CHAPTER-III

THE ROLE OF NGOs IN RURAL DEVELOPMENT
WITH SPECIAL REFERENCE TO WOMEN

Non-Governmental Organisation has been generally defined as voluntary, autonomous, non-profit organizations or groups of citizens established to address various problems and disadvantages in the society. What differences the NGOs from the rest is that they are whether their workers are paid or unpaid, initiated and governed by the members without external control. Voluntary denotes 'of one’s own free choice’. Since voluntary and autonomous also connote ‘non-governmental, they are also characterized as non-governmental organizations. In this chapter the rationale and setting of non-governmental organization in India, the national policy on voluntary sector, aims and objectives of NGOs and various other related aspects are discussed.

Registration

Laws in India classify organizations working in development into three categories: charitable trusts, societies, and Section 25 companies. Whether registered as a trust, society, or company, NGOs
are subject to the Societies Registration Act of 1860 and the Income Tax Act of 1961. Trusts are subject to the Public Trust Act (1976) and are, in addition to federal regulations, governed by the State Office of the Charity Commissioner. Organizations receiving foreign funds must abide by the Foreign Contribution Regulation Act of 1976, and are regulated by the Ministry of Home Affairs.

Legislation on NGO activity

The NGOs are not required to register with the government. However, registration allows an NGO to deduct expenses from income for tax purposes, receive foreign contributions, and be considered for government grant-in-aid schemes. Registration also facilitates domestic fundraising, as the income tax act permits donors to deduct contributions made to registered NGOs.¹

The government offers three principal forms of tax relief for voluntary organizations under the Income Tax Act.²

1. Section 80G allows voluntary organizations working in specified areas deemed to be charitable to register with the income tax authority. This enables donors (individuals and companies) to claim tax relief on 50% of the amount donated, up to 10% of the donor’s income. The beneficiary organizations are required to issue a receipt or certificate in a prescribed format to the donor to enable the donor to claim tax deduction. This is the most widely used tax benefit for charitable giving.

2. Section 35AC allows contributions to be 100% deductible. However its application is specific to projects, generally research projects, rather than to organizations. To benefit under this section, the recipient organization must typically be implementing the project itself. Approval must be sought from the National Committee for Promotion of Social and Economic Welfare based in New Delhi. Donations to government development agencies, such as the Integrated Rural Development Program are 100% deductible under this section.

3. Section 35 (I to III ) provides for a similar 100% exemption for donations to approved scientific research associations such as universities, colleges, or other institutions for scientific research, research in social science, or statistical research. Section 25 businesses are exempted from paying income tax on profits “incidental to the attainment of the objects of the non profit organization,” as
long as separate books of account are maintained. Bilateral development assistance to NGOs continues to be governed by the Foreign Contribution (Regulation) Act, 1976. Only organizations registered under the act-nearly 30,000 at present-are permitted to receive bilateral assistance.

**National Policy on the Voluntary Sector**

In May 2007, the cabinet of ministers of the Government of India approved the National Policy on the Voluntary Sector as the first step in a process to evolve a new working relationship between the government and volunteer organizations. Through the policy, the government commits to encouraging, enabling, and empowering an independent, creative, and effective voluntary sector with diverse form and function, so that it can contribute to the social, cultural, and economic advancement of the people of India. It recognizes that the voluntary sector has contributed significantly to finding innovative solutions to poverty, deprivation, discrimination, and exclusion, through awareness raising, social mobilization, service delivery, training, research, and advocacy. The policy identifies four objectives:

1. Create an enabling environment for volunteer organizations that stimulates their enterprise and effectiveness, and safeguards their autonomy.
2. Enable voluntary organizations to legitimately mobilize necessary local and foreign financial resources.
3. Identify systems by which the government may work together with volunteer organizations, based on the principles of mutual trust and respect, and with shared responsibility.
4. Encourage volunteer organizations to adopt transparent, accountable systems of governance and management. Among the specific central government actions cited in the policy are encouraging state governments to simplify, liberalize, and rationalize laws and rules on registration of volunteer organizations; examining the feasibility of enacting a simple, liberal central law to serve as an alternative all-India statute for volunteer organization registration; and encouraging the evolution of an independent, national self-regulatory agency for the voluntary sector.

Other steps include considering tax rebates for transfers of shares and stock options to volunteer organizations; simplifying provisions of the Foreign Contribution (Regulation) Act; introducing training modules for government employees on constructive relations with the voluntary sector; creating joint
consultative groups comprising government and volunteer organization representatives; identifying national collaborative programs to be implemented in partnership with volunteer organizations; supporting philanthropic institutions and foundations that provide financial assistance to deserving volunteer organizations; and recognizing excellence in governance among volunteer organizations by publicizing best practices.

1. State Policies

One of the intentions of the national policy was to motivate state governments to have similar policies. The Deputy Chairman of the Planning Commission wrote to almost all the Chief Ministers in this regard. VANI, along with its member organizations, also conducted a series of workshops in various states with the objective of informing state level Voluntary Organizations, and to build a link between state governments. Various state level groups were formed to coordinate and motivate state governments. In 2007-2008, almost 13 meetings were organized. Unfortunately, only three states came up with the draft policies; they are Bihar, Uttar Pradesh and Tamil Nadu.⁴

2. Enabling Environment

The National Policy promised government’s efforts towards creating enabling environment for voluntary organizations by simplifying rules, regulations, capacity building and facilitating funding environment. However, more stringent Foreign Contribution (Regulation) Act 2010, was made, which not only requires registration after every five years but also relieves government from accountability towards VOs. On the one hand, the provision of deemed approval is being taken back while on the other hand there is no answerability by Ministry in case of a delay or arbitrary rejection. Presently, the VOs are not supposed to mobilize people for their democratic rights unless approved by the ministry. Similarly, the proposed Direct Taxes Code intends to tax VOs. The provision of saving has been taken away along with the facility to account on accrual basis. The definition of charitable activities remains confused as it was earlier. The business like activities unilaterally defined can make an accessing officer to take away the tax exemptions. The VISA regime for VOs has also been tightened. Hence, inviting external experts and organizing international workshops require clearance from three Ministries, Home, External Affairs, and Nodal Ministry. Lastly, the environment for fund generation within India has also become more difficult.⁵
The relationship of partnership for development is shifting very fast to a relationship of ‘sub contractor’. The VOs have to compete along with the various consultancy firms to partner with government on various development schemes.

4. **Consultative Mechanism with National Ministries**

   One of the outstanding recommendations of the policy was to work towards building a permanent mechanism of regular consultation between various national ministries and VOs. This generated mixed results. The Finance Ministry has started organizing pre-budget meetings with the selected VOs. VANI was also invited by the Finance Ministry along with CII, FICCI and other industrial associations for consultations on Direct Taxes Code. Although, some ministries invite VO for various consultations, there is no attempt to institutionalize such practice.

5. **The Planning Commission**

   Having pioneered the National Policy on the Voluntary Sector, the Voluntary Action Cell of the Planning Commission, undertook many significant steps. The national online registration and data bank was initiated along with three task forces viz., Accreditation system, National Registration Regulation, and Decentralized Funding Mechanisms. Recently, all the three draft reports have come, and they require sharing and consultations with stakeholders.⁶
Aims and Objectives of NGOs

The objectives of NGOs reveal the range of their goals, ideals, programmes and activities. Regarding the aims and objectives, the NGOs are broad-based and each NGO combines more than one objective. These objectives cover a wide spectrum of subjects like socio-economic development, empowerment of women, development of rural folks, tribals, environmental protection, literacy, rehabilitations of the needy, awareness programmes, poverty alleviation, leadership training consumer protection, conscientisation and so on. The major objectives of NGOs are as follows:

- Development of women and rural folks socially, economically, politically through income generating activities, education programmes, awareness camps, etc.
- General socio-economic development of the people living in rural areas especially in down-trodden areas.
- Encouraging the rural folks to participate actively in cultural activities, arts sports and science activities.
- Development of the under-privileged sections of the society such as fishermen tribals, rural women etc.
- Running educational programmes like formal education, non-formal education and adult education programmes to decrease illiteracy rate and to improve human resources for the development of a nation.
- Protecting the environment, rehabilitating the deprived sections like the handicapped, mentally retarded and orphans.
- Eradicating poverty through generation of employment opportunities, income generating activities, providing skill based training, imparting new technology in agriculture etc.
- Providing physical education, organizing competitions and giving training to the youth to participate actively in rural development activities.
- Initiating self-employment ventures (for men and women) and organizing leadership/personality development programmes.
- Propagating Gandhian ideology and literature, creating awareness and conducting de-addiction programmes.
 Formation of self help groups and to provide financial assistance to the members of SHGs in order to empower them economically,

 Doing research and surveys, working for social justice and offering legal advice to the rural and urban people who are in need of justice,

 Organizing mother and child care programmes and value based education sessions to decrease, child deaths, malnutrition of women at the time of pregnancy and children and improving health, hygiene and sanitation in slum areas.

 Protecting the interests of consumers and working for prohibition and assisting in housing.

 **Goals of NGOs**

 In essence, the goals of NGOs in Rural Development are:8

 a) to help the people help themselves in their endeavours to progress;

 b) to promote the growth of inherent potentials among people;

 c) to initiate a process of participatory development;

 d) to bring about social justice for the poor and create awareness about their rights and duties;

 e) to promote growth in social, political and economic aspects of life in rural areas and

 f) to devise policies through networking with national and international agencies for sustainable development and facilitate the practice of the same.

 **Characteristics of NGOs**

 The main characteristic of an NGO is "Touch". Human Touch is a quality which is innate in a human being and cannot be developed by training, incentive or legislation. Human touch, the hallmark of NGOs, got eroded with the introduction of professionalism in social work, because volunteerism and professionalism are the poles apart. The volunteers render a healing human touch either in their personal capacity or through a non-official agency.9

 However, most of the NGOs possess four basic characteristics which distinguish them from other sectors in our society. They are indicated below:10

 1) NGOs are voluntarily formed: NGOs are formed voluntarily to render service to the people voluntarily who are in need with aims and objectives and self achieving goals.
2) NGOs work towards development: NGOs involve in the developmental activities and implement the rural development programmes launched by the government to develop the rural people to lead better life.

3) NGOs are relatively independent: NGOs do not depend on any Government or other organizations and they are relatively independent.

4) They cooperate with other NGOs and government to serve the poor for the development of the rural areas. Hence, NGOs are, by and large, local organizations. Their areas of operations as well as impact are, therefore limited to small rural areas.

**Functions of NGOs**

NGOs in India perform a variety of activities that would benefit the public basically because they do not have any commercial interests or profit motive. The important objective of NGOs is to serve the people who are suffering out of poverty or some natural calamity. Though NGOs are often criticized that they are wasting public money, they counter those criticisms by identifying the social problems systematically involving in finding a solution for them. As NGO in India runs mainly with the support of the funds that are raised, they plan everything carefully so that each programme that they execute is executed in a very cost effective way.

The Seventh Plan recognised that government alone could not handle the task of rural development. It enunciated a clear-cut policy for involvement of voluntary organisations in rural development in a big way. It stressed the need to enlist voluntary agencies in accelerating the process of social and economic transformation through their participation in the planning and implementation of programmes of rural development. The accent in the Seventh Plan was on introducing.

The Seventh Plan indicated a number of functions that the voluntary organisations can perform. They are as follows:

- Securing people's participation which is vital to the success of programmes of rural development as it increases the acceptability and utilization of the services;
- Ensuring that the benefits of rural development reach the rural poor;
Acting as link between the administration and people to bring about changes specially in the attitude of the people through motivation and building up of awareness;

Supplementing government programmes in rural areas by offering a wider variety of choices and alternatives;

Functioning as watchdog of the people at the local level thereby improving the services and the accountability;

Activating the delivery system and streamlining its functioning;

Disseminating information;

Demonstrating how local initiative and local resources can be effectively used;

Training and motivating grassroots workers;

Mobilizing community resources thereby adding to the total resources available for development; and

Facilitating the process of change in social and economic structures so that the benefit can reach a larger number of people.

The Seventh Plan has listed out the programmes and areas where the participation of VOs was visualized as being particularly important. These were:

- Integrated Rural Development Programme.
- Implementation of land ceiling and distribution of surplus land.
- Enforcement of minimum wages to agricultural labourers.
- Identification and rehabilitation of bonded labour.
- Development of Scheduled Castes and Scheduled Tribes.
- Supply of safe drinking water.
- Afforestation, social forestry, development of alternative energy sources.
- Promotion of small family norm.
- Primary health care, control of communicable diseases and preventive health programmes.
- Programmes for women and children in rural areas.
- Literacy programmes.
- Promotion of village and cottage industries.
- Promotion of science and technology in rural areas.
Rural housing.

Environmental concerns.

Functional Areas

The Functional Areas of NGOs can be grouped under the following broad categories:

1. **Advocacy**: Advocating causes which are socially relevant such as improving the condition of rural poor, abolition and rehabilitation of bonded labour, adoption of small family norm, preventing environmental degradation, improving women status, promoting literacy, etc.

2. **Social Activism**: Advocating changes in organisations and structures through awareness, organization building and, when necessary, challenging existing and institutions and advocating radical action.

3. **Relief**: Providing relief to victims of natural and manmade calamities.

4. **Development**: Implementation of a wide range of development programmes.

5. **Research, Evaluation and Documentation**: Studying problems of the rural areas and evaluating development programmes thereby expanding the knowledge based on development strategies, delivery systems and cost effectiveness of programmes. The documentation of information on voluntary effort provides information which is invaluable for programme planning.

6. **Training**: Providing professional skills to the functionaries at different levels and upgrading competence in different areas of responsibilities.

Type of NGOs and Their Role in Rural Development

NGOs adopt different vision, work styles (approaches), composition, and funding partnership. Based on these, different authors have classified them differently. While World Bank's operational directive (1989) classified NGOs into two broad categories viz; a) operational, and b) advocacy types depending on its perspective, NGOs can be classified into four categories from the Indian perspective.

(a) **Operational or Grassroots NGOs**

These work directly with the marginalized rural people. Along with charity and relief, they engage in following activities:

**Welfare**: Providing facilities for education, health, drinking water, roads, etc.
Services: Building up infrastructure in backward areas, facilitating credit supply of seeds and fertilizers, providing technological know-how, etc.

Development of socio-economic status: Covering all people or concentrating on the poor in an area. Implementing projects related to income-generating activities, small saving schemes, micro-credit, adult education, mother and child health, etc.

Development of human beings: Making people aware of rights, providing legal safeguards, checking corruption and exploitation, protecting human rights, and enabling the poor for their development.

(b) Support NGOs

They provide services to strengthen grassroots NGOs and other agencies like Panchayati Raj institutions and cooperatives for Rural Development preparing project proposals, providing training, disseminating information through publications, conducting research, and making evaluation studies. Occasionally, they provide financial support to grassroots NGOs. Some examples of such NGOs are Participatory Research in Asia, Voluntary Health Association of India, Xavier Institute of Social Service, etc.¹⁵

(c) Network NGOs

They are formal associations or informal groups of grassroots and/or support NGOs who meet periodically on particular local issues to promote or defend them. They reshape the agendas of donors by raising the local issues in national and international policy debate, lobbying and advocating, and thus contribute towards changing strategies for rural development. Some samples of such NGOs are Voluntary Action Network India, District Action Group in Odisha, Federation of the Voluntary Organization in Karnataka etc.
(d) Funding NGOs

These provide financial support to grassroots, support, and network NGOs. Such NGOs are national (CAPART in India) and international (IGSSS, USAID, FORD Foundation, etc.) agencies.

Though NGOs are classified into specific categories, they overlap in the first three categories and in their activities. A support or network NGO can also be a grassroots NGO or vice versa.

(e) Grassroots Support and Network NGOs

The main thrust areas of Council for Professional Social Workers (CPSW), with its headquarters at Bhubaneswar, are tribal development, sustainable livelihood, eco-regeneration, community health, promotion of child rights and education, gender equity, micro-credit, capacity building, and strengthening of community based organisations. It is working at present in eight tribal and dalit dominated districts of Odisha in integrated rural development projects geared towards sustainable livelihood. From 1993-96, CPSW was the first organization to start gender sensitization training programmes for development networkers and government officials in the state of Odisha. It also provided training on watershed management. It campaigned and networked the state level NGOs for child labour reduction, researched on environment and published its report for eco-regeneration and forest management in Odisha. Following the super cyclone in Odisha, it undertook relief and reconstruction programmes, built school-cum-cyclone shelter, distributed seeds and implemented cooperative cultivation. Being a grassroots NGO, it provides training and engages in advocacy and networking with other NGOs, researches for eco-regeneration, and emerges with new programmes depending upon the situation. Xavier Institute of Social Services located at Ranchi in Jharkhand state was established in 1955 with the vision to put the last first. As a support NGO, it provides training to grassroots NGOs, sensitises local NGOs and people through documentations and publications, researches on various issues of the state, and prepares RD professionals through its professional educational programme. It networks the grassroots NGOs on various issues and implements RD projects.¹⁶

The World Bank has identified two main categories of NGOs namely Operational NGOs and Advocacy NGOs. The main purpose of the former is the design and implementation of development oriented projects. Operational NGOs can also be classified as national organizations, international
organizations, community based organizations etc. On the other hand the very purpose of advocacy NGOs is to influence the policies and practices of international organizations.

Though the term NGO became popular in India only in the 1980s, the voluntary sector has an older tradition even at the time of independence. During the 1980s NGOs became more specialized and the voluntary movement was fragmented into three major groups.17

The first group included those traditional development NGOs, who went into a village or a group of villages and ran literacy programmes, encouraged farmers to experiment with new crops and livestock breeds that would bring more money, helped the weavers and other village artisans market their products and so on. In pure sense, these NGOs became almost a part of the community in their chosen area. The organization run by Baba Amte leprosy patients in central India can be considered as a good example of this group.

The second group of NGOs was those who researched a particular subject in depth and then lobbied with the government or petitioned the courts for the improvements in the lives of the citizens. A well-known example of an NGO of this type is the Centre for Science and Environment.

In the third group were those volunteers who saw themselves more as activists than other NGOs did. Of course, all NGOs in this category undertook a certain amount of activism to get their points. Perhaps the best-known example of an NGO in this category is the Narmada Bachao Andolan.

**Government and NGO Relations**

NGOs have responded to the government’s socioeconomic development agenda over the years. Thus, when the government changed emphasis from capital-oriented growth to anti-poverty programs, NGOs made a distinct shift from welfare and service delivery interventions to a direct attack on poverty. Subsequently, in the 1990s, when the state moved on to macro-economic and structural reforms, NGOs began to focus on scaling up their activities. This led to their working with the state to develop innovative methods and ensure commensurate changes in policy.
They also stepped up advocacy and lobbying, increased networking, expanded their range of operations, and targeted marginalized groups. The 1990s also saw the establishment of several forums to promote dialogue between the government and NGOs. The Planning Commission initiated an NGO-government interface through a series of conferences and, in the year 2000, appointed the nodal agency for NGO–state interactions. In the second half of the 1990s, the Council for Advancement of People’s Action and Rural Technology (CAPART) was decentralized so that envisaged benefits from NGO activities could also spread to the less explored and extremely poor areas of the country. (CAPART was created in 1986 to promote and assist voluntary efforts in implementing rural development programs).\(^{18}\)

Goals of the state and NGOs have converged, particularly in the areas of empowering communities, encouraging participation, strengthening democratic institutions, and improving access to basic services like health and education. They differ in the uniform, bureaucratic processes adopted by the state, contrasted with the NGOs’ more flexible response to local needs.

The government has set up several institutions to promote funding of NGOs (e.g., Khadi and Village Industries, Cooperatives, Central Social Welfare Board, National Wasteland Development Board, and CAPART. This has led to the beneficiaries’ dependence on the state. NGO reliance on such funding has also introduced the risk that they will lose their autonomy and become mere implementers of public sector projects.\(^{19}\)

NGO approaches to government now range from strongly oppositional to closely collaborative, with the majority of NGOs keeping an uneasy, sometimes reluctant, but pragmatic and often sophisticated partnership with the state in its various forms.

Government’s recognition of the role of voluntary organisations is based on the following premises.\(^{20}\)

- Government alone cannot mobilise all the resources needed for meeting people’s needs.
- The quality and efficiency of government sponsored programmes increased when people are involved in programme planning and implementation.
Voluntary agencies complement very well the development endeavours of government by filling gaps in terms of geographical coverage and programme needs. Voluntary agencies strengthen the community's capacity to develop.

The main instruments through which government promotes voluntary action are:\(^2\!^1\)

- Official policy statements. As we have seen, the plan documents have, as a matter of policy, indicated promotion and support of voluntary effort as an important aim.
- Involving non-officials in Commissions, Study Teams, Committees, Working Groups etc. set up by different Ministries for policy planning and implementation. Such involvement of experts, public figures and social workers is now a common practiced
- Giving grants-in-aid to voluntary organisations for implementing programmes identified for the purpose. Various Ministries and Departments both at the Centre and in the states sanction grants-in-aid to a large number of VOs.
- Giving clearance for grants-in-aid to voluntary organisations from foreign donor agencies, where this has been considered necessary.

The National Fund for Rural Development has been set up by the Government of India. It provides grants to voluntary organisations and has been included under the category of activities eligible for full tax exemption under Section 80G of the Income Tax Act. The Fund has been constituted for attracting donations for rural development projects. Donors get full exemption from income tax for the amount donated to the Fund.

CAPART is the organization specifically set up by the Government of India as the nodal agency to promote rural development through voluntary organisations and co-ordinate the generation and dissemination of technologies relevant to rural development.

**Requirements to Receive Aid from Government**

In order to qualify for receiving aid from government, the NGOs are required to meet criteria such as the following:\(^2\!^2\)

- The organisation should be registered under one of the Acts. It should be a legal entity.
- It should be based in a rural area with experience of working with rural communities for some duration.
- It should have as its objective the serving of social and economic needs of the rural community, specially the weaker sections.
- It should adopt only constitutional and non-violent means for rural development.
- It must work on a no-profit and no-loss basis and not as contract.
- Its activities should be open to all citizens of India irrespective of religion, caste, creed, sex or race.
- It should have organisational set-up and manpower which indicates professional competence and skills to implement programmes.
- Its office-bearers should not be elected members of a political party.

   It should have audited accounts, an annual report of its activities approved by its General Body, regular election of its office-bearers, and regular meetings of the executive committee thus indicating a vibrant democratic structure.

**Role of NGOs in Rural India**

The roles that the NGOs perform today in India are numerous. They are advocates, educators, catalysts, monitors, whistle blowers, mediators, activists, mobilizers (of both men and resources), protectors of human rights, conscientizers, animators, and conciliators.\(^{23}\) Notable is the fact that these roles are never played in an affable climate in India. NGOs, mainly those that perform advocacy roles and critique government policies, have constraints in their working environments.\(^ {24}\) Sometimes there are occasions in which the organizations are silenced by the mechanism of co-option. Allocation of grants in aid and respectable positions in government bodies with perks and privileges are being used to woo voluntary workers. Co-option can come not only from those in power but from other political actors as well, including the opposition, as
happened in some Arab countries. For them, NGOs are instruments that can be used for political support and influence.\textsuperscript{25}

NGOs are playing a promising interlocutors role in all development activities in existing academic as well as development studies. In recent times, responding to Grass-roots level initiative and voluntary action became necessary to develop the rural areas. The increasing demands for the NGOs are itself a response to recent trends relating to socio-economic issues and their corresponding development interventions in academic and policy-oriented research.\textsuperscript{26}

"Doing is difficult than Saying". Yes, of course, saying depends greatly on the knowledge. But comparatively it requires lesser physical energy whereas doing requires extensive physical labour, approach and determination apart from the strategic application of the knowledge and experience. Moreover, development administrators and change agents have to keep this fact in mind while working on any development project/programme that require deep thinking, sincere attempts and extensive involvement. Either organizations or individuals those who know this fact hardly try to make an attempt through short-cut methods for the development of their communities or the communities they work for. It is only this distinguished quality of them attracts one to focus their attention to such organizations and individuals involved in social uplift of deprived and underprivileged sections of the society.

There is an urgent need for accepting the changing role of NGOs in the implementation of child care, women development, anti-poverty and minimum needs programmes. While the role of NGOs has been accepted in supplementing governmental effort, still there is general confusion and lack of understanding on how best they involve themselves directly in the mainstream of development process. Now, this is a turn to recognize the changes that have taken place in the society that there are many other economically and social vulnerable groups like small and marginal farmers, agricultural labours, scheduled castes and tribes, bonded labours, rural artisans, rural women, etc., who also need to be brought in the mainstream of development process.\textsuperscript{27}

\textbf{Role of NGOs in Rural Reconstruction}
India has a predominantly agricultural base and nearly 70 per cent of its population lives in rural areas. Practically after the introduction of new technology in every field of human life there is a visible change even in the thinking pattern and understanding, but, it is very clear that we need a corresponding change in the rural areas too. Such changes bring about a better standard of living and better overall economic, social and cultural environment, where a rural folk can grow up, get educated through formal and non-formal system and be good citizens of India is called Rural Reconstruction.

In India, rural reconstruction poses multi-dimensional challenges and also offers opportunities for emancipation of the rural masses. The challenges are also multi-dimensional, because in India most of the rural areas have different social structures, involving very thick community concepts to hard-core conflicts in which considerable vested interests are operating and in many times, they function at other purposes also. Under this scenario, meeting the challenges of rural reconstruction becomes a formidable task.

The objectives of rural reconstruction are manifold and encompass improvement in socio-economic conditions, removal of poverty and indebtedness, regeneration of village and cottage industries, health, nutrition, family planning and sanitation, education through formal and non-formal system, local administration, and etc.

An attempt is made to explain the major role need to be played by the NGOs in rural reconstruction and they are indicated as follows:

- to supplement government efforts in implementing various programmes relating to rural reconstruction and development projects,
- NGOs are expected to mobilize their local resources initiative and promote self employment activities in rural areas;
- organizing and mobilizing rural people for social action to create awareness among them,
- they should build self-reliant for sustainable society by acting as mediator between people and government,
- to help the specific target example women, children, SCs and STs, landless agricultural labours and downtrodden people,
act as a supporter and partner of government programmes in activating delivery system and in implementing rural development programmes etc.,

to promote appropriate technologies and conducting demonstrations, where and when there is a need,

to generate self-confidence, self-help and to enhance decision-making capacity among the rural communities,

activating social legislations Acts like Dowry, Minimum Wages, Abolition of Child and Bonded Labours, and Abolition of Female Infanticide and AIDS,

factor of transformation, concretization and improvement of the living standards and welfare of the poor,

they should act as facilitator of development, education, training, professionalization, etc.,

dissemination of needed information especially information pertaining to modern agricultural technology as well as appropriate technology for promoting eco-friendly industrial activity.

To promote rural health, sanitation, population control family planning activities.

The NGOs role is that actual function played by an individual or organization in the relevant unit of society. NGOs are expected to play a crucial role in all conceivable aspects of rural reconstruction and development. Since India is a country of diverse cultures with different languages, religions, castes, customs, traditions and mores across different strata of different societies of various states, considerable achievement is not possible if the basics of development in terms of the socio-cultural aspects are ignored in the real development of people of a nation.
Role of NGOs in Building Awareness

An intensive effort is expected to be made by the NGOs to generate awareness on various programmes planned to implement in the project area and there is a need to educate the intended beneficiaries on the roles and responsible of various agents involved in the project. After careful studying the project area, the living conditions of the poor people, the project team should finalize the consultation with villagers the type of interventions to be undertaken. Most of the NGOs at grassroots level as part of their bottom-up approach (putting people in) try to convince the people by exposing them to give relevant facts/information for leading a better life.

At the grass-roots level many NGOs adopt different strategies for awareness among the target population only after establishing a rapport i.e. relations with them. Then only it is possible on the part of the NGOs to take up various activities like street plays, cultural shows, puppet shows, audio-video debates on relevant themes in schools and colleges, organizing training... workshops, obtain support from media and build local popular institutions.

New Development Paradigm and Increasing Role of NGOs

Traditionally, the state and its agencies have acted as the primary vehicles through which development policies and projects were implemented. In India the states are also viewed as protagonists in the post-colonial programme of nation building and self-determined development. However, the expansion of the state and its institutions brought an array of inefficiencies.³³

Most of the NGOs have undertaken to initiate various activities like environmental protection, promotional assistance fund, use of research and development fund for supporting and formulation of guidelines for appraisal of projects being received for availing refinace. NGO, as a promoter of sustainable development through institutional support and innovative activities, may re-orient itself to support the cause of future generations to act as an instrument to assess the sustainability of activities that it promotes.

The search for more appropriate development strategy reflects a shifting paradigm in which the rural poor are seen differently. The new development paradigm has four interacting levels i.e., normative, conceptual, empirical and practical. The normative level emphasizes that development should be people
cantered, while at the conceptual level, development is a continuous and dynamic process to maximize the well being, rather than a movement towards a fixed goal.

Social Concern - The Hallmark of NGOs

NGOs receive accolades for their innovative and enterprising spirit in finding solutions to the issues confronted by society. It has been widely acknowledged that the strongest functional aspect of NGOs is their potential role as trailblazers and pioneers of new untried development approaches. Innovations in community health, indigenous medicine, techniques of delivery of services to the poor in remote destinations microfinance and banking systems, organizing workers in the informal sector, and evolving appropriate credit systems that benefit the poor all had wider repercussions in the society at large. In reality, NGOs serve as a test bed for new ideas and methodologies that are difficult for the government and business sectors to develop, and NGOs act as a sounding board for government policies and programs. Such attempts secure recognition and often governmental agencies try to emulate them. The Aroles at the Comprehensive Rural Health Project in Jamkhed offered a low-cost and appropriate model for the delivery of health services that the government tried out in the form of village health workers in the area of public health. The NGO sector has, on the other hand, definite policy implications too. The work of the NGO sector has proved to be instrumental in influencing the state to formulate policies for the benefit of the neglected and marginalized.

Smallness is both the strength and the weakness of NGOs. The success of NGOs in their chosen field of activity is often attributed to the smaller size of the organization, which has many advantages on the management front in devising
appropriate strategies to achieve the goals of the organization and in experimenting with innovative ideas. While having advantages, smallness has limitations too. NGO’s attempts, because of this, are confined to the micro level and therefore unable to extend beyond a certain limit. This prevents them from bringing about substantial socioeconomic and political changes in society.\textsuperscript{37} Despite this, there is consensus about the crucial part played by NGOs in the country and the recognition they have gained as a third force of development, strengthening the work of the public and private sectors.

Amidst these commendable credentials of NGOs, the recent trends in their activities in the country are a matter of dispute and debate. Apprehension is common over the decreasing charm and reputation of NGOs over the past few decades. The term NGO itself has acquired a pejorative connotation. Voluntarism is now being likened to comfortable living, money, and a secure job.\textsuperscript{38} NGO leaders, as often heard, are becoming ostentatious, not only in their personal behavior, but also in their work, which usually aims at the downtrodden. The leaders live in palatial houses and have become jet-setters. The hallmarks of voluntarism-austerity and simplicity are jettisoned.\textsuperscript{39}

**Non-Governmental Organizations-Funding: Legitimacy and Accountability**

The survival of NGOs depends on funds. Development process is not an easy task, it needs many resources like economic, human, material resources etc: All the NGOs require funds for three purposes and they are explained as:\textsuperscript{40}

1. Implementation of field programmes and planned activities etc.,
2. core expenses i.e. for the day-to-day functioning and running of the organization itself and;
3. the long-term institution-building and infrastructure of the organization i.e. physical infrastructure of the organization and other capital assets like land, building, vehicle, computers, printers, cameras, basic facilities and amenities etc.
The above funds mostly can be raised by the NGOs from various sources. They are explained below:

a) Government Sources

Since Independence, the State and Central Government as well as other financial agencies have been a major support to the programmes of the NGOs in the country particularly after the establishment of the Council for Advancement of People's Action and Rural Technology (CAPART). Because of its initial enthusiastic response, a large number of additional resources were made available to NGOs through the CAPART.

b) Private Sources

All NGOs collect funds on their own, because in most of the cases the government grants are not the only sources of income. They adopt many ways for collecting funds from various available sources. These contributions could be in the form of 1) cash collected from members of the organization towards membership fees; 2) from the members of the community as donation as well as subscription; 3) contributions from the members of the community and the members of the organization in the form of time and free labour (shramadan); 4) contributions of food, rice and vegetables from the community; 5) fees from the beneficiaries charity shows, sale of goods prepared in the agency.

c) Foreign Sources

There are three types of foreign sources to the NGOs in our country. They are explained briefly as: 1) the first source includes agencies of the foreign governments; 2) there are some foundations which have been active in India, primarily Ford Foundation, Aga khan Foundation etc., 3) various Non-Governmental Organizations established in different countries like Cooperative American Relief Everywhere (CARE).41

In the post-independence era, donations to NGOs have sharply declined from the public, business houses, and philanthropists. First, in an agricultural and populous society like that of India, people do not contribute to NGOs because they suffer from the ‘poverty syndrome’. Without concern for others, people want to accumulate as much wealth as possible within the shortest time, because they perceive that the
outside world is scarcity-ridden and the future is uncertain. Second, implementation of structured schemes of donors and state without innovation in rural development projects has lead the NGOs to act as mere agents of aid agencies. Third, people withdrew when external financial came to NGOs. Fourth, financial support from rural people dried up gradually when bureaucrats, politicians, and interest groups influenced NGOs to serve their own needs. Fifth, NGOs are able to marshal a little finance from local contributions, membership fees and sale of publications. This has resulted in habitual seeking of funds from state and foreign agencies, which are project-based.  

Because of the dependence on external funding, NGOs often undertake projects for which neither they have the requisite capabilities nor do the projects have relevance for rural people. Government funds are provided through Council for Advancement of People's Action and Rural Technology (CAPART), District Rural Development Agencies, and different ministries of the central and state governments. Red-tapism, and phase release of funds following submission of audit report or utilisation certificate paralyse the activities of NGOs. In the eighth Plan, Government of India set up a group to examine some of these issues and simplify procedures for processing grants-in-aid proposals. The group recommended (a) greater dissemination of information about the schemes through newspaper and media, and designation of CAPART as a clearing house for RD information, (b) simplified procedures and time-bound disposal of applications for assistance, and (c) preparation of grants-in-aid code and a manual giving details of procedure.  

An explosive growth of NGOs is clearly related to the availability of official funding.  

Funds from the government alone were insufficient to cover the vast number and multitude of problems of NGOs. Bilateral and multilateral donors like UNICEF, ODA, OXFAM, Ford Foundation, Catholic Relief Services, Misereor, etc., had funded NGOs, directly or through the state, for implementing programmes. Evidence suggested that government grants making up between 50 per cent and 90 per cent of the budgets of major NGOs in Scandinavia, the Netherlands and Canada, most of which was passed on to the NGOs in the South. Most of the Working Women Forum (India) budget originated from UNFPA and the British ODA funded over 450 local NGOs in India directly.
NGOs in India receiving foreign donations are under a statutory obligation to get them registered under Foreign Contribution and Regulation Act, 1976 with the Home Ministry, and this status is accorded only fulfillment of the terms and conditions laid down by the government. A registered NGO is required to intimate to the Central Government as to the amount of each foreign contribution received by it, the source from which and manner in which the contribution was received, and the purpose for which and the manner in which such contribution was utilised. In case of misuse of funds, the Home Ministry can revoke the registration and bar the defaulting NGO from accepting foreign donations. The foreign donors appoint consultants or nodal NGOs to evaluate the projects funded by them. The accountability of NGOs to foreign donors and the state, forces them to bring about both qualitative and quantitative changes in the life of the poor in accordance with the objectives of funded projects. The pressure of multilaterals like the Asian Development Bank and the European Union, and bilaterals to disburse large sums of money quickly, imposes the dominance of donors. When NGOs raise huge sums of money, they feel embarrassed to hold surpluses in the bank, fearing criticism from supporters for the slow use of their contributions. In a rush to spend funds, field visits are cut short, projects are planned and executed using a top-down logical framework analysis, and appraised in a hurry. These force NGOs to overlook the priorities and participation of the poor, innovation in the field, staff commitment, and honest reporting about project performance. More the NGOs procure huge funds; more they become deceptive in their roles and responsibilities.47

Factors Determining People’s Participation

The future of an NGO depends on the support it receives from the public. As most of the programmes, which are implemented by the NGOs are intended for the welfare and development of masses, their participation is essential for the success of such programmes. The following are the some of the factors which facilitate people’s participation:48

i) **Extent to which programmes are based on felt needs**: A programme can be successful only when it is based on assessment and articulation of needs by the people. For instance, a NGOs programme of popularising nutritious low cost weaning foods is likely to have limited success if this is not perceived as a need by the people.
ii) **Motivation and leadership:** The community worker should be able to enthuse and motivate the people into wanting to participate in the programme and to convince them of benefits that will accrue. He must have credibility. Democratic leadership can go a long way in promoting people’s participation.

iii) **Communication:** The community worker must communicate with the people in a medium which they can understand. As you know, different programmes and target groups would require the use of different media.

**Hindrances to people’s Participation.**

Large sections of the community do not participate in programmes which are meant to benefit them. There can be several reasons for this, they are as follows:

1. Most of the time non-participation is because the community has not been prepared sufficiently ahead of the launching of the programme and local leadership has not been involved.

2. Quite often village factionalism, rural power structures and vested interests prevent the people from joining in specially if the programme challenges the existing system because it denies social justice to the poor and is exploitative in character.

3. The bureaucracy is often another hurdle apprehending that this will imply erosion of their authority and status.

4. Illiteracy, poverty and a generally low level of awareness are other reasons.
Problems of NGOs

One of the major problems that faces NGOs is lack of resources, both financial and human. Since most of the activities undertaken by them are in the nature of extension work, they cannot become self-supporting. They are dependent for funds on the government, whose procedures are often slow and time-consuming, on foreign donor agencies and industries whose grants may not be available on regular basis. Often, voluntary agencies do not have information about the government resources earmarked for the development of the area in which they operate, nor about the methods and procedures to be adopted to avail themselves of these resources. It is, therefore, not unusual to come across a situation where, on the one hand, the voluntary agency complains of lack of funds and, on the other, the government provisions lapse for lack of suitable projects to utilise them.

NGOs have also weaknesses that include (a) limited financial and management expertise, (b) limited institutional capacity, (c) low levels of self-sustainability, (d) lack of inter-organizational coordination, (e) small scale interventions, and (f) lack of understanding of the broader socioeconomic context. Professionals from rural development, management, medicine, and allied disciplines dominate some NGOs. These professionals have desired knowledge and skills, but their attitudes towards grassroots are not unquestionable. They have deadened the activist edge of NGOs and made the NGOs cold, calculating, and 'business-like' in approach. Some other NGOs gather funds to implement projects beyond their capacity. Being close to the corridors of power and pampering the officialdom for pushing files, making deals, and failing to achieve project objectives in the field, these NGOs are near moral bankruptcy. In 1998 CAPART blacklisted 65 such NGOs and put 262 NGOs in the 'further assistance stopped' list in the state of Bihar alone.
References


