

# Role of Non-Governmental Organizations in Indian Economy

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## **Abstract**

NGO is the most important serving sector in India. It is the prime mover of Indian society. Funding problem, political interference political problem, interference from other NGOs, lack of devoted manpower, co-option of NGOs by Government is very bad for the sector. Keeping constant updates from micro to macro is very difficult being in the field. It is not providing only food, shelter and clothes for needy persons of the nation with a population of 102.7 crore in 2001 and employment for million but it is also a source of providing justice for the weaker section of the country. It is the main source of transferring services from rich to poor healthy to needy and publicly enforcement of efforts in the favour of those who are not able to put their efforts for moving in the country. NGOs are also provided their services in the field of water arrangements, tree - plantation, sanitary/sanitation, sports and also do awareness among people. But, the question arises that the NGOs are satisfying themselves through these services and what types of problems they are facing actually? To answer these questions, a study entitled "Role of Non-Governmental Organization in India".

**Keywords: NGO's, Indian Economy, development, rural development.**

## **Introduction**

A Non-Governmental Organisation (NGO) is any association having a definite cultural, economic, educational, religious or social cause or any non-profit voluntary citizens group which is organised around specific issues, such as education, environmental conservation, social welfare, rural development sanitation, healthcare or human rights, on a local, national or international level. The World Bank defines NGOs as "private organisations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provides basic social services, or undertake community development. NGOs include an array of groups and institutions that are entirely or largely independent of government and characterised primarily by humanitarian or cooperative, rather than commercial objectives". According to a World Bank key document, the term NGO can be applied to any non-profit organisation, which is entirely or largely independent from government and exists to serve humanitarian social or cultural interests either of their memberships or of social as a whole. NGOs are typically value-based organizations, which depend, wholly or in part, on charitable donations and voluntary service. Although, the NGO sector has become increasingly professionalised over the last two decades, principles of altruism and voluntarism remain key defining characteristics (Muthupandian, 2006).

Volunteerism, defined as a voluntary spirit of individuals and communities to make interventions for community good, has played significant role in shaping the human civilization at each stage of its growth. Voluntary organisations have been generally defined as voluntary, autonomous, Non-Profit Organisations or groups of citizens established to address various issues/problems and disadvantages in the society. The term 'Volunteer' is normally used to denote someone who offers unpaid service to a good cause. Voluntary organisation ensures collective action with division of responsibilities and relieving the members from the unlimited financial responsibilities. Voluntary organisations, thus, can be said as an organisation which is initiated spontaneously at least at the level of persons who form it and governed by members without any external control and compulsion (Fadia et. al, 2008).

The sustainable organization is to be viewed from the context of a "social organization" or a voluntary organization or a Non Government Organization or popularly identified as charity or civil service organization.

Commercial and profitable activity or service is not envisaged. If at all commercial or profitable activities are undertaken, the profit accrues to the organization and not to individuals and to this effect the organization copes with the law of the land for safeguards.

A sustainable organization is one, which is able to remain in existence for long, delivering the same or better level and quality of service, enduring and withstanding hardships, moving along its declared mission and striving towards the vision set (Mathew, 2008).

NGO/NPOs provide much needed services to their respective communities, and thorough planning during the start-up process is crucial to develop an effective and professional organization that is able to meet the myriad challenges faced by the world today.

There are many classifications of NGO/NPOs as determined by individual country's laws and regulations, including co-ops, credit unions, societies, people's organizations or community groups etc. The classification can also designate NGO/NPOs as religious, charitable, educational, scientific, literary or other organizations. These organizations may qualify for income tax exemption, or other financial benefits. Regional and local tax exemptions may also apply on a region by region basis .

### **Meaning and definition of NGO:**

NGOs are difficult to define and classify, and the term 'NGO' is not used consistently. As a result, there are many different classifications in use. The most common use a framework that includes orientation and level of operation. An NGO's orientation refers to the type of activities it takes on. These activities might include human rights, environmental, or development work. An NGO's level of operation indicates the scale at which an organization works, such as local, international or national. "Confronting the Classification Problem: Toward Taxonomy of NGOs" One of the earliest mentions of the acronym "NGO" was in 1945, when the UN was created. The UN, which is an inter-governmental organization, made it possible for certain approved specialized international non-state agencies - or non-governmental organisations - to be awarded observer status at its assemblies and some of its meetings. Later the term became used more widely. Today, according to the UN, any kind of private organization that is independent from government control can be termed an "NGO", provided it is not-profit, non-criminal and not simply an opposition political party. Professor Peter Willetts, from the University of London, argues the definition of NGOs can be interpreted differently by various organizations and depending on a situation's context. He defines an NGO as ""an independent voluntary association of people acting together on a continuous basis for some common purpose other than achieving government office, making money or illegal activities." In this view, two main types of NGOs are recognized according to the activities they pursue: operational NGOs that deliver services and campaigning NGOs. Although Willetts proposes the operational and campaigning NGOs as a tool to differentiate the main activities of these organizations, he also explains that a single NGO may often be engaged in both activities. Many NGOs also see them as mutually reinforcing. Professor Akira Iriye defines NGO as "a voluntary non state, nonprofit, nonreligious, and nonmilitary association." A non-governmental organization (NGO) is a legally constituted organization created by natural or legal persons that operates independently from any form of government. The term originated from the United Nations (UN), and is normally used to refer to organizations that are not a part of the government and are not conventional for-profit business. In the cases in which NGOs are funded totally or partially by governments, the NGO maintains its non-governmental status by excluding government representatives from membership in the organization. The term is usually applied only to organizations that pursue wider social aims that have political aspects, but are not openly political organizations such as political parties. The number of NGOs operating in the United States is estimated at 40,000. International numbers are even higher: Russia has 277,000 NGOs India is estimated to have around 3.3 million NGOs in year 2009, which is just over one NGO per 400 Indians, and many times the number of primary schools and primary health centres in India Some successful NGOs in Rural Development, through their hard work, dedication, commitment combined with professional competency and integrity have made their mark in the field of Rural Development during last three decades. The Government also acknowledged the contribution of such NGOs

and supported them both by policy changes and financial assistance. This GO-NGO partnership in recent years has yielded very good results. In view of such successful partnership, it was expected that more favorable policies towards NGOs would be introduced by the Government. Strangely, instead, reverse has started happening with the Government policies discouraging the involvement of NGOs. This example of reversal or regression in Government policy is clearly seen in the revised guidelines for watershed development (revised in 2001) by the Department of Land Resources, Ministry of Rural Development, Government of India.

### NGOs in India

Social service is associated with India since ancient times. It is said that even Mahatma Gandhi after attaining independence wanted Indian National congress to be transformed into a Public service organization. Although such proposal was rejected, later many of staunch Gandhi followers did setup large number of voluntary orgs across various parts of the country to carry of the constructive works on Gandhian principles. However, the real and identified registration and formation of NGOs emerged in India from early 1970s. Immediately after their formal inception, NGOS received grater thrust form the Government in more than one ways.

The GOI during the sixth Five year plan with its famous "GARIBI HATAO" slogan did recognize the importance of NGOs in the development process of India. In the seventh FYP, it gave a task of developing "self-reliance communities" to NGOs for promoting rural development. Later in the eighth FYP, government sought to promote nationwide network of NGOs. In its ninth FYP, it envisaged the primary role of in promoting PPPS in the country. The tenth FYP envisaged the need and importance of NGOS in developing agricultural sector by promoting awareness among the farmers about various modern farm techniques and government initiatives for their benefit. Moreover, government has also been promoting the development of NGOs through financial aid and assistance programmes.

NGOs with the support given by the government has been accelerating its development activities by taking up specific issues like Poverty alleviation, child rights, caste stigma and discriminations, women rights, child labor, rural development, water and sanitation, environmental issues etc., In the last two decades the role of NGOs have become proactive in the social sector development-education, health etc.,NGOs have played a crucial role in sending the school dropouts back to the school especially in rural areas thus upholding the Right to education. And also the heath sector development programmes like Leprosy eradication programme and programs on eliminating TB, malaria and improving water and sanitation facilities by NGOs have met with huge success.

The most highlighted success of NGOs could be seen in their achievement in influencing government to bring out various development-oriented policies and laws. Few of such laws and policies include: Right to Information, Integrated child development scheme(ICDS), Integrated child protection scheme(ICPS), MNREGA, Juvenile justice, Nirmal gram initiative, Rastriya swathya bhima yogna(RSBY), Various policies on women development, forest and environment development, anti-trafficking, people with disability etc.,

### Rural Development Schemes and NGO:

The important schemes available from Government of India for Rural Development are:

- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREG)
- Swarnjayanti Gram Swarozgar Yojna (SGSY) Pradhan Mantri Gram Sadak Yojna (PMGSY)
- Indira Awaas Yojana (IAY)
- National Social Assistance Programme (NSAP)
- Department of Land Resouces-DoLR
- National Land Records Modernization Programme (NLRMP)
- Integrated Watershed Management Programme (IWMP)

**An assessment of the Role of NGO's in Rural Development:** The NGOs have taking active participation in rural development. The rural poor and socially depressed classes are mainly depending upon the operations of NGOs. No particular job is particularly meant for the NGOs. Thus, there is a huge competition among the NGOs to extend the services for the benefit of the poor. At the same time we should not forget the mushrooming of the NGOs for their welfare. The following are the important activities should take up for the development of the poor.

**1. Agricultural related programs:** Numerous activities can be undertaken under agriculture sector. The jobs/projects like distributing planting materials, cattle, poultry, minor irrigation, free medical care for cattle's, safe drinking water for animals etc.

**2. Health programmes for human and non-human beings:** The works like pit drainage, housing, creation of smokeless environment, good drinking water for animals and human beings, regular health checkup camps etc. will improve the health conditions of the human and non human beings.

**3. Community development programs:** The community development programs like adoption of villages for development, moral support during flood and famine period, supply of food and drinking water during flood, common well, training programs for the rural youths, housing projects, repair and renovation of houses etc will satisfy the basic necessities. The important program like training programs for the rural poor will hold the youths from rural exodus. Even this type of training programs may also be extended for the rural women, so that we can expect self sustenance among this community.

**4. Human Resource Development programs:** The personality development programs, skill development programs, educational programs, integrated development projects etc will enable the rural poor to earn bread and butter.

**5. Trade and industrial promotion:** The important problem in the present context is availability of the market for the products of rural enterprises. Therefore, an NGO has a direct link with the government for marketing of the goods. Apart from this, NGO can also go for training the rural youths in fabrication works, wood works, beedi rolling, agarbathi manufacturing, printing press etc.

**6. Government support:** The government (central, state or local) support at all level is inevitable for rural development. NGOs alone cannot do miracles over night. Therefore, the government should watch and ward the working of NGOs at phase wise manner. Thus, the fund or whatever may be directly should move to beneficiaries. The NGOs should accountable for the funds.

### **Conclusion:**

Unless the NGOs are developed, prepared to face the new challenges like shortage of funds, stoppage of funds, it would be difficult for them to sustain. Rural India continues to suffer from lack of employment and self-employment opportunities owing to its narrow economic base. In the recent past, considerable success has been achieved in developing rural poor through entrepreneurship development approach which focuses on selectively utilizing local talent, appropriately developing them through training intervention and linking them with relevant business opportunities. EDI implemented Rural Entrepreneurship Development (RED) Approach, in collaboration with NGOs by training their development workers. One of the major hurdles faced in the process is non-availability of required and timely financial support to trained entrepreneurs. It was, therefore, felt that the desired success rate could not be achieved in REDPs despite best possible training inputs, because of non-availability of funds from banks to trainees.

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