rural economic development and for providing relief for countrywide drought affected areas and had stimulated academic interest, Yojana, the academic organ of the Indian Planning and the Indian Journal of Public Administration,
brought out special issues highlighting the role of voluntary associations.  

The voluntary agencies are playing an important role in innovating new methods and approaches to deal with vexing issues, plan cost effective project implementation, effective involvements and participation of the people. They have assessed to possess expertise and competence in their own area of operation. The self-help groups are working in the area of small savings, micro credit and so on, which are important channels for financial support to the poor.

Nevertheless the theme of the present research namely the role of NGOs in socio economic development of Indian Muslims is an unexplored area of scientific research. At present voluntarism and altruism is attracting an Increasing attention because of diminishing role of government and tendency of U-turn towards ethics neutral market system. There is growing concern over globalization, liberalization, privatization etc. at the cost of social justice and the interest of disempowered masses. Though Muslim in India constitutes the biggest minority. But due to certain historical and political factors, they have suffered from the state apathy and sense of deprivation, so much so that they have started crying for reservation. They have very insignificant presence in public

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sector. There is no hope to increase their share in the saturating public sector. So great deal of opportunity lies in the voluntary sector to improve their condition.

However, it should be admitted that since the beginning of five-year plans, as the major policy orientation, all the importance has been attached to the government agencies and their effort, who have not attached much importance to the idea of grass-root level participation of beneficiaries.

Since a decade, the Indian Economic policies have been moving towards the market friendly economy, where ownership lies under private hands and profit is their sole motive. Development activities are almost neglected. Hardly any activities are undertaken only where lies their own benefits.

Moreover, the importance of development process through voluntarism is being recognized and the need to assign an increasing role to the NGOs is being widely accepted as the crucial solution to many problems especially in the developing countries including India.

2.2 Voluntary Action as Development Alternative:

With the emergence of the third world, the development process through voluntarism has been considered an important solution to many problems and NGOs are receiving greater attention and importance in this process, this is more so
because of the fact that in these Less Developed Countries (LDCs) even after colonial rule is over, an unjust social and economic order based on exploitation and sufferings of the masses still persist, economic and social transformation cannot be achieved by adhoc, fragmented attempts made by those involved in power system. In this context, the participation of NGO in the task of transformation is of crucial importance and need for increased role by NGOs has been emphasized at various international forums. The United National Conference of LDCs held in Paris in 1981, expressed the similar views.2

The plan formulated by the developing countries cannot be taken as concrete steps towards betterment and at the most they can be termed as demonstration of good intention on the part of the government. Moreover, the programs of the government have largely benefited the rich and already better off, and neglected the poor and the deprived section of the society. Therefore, due to the failure of the government strategy to help the alienated and oppressed, Small Action Groups (a different terminology for NGOs) emerged as agencies of people initiative.3

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3 Sharma, S.L.(1992), Social Action Group as Harbingers of Silent Revolution”, Economic and Political Weekly, Vol. 27, No. 47. Nov. 21 p.2557
Voluntary action in development process is more essential in developing countries because the state machinery is the main organized force and in its attempt to reduce social and economic inequalities, through its target group oriented programmes may in turn widen the gap between the haves and have-nots. This seems to be precisely what has happened in India. To quote, Rajni Kothari, “increasingly we are displacing our masses and masses of the poor in the name of development, forcing them to go into the cities, where the urban elite despises them and they are taken away to the so called resettlement colonies which are full of filth and disease, and in fact becoming breeding grounds of crimes”.

There is difference of opinion among the intellectuals as to what extent NGOs should be allowed to perform in the development. One view subscribes to the thesis that the state action has caused exploitation and sufferings of the deprived classes and there is no alternative to voluntary action while the other view is that due to the colonial legacy, the state cannot be sidelined and voluntary association cannot be expected to bring about economic and social change. So in this situation it can better be expected to function side by side.

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Now, it has become important to look towards voluntary action as a viable alternative strategy of economic transformation especially when a large number of people and their problems remain out of the reach of the government.

2.3 Definitions of Non Government organization: -

One can’t deny the fact that there can be no single definition of NGOs in the context of their changing activities over a spectrum of emerging issues and interest, which are expanding at a geometrical rate year after year. However, some major dimensions and aspect of the definition of NGOs have to be laid down keeping in mind the socio-economic and political set up of the national economy and the origin, structure, purpose and functions of NGOs in this given perspective.

Though there is no valid accepted definition of NGOs and their multi-facets character of functioning varies from region to region and even from country to country, an attempt has been made by various scholars based upon two major parameters; functional and structural.

The conventional approach relating to the definition of NGOs based on the functional criteria specially resorts to the entire activities of NGOs within the gamut of ‘social and welfare’ services. The structural aspects of the definition are usually fragmented into ‘residual’ and ‘institutional’. The residual approach is purely temporal because it arises out of
unforeseen circumstances and their services are used on temporal basis. Gradually it is replaced by the institutional approach. Under institutional approach, NGO are being looked upon with more ‘permanence’ and as functional to undertake varieties of social and developmental activities on a regular, planned and institutional basis.

In recent years, both the functional and structural dimensions and aspects of the definition of NGOs have undergone a sea change. As against the conventional aptitude of looking at NGO from a singular, welfare lens, the modern functional definition has adopted a broad and multidimensional approach to define and interpret NGO as a development – oriented institution armed with the capacity it operate as a supporting and complimenting object in addressing the diversified needs of the community otherwise unreached by governmental organization. Thus NGOs include wide varieties of groups and institutions that are entirely independent of government and characterized primarily by humanitarian or co-operative rather than commercial objectives.

Different terminologies have been used for definition purposes of voluntary sectors, such as Non-Government Organizations (NGOs), Voluntary Agencies, (VAs), Private Voluntary Organizations (PVOs), Social Action Groups (SAGs), Social Movement Groups, and Self Help Groups etc.
The terminology used by the United Nations for these agencies is "Non Government Organizations (NGOs)", which gives formal official recognition to these agencies. For the purpose of the present work, the term Non-Government Organization (NGOs) has been used as it is officially and formally recognized name of all these agencies of voluntary sectors. The term NGO is an umbrella concept. Any organization, which functions in a distinct manner from government, may be termed as a non-governmental organization, ranging from a global charity to a local self help-group. It may be a research institute, a co-coordinating agency or a lobby group. They may have an international, national, regional or local base but not location specific with regard to their operational activities.

The World Bank has defined NGOs as, "The diversity of NGOs strains any simple definition. They include many groups and institutions that are entirely or largely independent of government and that have primarily humanitarian or cooperative rather than commercial objectives. They are private agencies in industrial countries that support international development; indigenous groups organized regionally or nationally; and member-groups in villages. NGOs include charitable and religious associations that mobilize private funds for development, distribute food and family planning services and promote community

organization. They also include independent cooperatives, community associations, water-user societies, women's groups and pastoral associations. Citizen Groups that raise awareness and influence policy are also NGOs.

The use of the term voluntary agencies or organization on the other hand implies formal official recognition but it is not explicit. The Social action Group/ movement or self-help group, which are working for the deprived classes are usually not recognized officially. They do prefer to be outside the institutional framework and their ideology is based on having an alternative development strategy, which is outside the purview of any kind of institutional framework.

However, the use of the term Non-Government Organizations (NGOs) is not strictly restricted to the registered and officially recognized voluntary agencies but it also implies those agencies, Groups or movement that prefer to remain outside the official and formal definition.

The term ‘voluntary’ has been derived from the Latin word ‘voluntas’ meaning ‘Will’. It is this ‘will’ that may produce ‘miracles’ and some of the social evils and problems

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may be eradicated from which the deprived classes of the society are suffering.\(^7\)

All theories of voluntarism whether psychological, ethical, theological or metaphysical which interpret various aspects of will, subscribe to the thesis that 'Will' assumes various forms of impulses, passion, appetites or desires and that it is prior to or superior to the intellect or reason.\(^8\)

A voluntary agency is an organized group form in order to promote some common interest of its members, in which membership is purely optional, not forced or mandatory, this membership is independent of state intervention. The major activity of such an agency is not related to the business of seeking a livelihood and the test of a voluntary agency is that the volunteer members, who are non-salaried, constitute the majority of the participants.\(^9\) However, those involved in the voluntary work have to maintain themselves and their families and especially when voluntary agencies want to attract professionals, they have to be paid. Therefore, in recent times almost all the persons who are employed by the NGOs are paid persons and especially so in those organizations where high degree of talent and expertise is required.

To quote N.R., Inamdar, "Voluntarism in development is characterized by the participation in the process of economic production, exchange, distribution of non-state agencies, that is individuals, groups or associations, imbued with a certain common purpose or purposes neither imposed from outside nor acquired with birth in the case of the individual." According to another definition, it is an organization entity set up by a group of persons on personal initiative or partly due to an outside motivation to help the people of a locality in undertaking activities independently, partly or wholly, to satisfy needs and also to bring them and the public sector closer to each other for more balanced and effective development of the various section of the rural society.

P. D. Kulkarni defines Voluntary organization in the Indian context as those non-official societies registered under the Societies Registration Act or Charitable and Endowment Trust Act, covering, as it does only a limited area of voluntary action which in fact, means any action promoted by people's own volition and organized by members of the public. To quote, S.P. Punalekar, "Voluntary Organization is

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a social entity committed to activities and programmes oriented towards change in the prevailing set of conditions – social, economic, political or cultural”. 13

Also another view given by Vikas Singh as “an organization entity set up by a group of persons on their own initiative or partly an out side motivation to help the people of a locality to undertake activities in a self-reliant manner (partially or wholly) to satisfy needs and also bring them and the public sector extension services closer to one another for more equitable and effective development of the various sector of the rural poor”. 14 Thus NGOs are non-profit organizations primarily established to represent their needs and aspirations of the people intended to serve. So we see that NGOs have a definite aim, objectives and programs to fulfill them. Generally an NGO has a constitution and an administrative structure too and is propelled by democratic principles and team spirit. Briefly the absence of external or state control defines the inherent strengths and weakness of the voluntary organization at the same time.

2.4 Objective of Voluntary Agencies: -

Whatever the nature of voluntary agencies may be; they play a key role in the upliftment of weaker section of the

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13 S. N. Pawar et. al (2004); ed. NGOs and Development: the Indian Scenario, Rawat Publication, New Delhi pp. 31-32
society. The objective of voluntary or NGO include some or all of the following as given by Heggade:  

1) To create unawareness regarding participation in socio-economic development

2) To create an able and efficient local leadership

3) To assist in the planned effort to create socio-economic infrastructure facilities

4) To facilitate the process of expanding employment opportunities

5) To induce appropriate person to set up scale production, and

6) To induce the tribal to give up the pre agricultural technology and to seek more and more education.

2.5 Legal Status of NGOs:

The voluntary organizations in India encounter a maze of legal provisions, which relate to the voluntary sector in several ways. Each law has its own interpretation which does not necessarily match with the conceptual terminology and definitions referred in this chapter. In its legal framework since independence, India has followed a common law

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borrowed from the British context. Many of the legislation applicable to this sector of organizations are derived from their British heritage and some of them were enacted during the period of British Colonial rule. India has a set of statutory laws governing various types of registered non-profit organizations. The legal provisions, which permit any group wanting to commence a non-profit, voluntary or charitable work to organize themselves into a legal body by registering themselves under a specified Act. Following are some of the main laws which deals with the voluntary organizations\(^{16}\)

i) The Societies Regulation Act, 1860;
ii) The Indian Trust Act, 1882;
iii) The Co-operative Societies Act, 1904;
iv) The Trade Union Act, 1926;
v) Section 25 of the Indian Companies Act, 1956;
vi) Religious Endowments Act, 1863;
vii) The Charitable and Religious Trust Act, 1920;
viii) Wakf Act, 1954;
ix) Mussalman Wakf Act, 1923;
x) Public Wakfs (Extension of Limitation) Act, 1959;
xi) Public Trusts Act of various states such as the Bombay Public Trusts Act, Rajasthan Public Trust Act, etc.

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\(^{16}\) PRIA (2001); *Legal Framework for Non-Profit Institutions in India*, Working Paper, Feb. No.2 New Delhi, p. 4
The Paper further explains that, 'The Societies Registration Act, 1860; The Indian Trust Act, 1882; and The Section 25 of the Companies Act, 1956 are the three enactments which seems to fulfil requirements of non-profit organizations created for the large public good. The Cooperative Societies Act 1904 and the Indian Trade Union Act of 1926 are created for the sole benefit of their members and certainly not for the larger public benefit, yet they too are non-profit entities in their spirit and operations. The Acts on Wakf focus on the benefit of people belonging to one community of a particular religion. Other Acts affecting the religious endowments focus on the religious activities of organizations.' Further, the Societies Registration Act includes a vast array of Voluntary organizations. The Societies Registration Act 1860 sets up a basic statement of the activities that such organizations can undertake. As per the provisions of the aforesaid Act, non-profit societies are those which are engaged in promotion of literature, science, fine arts, diffusion of knowledge, political education or other charitable purpose. It is its last 'catch all' phrase, i.e. other charitable purpose which remains ambiguous and includes a vast array of such organizations.'

However, these provisions are not mandatory. There exist a vast group of voluntary bodies, which have not

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17 Ibid., p. 4
18 PRIA (2000); Defining the sector in India: Voluntary, Civil or Non-profit, Working Paper, NO.1, Nov, New Delhi. p. 8
registered themselves under any of the available provisions. By incorporation as a legal body the organizations acquires a lot of advantages from the government.

**2.6 Sources of Voluntarism:**

Comprehensive Research effort has been negligible to discover the motivating sources of voluntarism. The motives for establishing Voluntary Organizations are problematic since there are no organized inquiries regarding the motives, which have led people to undertake voluntary work. However, the available insights have classified these motives under different groups. Morris have classified motives as, ‘(a) a genuine desire to help people, to relive suffering and increase happiness for individual human being; (b) an urge to further a cause to improve conditions and to right wrongs; and (c) a wish to satisfy a personal need to participate in activities outside the spheres of home and work.’ These motives, however, do not exhaust the list of motives currently visible. Generally speaking, the majority of those engaged in the voluntary sector today, are governed more by self-interest and less by classical definitions of altruism.

Nevertheless, Voluntary associations have been studied by sociologists who have contributed significant towards the analysis of sources of voluntarism. An important source of

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motivation may be inequality among individuals in any society, irrespective of its stage of development. As observed by Bourdillon, that individuals volunteer their services because there is always an element of betterment of compensating inequality. The social services are designed in such a way that they help in compensating for the inequality. William Beveridge advanced the idea of the social welfare cake by enunciating the concept of social insurance against the giant evils of wants, disease of ignorance and squalor and the individual rights of welfares, and some kind of social security against misfortunes.

Therefore, Bourdillon and Beveridge consider mutual aid and philanthropy as the two main sources of voluntarism. Individual and social consciences are both responsible for the emergence of voluntary social services organizations.

There are five sources of voluntarism shown in figure 2.1 in the form of a chart. These are: religious, government, business, philanthropy and mutual aid, if we analyse the delivery system for human service.

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FIGURE: - 2.1

Delivery System for Human Services

<table>
<thead>
<tr>
<th>Mutual Aid</th>
<th>Philanthropy</th>
<th>Religion</th>
<th>Government</th>
<th>Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self</td>
<td>Altruism</td>
<td>Glory of</td>
<td>Power</td>
<td>Money</td>
</tr>
<tr>
<td>Reliance</td>
<td>Love of</td>
<td>God</td>
<td>Service to</td>
<td>(profit)</td>
</tr>
<tr>
<td>Initiative</td>
<td>Mankind</td>
<td>Service</td>
<td>Humanity</td>
<td>Enterprise</td>
</tr>
<tr>
<td>Self Help</td>
<td>Service to</td>
<td>to</td>
<td></td>
<td>Service to</td>
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<td></td>
<td>Humanity</td>
<td>Humanity</td>
<td></td>
<td>Humanity</td>
</tr>
</tbody>
</table>

(Fellow Professionals and Workers etc.) (Social Inferiors) Followers Citizens Consumers

SOURCES OF VOLUNTERISM


The motive of self help among fellow men, the altruism of social superior, the missionary zeal of religious organization, government’s commitment to public welfare the profit making urge in business are all sources of Voluntarism.\(^\text{22}\)

Another theoretical model that explains the emergence of voluntarism is found in Jonathan Turner’s theory of social

infraction where he explains his model of social interaction, which has five steps. To quote Turner;

1. "The greater are needs for ontological security, facticity and thrust among individuals in an interaction the greater are their efforts at framing the interaction.

2. "The level of framing activity in an interaction revolving around account making and taking primarily a function of needs for a sense of facticity as influenced by need for thrust, whereas the level of framing activity revolving around claim making and taking is primarily a function of needs for a sense of ontological security as these influence the level of needs for thrust.

3. "The degree of categorization of an interaction is a primarily function of the extent to which account making are successful in meeting needs for the ontological security and thrust and a secondary function of the extent to which claim making and taking are successful in meeting needs for ontological security and trust.

4. "The degree of normalization of an interaction is primary function of the extent to which claim making and taking are successful in meeting needs for the ontological security and thrust and a secondary function of the extent to which account making and taking are successful in meeting needs of facticity.

5. "The degree of routinisation of an interaction is a partial function of the extent to which claiming and accounting are
successful, both directly and indirectly through their effects on other structure processes, in meeting needs for facticity, security and thrust”.  

These statements clearly present the theoretical premises of the synthesis of the various sociological models presented by Turner in the form of his own model. He explains how social interaction develops in five stages with need, framing, categorization, normalization and lastly routinisation of social interaction process to begin with. Then he goes on to explain at each stage what over the major and subsidiary determination of social interaction.

In India, voluntarism which has been part of our culture made its beginning as pure philanthropy or charity as its main source. Although other influences have also emerged and consequently a large number of Voluntary Association have emerged. Therefore, voluntary action derived its major inspiration from religion involving philanthropic activities. Another important motivation in India has been Mahatma Gandhi whose thesis that India lives in its villages was responsible for creating a large network of voluntary action engaged in rural reconstruction.

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Another motivation in India came from the freedom struggle. Having received a rich dividend in the past, the political parties seem to be inclined towards taking over or setting up voluntary agencies.

Therefore, whatever the source of motivation in our country, we require a political model with diverse political ideologies and ambitions not withstanding such a political model has to be a stable one and the basis of such a model will have to be impulse or will.

Concern for welfare of mankind or Philanthropic behaviour has a root in Islamic Society. To quote, Nejathulla Sidiqui, "those who are not familiar with the concept of Quran and Hadiath as to why a review of development among Muslims has to contain are analyses of the Non-Governmental Organizations Muslims has had a tradition and hence a glorious past in Voluntary work." It is; therefore, appropriate to attempt a review of the role of NGOs in the socio-economic development of Muslims in India.

There are many Muslims organizations, such as a wqaf, Islamic institution of Zakah, etc, having root in Islamic history, are working in the country on local level. They are the manifestation of the cultural tradition of altruistic behaviour of Muslims society in the past. Of these the a wqaf

properties are for establishing and running schools, colleges, hospitals, caravanserais, etc. it is a rich tradition, which can be used for future development. These institution or organizations will not be dealt here. They are mentioned here as they are working for the betterment of the Muslim society. What they need is the better management, administration and funds. These institutions have been better managed in South India especially is Karnataka and Kerela. The northern states should learn from them. The beneficiaries of these institutions by no means are limited to Muslims society only. The Karnataka Government has shown interest, and a good example has been set by the development of the Karnataka Waqf Development Corporation, established under the Indian Company Act. Emulating the Karnataka example, the Government of India revised and adopted in 1995 a Central Waqf Law, by which Central Council has been created to undertake welfare and development works under the aegis of awaqf and provide resources generated from the awaqf properties.

Sometimes, the management of NGOs is plagued only with inefficiency and mismanagement but also fraud, embezzlement and corruption. This is a cause of concern. Ways and means must be sought to improve the efficiency of NGOs so that they can play an effective role in the betterment and development of the society.
Today, when the majority of persons working with NGOs are doing full time jobs it is unrealistic to expect that they would be working without seeking any reward. There is nothing wrong, immoral or unfair on the part of voluntary workers to receive rewards for the jobs done. The only immoral thing is to gobble up the grant money received from national or international source. Unfortunately, some new and upcoming NGOs are certainly doing that as found by Kudal Commission. This has led some NGO-watchers to plead for greater transparency and accountability.

2.7 Characteristics of NGOs:

Voluntary action by NGOs is based on some principle of voluntarism. Therefore, there are certain basic characteristics of NGOs whatever their form may be. The main characteristics may be summarized as follows:

1. Autonomy:

NGOs are characterized by a fair amount of autonomy. It does not suggest that they are totally out of any kind of control or regulation. In fact they have to adhere to certain rules and regulations as laid down by the government from time to time. However, their autonomy is reflected in the financial, administrative and functional aspects of the organization. For example, the NGOs are registered bodies under the Societies Registration Act and Public Trust Act in
India but they do maintain the autonomy needed by them generally.

2. **Flexibility:**

   Flexibility implies adaptability and absence of external control. The NGOs can adapt to the changing situations and do not follow a rigid line of action like state organizations. In this way, there is a high degree of flexibility in their functioning.

3. **Commitment to ideals / objectives:**

   NGOs maintain their exclusive identity as they are committed to certain ideals or objectives and this seems to be their real strength. These ideals or objectives may be in accord with the national objectives or priorities like poverty alleviation or increasing employment or increasing the levels of living of the down trodden and so on.

4. **Funding Pattern:**

   Funding pattern of NGOs is not uniform and differ from organization to organization. This is because there are various sources of funds or resources of these organizations, for example, membership fees, income from endowment, service charges, public donations and contributions, donations from business houses, grants from the government, and foreign funding. However, in view of the tasks undertaken by them,
one common characteristic of these NGOs is that they face paucity of funds and this is one important handicap in their otherwise successful and effective operation. However, it may be noted that generally these voluntary agencies, diffidently conceal their sources of funds for different reasons, though they are accountable to the funding agency in financial matters.

5. People's Participation:

Another important characteristic of NGOs is that they behave in the involvement of the people for whom the programmes are meant. They do not impose the programme on the people and take the beneficiary involvement as granted like government programmes. In fact, people's participation from the level of decision making to the level of implementation holds the key to the popularity gained by these NGOs. Beneficiary participation implies participation in terms of decision making, implementation, monitoring and evaluation and sharing the benefits of development.²⁵

Another list of characteristics features given by Chowdhary which distinguish NGOs from other organizations are²⁶:

1. It is the result of the voluntary effort, which though motivated by different factors, is spontaneous in nature.

2. It is an organization initiated and governed by its own members on democratic principles without any external control.

3. It is registered under an appropriate Act to give a corporate status to a group of individuals so that they get a legal personality and individual liability may give place to group liability.

4. It has a general body and a regularly constituted managing committee, representing all interest, men, women, professionals, public men, etc.

5. It has definite aims and objects and a programme in socio-economic development of these objectives.

6. It is known and accepted by the community in which it is formed.

7. It has considerable autonomy and flexible planning and management of its programmes and services.

8. It has a sense of commitment to human development and welfare.

9. It undertakes people's needs and help to solve their socio-economic problems.

10. It plans and implements its own programmes through its own voluntary and paid workers.
11. It raises its funds from the community.
12. It maintains its accounts and is accountable to people and the government so far it receives grant.

These characteristics of NGOs imply that unlike state agencies they have proximity with the ultimate beneficiaries.

2.8 Present Picture of Voluntary Organisation: -

The old virtues of voluntary organisations engaged in various human development and welfare services are still cited in seminars and conferences. As quoted by P.D. Kulkarni, 'for instance, it is claimed that they are dedicated to the cause they choose to serve, close to people and their problems and quick to provide needs. They are pathfinders and pioneers and set the pace and show the direction to the government as to what they should do, when, where and how. They decide as quickly as they perceive a problem and act as swiftly as required. They are free to experiment and often come up with new answers to problems, old or new. They are usually led by trusted and tried leaders and run by idealistic and energetic youth'.

The admirers of voluntary organisations say that barring few exceptions most voluntary organisations still possess and practice these virtues.

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27 Nanavatty, M. C. and P. D. Kulkarni, (1998); NGOs in Changing Scenario, Uppal Publishing House New Delhi, p. 1
The point is not the goodness of each single specific voluntary organisation but the objective realities, which have developed since India independence, have influenced the functioning of all voluntary organisations. And P.D. Kulkarni has portrayed the present picture of voluntary organisation in various dimensions. They are

1. Loss of Identity: -

All those agencies, which are outside the control of government and are engaged in a variety of human development and welfare services, are non-government organizations or NGOs. As seen that the government occupy the centre stage and all other, which are not of or in the government, are non-government.

2. Proliferation: -

Barring a few NGOs before independence they have multiplied fast all over the country. In the absence of any census of these NGOs, it is difficult to give any accurate number. But tentative estimate of all registered NGO is more than 1 lakh.

3. Diffusion: -

Establishment of NGO is not a national perspective plan so their location is uneven. In some place there is

28 Ibid. pp.3-14
duplication, overlapping and competition for the available resources but in some areas there are still large gaps. But after the implementation of various rural development programmes under Five Years Plans, the paucity of NGOs in the rural and tribal areas has been improved.

4. Dilution: -

In spite of the availability of enormously large funds compared to earlier years, one cannot say that the quality of programmes has improved. To say that the condition of the institution orderly neat and tidy is unrealistic. Large fund is being used in paying adequate salaries to their staffs. The result is that the quality of services provided has been diluted considerably.

5. Isolation / Duplication: -

Developing countries has limited resources but faced with vast cumulative and chronic problems, so resources must be used rationally and economically. And if more NGOs or even government organisation work in the same geographical areas, offering the same or similar services and probably for the same target groups, there is duplication and wastage of scarce resources. There is another feature which is common among NGOs i.e. one NGO choose an exclusive area either remote area or demarcated and separate area. There is no cooperation or collaboration with neighbouring NGO or allied services.
This result in isolation and the achievements are more likely to collapse or languish.

6. Bureaucratisation: -

There is progressive red-tapism creeping into the NGOs. Earlier there was quick decision and swift action and free to experiment or innovate. It was because of localised and small size of NGOs. With the NGOs becoming larger, having regional or district branches, members drawn from distance places, the virtues of voluntary organisation have become increasingly difficult to preserve. Inevitably therefore, bureaucratic structures, methods and style of functioning have made inroads into the working of NGOs. There is lot of paper work and in officious style works are done and delay in the functioning and decision making by the NGOs.

7. Distortion: -

The NGOs when find that they cannot accurately comply with the terms and conditions of grant or donations, they make adjustment in the presentation of accounts. Also the donors or regulating authorities imposed unrealistic conditions, which forces NGOs to practice what is not proper. These situation leads to distortion in the functioning of NGOs.

8. Government Domination: -
Off all the problems of NGOs, the most awkward is of relationship with the government. It is difficult to deal because the 'virtual reality' is different from the 'actual reality'. The government spokesman goes on praising the working of NGOs and considers them as working partner. But when individual NGOs deal with the government officials at various levels, their experience is different. They feel that they are treated as supplicants seeking favours from the government. So the perceptions of government officials are different at different level. There is a qualitative difference in the attitudes of bureaucrats on the one hand and the politicians ministers on the other. The politician favours them, as NGOs are used politically.

9. Infiltration:

Over the years, after independence NGOs have ceased to be the exclusive domain of social workers. Now NGOs do come up with political ambitions or social workers themselves try to become an aspirant of public office. The work done by the NGOs are cited in support for party ticket and vote from the public. And once a politician or political aspirants get hold of NGOs, it is purposely managed so as to yield maximum political advantage. These NGOs select such target groups, viz., women, tribal, dalits, minorities other backward communities etc. which are regarded as political vote banks in political elections. This has
devalued the purely social welfare criteria on which the NGOs are based.

10. Intervention: -

NGOs that have affiliations abroad receive a sizable financial support and contribution because of their good work done or disaster relief undertaken by the NGOs. In recent years, a substantial amount of aid is coming regularly through diverse sources from abroad. Seeing this the government has enacted a law called ‘Foreign Contribution Regulation Act (FCRA), under it, all foreign donations are credited into one single bank account. And the NGOs receiving such aid are required to register with the Union Home Ministry and must file with the ministry annual statement of utilization of these grants. And different types of restriction are imposed on the NGO that utilized foreign funds. Thus, government intervention in the working of the NGOs, their liberty is being restricted.

11. Alienation: -

If the NGOs have increasingly dependent upon either government grants or foreign funds or both, then NGOs have got more and more alienated from the very communities they seek to serve. Most NGOs are committee sitters, hopping from meeting to meeting and doing paper work and interacting less with the people. Also the community they serve are not consulted about their needs
and priorities. This has alienated NGOs from the people they serve.

So, if there are inadequacies among the NGOs, it must be removed mostly by NGOs self-regulation. There is a famous proverb 'we must not throw the baby with the bathwater.

2.9 The Role of NGOs and their Typologies:

There is a definite departure from the role that NGOs were playing earlier and the role that they play now. To analyze the role that an NGO can play would be to a large extent depend upon the pre-requisites of an NGO or the criterion that is adopted for the identification of the NGO, out of the several criteria that are available. However, the role or tasks of the NGOs are primarily based on the basic characteristics of the NGOs discussed in the previous section. The typologies of NGOs therefore, would also depend upon various factors such as its orientation or its purpose.

2.9.1 Criteria for identification on NGOs:

Due to the increased participation of NGOs in rural transformation the Seventh Five Year Plan has laid down the following criteria for identification of Voluntary Agencies:

1. The organization should be a legal entity.
2. It should be based in a rural area and be working there for a minimum of three years.

3. It should have broad-based objectives serving the social and economic needs of the Community as a whole and mainly the weaker sections. It must not work for profit but on 'no profit and no loss' basis.

4. Its activities should be open to all citizens of India irrespective of religion, caste, creed, sex or race.

5. It should have the necessary flexibility, professional competence and organizational skills to implement programmes.

6. Its office-bearers should not be elected members of any political party.

7. It declares that it will adopt constitutional and non-violent means for rural development purposes.

8. It must be committed to secular and democratic concepts and methods of functioning.29

Beside, there are other criteria also available for identification of NGOs. Singh’s criteria are as follows30:

1. An ideology or inspiration.

2. Written Constitution, corporate and Organizational structure and legal status.

3. Autonomy in functioning.

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5. Clearly defined programme of action adjusted to local needs and available resources.
6. Flexibility in approach within the sphere of declared objectives.
7. Dedicated and committed team of workers.
8. Ability to mobilize resources locally as well as externally.

What criteria have to be specifically followed in the identification of NGOs is a controversial matter and in fact a lot of heated debates have taken place in the past. There is a definite departure from the role that the NGOs were playing earlier and the role they play now. To analyze the role that an NGO can play would be to a large extent dependent upon the pre-requisites of an NGO or the criterion that is adopted for the identification of the NGO, out of the several criteria that are available. It was only in the Seventh Five Year Plan that an attempt was made to laid down terms of reference for identification of NGOs engaged in rural development works. Whatever the criteria applied, the NGOs should maintain their identity and non-aligned character above the considerations of
profit, office and power; otherwise the spirit of voluntarism would wither away from these voluntary agencies.

2.9.2 The Role of NGOs: - The Indian Scenario: -

In a vast country like India, which is characterized by innumerable socio-cultural economic, educational, political and religious problems the NGOs occupies a significant place in our efforts towards planned and directed social change.

The government alone can’t solve the multidimensional problems, which the rural and urban community is faced with. The following are some, but, not all roles that NGOs can deliver:

1. Selection of backward cluster of village.

2. Assessment of resource endowments in the area and mapping of resources.

3. Human resources development through imparting training needed.

4. Identifying the real beneficiaries belonging to the weaker section of society.

5. Formulation of household and village plans based upon felt needs.

6. Organizing and establishing the social action groups in villages.
7. Providing assistance to the organized SAGs to tap welfare assistance from various governmental and non-governmental organizations.

8. Ensure the loanees must utilize loan for which it meant.

9. Solicit people's participation invested into the system.

10. Coordination and bridging between people and governmental organization.

11. Act as a catalyst to bringing all round development.

12. Creation of models through experiments and acts as an innovative agency.

13. Represent people in the service area by associating themselves with the local needs and aspirations.

14. Promotion of peace, harmony, unity, nationalism and secularism in the minds of rural people.

15. Holding of camps on regular basis to make aware regarding the condition of people, areas and schemes at hand for their betterment.

16. Provision of opportunity for training local leadership and strengthen democracy at grassroots level.
17. Creating employment opportunity and thereby expanding income of people, particularly weaker and deprived section of the society.

18. Development and adoptions of work culture which is readily understood by the beneficiaries of developmental programmes.

19. Organizing new programmes to carter new needs.

20. Developing new technologies to bring change in the people attitude.\textsuperscript{31}

2.9.3 The Role that can be played by NGOs -Under the Plans: -

The role of NGOs has undergone drastic changes over time. In view of the growing network of NGOs in different field, it is not only wise but also has become a compulsion to try the alternative of voluntary effort of NGOs in different field of their activities.

The strategies adopted by NGOs will have to be quite different from those followed by the government. They will have to work in an environment with minimum institutional and bureaucratic hurdles.

\textsuperscript{31} S. Grusamy, (2004); "Role of Voluntary Agencies in Social Change", (ed), S. N. Pawar, and et al., \textit{NGOs and Development in Indian Scenario}, Rawat Publication, New Delhi, pp. 85-87
The policy of the Government involving the NGOs in the rural development task clearly states the role Voluntary agencies are expected to play in the Seventh Five Year Plan. "There has been inadequate recognition of their role in accelerating the process of social and economic development. These agencies have been known to play an important role by providing a basic for innovation with new models and approaches, ensuring feedback and securing the involvement of families living below the poverty line. Therefore, during the Seventh Five Year Plan, serious efforts have will been made to involve voluntary agencies in various development programmes, particularly in the planning and implementation of programmes of rural development. Voluntary agencies have developed, expertise and competence in many non-traditional areas to plan their own schemes instead of expecting the Government to do so. More specifically, the role of voluntary agencies in the implementation of development is: -

- To supplement Government effort so as to offer the rural poor choices and alternatives;
- To be the eyes and ears of the people at the village level;
- To set an example, it should be possible for the voluntary agencies to adopt simple, innovative, flexible and inexpensive means with its limited resources to reach a large number with less overheads and with greater community participation;
• To activate the delivery system and to make it effective at the village level to respond to the felt needs of the poorest of the poor;
• To disseminate information;
• To make commodities as self reliant as possible;
• To show how village and indigenous resources could be used, how human resource, rural skills and local knowledge, grossly under utilized at present, could be used for their own development;
• To demystify technology and bring it in a simpler form to the rural people;
• To train a cadre of grassroots workers to believe in professionalizing voluntarism;
• To mobilize financial resources from within the community with the view to making communities stand on their own feet;
• To mobilize and organize the poor and generate awareness to demand quality services and impose a community system of accountability on the performance of village level government functionaries.”

Therefore, the Seventh Five Year Plan recognized the importance of the role that the NGOs can play, attached a high degree of emphasis on rural development through people’s participation and voluntary action. The role these NGOs can

\[32\] GOI, Seventh Five Year Plan (1985-90); Op. cit. p. 68
play is in terms of providing the basis for innovation with new approaches towards integrated rural development by insuring feedback regarding impact of various programmes and also by securing the involvement of the local population especially the poorest of the poor, falling below the poverty line. In short, the Seventh Plan sought to take the support of the NGOs by involving them in the development programmes.

The Eight Five Year Plan (1992-97) continues to recognize the importance of the voluntary sector in supplementing the increasing role that has to be played by the government. “The planning and implementation of rural development programmes must enable greater self-help by the people and their participation in programmes through Panchayati Raj institutions. This will mark a reduction in the dependence on the present development administration for delivery. However, this should not be interpreted as a greater move towards privatization or living the rural poor to look after themselves. State intervention will have to continue, in fact, on an expanded scale so as to protect the poor and vulnerable sections from some of the burdens of structural adjustment.”

The Eight Five Year Plan acknowledges the fact that though the voluntary effort would continue to grow in future but it can be accelerated if a more congenial atmosphere for

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33 Government of India, Planning Commission, Eight Five Year Plan (1992-1997), New Delhi, p. 36
its growth is provided and the professional and managerial capabilities of the NGOs are built up systematically. The NGOs can serve as a catalytic agent in the overall development of an area. "Generation of awareness, inculcation of appropriate skills and convergence of development programmes are essential prerequisites for the overall development of an area. In this, voluntary organization can act as a catalyst and can organize beneficiaries, involve people in planning and development and provide the necessary support to make development a reality".\(^{34}\)

The plan document itself admits that the scope of voluntary action is unbounded and because of their high sense of dedication, they perform the task more efficiently than the 'formal organizations'. "By its very definition, voluntary action suggests doing something without looking for personal gain. The scope for voluntary action is therefore, unbounded. Its heightened dedication makes it possible for voluntary organizations to do more efficiently the work done by formal organizations."\(^{35}\)

The Eighth Plan places greater emphasis on the role of voluntary organizations in rural development. "In the Eighth Plan a greater emphasis will be put on the role of voluntary organizations in rural development. A nation-wide network of NGOs will be created. In order to facilitate the working of

\(^{34}\) Ibid, p. 39  
\(^{35}\) Ibid, p. 39
this network, three schemes relating to the creation, the Planning Commission has worked out replication, multiplication and consultancy development. Effort will be made to evolve a system for providing one window service to NGOs working in the area of integrated development.  

The Ninth Five-Year Plan also highlights the importance of NGOs and supplementing the increasing role that has to be played by government. "The role of NGOS in bringing members of different communities together is quite important. They can assist the associations in organizing themselves, drawing up the bye-laws, getting registered as societies, devising rules of working together, maintaining books of accounts conducting meeting and so on. They can lend support to the Associations in their dealing with the agencies on the State."

Further, in the 9th Five Year Plan, 'Voluntary organization have been playing a very important role for the welfare, rehabilitation and development of social welfare groups viz. persons with disabilities, juvenile delinquents or vagrants, alcoholics and drugs addicts, sex workers or child sex workers, working children, street children, destitute or deserted, women and girls in social /moral danger, older persons etc. who have special problems or living in problem

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36 Ibid, p. 40
37 Government of India, Planning Commission, Ninth Five Year Plan (1997-2002); Vol. II New Delhi, p. 515
situations. In handling /reforming/ rehabilitating /caring these special groups, the contribution of the voluntary organizations which are in direct contact with these target group has been very vital. In fact, the social welfare services in the country have been developed on the strong foundations of the voluntary sector and still being continued through the country-wide network of the voluntary organizations.\(^\text{38}\)

During 1996-97, 35 voluntary organizations have been assisted to organize 6000 nutrition education camps and 24 mini-exhibitions to create mass awareness about the importance of nutrition and health in everybody’s life.\(^\text{39}\) Under education, it has been found by experience that Non-formal education (NFE) centers achieve more meaningful results when these are run by NGOs. Accordingly, the number of centers run by NGOs will be enhanced significantly where NGO participation is not forthcoming, state run NFE centers will be established.\(^\text{40}\)

In the Ninth Plan social mobilization received a special thrust. Within the umbrella of Panchayati Raj Institutions various poverty alleviation programs would be more effectively integrated with area development programmes and the various sectoral programme. Initiative will be taken to build and strengthen the organization of the poor with the

\(^{38}\) Ibid p. 406  
\(^{39}\) Ibid p. 554  
\(^{40}\) Ibid p. 119
objective of enhancing their capabilities. In this process voluntary organizations would have to play an important role in empowering the poor through advocacy, awareness generation and social mobilization. As social animators and rural organizers they would help the poor to form SHGs in order to take the advantage of the policies and programmes being implemented by the government for the economic betterment. A voluntary organization or a technology group could lend support to group activities by ensuring training, technological upgradation and convergence of various schemes. Further, the voluntary organizations will be encouraged to set up homes for the aged/home for the destitute/home for the dying so as to meet the increasing need for such activities.

The Tenth Five Year Plan document under issues and strategies for the Plan admits that, "the role of civil society in the development of nation cannot be overstated. Several thousands of civil society organizations, including voluntary organization, non-profit making companies, corporate bodies, cooperative and trust are actively involved in economic and social development. They have thus to be recognized partners in development. The strength of the voluntary sector, namely their advocacy skills, organizational skills and being closer to

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41 Ibid p. 33
42 Ibid p. 395
people should be used to the advantage of all concerned. During the Tenth Plan it is proposed to:

a) involve VOs in the task of planning, implementation and being the interface with the public, especially at the cutting edge;

b) develop core competencies and professionalism in the voluntary sector;

c) broaden the base and scope of voluntarism by encouraging its growth in states and regions where the same has been weak;

d) create an enabling environment for greater involvement of the voluntary sector, especially in backward areas where state machinery is found wanting;

e) promote a symbiosis between VOs and PRIs so that they can complement each other and avoid conflict, this could be done by giving suitable representation to VOs in the planning committees for the PRIs;

f) monitoring and evaluation, especially of the 11 monitorable targets of the Tenth Plan; and

g) initiate a shift towards increasing the financial contribution of civil society to the development process.\(^4\)

The role of NGOs in rural transformation has assumed greater importance because of their special characteristics and qualities such as innovativeness, committed workers, flexibility to adapt to local conditions, their proximity to ultimate beneficiaries, high level of motivation, and minimum institutional and procedural handicaps. In general, the role that NGOs can play may be summarized as follows:

1. Help the people to help themselves that is encourage self-help.
2. Activise the inherent potentials among the people to their benefits.
3. Demonstrate the optimum use of the available local resources.
4. Create a general awareness among the people in the area of their operation regarding social and economic aspects of life.
5. Supplement government efforts towards rural development.
6. Demonstrate the mobilization of financial resources and their optimum use from different sources.
7. Professionalise voluntarism through training the ultimate beneficiaries.
8. Help the people to become self reliant through sustained increase in their income, employment, productivity and general economic betterment.
These are primary roles played by NGOs emerging out of the review of literature and therefore, it is not an exhaustive list and new roles may be assumed by the NGOs depending upon their typologies.

2.9.4 Typologies of NGOs:

The typologies of NGOs are numerous and depend upon a number of factors. The typology of NGO would mainly depend upon, firstly, on the purpose for which it has been established, secondly, its orientation, thirdly, whether it is state sponsored or based on people’s participation and so on. With the review of literature available, the typologies that emerge may be discussed as follows:

According to Inamdar, there are seven types of voluntary organizations applicable to Indian conditions:

1. (a) Allied with the state.

   (b) Purely voluntary.

With the increasing functions of the state, NGOs come up according to the requirements of the changing situation. The NGOs, which fall in the first category, are formed at the instance of the government and therefore, allied with it. For instance, the government encouraged the formation of farmers

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union to develop interest in the Government’s Community Development Programme in the fifties. Secondly, in this typology there are other voluntary organizations that are not allied with the Government and they are purely voluntary in the sense that they depend upon themselves for their activity at list in the beginning stage.

2. (a) Idealistic organizations
(b) Economically oriented
(c) Clientele’s own

There are idealistic voluntary organizations who also contribute to the cause of development and collect funds from followers of their own ideology. The economically oriented organizations in this category seek to advance the economic interests of farmers, labourers, artisans, craftsmen etc. The last in this category are clientele groups like people in need of housing, tribals, the women, children or disabled etc.

3. (a) Urban and
(b) Rural

The voluntary organizations under this category serve the population in their respective area.

4. (a) Women’s and
(b) Non-female
5. Function wise: (a) Economic (b) Social (c) Cultural (d) Educational (e) Health and Medical, and (f) Miscellaneous

6. (a) Local (b) Regional, and (c) Federal

It shows that there is a growing trend towards voluntarism in development where local organizations take regional and national form or a national level organization may have regional and local branches.

7. (a) Single-function, and (b) Multi-functional.

With the expansion of functions of the state and non-state institution, there exist single function voluntary organizations like health, education, agriculture, crafts etc. or multi-functional voluntary organizations coexisting.

Muttalib\(^{45}\) has classified NGOs on different bases such as their (1) size (2) independence (3) internal political structure (4) societal functions (5) source of support (6) location (7) characteristics of their members (8) intimacy of contact among members (9) basis of incentives (10) beneficiary may be the member, the client, the public or the owners. Nandekar\(^{46}\) has presented nine typologies of NGOs, namely: (1) Individual Philanthropists, (2) Religious

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Institutions, (3) Social Service and Cultural Associations, (4) Functional associations, (5) Professional and Consultancy associations, (6) Frontline associations, (7) Action groups, (8) Protest groups, and (9) Citizens’ groups. J. B. Singh\textsuperscript{47} classification of NGOs is based on the approaches to their functioning such as (1) Charity, (2) Welfare, (3) Relief, (4) Rehabilitation (5) Service (6) Development of Socio-economic environment around human beings (7) Development of human beings. Prakash Karat\textsuperscript{48} has taken the period and activities performed as the basis of classification of NGOs into different types. There are three types of organizations during the period of development of voluntary organizations. In the first category are those organizations, which consist of older social service oriented type whether, affiliated to religious institutions or secular ones. In the second category are those institutions which emerged in the late sixties and early seventies, beginning as grass root level organizations undertaking developmental activities and latter on social activities as well. The third category consists of action groups that emerged after 1975 and are within the mainstream of voluntary sector. Their various activities include education, training on the one hand and documentation and research on the other. The NGOs in this category intervene in the socio-

\textsuperscript{47} Singh, J. B. \textit{Op. cit.} p. 46

\textsuperscript{48} Prakash, Karat, (1988); “Foreign Funding and the Philosophy of Voluntary Organizations” \textit{National Book Center}, New Delhi, September, p. 35
economic and political aspects of the life of the people seeking their betterment.

The review of available literature suggests that a single typology is not universally accepted.

**2.10 Problems of NGOs: -**

NGOs are considered to be eminently suitable to undertake the task of socio-economic development of communities of the country. They have an edge over the government agencies in organizing the rural masses in availing the collective benefits as they have a better rapport with the rural masses and operate with greater flexibility, as they are free from bureaucratic procedures. In spite of these merits, development programmes undertaken by them meet with some setbacks. This is due to the existence of several constraints in which NGOs are working. Some of the important problems or constraints may be summarized as follows:

Firstly, there is a general complain from the NGOs that they face paucity of funds as they are not able to mobilize sufficient funds from with the community and therefore, they have to depend upon the government as well as funding agencies internal and external and compromise their innovativeness, independence and flexibility in the bargain. However, some people do not subscribe to this view.
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Secondly, some of the NGOs suffer from the lack of second line of leadership. This is a problem because many times the NGOs are personality oriented and with the exit of the leader the programmes undertaken by the NGOs lose the initial enthusiasm and motivation.

Thirdly, quite a number of NGOs lack the technical expertise. They acquire it or hire it according to the requirements of the problem that they seek to solve.

Fourthly, there is lack of proper planning and coordination. There is lack of communication also among the NGOs. They do not lay down the policies clearly.

Fifthly, another basic problem of the NGOs is that their existence is not properly recognized and their work is not receiving the appreciation that it deserves.

Sixthly, there is a common complaint about the NGOs that they identify with a particular group and therefore, are not accessible to others. These problems are basic and the

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49 Verghe, B.G (1979); "Voluntary Action: A New Mission for the New Missionaries" in Misra and Sundram, Rural Area Development: Perspectives and Approaches (Ed.), Sterling Publishers Private Ltd. New Delhi, p. 238
NGOs face various other problems, which are specific to a particular type of NGO.

There is a view that some NGOs tend to become bureaucratic and suffer from lack of dedication and commitment, depend largely on Government patronage and funds and they are left with little initiative. They generally are personality oriented and exhibit the signs of decay with the exit of the leader.⁵⁰

Despite the constraints faced by the NGOs, they are trying to implement development programmes according to the local needs and situations for conferring lasting benefits on the local population. They are innovative and are conducting experiments and evolving new models of development programmes. Therefore, they deserve full cooperation of the local population, Government departments and funding agencies in their role.

2.11 Cooperative and the NGOs:

The cooperative organizations and the NGOs are based on different principles and this explains the rationale of NGOs or voluntary agencies undertaking the task of rural transformation.

The cooperative agencies and the NGOs differ on the following counts:

1. Cooperative organizations are formed on the basis of the principle of cooperation among the members who come together for a common cause while the NGOs work for the community as a whole. Therefore, for gigantic tasks like economic betterment and rural transformation NGOs are more suitable.

2. Cooperative organizations function on the principle of "no-profit, no-loss". They can and do make profits wherever possible but the NGOs are free from any profit considerations.

3. Cooperative organizations basically are economic organizations and acquire the form of a business organization but NGOs are voluntary organizations and are social organizations based on self-less dedication.

The cooperative in a sense are also voluntary organizations of a special type as they attempt to bring the spirit of voluntarism on the realm of economic activities. However, since NGOs and cooperatives have conceptual and operational differences they have to be treated differently.

2.12 State and the NGOs:

The relationship between the Government and the NGOs is of crucial importance because the Government seeks the involvement of NGOs as a part of its strategy for the successful implementation of various programmes of poverty
alleviation and rural development. Therefore, the Government must give due recognition to their role, increase financial and infrastructural backing and encourage them to take up various programmes of development in a way that these NGOs do not lose their innovative style of functioning and do not have to compromise their flexibility and independence.

As pointed out by Inamdar\(^\text{51}\), pluralism in development instrumentalities in the form of various NGOs as well as Government agencies is necessary in a country like India to preserve the democratic freedoms and the way of life as enshrined in the Indian Constitution. Planned development of the country gives rise to new areas and aspects of economic and social life of the people. The Government is slow to innovate due to several reasons and therefore, the NGOs which have distinct advantages in innovations can set new path in schemes and projects and present a model before the Government.

There is another view that the State cannot assume a passive role in the process of development. Bhambri observes that the NGOs can supplement State efforts but cannot supplant or supersede them as NGOs are localized groups and the state has larger ramifications. He adds further “voluntary agencies are a footnote in Indian development and the

development of India requires more of State intervention and not less of it.”52

In India, NGOs and government relationship must be of interaction, which can be formal or informal but should be supportive. Interaction is a term that embraces both link and collaboration, but also allows the possibility of conflictive interaction. Collaboration at the opposite end of the spectrum, implies a formalized dependence of one partner or another for at least part of the success of its activities, as when for instance, Government might have a contract with the NGOs to deliver inputs based on the technologies that the Government agencies have developed.

The Government took more than three decade to reiterate explicit its commitment to the role of NGOs in the Seventh Five Year Plan. Before that, right from the First Five Year Plan to the Sixth Plan, people were not aware of the alternative delivery system except that of the Government.53 For a successful strategy wherein the government seeks to involve NGOs in its development efforts, there has to be a harmonious relationship between the state and the NGOs, but there are several problems relating to the relationship between the two. For example, there is ambiguity, suspicion and lack


of thrust in each other. There is no such forum where voluntary agencies could be given an opportunity to redress their grievances and explain their position. Besides, the control of funding institutions by the Government has been an important issue in the relationship between the State and the NGOs. The Government subject to rules and procedures lays down even the foreign funding.

There has been politicization of NGOs and this has also damage the relations between the Government and the NGOs. The result of politicization has been that the spirit of voluntarism has suffered a setback. One such example is the appointment of Kudal Commission by the Government in 1980 to enquire into the affairs of funding of Gandhi Peace Foundation and Association of Voluntary agencies for Rural Development (AVARD) and allied institutions. There is another serious problem that challenges the NGOs and voluntarism that due to increasing politicization of NGOs, those organizations with contacts and clout may assume important positions and show no opposition to the increasing politicization in the bargain at the cost of others who are engaged in sincere development efforts.\(^5^4\)

2.13 Conclusion: -

The NGO sector today is comprised of many thousand of organizations, diverse in size and structure as well as in the activities they undertake, working on issues ranging from health to human rights to community services to the environment issues.

The sector is now characterized by more activism, increased involvement in community affairs, and a growing recognition within the country that NGOs can have an important, positive impact on society as a whole. So government should amend and improve the legal environment in which NGOs operate.