

## CHANGING ROLE OF NGOs AND GOVERNANCE IN INDIA

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**Abstract:** NGOs are increasingly becoming an important force because they are efficient, effective, innovative, flexible, independent and socially committed. Increasing concerns for inclusive growth, social justice and empowerment of poor and marginalized in the wake of globalization and economic liberalization, the role of public private partnership in social development sector has got momentum. In India too, there has been phenomenal growth in the number of civil societies and NGOs. No doubt, the role of NGOs in social reconstruction, poverty alleviation, people's empowerment and social development has increased in the recent past however; a large number of NGOs and civil societies are small in size and annual budget. They are confined to limited geographical area and developmental activities due to certain limitations. There has been paradigm shift in government and NGO relationship and the credentials of NGOs are being recognized. The relationship between state and voluntary sector is gaining momentum in the context of new policy regime and economic environment. The present paper highlights the changing role of NGOs in governance in India.

### INTRODUCTION

NGOs are increasingly becoming an important force, in part because of claims that they are efficient and effective, because they are innovative, flexible, independent, and responsive to the problems of poor people at the grass-roots level. The growth of such NGOs over the past two decades has given them an increasingly important role and has led them forming distinctive sector within civil society. They have been engaged in all sectors of social life, such as relief, rehabilitation, health, education, development programs, peace, human rights, and environmental issues, using finance raised from voluntary, private sources, and donor agencies, and managing themselves autonomously at local, national and international levels. This paper will review the literature on NGOs and civil society, and then consider development NGOs in particular, in the context of the recent dominance of the neo-liberal policy agenda. We shall assess the extent to which such NGOs can promote participation in development.

Non-governmental organization (NGO) is a term that has become widely accepted for referring to a legally constituted, non-business organization created by natural or legal persons with no participation or representation of any government. In the cases in which NGOs are funded totally or partially by governments, the NGO maintains its non-governmental status insofar as it excludes government representatives from

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membership in the organization. Unlike the term intergovernmental organization, “non-governmental organization” is a term in generalized use but not a legal definition, in many jurisdictions these type of organizations are defined as “civil society organizations” or alternative terms. The number of internationally operating NGOs is estimated at 40,000. National numbers are even higher: Russia has 277,000 NGOs. India is estimated to have between 1 million and 2 million NGOs.

### EVOLUTION OF NGO ACTIVITY IN INDIA

Historically, individuals and associations help the poor and destitute during the crisis of different kinds. During the pre-independence era, social reformers initiated and sustained movements against certain types of social practices. Christian missionaries did considerable work relating to charity, welfare and provisions of services and also establish educational institutions, hospitals and other charitable institutions for the poor. After independence, a change in the perception on development and also the role of NGOs in rural development took place. In 1950s and 1960s, it was assumed that the economic growth through state investment was the answer to poverty. NGOs were supported by the national and state governments for implementing community development and welfare programmes. By the mid of 1970s, the felt for people’s participation in various development programmes was well realized in the policy circle. By late 1980s, Support and Network NGOs emerged to lend capacity enhancement support to Grossroot NGOs and create a platform for NGOs to meet, share, experiences and carry out coordinated action. By 1990s, NGOs have become more popular with government and aid agencies in response to certain developments in economic and political thinking (Chart 1).

**Chart 1**  
**Evolution of NGOs in India**

<i>Period</i>	<i>Activities</i>
Pre Independence	Social welfare, Constructive work (inspired by Gandhian philosophy) very much in line with independence movement
1950-1970	Social welfare, Govt. funded and managed NGO like Khadi Industries. India’s five year’s development plans came into existence, Most of the development works were rested with NGO’s
1970-1990	Civil Society space started increasing from 70s, NGO’s started highlighting that why govt. programme not yielding positive results for poor and marginalized, presented new model for development with people’s participation. With this new model NGO’s covered vast program areas like education, primary health care, drinking water, sanitation, small irrigation, forest regeneration, tribal development, women’s development, child labour, pollution safety etc. later on many of these models were included in govt programme and policies.
1990-2005	GO-NGO partnership got a boost in this period; NGO focus is more on Self Help Groups, Micro Credit, and Livelihood. NGO participation is ensured in policy formation and programme implementation

*Source:* Discussion with Chinese Delegate, 7<sup>th</sup> June 2005 at PRIA.

## **GOVERNMENT-NGO INTERFACE**

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 macroeconomic 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 2000, was 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).

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, 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. 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.

## **CHANGING ROLE OF CIVIL SOCIETY**

The changing socio-economic and political tableau in India has impacted the Indian CSOs and their focuses across states within the country. Before tracing the significant changes that the CSOs in India are experiencing, some brief highlights on the composition and role of CSOs in the Indian context is discussed in the following paragraphs. According to Tandon (2002), the phrase 'civil society' in India has gained general currency since the beginning of the 1990s. He defines civil society as individual and organizational initiatives for public good. In fact, as described by Tandon, the wide range of formations that may possibly constitute the mosaic of civil society in India are as follows: (i) Community-Based Organizations (CBOs), (ii) Mass Organizations, (iii) Religious Organizations, (iv) Voluntary Development Organizations

(VDOs), (v) Social Movements, (vi) Corporate Philanthropy, (vii) Consumer Groups, (viii) Cultural Associations, (ix) Professional Associations, (x) Economic Associations and (xi) Others, which includes, media and academia (Ibid). It is important to note here that, there is hardly any consensus on mainstream media coming under the umbrella of civil society. Although both media and civil society need to and in many instances do work together, considering its corporate character and for-profit initiatives, it is still a debate whether media can count as non-profit civil society. However, media and civil society each is presumed to be a necessary condition for the other (La May, 2004). Thus in the Indian context it is seen that civil society will gain roots only if it is perceived as a continuation of the tradition of voluntary action. PRIA in 2002 (Tandon & Srivastava, 2002) had conducted a study on the non-profit sector in India in collaboration with the John Hopkins University, USA. The findings of the study indicated the existence of nearly 1.2 million non-profit organizations in India, but nearly half of them are unregistered. Thus, even in spite of the wide spread of the sector, these organizations remain largely invisible.

A significant trend noticed since the decade of 1990s is the 'mushrooming of voluntary organisations' (Tandon, 2002) in India. A whole lot of organisations have started emerging abruptly without being necessarily aware of the local context and the specific needs of that context. More so, many such organisations instead of pursuing their social commitments are flagging business or commercial motivations. Another practice that has gained currency is that of the political leadership forming CSOs. Besides, the number of CSOs set up by ex-bureaucrats, ex-corporate employees, industrialists is also increasing. Many of them are entirely devoid of the vision for development/welfare and look at the sector from a business perspective; besides, a section of the unemployed youth in India is viewing the CSOs/NSOs as self-employment ventures and money-making machines. For example, in the post-Tsunami period enormous amount of funds gushed in the state of Tamil Nadu for service and relief delivery purpose. Hence, many people from other sectors and even the youth became enthusiastic to open CSOs with the purpose of grabbing such funds. This, in turn, increased the number of CSOs in Tamil Nadu to a considerable extent.<sup>5</sup> Indeed, the mushrooming growth of CSOs/ NGOs in India with the increasing entry of opportunist people into the sector is becoming an appalling phenomenon.

The CSOs in the decades prior to economic liberalization in India worked for the overall development of the society and tried to contribute for the upliftment of the downtrodden. Broadly speaking, the contribution of CSOs (known more as voluntary organizations during this phase) had been of three types (Tandon, 1986). First, they brought certain critical developmental issues and concerns like environmental degradation, deforestation, land alienation, displacements, etc. to the attention of the policy makers while also making it open for wider public debate. Second, they experimented with various developmental models and solutions to address the socio-economic problems of the society. The models of adult education, primary health care, toilets, irrigation system, bio-gas, ecologically balanced wasteland development, etc. were developed on the basis of micro-experiments carried on by them throughout the

country. Third, they contributed towards highlighting the plight of the most deprived sections of the society. Most of them worked with the women, tribal, landless labourers, informal sector workers, etc., for their political empowerment, social emancipation, and economic development. Beyond the government and business, they acted as the third sector of society. In post-liberalization times since the beginning of the 1990s, when the State started withdrawing from many of its responsibilities, addressing the concerns of society could not be left at the mercy of the political system. As Sarah Joseph (2002) writes, civil society and social actors are being encouraged now to take up responsibility for the development and welfare functions which the State wants to shed. It is argued that the compulsions of survival in globalised financial and capital markets necessitate such a division of responsibilities. States, it is argued, can no longer guarantee employment and redistribution of assets and remain competitive. Besides, there is a large scale prevalence of poverty, conflict, exclusion, marginalization across the world. Handful of people belonging to corporate and government are also hijacking money through corrupt means. Therefore, the CSOs need to focus upon governance and development. Various international organizations and also the UN agencies are working actively with the CSOs in India by providing aid, monitoring and overseeing developmental programmes in regions hit hard by socio-economic problems. There can be three important contributions of CSOs in national development Tandon (2002):

- (i) **Innovation:** They have been experimenting with new ways of promoting more sustainable, people-centered development and have been able to develop methods, models and equipment that have been widely adopted by the state and national governments as well as internationally;
- (ii) **Empowerment:** Involving in empowering socio-economically marginalised and exploited sections of society;
- (iii) **Research and Advocacy:** They have undertaken significant public education and policy advocacy through their sustainable research on the issues of women, tribes, dalits, environment, education, human rights, etc.

With changing times and emerging challenges, the roles of CSOs have been diversifying and changing. As Tandon & Mohanty (2003) have put it, first, the CSOs have been targeted as the effective agencies by donors to route aid for developmental activities in the poor countries especially in the event of the rolling back of the State; second, as recipients of aid, CSOs also provide safeguards to people adversely affected by the onslaught of the market; third, following the tradition of Tocqueville and Putnam, civil society is viewed as an effective watchdog that can curb any authoritarian tendencies of State. The role of CSOs in the present context varies across states in India. In certain states like in West Bengal and Kerala, CSOs have limited space to function where the administration or even political party cadres have occupied these spaces. On the other, another remarkable trend is the partnership of the CSOs with the central and provincial government departments in implementing various programmes. Many renowned organizations work in close collaboration with the governments to implement various flagship programmes as well as use the apparatus of the

governments to expand their own innovative models of development. Under such circumstances, many CSOs have also shifted from the role of independent service delivery and have emerged as facilitators of the government as implementers of the various flagship programmes. In this context, another significant trend that has come into currency is the shift of many CSOs to service-delivery and contract-based work. Government agencies and even donor agencies are geared towards service provision and administer through 'tender' based approaches inviting bids and therefore there is a cut-throat competition among various CSOs for particular project/ work. In the course of such changes, however, the component of voluntarism in some way gets lost from the CSOs.

There has been paradigm shift in relations between government and NGOs. The relationships between government and NGOs has received attention as in the wake of globalization and economic liberalization, there is growing scope for NGO – Government partnership for implementation of development programmes and schemes in order to ensure inclusive and sustainable development. The NGOs are welcoming state initiatives to become partners in the development process however; there is major emphasis on professionalism and high performance with increased level of efficiency and cost effectiveness in implementation of development programmes and schemes as well as delivery of services. This has also caused tough competition to small and medium sized NGOs and civil society organizations.

The civil society and state interface implies a comprehensive view of debating issue. Different forms of civil society contribute to different aspects of governance agenda and development discourse. Civil society provides an opportunity for voicing issues related to the priorities and practices of governance, while as a movement it typically creates collective pressure for governance reforms. However, majority of the civil society organizations are depend for financial support on government agencies to carry out their developmental activities. No doubt, there has been significant increased in the flow of foreign funds to Indian NGOs for developmental activities, however, majority of NGOs are depend on state agencies for their sustenance and carrying out developmental activities. No doubt, the mindset of bureaucracy and administrators towards NGOs is changing but majority of NGOs face problems related to regular and timely release of funds under various developmental projects by state and government agencies. In quite a number, NGOs do not get required support and cooperation from state and government agencies for proper and effective implementation of developmental programmes and schemes by them as attitude of local bureaucracy is discouraging and non-cooperative due to corruption.

## **CONCLUSION**

NGOs are tremendously working, and helping government, institutions, and the poor in the fight against poverty. They have played an increasingly prominent role in the development sector as innovative and Grassroots Organizations with the desire and capacity to pursue participatory and people centred forms of development and to fill gaps left by the failure of the government in meeting the needs of their poorest citizens.

NGOs because of their situation and interaction with local people can be very effective in bringing change since they are able to address issues that governments are often not able to comprehend. As these organizations work at the grass roots level they are able to sense the urgency of issues and prioritize into the problem solving mode at a quicker pace. The empowerment of the poor and community mobilization are the keys to sustainability, and these processes can take extensive periods of time to be assimilated. From a practical point of view, NGOs have a number of distinct features that build upon the foundation for effective collaboration. NGOs are often able to reach segments of populations that governments neglect or do not target as priority. They often find their way into remote areas to identify the poorest segments of communities, deliberately seeking out those who are normally excluded from development processes because of their isolation, their lack of assets and their vulnerability. NGOs engage the poor in capacity-building activities as a major component in their programmes and projects. Whether literacy programmes or agricultural extension or handling of credit, these activities lay the foundation for creating local groups and organizations that can then link with other groups having common interests through federations, coalitions, networks, etc. NGOs are recognized for their role in developing new initiatives, new programmes or components of programmes, new approaches, new mechanisms, etc., to address development problems and issues. Many NGOs, with their generally flexible organizational structure and characteristics, which include organizational independence and participatory structures, are able to experiment on new institutional mechanisms and on different approaches that add value to projects. The criterion of innovativeness of a project is now generally a requirement of most donor agencies in formulating and appraising NGO projects. NGOs possess extensive knowledge of local conditions. NGOs with long-term experience in the target area can help provide baseline data and information on the local economy and infrastructure, the existence of self-help organizations, and the major obstacles to development. NGOs deem active participation by the poor in their development process as an essential precondition to their empowerment – participation not only in the implementation of programmes or projects but also in their conceptualization, design, monitoring and evaluation. Many of these participatory tools and methodologies have gone on to be adopted by official development agencies and, in some instances, even by government.

The government's attitude towards civil society does not follow a unified pattern, whether at the local or union level. Overall, the government acknowledges civil society's contribution in shaping and delivering social programmes. However, the depth of the interaction is often limited by divergences of views and interests. In fact the willingness of specific individuals or departments continues to be a crucial variable. The government's attempt to regulate civil society adds to this ambivalent picture. The framework it has created is widely criticized as inadequate and infringing on the independence of NGOs. The Societies Registration Act, 1860, makes no difference between an NGO, a body set up by the government like CAPART, a family trust, or a sports organization. Similarly, the new Direct Tax Code treats all surpluses including those of NGOs as profits and charges taxes on that. The Foreign Contribution Regulation

Act (FCRA), which regulates contributions to non-profit organizations, falls short of making a difference between NGOs and religious organizations. This ambiguity becomes very problematic in the light of the FCRA's 2010 amendment, which tightens control over donations. The reform does not only increase control over fundamentalist religious organizations, it also creates a situation where the administration can silence critical NGOs. The positions adopted by civil society towards the government are equally diverse. After the 1980s, many groups have moved from a position of opposing the state to one of critical engagement. The number and influence of these groups has increased over the last decade. They have been involved in drafting landmark legislation, have applied to the higher judiciary on basic rights issues, and have developed a variety of tools to hold the government accountable. However, simultaneously, radical opposition groups such as Naxalites have spread. This polarizes the relation between the state, civil society and communities, and makes a critical but constructive engagement very difficult in regions and on issues that are linked to internal conflicts. Yet another position adopted by many NGOs working on delivery is one of partnering with the government.

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