CHAPTER - II

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Introduction

The role of NGOs hailed in the development sector as third sector governance, work between local community and government to facilitate, guide, implement and follow up various activities with the primary objective of reaching local people to benefit from the programmes implemented for them. The eradication of poverty by improving life standards of the poor and dependent communities is major focus of any NGO working in developmental sector. In order to initiate development polices; and programmes for its beneficiaries, it is essential to have a broad framework. In this chapter an attempt is made to assess conceptual framework of the NGOs to act as “safe and successful” vehicles to reach the needy people. An attempt is also made to understand theoretical basis of NGOs to work for development sector. The origin of voluntarism is explained in depth along with conceptual and theoretical issues to favour NGOs, as alternative to government sector as these are non-profit oriented private organisations. This chapter also presents generational and various sustainable issues of NGOs in development sector.

2.1 Conceptual Issues of NGOs in Development Sector

NGOs have emerged as an important element of contemporary Indian society and a link between the grassroots, civil society and the state. With the
declining role of state in social welfare and social service, NGO's are increasingly gaining attention and prominence and are looked upon as alternative agencies in creating awareness and implementing development programmes in agriculture, watershed development, women empowerment, education, de-addiction, health and welfare for the upliftment of society. NGO's have a strong advocacy role that can mould the policies and practices of the government.

The contribution of NGO's in the field of welfare of the children, women, distressed and helpless is noteworthy. NGO's have an important role in the development of welfare programmes particularly in dealing with the problems of the socially and physically handicapped and vulnerable sections of the society. The activities of these NGO's are oriented towards mainly the uncared child, women, the aged, infirm and the handicapped and more so if they belong to tribal, border, backward, rural or slum areas. The subjects dealt with by these NGO's include housing, health, nutrition, education, employment and labour, culture, crime and justice, science and technology, agriculture and rural development, social welfare, social security, etc., The type of services rendered may be preventive, creative, rehabilitative and developmental in nature.

NGOs are those organisations, which possess four distinct characteristics, voluntary formation, working towards development, working with non-self serving aims and relative independence.
2.1.1 Non-Government Organisations: Operational Understanding

The concept of NGOs is of relatively recent origin, but the origin of non-governmental action is probably even older than the government action of social welfare and development. Primarily the motivation for social service seems to have been religious sentiments, where the helper or giver feels an obligation to help the needy.

NGOs are non-governmental in the sense that they are not an intrinsic part of bureaucracy. But they may be sponsored and heavily supported by the government. NGOs are also completely run without the financial or other material support from the government. The NGOs can be classified into three groups like:

Developmental NGOs that can be regarded as private organisations entirely or largely independent of government, not created for financial or material gain and addressing concerns such as social and humanitarian issues of development, individual and community welfare and well-being of the disadvantaged and poor, as well as environmental and natural resource protection, management and improvement, self-help and people's and community-based organisations formed by or around disadvantaged persons, groups and communities.

Operational NGOs can be regarded as NGOs, whose primary areas of activity are directed toward the contribution or delivery of development or
welfare services, including emergency relief and environmental protection and management. Reflecting the range of issues and interests that have emerged in development and welfare and in relation to the environment. Operational NGOs display a range of programmes, organisational structures, operational orientations and areas of operation, both programme-related and geographical. Operational NGOs exist at the local or community level, district and national levels and regional and international levels.

Advocacy NGOs work to influence the policies and practices of governments, development institutions and other actors in the development arena and the public. Advocacy NGOs more often exist at national and international levels. Some operational NGOs do focus entirely on service delivery and do not possess an analytical or advocacy base; some advocacy NGOs are oriented entirely toward activities such as policy analysis and advocacy of development processes. However, most NGOs are involved in a mix of activities.

2.1.2 NGOs: Level of Operations

NGOs with greater operational capacity can play larger roles, for example, in the identification, design and implementation of projects or components of projects, or in consultations leading toward policy and programme development.
NGOs can serve as intermediaries between governments, development agencies and other NGOs, channeling information, resources and technical support. Some international NGOs and some national NGOs have become capable in a number of roles, including provision of donor support to smaller NGOs. NGOs at every level increasingly are cooperating and collaborating in networks and consortia, sectorally and at the national and international levels. Some of the characteristics of the NGOs are given below:

- **Strength of NGOs**, particularly those operating at the field level, is their ability to form close linkages to local communities and to engender community ownership and participation in development efforts. NGOs often can respond quickly to new circumstances and can experiment with innovative approaches.

- **NGOs can identify** emerging issues and through their consultative and participatory approaches can identify and express beneficiary views that otherwise might not be heard. NGOs often are successful intermediaries between actors in the development arena, building bridges between people and communities on one-sideband governments, development institutions and donors and development agencies on the other. In an advocacy role, NGOs frequently represent issues and views important in the dynamics of the development process.
NGOs sometimes may have limited strategic perspectives and weak linkages with other actors in development. NGOs may have limited managerial and organisational capacities.

An important characteristic of the NGO sector overall is its diversity. This point is particularly important in the context of the bank's approaches to cooperation with NGOs. As noted, the term NGO is broad and describes many kinds of organisations. NGOs display diversity in aspects such as purpose, mandate, philosophy, orientation and clientele, role in development and size and scope of operations.

All NGOs network actively with individuals and organisations and have access to extensive support groups. The NGOs role is therefore principally that of activist and educator.

2.2 Voluntarism in Rural Development in India: Initiative, Innovation and Institutions

The individual urge to extend one's responsibility for social change beyond mandated or formal duties is far more pervasive than is generally assumed. However, not each individual with such an urge takes voluntary initiatives. In still fewer cases are initiatives transformed into innovations. Only rarely are innovations institutionalized in society.

Given the fact that problems of rural development in India are complex and widespread, isolated initiatives of voluntary organisations may not be able to bring about large-scale social change. There is a need for linking the
organisational space to work with needy people in the rural area. Donor agencies have also given lesser attention to developmental voluntarism than they have to NGOs in developing countries. Public and private organisations cannot sustain support to voluntary organisations in the long run without nurturing voluntarism among a minority of employees within.

A paragraph, a Sanskrit word, implies the value of non-accumulation or of not keeping anything more than is necessary for one’s minimal needs. The concepts of sacrifice and charity are also differently rooted in the Indian mind. When one gives away one’s dearest object to a needy person, the sacrifice could be considered charity. If giving away something is only for one’s own self-purity and not aimed at someone else’s well being, it is sacrifice but not charity. In contrast to this is the Western notion of giving away something that one can do without, or that one needs less, or that one has much more than one needs.

Always emphasis should be much more on voluntarism than on voluntary organisations as instruments of social change. By supporting only NGOs, agencies reduce pressure on public and market agencies for reform and self-renewal. NGOs led by managers or leaders who are often from an urban context, by their own creativity, suppress or fail to nurture the creativity of the local disadvantaged. Social change thus becomes more and more dependent on external leaders.
Rural development as part of social change is defined here as a process of expanding the decision-making horizon and extending the time frame for appraising investment and consumption choices by rural disadvantaged people collectively and not necessarily at the village level but at even higher levels of aggregation.

Voluntarism may affect any one or more subsets of the developmental triangle of access, assurance and ability of the people and thus may remain restricted in its impact. The propositions that follow deal with the way that voluntarism has been related to the process of social change in India. Given the range of experiences, it is indeed a synoptic account.

2.2.1 Process of Voluntarism

Voluntarism triggered by a natural crisis such as flood, drought, or cyclone may legitimize the entry of outsiders in a given region, but depending upon the mobilization process, NGOs that emerge in response to such crises often diversify into other areas of social development and remain community oriented rather than class oriented.

Voluntarism triggered by man-made disasters such as the Bhopal tragedy can get caught in the dilemma of legitimizing the state’s indifference by becoming part of urgent relief and rehabilitation vis-à-vis questioning the basis of the tragedy and the complicity of the state in its consequences.
Voluntarism was redefined to include sustained mobilization, the struggle for better relief, access to medical data, questioning the secretiveness of the part of the government, legal activism and questioning the right of the government to give such a low priority to the life of the poor. Voluntarism of this nature is difficult to mobilize in backward rural areas given the dispersed nature of settlements and weak social articulation, low media attention and poor networking among interventionists.

Voluntarism as manifested in the 1960s by a protest against agrarian disparities (in the form of a violent leftist movement, known as the naxalite movement) and by social reconstruction (initiatives by students, professionals in the mainstream organisations and voluntary organisations) has undergone a sea of change in the wake of recent economic liberalization.

Another stream of volunteers who entered the field of rural development came with innovative ideas for providing relief during the 1964-1966 droughts in different parts of the country. These volunteers became crucial instruments of social dynamics. The war in 1965 with a neighboring country led to a slowing down of U.S. aid to India. The search for indigenous alternatives became intense and the legitimacy of voluntarism increased.

The period between 1966 and 1972 was full of economic crises. The economic environment in the preceding decade had been aimed at the closure of the Indian economy through import substitution. Droughts, wars (1965, 1971), devaluation of currency and inflationary pressure created an
environment of social unrest in the organized and unorganized sectors. Death from starvation was supposed to have been eliminated (almost) after the drought of 1965-1967.

The Small and Marginal Farmer and Agricultural Labourer Development agencies, the Drought-Prone Area Programme and the Tribal Development and Hill Area Development plans followed. Decentralized development in the policy was accompanied by greater political centralization from 1970 to 1977. Jaya Prakash Narayan spearheaded a movement based on Gandhian values that called for total social revolution in 1973 and 1974. It attracted a large number of young people, particularly in Gujarat, Bihar and Maharashtra and many of these young people continued with voluntary work.

The government declared a state of emergency from 1975 until 1977, after a prolonged railway strike and even urban people realized for the first time the implications of a non-democratic coercive state. Voluntarism was also sought out as a sign of despicable deviance.

For the first time, professionals and young activists were offered competitive salaries in addition to autonomy for work unheard of in mainstream organisation by and large. These events were also accompanied by a change in the policy of international aid agencies, which started shifting from funding better implementation of government programmes bureaucratically to better implementation by NGOs.
A change of government in 1980 and the restoration of rule by the Congress party led to the expected withdrawal of tax concessions; the centralization of voluntarism (companies could contribute to the Prime Minister’s fund for rural development and seek fresh grants from it for action programmes); the halting of the direct transfer of funds from a commercial balance sheet to the social (less easy to account) balance sheet; the standardization of developmental programmes such as the Integrated Rural Development Programme (IRDP); the withdrawal of higher allocations to the IRDP for backward areas and putting them on par with other areas; and the merger of earlier adaptive or responsive programmes into a standardized IRDP, with credit-linked subsidy as the dominant mode of relationship.

Voluntarism in rural development in India has not been accompanied by pressure for policy change except in regard to environmental issues. Often, action at the local level has not been linked with lobbying at the macro level. Recognizing that the state and markets perform better if kept under constant check, developmental volunteers within the organisations will have to serve a sort of “insurgent” function so as to align, anonymously, with grass-root activists, NGOs and professionals. International agencies can strengthen local social change by broadening local ideas and innovations into global thinking and by providing global space for developmental volunteers to validate their hypotheses.
2.3 Theoretical bases for NGOs

Even though the role and impact of the non-governmental, not-for-profit organisations in developmental work is increasingly recognised (Rice 1983 and Masoni 1985) and even though the research interest towards them is continuously increasing the theoretical knowledge concerning the nature and role of these organisations is still not yet well developed. As pointed out by several previous scholars, the literature is full of questionable beliefs and doubtful generalisation concerning the potential merit, role and impact of these new organisations as compared to the traditional governmental agencies or private corporations.

Furthermore, what seems to be even more troublesome is the lack of theoretical interest to study in a comprehensive and systematic way, these organisations, their various typology, functions and rationalities, their networks and their complex interactions within themselves and with other organisations working in the field of Third World development. This type of research should be based both on theoretical thinking and empirical analyses. Although several important steps toward more comprehensive and more theoretically motivated knowledge have recently been taken (Anheier 1990; Korten 1990 and Smillie 1995), the current state of knowledge is still not satisfactory. More effort is needed to:

- collect both empirical and theoretical information on NGOs,
- systematise and scrutinise this information,
- find its strengths and weaknesses and fill the gaps,
theories, i.e., to create frameworks, models and hypothesis based on the available information,
evaluate and test this emerging knowledge and
refine the theories, models and frameworks so as to gain an even greater theoretical understanding of the subject matter.

Without more profound efforts towards theoretically oriented, systematic and comprehensive research, there is no reason to expect any dramatic change in the current lack of theoretical knowledge concerning NGOs in Third World development. And without this knowledge it is more likely that we, as persons both in North and South, will continue to fail or, at least, we will continue to miss important opportunities in our attempt to understand and manage the increasingly complex networks of development co-operation.

2.3.1 Emergence of NGOs: Theoretical Framework

The twentieth century has become the century of organisations. Reichard (1988) thinks modern organisations normally have four variables for the basis of organisations. They are means rationality, formality, solidarity and type of exchange. Third sector organisations tend to be characterized by lower degrees of means rationality and formality and higher degree of solidarity and direct exchange (Seibel & Anheier, 1990). However, it would be curious to know the reasons and the theoretical understanding behind the existence of NGOs the roles to undertake development responsibility of the society. There are different schools of thought to explain the emergence of NGOs and their
roles. Many of them are borrowed from economic theories that NGOs are considered as an institutional response due to the failure of state and market.

According to public goods theory or the ‘performance failure theory’, NGOs exist to satisfy the residual unsatisfied demand for public goods in society. Weispond (1977) argues that people construct or form their alternative organisations (i.e., people’s organisation or NGOs) when the government of the market could not fulfill the demand of public goods for all the people or serve all the interests at least at the minimum level. This situation arises if the social values or the interests are more diverse and heterogeneous. In such a case people should have instinct and awareness about the role of the organisation. Brown and Korten also hold similar views and said, “a widely recognised failure of large-scale government bureaucracies is their inflexibility and conservatism”. This political form of state failure creates a situation in which NGOs emerge as innovative responses to novel problems, because of their activities for experimentation and flexibility” (Brown & Korten 1991). However, Doglus (1987) thinks that NGOs arise as a response to a situation where people are sovereign but diverse-with competing and sometimes-contradictory wishes. This theory stipulates that where there are many competing and contradictory wills; a great number of NGOs will eventually grow to meet and institutionalise this social diversity.

On the other hand, in a situation of the government failure/market failure, the unsatisfied demand for public goods left by such failure calls for the
emergence of non-profit organisations, which are social entrepreneurs. Such organisations could fulfill unsatisfied needs such as education or health services. James (1987) argues that the more heterogeneous a society, the more conductive it becomes for creating a larger number of NGOs.

Another influential and related theory is the contract failure theory. When people find it difficult to perceive the sense of contract, they have to find reliable agents to fulfill their needs. Therefore, ‘non-profit organisations could be more reliable or ‘trusted agents’ work as contract agents between the people and the commercial firms. As commercial firms could take more/undue benefits from the consumer’s ignorance, in such a situation the voluntary organisation could be helpful to the people. Brown and Korten argue that organisations might come into existence to remedy in case of ‘market failure’ situations because markets tend to be ‘especially vulnerable to failure in developing countries’ (Brown & Korten, 1991). In such cases NGOs could emerge because people trust them more than the profit organisation.

Esmen and Uphoff argue that NGOs play the role of local intermediaries to fulfill the ‘organisational gap’. According to this model, a local intermediary mobilizes people to participate in government-initiated programmes. NGOs could be a potentially effective medium, which could be utilized in delivering services to the rural areas of developing countries. In this way, NGOs are taken as an alternative institutional framework through which the rural poor and
socially disadvantaged groups are served better than the traditional bureaucratic mechanisms (Esman & Uphoff 1984).

The relationship between the state and the NGO could have both ‘conflicting’ and ‘interdependence’ and ‘partnership’. In case of sharing expertise, experiences and resources, there could be a situation of complementing one another. There could be a situation of ‘voluntary failure’ for meeting the public needs which include ‘philanthropic insufficiency’ for generating voluntary resources to scale up their functions and ‘philanthropic paternalism’ an absence of self-reliance (Salamon & Anheier 1998). Under such situation the ‘theory of interdependence’ or the ‘partnership theory’ apply to emerge NGOs as the partners (Salamon 1987). In such situations non-profit organisation could not be alternatives to the state in the provision of public goods, but rather the state and the non-profit sector could grow in parallel and even in co-operation with each other for expansion of public goods and to work hand in hand.

The other theoretical consideration is the social origin approach to understanding the development of the non-profit sector (Salamon & Anheier, 1996). According to this approach, the non-profit organisation is deeply embedded in the social, economic and political dynamics of different societies and the emergence of non-profit organisations is rooted in the broader structure of class and social grouping in a society. There could be four models of non-profit organisation activities, such as:
- a statistic model characterized by limited state activity and a weak non-profit sector,
- a liberal model characterized by limited state activity but a strong non-profit sector,
- a social democratic model characterized by expanded state involvement in social welfare activity and limited non-profit involvement and
- a corporatist or partnership model in which both the state and the non-profit sectors are actively involved in societal problem solving, often in co-operation with each other (Salamon & Anheier, 1998). This theory explains the socio-economic and political environments that often determine the scope, role and expansion for the non-profit or the NGO sector.

2.3.2 NGOs: Theories of Origin

Whereas the contextual factors explain the genesis of voluntary organisations in particular societies at specific time periods, theories of the origins of voluntary association help explain this phenomenon on a different plane.

Western scholars have put forward several theories regarding the origins of the voluntary sector. The disciplines from which, they emanate range from economics and political economy to sociology, political science and
anthropology. The theories are partial in that they are not in compatible with one another.

The contract failure theory, an economy theory, explains why particular kinds of goods are produced by voluntary rather than by the private sector. It argues that when consumers feel unable to evaluate accurately the adequacy or quality of goods, they choose Voluntary Organisations as suppliers rather than profit-making firms. Consumers distrust for-profit firms for such goods because the manager of a for-profit firm may supply inferior quality goods and pocket the additional earnings thus made.

The opportunity to do so does not exist for managers of non-profit concerns as law from garnering the extra profit forbids them. An enlightened consumer thus protects his interests by sponsoring voluntary associations.

The theory as it is formulated does not appear applicable to the Indian situation since in India most voluntary organisations are set up to meet the needs of the vulnerable and those who cannot protect their interests and to deliver merit goods. A modern welfare state is expected to provide them, but India has failed to do so. The reasons for failure are many; (1) the state lacks resources. Therefore, voluntary associations frequently supplement the supply of such goods, e.g., health care (2) often-negligent public servants fail to perform their duty even when they have no material gains to derive from this of course and there are corrupt officials who can and do subvert enacted policies and reap unauthorised profits from them. In either case, those who are too weak
to assert their rights are left out. Third, the weak and the vulnerable often do not know how to access merit goods; sometimes they even have to be convinced of their benefits. These are the tasks that typically a voluntary organisation is set up by the organisers to address this shortcoming of the public system.

The second economic theory, the subsidy theory, argues that non-profit organisations benefit from a variety of implicit and explicit subsidies, such as exemption from taxes. Thus a part of the financial burden shifts to the government, a prospect that acts as an incentive for setting up a voluntary association.

The theory seems particularly applicable to the Indian situation since voluntary organisations often obtain even their initial funds either from the government or foreign funding agencies. This theory explains the phenomenal growth in the number of voluntary organisations as a result of the abundant availability of funds, both foreign and domestic (mainly government), which began to characterize the voluntary scene from the late 1960s onwards.

The exchange theory offers yet another way of understanding voluntary associations. It views a voluntary association as a benefit exchange; the group organizer offers a set of benefits to the members and receives benefits in return. To join and continue as a member, one may have to pay a subscription, attend meetings, etc. These are the costs a member has to bear to receive the benefits. The organizer, on his part, has to devote time and energy to recruit members
and to obtain and deliver benefits to retain them. The organiser’s benefits may take the form of fulfillment of much-cherished goods or monetary compensation.

The benefits that either party receives could be material, solider, or purposive. This theory conceives the organiser as a political entrepreneur. In exchange, the leaders receive returns (i.e., profits). Only a mutually satisfactory exchange—an adequate flow of benefits both to members and organiser can sustain the organisation. The organiser must earn sufficient returns in the form of membership support to enable him to continue his work of providing the benefits. When benefits of profits diminish or disappear the organisation weakens or closes down. This theory offers a framework for understanding why some organisations thrive and others wither away. The benefit exchange perspective also affords a more balanced view of organisation and particularly of the organiser’s (entrepreneur); he needs to be seen neither as a pure altruist nor as a cross opportunist, but rather as a rational person. These theories lend a fresh perspective on voluntary associations.

2.4 NGOs in Development Sector: Role and Importance

One of the major reasons for the increasing use of NGOs in developmental activities is to find an alternative and better channel for development aid in Third World countries. The aim of this search is to pluralise the actors or stakeholders involved in development activities so that the ‘poorest of the poor’ could be reached more effectively, by bypassing the
oligarchic state structure of most of the developing countries. Thus
disappointment with hand criticism of public sector performance, in both donor
and recipient countries, has had an important impact on this development.
From a more general perspective, the issue is also related to the continuously
decreasing environment of Third World development, characterised by recurrent
economic crises, population growth, environmental degradation, poor
agricultural and industrial production, growing corruption, bureaucratic
complexities, inadequate policies, lack of democratic exercise in domestic
politics and the politics of debt crisis in developing countries. As a reaction to
this general context, the western donor countries and agencies are seeking
better ways to implement their policies by considering the comparative
advantages and disadvantages of the organisations that are involved in this
process.

As already pointed out, disappointment with public sector performance
has played an important role in recent developments. While public sector
activities continue to be heavily criticised for having contributed much to the
present problematic situation in many developing countries, NGOs are
receiving much credit and gaining a greater status in development work.
Whereas disappointment with official government programmes and projects is
growing, the non-governmental, not-for-profit organisations have gained such
prominence that development transfers through these types of organisations
have become more or less obvious from the donors’ point of view.
In contrast to official development agencies, the non-governmental, not-for-profit organisations are believed to have fewer overhead costs, to rely less on bureaucratic procedures and to be less subject to political constraints. Furthermore, it is believed that the NGO-led projects are innovative, participatory, flexible, better directed and more reflective of the needs of the poor in Third World societies.

2.4.1 NGOs: Instrumental Organisation in Development Sector

In his impressive and thorough analysis, Helmut Anheier (1990) argues that there are actually four basic arguments in favour of the comparative advantage of NGOs in Third World development. These are the social, economic, political and cultural arguments: The social argument comprises the idea that NGOs try to stimulate the participation of the poor and are able to reach those strata of disadvantaged Third World societies that are bypassed by public service delivery systems. This argument attaches greater social equity to private voluntary efforts than to the public sector. Because of shortages of public funds combined with cultural and social access problems, disadvantaged populations are difficult to reach by conventional service systems a problem, which is amplified by elite influences on governmental decision making. Thus, NGOs are in a better position to reach the poor and the disadvantaged.

The economic argument claims that NGOs are able to carry out services more economically than governments. In addition, as they are not seeking profits out of their actions, they usually aim at self-reliance and self-
sufficiency. Just as the social argument refers to equity, the economic argument addresses the greater efficiency of NGOs. Their efficiency could be a guarantee of their operational sustainability and credibility to the donors. Greater efficiency of NGOs is largely based on a major cost advantage, which is related to both lower labour costs and incomplete pricing, i.e., not making provisions for depreciation, relying on voluntary local inputs, not including transaction costs, etc. Moreover, according to this type of argument, failures with NGO-led projects (as compared to failures with government-led ones) have much less impact on the economy as a whole, since nearly all NGO-led development projects are designed and implemented at the micro level. Governments, on the other hand, are often working at the macro level.

The political argument suggests that NGOs are relatively immune from changing political tides, while government policies and agencies are subject to unexpected change. An extension of the political argument refers to the ‘hidden agenda’ and ultimately political motivation of official development assistance if we consider aid as a political tool in global politics. By using NGOs as local and international operators, the problems with hidden agenda can be better dealt with. Thus, in general, NGOs are believed to be more ‘honest’ and less guided by political considerations. Finally, the cultural argument stipulates that NGOs, embedded in the local culture, are more sensitive to local needs and their articulation. Rather than replacing indigenous social structures by large-scale organisations, NGOs try to nurture local organisations within their own cultural context.
Even though many of the above-mentioned arguments are often repeated in the recent NGO- and development aid literature, it should be stressed that there is actually very little or no clear or systematic empirical evidence for or against these claims. Case by case, some of these claims may be true and some of them may be false. But mostly they are based purely on general assumptions, expectations, feelings and beliefs. This lack of systematic evidence has also been recognised more and more often in the recent literature (Anheier 1990; UNDP 1993).

2.5 NGOs as ‘Non-Governmental’ Organisations

When the descriptions ‘non-governmental’ or ‘non-governmental organisation’ are used, the emphasis is on the difference between governmental and non-governmental sectors, organisations and activities. The hidden implication is that the core identity for the emerging, new organisations is their being separate from the ‘government’, ‘governmental, or ‘governmental agencies’. Given that the term ‘non-governmental’ defines a residual category in the broadest sense all organisations that are not considered as ‘governmental’ it is not surprising that a wide variety of organisations can be so classified. Thus there are actually several different areas (or breaking points) where the description ‘non-governmental’ may cause uncertainty and lead readers in a wrong or unintended direction.

When think about the extension of the concept ‘non governmental’, how should we consider for example private firms, foundations and governmental
corporations; and what about intergovernmental organisations, organisations belonging indirectly to public administration, or quasi-non-governmental organisations? Should these organisations be classified as ‘non-governmental’, ‘governmental’, or what? And what about the intention of the concept: What are the specific attributes that define various organisations as either ‘governmental’ or ‘non-governmental’? Is it their economic, legal, political, or administrative independence from the government that makes these organisations nongovernmental? Or is it something else? In the literature these types of questions are sometimes asked, but hardly ever answered.

To take just one concrete example, in both ordinary language usage and in most organisational theory literature, private, for-profit organisations are often considered as part of ‘non-governmental’ organisations. However, in developmental literature this is hardly ever the case. We believe that this is based mainly on historical reasons: In the developmental context, non-governmental organisations are typically understood not as a second category between governmental and nongovernmental, but rather as a third category of organisations between the public and private, between the government and corporate, or more lately between State and market.

The historical development leading to this somewhat strange conception can be easily understood: as already indicated, in the early days of official development co-operation, governmentally funded development projects were usually implemented by the governments in Third World countries. When
modern non-governmental, not-for-profit organisations emerged and started gaining wider recognition, they were understood as important alternatives to government-based developmental activities. In this situation, the developmental activists started calling these new alternatives ‘non-governmental’. The apparent intention was to stress the difference between the ‘traditional’, increasingly criticised government-run developmental work and the emerging, new organisational forms.

At first this categorisation was probably quite useful, especially in order to promote the use of these new organisations (Brown 1990). The indication was that the new non-governmental organisations are everything that governmental agencies were not: they are effective, non-bureaucratic, flexible, innovative, non-corrupted, non-politicised, participatory and more reflective of the needs of the poor. As pointed out by David Brown (1990) this is also about how NGOs and NGO activists mostly see themselves. Thus, in the context of Third World development, the term ‘non-governmental organisation’ became accepted as a proper and useful description for this emerging group of organisations. Later on, as the diversity and complexity of the NGO field became more obvious and when problems related with this initial dichotomy conception became understood, it was already too late to change the language. The term ‘non-governmental organisation’ was already accepted as a true description of the new type of organisations.
2.5.1 NGOs as ‘Private Voluntary’ Organisations

Another way to conceptualise the core meaning of the ‘emerging’, ‘new’ non-governmental and not-for-profit organisations in the context of Third World development is to understand them as private voluntary organisations. This conceptualisation is common in the U.S.A., where the term PVO is used largely as a synonym for NGO (Korten 1990, Smillie 1995). When the description ‘private voluntary’ is used, the emphasis is first on the fact that we are thinking about private instead of public sector organisations. As there are apparently several types of private sector organisations, the qualifier ‘voluntary’ is used in order to differentiate the intended category from other types of private organisations.

From the theoretical point of view, this conceptualisation may at first seem to be useful. At least the target is now positively identified and not just a residual. But what is the meaning of this qualifier? In which way are these organisations ‘voluntary’? Are we, for example, thinking about organisations that are legally organised as associations i.e., are legally described as voluntary associations; or

- funded by voluntary contributions; or

- based on voluntary labour e.g., members working without pay for their organisations?

As pointed out by Kalimullah (1990), non-governmental, nonprofit organisations are often called PVOs, although in practice most of the PVO
workers receive payments for their duties. And in practice, in many cases PVO workers are getting higher salaries than the workers in public organisations in Third World countries. This will easily create confusion, at least as far as we are thinking of ‘voluntary’ as ‘members working without pay’. Furthermore, it can be pointed out that many of the so-called PVOs are financially much more dependent on government than on voluntary contributions from private citizens or organisations. Thus, in practice, they are often more like governmental contractors or governmental service providers.

The weakness of ‘voluntary’ as a meaningful qualifier can be further demonstrated by the description given by Lester M. Salamon and Helmut K. Anheier. They considered ‘voluntary’ as one of the key attributes of non-profit organisations. Unfortunately, voluntary seems to mean almost anything. According to their definition, voluntary means.

Involving some meaningful degree of voluntary participation, either in the actual conduct of the agency's activities or in the management of its affairs. This does not mean that all or most of the income of an organisation must come from voluntary contributions, or that most of its staff must be volunteers. The presence of some voluntary input even if only a voluntary board of directors, suffices to qualify an organisation as in some sense ‘voluntary’ (Salamon & Anheier 1996).

In the recent discussion also the term private voluntary development organisations (PVDOs) has emerged. This term and the conceptualization may
be useful, as it makes a clear distinction between the developmental organisations and others like it, for example those that are not working for development. On the other hand, the term PVDOs has not solved the problem with the qualifier ‘voluntary’. It is still confusing: in which way are these organisations voluntary and who are the volunteers?

2.5.2 NGOs as ‘Non-Profit’ Organisations

In many academic publications ‘emerging’, non-governmental and not-for-profit organisations have been also identified as non-profit organisations (NPOs). Here the emphasis is on the fundamental distinction between nonprofit seeking and profit-seeking activities. Not surprisingly, even the qualifier ‘non-profit’ may lead us in the wrong direction, because some of the NPOs are heavily engaged in producing and selling different products. The most obvious and interesting cases are the so-called ‘Third World shops’, on the one hand and the ‘income generating projects’ on the other.

The marketing of Third World products in ‘Third World shops’ is well known in western countries. There are actually several types of these shops. For example, quite a number of organisations are engaged in selling handicrafts from developing countries and in some cases they are selling second-hand materials in Western markets, just like ‘professional’ shops. Maybe some of their workers do not take any payment for their work in these shops, but some do. By sending the profit back to the partner organisations in Third World countries, Third World shops support and fund their development projects.
Thus, for them being ‘not-for-profit oriented’ does not mean that they would not seek profit from their customers in the developed countries; but rather, that they will distribute the accumulated profits back to their beneficiaries in the developing countries.

In addition to the Third World shops, many of the ‘emerging’ nongovernmental organisations in Third World countries, are strongly engaged in business and are even competing with private business companies with their ‘income generating projects’. This also shows the problems and limitations in employing the term NPOs. Furthermore, we should point out that most of the public organisations are not making profit with their activities. Consider, for example, public schools and hospitals.

Thus, we must ask what is ‘non-profit’ or ‘non-profit-seeking’. In their recent book on non-profit organisations, Salamon and Anheier (1996) have tried to differentiate non-profit organisations from private business sector organisations. Their basic argument is that organisations are not-for-profit if they are not returning the profits they have generated to their owners or directors. Thus, non-profit organisations may accumulate profits in a given year, but the profits must be ploughed back into the basic mission of the agency and should not be distributed to the organisation's ‘owners’ or its governing board. According to Salamon and Anheier, in this sense, non-profit organisations are private organisations. They do not exist primarily to generate profits. Rather they have some ‘public’ purpose and are not primarily
commercial in operation and purpose. Would this not mean that, for example, co-operatives would probably not be considered 'non-profit' organisations?

To complicate the situation even further, we can point out that some scholars (Gidron, Kramer & Salamon 1992) have recently suggested that for comparative work, the term 'non-profit' is far less useful than we may first assume. For one thing, many non-profit organisations do earn profits, though the profits do not accrue to the benefit of the organisation's owners, as is the case with business enterprises. For another, tax laws and the definition of 'profit' differ widely in different countries. For example, American non-profits are taxed on so-called unrelated business income that would be treated as entirely appropriate and completely tax-exempt in many European countries. For these and other reasons, they argue, it may be more useful to refer to this set of organisations as the 'third sector', rather than the voluntary or non-profit sector.

2.6 NGOs as Civil Society

Civil Society (also called the Third Sector) is that part of a triangular definition of society that sees a First Sector as the Government (also containing the Armed Forces) and the Second Sector as Business. The definition used by UNDP is gaining increasing popularity: “Civil society is, together with the State and the market, one of the three "spheres" that interface in the making of democratic societies. Civil society is the sphere in which social movements become organised. The organisation of civil society, which represents many
diverse and sometimes contradictory social interests, are shaped to fit their social base, constituency, thematic orientations and types of activities”.

The First Sector (the Government - or the Prince) is basically motivated by the desire to govern or rule. Its resources are state property and the laws and the taxes, which it can enforce by coercion and control (backed up if necessary by the use of violence). The second sector, (business) has motivated by making a profit and its resources are private property, which it trades and exchanges.

The Third Sector (Citizens, or Civil Society) is motivated by the desire of people in association to work together to change things and its resources are the time, energy and resources of its members; or the time, energy and resources that are gifted to it by others who share their values and their commitment to action based on those values. These differences are boldly drawn and blunt, but are an attempt to get to the basic differences between the natures of the three sectors. Obviously some people in a government may be motivated by the desire to change things, but the distinguishing characteristic of government is to rule. Obviously some people in business operate for a part of their lives as citizens, but the distinguishing characteristic of business is to make profits. Civil Society Organisation's distinguishing characteristic is to associate with others to take action on the basis of shared values. As we will see later, sometimes Civil Society Organisation find them assuming some of the characteristics of the other two sectors and this is when problems often arise.
Equally in Civil Society there are opposing civil society organisation - like those, for instance, who are for and against abortion, those who are for and against gun-control and those who are for and against genetic manipulation. In some cases those who attack civil society organisation as being corrupt or fraudulent are doing so principally because they disagree with them, or disagree with what they are doing. CSOs, which attack corruption in a particular government, for instance, may be seen not as people who are against corruption, but as people who are against that particular government.

2.7 Examining NGO as an Alternative Institution

Why do NGOs exist, what decides the distribution of functions between the state and the NGOs or between different sectors in society and whether they represent a better option can be the central philosophical questions for studying the NGO phenomenon?

Brown argues, that despite some similarities with other public or profit making organisations. NGDOs have four specific characteristics, which produce special strengths and weaknesses. Such positive characteristics are missions that focus on social change, shared values and ideologies, instituted loosely and informally which allow flexibility for innovation and local adaptation and can work with diverse stakeholders (Brown, 1988). Brown also describes five problems such as ‘leadership dilemmas’, ‘organisational cohesion’, ‘diverse external demands’ and the tendency to interpret issues in terms of ‘values and ideologies’ that often are faced by these sectors (Brown,
The diversity in NGO functions and relations with government and private organisations also complicate the role of NGO ‘what is’ and ‘what to be done’ as voluntary association has become a matter of debate.

Due to the limited political accountability, inefficient allocation of resources and urban syndrome development practices, public-sector organisations often become ineffective particularly in developing countries. Over-politicization of bureaucracy, lack of proper skills and massive corruption reinforce dysfunction in administration, which led to the emergence of NGOs.

The role of NGOs in accelerating the pace of development and strengthening democracy is crucial in developing countries. In the changed political context, NGOs are expected to function as catalysts, as mobilisers, facilitators, analysts and advocates of the people. As people get more opportunities in democracy for the attainment of self-governance, self-reliance and sustainable development, their organised efforts could play a crucial role in furthering democracy also. Such roles become crucial because of their interdependence of local organisations and institutions, their functional specialization, their accountability to the people, etc. This could demand people’s own initiatives to solve their problems. In this way people could create their organisations as people’s organisations or NGOs.

The other role of NGO is related to the resource transfer from government to NGOs and also from donor countries/agencies to developing countries. A change in the funding strategy of the major donor agencies like the
World Bank for reducing the state role and increasing the space of NGOs in the 1980s and also establishment of a ‘New Policy Agenda’ for development helped create and increasing the number of NGOs for poverty alleviation and also in social welfare activities (Robinson, 1993; Tvedt, 1998, Vuorela, Airaksinen & Ulvila 1996: Edwards & Hulme, 1996). Many governments in developing countries also encourage NGOs work as development partners and as agents of resource transfer from the donor agencies.

A change in the political system in the Eastern European countries and disintegration of Soviet Union has also added the new role of NGO and civil societies to the alternative model of development. During the turn of the 20th century, there was ongoing debate on the redefinition of the relationship between society and state, where NGOs are playing a mobilizing and catalyzing role. In this context Tvetdt argues that the role of NGOs should not be confined only as ‘gap-fillers’ but “to substitute the state in key aspects of societal development” and also should have a “crucial role in creating a more just and democratic development” (Tvetd, 1998). As NGOs have grassroots attachment, flexible programming, cost effectiveness in implementing their activities and manageable size, they can implement social development programmes such as poverty alleviation, women empowerment and community development easily. In this context the role of NGO could be important for furthering human rights, social mobilization, good governance and promoting pluralism.
Aminuzzaman also presents three major roles that NGOs can play which are also a little bit similar to Tvedt’s arguments. According to him the NGOs’ role should be in the area of ‘creating democratic pluralist civil society’, ‘poverty alleviators and sustainable developers’ and ‘efficiency enhances’. He argues as the NGOs work with communities to faster development activities and rising democratic consciousness, they can help democracy. As a democratic development role, NGOs can strengthen civil society, encourage political participation on a micro-level, balance state power, advocate on development discourse, address the needs of society, motivate for citizenry power, promote pluralism and establish mechanisms for government to become accountable. As the poverty alleviators and sustainable developers NGOs can help the poor and disadvantaged by making direct contacts with the target groups at the grassroots (Korten 1987). The citizens of the clients have to contact public office (s) if they want some sort of services while in case of NGOs their staff should reach the doorsteps to deliver their services. It enhances the efficiency for the effective service delivery mechanism at the doorsteps more directly. As they are collaborators of the government they can also influence the policy advocacy and also by good relation.

About the role of the NGOs, Brown and Korten argue that the cooperative advantage of NGOs lies in their ability to innovate, to adapt to local conditions and to reach and to work with the poor. These positive features are the functions of their basic values, special skills, small size, limited resources, flexibility and freedom form political constraints. However, the
weaknesses could be their value commitments, small size, independence and administrative flexibility (Brown & Korten, 1991). They argue for the role of NGO in the political lenses and the donor perspectives. According to the political perspective, NGOs can play as ‘gap fillers’ in a situation of ‘government failure’. But NGOs ‘role could be most important in ‘social diversity’ and also for ‘experimentation and flexibility’. In the situation of social diversity, they argue that NGOs can engage in ‘policy advocacy and political action’ to accommodate the ‘competing and sometimes contradictory wills’ (Brown & Korten, 1991). Apart from this, they can work as social experimentation, which could result in greater values, which the government could not undertake due to the political risk. From the donor’s perspective, concern about the NGOs’ role for economic efficiency and incentives. The authors conclude that the political and institutional role of NGOs is more important than the economic roles.

Korten notes, “Many voices must be heard in shaping the directions of a nation’s development and NGOs have ever right—indeed; the obligation, to give voice to their values and experience. It is also significant that NGOs are often the most active society’s institutions in helping the poor to achieve a voice of their own” (Korten, 1987).

NGOs can also be looked from sector perspectives. Brown and Korten (1991) classify NGOs as a separate organisational sector other than government and private organisations. These organisations represent a distinct class of
organisations that depend on energy and resources given freely by their members and supporters because they believe in organisational missions, not merely because of political imperatives or economic incentives. Among these three sectors, mobilization of resources and their operating systems mostly depend concern and legitimate authority in hierarchical systems in the public sector organisation. The business sector relies on negotiated exchange in market systems whereas the voluntary sector believes in shared values in consensus-based systems (Table 2.1).

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Commercial sector</th>
<th>Government sector</th>
<th>Voluntary sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Primary concern</td>
<td>Produce goods and services</td>
<td>Preserve social order</td>
<td>Actualize social vision</td>
</tr>
<tr>
<td>2</td>
<td>Implicit organisation</td>
<td>Market</td>
<td>Hierarchies</td>
<td>Clan / consensus</td>
</tr>
<tr>
<td>3</td>
<td>Coordination mechanisms</td>
<td>Negotiated exchange</td>
<td>Authority and coercion</td>
<td>Shared values</td>
</tr>
<tr>
<td>4</td>
<td>Enforcement mechanisms</td>
<td>Contracts and reciprocity norms</td>
<td>Supervision and rules</td>
<td>Moral obligations; professional ethics</td>
</tr>
<tr>
<td>5</td>
<td>Prototype</td>
<td>Corporation</td>
<td>Army</td>
<td>Church</td>
</tr>
</tbody>
</table>

Source: Brown and Korten, 1991

As the voluntary sector actualises social vision, the sector gets more support from the people to implement activities for the welfare of the people. The immediate progress, as well as the long-term influence of NGOs as social movement, depends first and foremost on the build-up of their organisational capacity. This will require strengthening the many fragile and weak NGOs that risk disappearing without a trace and reinforcing their internal organisation,
improving their accountability mechanisms both to their own membership and to the public at large.

2.7.1 NGOs generational issues

Korten also presented generation strategies of the NGOs, their roles, problems of definition and development orientation according to the different phases. This generation strategies concept gives knowledge of how the role and functions of NGOs change over a period of time. (Table 2.2)

<table>
<thead>
<tr>
<th>Issues</th>
<th>First Generation relief and welfare</th>
<th>Second Generation community development</th>
<th>Third Generation sustainable system development</th>
<th>Fourth Generation people’s movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem definition</td>
<td>Shortage</td>
<td>Local inertia</td>
<td>Institutional and policy constraints</td>
<td>Inadequate mobilizing vision</td>
</tr>
<tr>
<td>Time frame</td>
<td>Immediate</td>
<td>Project life</td>
<td>Ten of twenty years</td>
<td>Indefinite future</td>
</tr>
<tr>
<td>Scope</td>
<td>Individual or family</td>
<td>Neighbour or village</td>
<td>Religion or nation</td>
<td>National or global</td>
</tr>
<tr>
<td>Chief actor</td>
<td>NGO</td>
<td>NGO plus community</td>
<td>All relevant public and private institutions</td>
<td>Loosely defined networks of people and organisation</td>
</tr>
<tr>
<td>NGO Role</td>
<td>Doer</td>
<td>Mobilize</td>
<td>Catalyst</td>
<td>Activist/ Educator</td>
</tr>
<tr>
<td>Management orientation</td>
<td>Logistic management</td>
<td>Project management</td>
<td>Strategic management</td>
<td>Coalescing and energizing self managing networks</td>
</tr>
<tr>
<td>Development education</td>
<td>Starving children</td>
<td>Community self help</td>
<td>Constraining policies and institutions</td>
<td>Spacious earth</td>
</tr>
</tbody>
</table>


The first generation strategies involve NGOs in the direct and immediate delivery of goods and services such as food, health care, or shelter and relief materials to the victims of wars and natural calamities, starving children, and other needy people in the society. The role of NGOs in this generation is active and supply oriented as they work as “doer”. Due to their quick service delivery they can provide immediate services in the crisis periods.
In second-generation strategies, NGOs work in co-operative ways with the local community to manage community self-help projects. Here, the role of NGO is as mobilisers of the local community for the management of human and material resources for the community welfare. This strategy assumes that self-reliance is necessary for grassroots development. As self-help is main thrust of development, the local community can define their problems more correctly and utilize their resources to get benefits.

The third generation strategies have a broader orientation, as they look beyond individual communities and seek changes in specific policies and institutions at local, national and global levels. These strategies focus on institutional and policy constraints that create problems for sustainable development. Here, the role of NGO becomes a catalyst and gives its concerns on strategic management. Both public and private institutions are collaborated with as and when necessary for developing appropriate policies and institutions to facilitate sustainable local development and control over local resources.

The fourth generation strategies focus on people’s movement towards the inadequacy mobilisation of vision. In this generation the scope of functions of the NGOs becomes more pervasive and broad, covering everything form national to global horizons. NGOs role becomes as activist and educators and loosely defined networks of people and organisations are the principal actors and rely on self-management network. However, development NGOs in many parts of the world have not become revolutionary, but market oriented.
In this way the generation concept provides a notions that NGOs can play creative and active roles for short-term, medium-term and long-term up to the indefinite time as doer, mobilize, catalyst and activist for the welfare of the people and the society at the local, national and global level.

Despite the above roles and capacities behind NGOs, they also suffer from limitations, which make them difficult to implement their missions and visions. Due to short-term orientation and subject to the relation with the government they often face difficulties in playing effective roles. Recent evaluation of NGOs has also brought out some deficiencies such as limited reliability, limited self-sustainability, limited technical capacity and lack of broad programming context in the manner of their working. Furthermore, NGOs are also often lost in self-admiration. Although they do have strengths for which they are acclaimed, nevertheless, in the face of pervasive poverty ‘small scale’ can also mean ‘insignificant’; ‘politically independent’ can also mean ‘powerless’ or ‘disconnected’. ‘Low cost’ can mean ‘under financed’ or ‘poor quality’.

The role of NGOs is also severely criticized by leftist writers. According to them, the NGO movement creates problems for the revolution because NGOs are promoting capitalism, supporting government, strengthening governance systems and destroying morals and ethics of political activists by providing special benefits and bribing them. Similarly, foreign funding runs most of the NGOs in the developing countries, which makes them mover
dependent. Through this means, neo-colonialism has been emerging for controlling developing countries. The interest of transferring resources through NGOs has also viewed as market expansion and political control over developing countries. Questions regarding NGOs in developing countries have also raised concerns about the transparency and accountability of the NGOs and the efficient use of resources. Because of external funding, the local indigenous resource mobilization systems, voluntary systems and local cooperation systems have also been broken and one of the prime reasons of killing the indigenous organisations in the development countries has been the external funding of the NGOs.

Some of the rightists think that as the NGOs have been provided tax exemptions, subsidies and other forms of political concessions, there is a problem in the growth of market economy, which hinders the faster development of the country.

NGOs could be a better institutional option and can be viewed both from macro and micro perspectives. In a macro role, NGOs can influence the broader policy agenda about development models, resource transfers and furthering the democratic process. According to the micro perspective their role should be viewed on operational roles of the grassroots level programmes and activities and the delivery of services for the poor and under-privileged. The operational roles can be analysed on its effectiveness and efficiency in mobilizing local resources and generating awareness, including innovative
local technologies, which can support the livelihood improvement of a poor society.

2.8 Perspectives on the Development Roles of NGOs

NGOs have undertaken a variety of development activities in India and in other countries. For example, NGOs may undertake programmes to provide relief in disaster areas, services such as education and health in remote and impoverished areas, community organizing for local problem-solving and self-reliance, coalition-building and advocacy to press grassroots claims on government services, or support activities such as research, training and technical assistance to grassroots populations. Some NGOs undertake several activities, but most specialize in one or two, so it is often convenient to classify them by the type of activity that dominates their work.

Too much emphasis on NGO activities, however, can obscure a more fundamental difference that shapes how governments and donors conceive NGO roles in development and by implication the purposes of supporting them. One perspective conceives of NGOs as contributing to development by extending government services. The other perspective sees NGOs as promoting development by catalyzing local innovation and capacity building. The two perspectives have quite different institutional assumptions, development goals and criteria for success.
2.9 NGOs and Rural Development

The Government Rural development thrust with involvement and collaboration of voluntary organisation has opened up, a new area of natural trust and Co-operation. Mostly great individuals and organisations including religious institutions initiated voluntary efforts for rural development. The fact that about 300 million Indians are on or below poverty line needs systematic delivery of development package and voluntary agencies have been playing significant roles in this regard.

Development simply mean to grow bigger, the growth must be proportionate and hence, an all-round development must be attempted to. For achieving this, hurdles are to be overridden. Besides poverty, several economic and social ills are deep-rooted in rural structure. They are sensitive and hence should be handled with care. Government by itself cannot bring about a change in the attitude of our people in accepting the development activities; voluntary organisations have a great role in co-ordinating with the Government in our country, especially while socio-economic aspects are involved.

In the formulation and implementation of development programmes voluntary agencies continue to play a vital role. Various rural reconstruction programmes have been successfully carried out by voluntary organisations since independence in our country. This has been possible largely because of their understanding of the local needs, problems and resources, their capacity to involve local people and secure their co-operation and participation and their
desire to experiment with new programmes, strategies and approaches for rural
development without increasing large expenditure.

2.9.1 Economic Liberalisation and NGOs

Among of the most important factors affecting poverty do the
governments pursue the economic policies and practices? There is a fairly
broad consensus among governments, NGOs and businesses that economic
growth is a necessary condition for alleviating absolute poverty. However,
many studies show that without redistribute mechanisms economic growth
parse is not improving the livelihoods of the poor - in fact the opposite may
occur.

The current macro-economic policy pursued by nearly all governments
is economic liberalisation. This includes lifting of national barriers in trade and
investment besides relaxing Labour standards and other regulation. At the same
time, many redistribute mechanisms are being scaled down or abolished. As
these developments are taking place all over the world it is often referred to as
economic globalisation.

The most important recent international processes promoting economic
liberalisation has been the Uruguay round negotiations under the auspices of
the GATT. The outcome of the negotiations was a new comprehensive
multilateral trade agreement, which further reduced tariffs on goods and
introduced a new regime for tariffs on services, intellectual property rights and
investment measures. Non-governmental organisations tried to influence the
Uruguay round negotiations so that the agreement would be in the interest of poverty alleviation and protection of the environment, but there was only little success (Wilkinson 1996).

In many developing countries the most significant pressure for economic liberalisation has come from the development aid donor community. Especially the World Bank and the International Monetary Fund have pursued the Third World governments to adopt liberal economic polices as part of the structural adjustment programmes. This advice has been criticised heavily by many NGOs and there has been some changes in the approach of these Bretton Woods institutions. However, the bottom line of the policy advice remains intact.

Chapter overview

The chapter traces the origin and emergence of voluntarism and NGOs in Indian context. It explains the prevailing theoretical underpinnings, the nature and motives of NGOs. These would provide the conceptual clarity as to the nature, scope and role of NGOs in Indian context as a third sector developmental agency. The importance of NGOs as civil society and as an alternative developmental agency is portrayed briefly in the chapter.