

SPECIAL ISSUE 2015

e-vani

NewsLetter



VOICE OF THE VOLUNTARY SECTOR
VANI

VOLUNTARY ACTION NETWORK INDIA (VANI)

An Apex body of Voluntary Organisations

What is VANI?



VOICE OF THE VOLUNTARY SECTOR

VANI

VANI is a national platform which functions to represent voluntary organizations/civil society organizations/ NGO's by conducting advocacy on their behalf

ENGAGE WITH VANI

VANI invites you to be part of the movement for betterment of marginalised, contribute for the equitable society and democratic governance through strengthening the voluntary movement in India.

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About VANI

We, Voluntary Action Network India (VANI)

Affirm our faith on value-based voluntary action which upholds the principles of equity, justice and sustainability

We pledge

To Uphold the spirit of democracy by creating

- A broad based governance system
- A collective decision making process
- A decentralised, participatory operational mechanism

And

- To be Transparent and Accountable in our actions by ensuring
- Adherence to the laws of the land and norms of other organisations
- Documentation of periodic activity report and proper audited statement of accounts
- Sharing our information, knowledge and experience with others

Overarching Strategies

- Knowledge Building
- Policy Advocacy
- Convening and Strengthening
- Capacity Building
- Synergy with other Network

Programmatic Streams

- Articulating Voice of Voluntary Sector
- Strengthening the Voluntary Sector

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Editorial

Harsh Jaitli

The year 2015 is quite significant for the voluntary sector in India, especially those who are registered under Foreign Contribution Regulation Act. Last year ended with the parting gift of a so called leaked report of Intelligence Bureau which tried to come out with certain maligning accusations for the entire development sector. It underscored the fact that speaking against the dominant views with regards to the rights of the poor and marginalised should not be allowed. As in the past this report was sensationalized by media to its maximum and provided fodder to the civil society bashers. The sector reacted to these accusations but the absence of a collective voice was felt by all. There is no other sector in the country which accepts such attacks with such calmness and poise. Now we welcomed this year by the news of a list of some 188 organisations. Our enquiry always ends up by a denial by the Ministry of such a list but the media tries its best to paint the sector negatively. We have also witnessed the listing of 10 to 14 organisations in prior approval category. These include many reputed organisations doing significant work for the upliftment of marginalised. The year 2015 is also significant because almost 20,000 organisations will apply for its renewal.

On February 04, 2015, VANI called a small meeting of Delhi based organisations to discuss and plan the future course of action in relation to the FCRA issues. We received overwhelming response and almost 38 large organisations represented themselves through their financial heads and programme heads. The three prominent issues were on table; first, the arbitrary action of the Ministry of Home Affairs of declaring organisations under prior approval category; second, renewal of FCRA registrations of more than 20,000 organisations which were registered before May 01, 2011; and third; the need to review the efficacy of the FCRA Act and Rules by the voluntary sector.

It is now well established that none of the organisations and their partners were contacted, screened or investigated before putting in the list of prior approval category. It is only from a circular of the Reserve Bank of India that they came to know. Even the ministry has not notified the procedure of getting the prior approval. The participants felt it was the clear case of the denial of natural justice wherein no opportunity is given to the aggrieved party to put forward its case. It also seems a case wherein diplomatic relations have made voluntary organisations as its victims. VANI was asked to find out from the Ministry about the process and procedures for getting prior approval. Some participants informed that banks are also not clear, about who will have a follow-up with the ministry. VANI assured participants of taking this matter with the FCRA department for further clarification.



The Foreign Contribution Regulation Act of 2010 added the new component of renewal of registration after every five years. This means all those who had FCRA registration before May 01 2011 have to get their registration done before May 2016. This issue was discussed in quite detail in the meeting. It was a general consensus that the lack of information about the process could lead to confusion and harassment for the smaller groups. The need was felt to carry out intensive and extensive outreach interventions. The major initiatives agreed upon were; state level workshops on the regulatory environment and its implications; one day clinics for FCRA renewal

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Changing Perceptions & Confronting Challenges

Arjun Kumar
Phillips

It is an immense pleasure to welcome you to our National Consultation which is an annual event felicitating the strength of the voluntary sector by addressing national level issues. Commemorating this humongous event, we present to you this special edition of our newsletter which addresses issues of contemporary importance for the sector. In the course of the year, innumerable problems had sprung up which became immediate hurdles to the functioning of various organizations. Regulative controls, fiscal squeezing and maligning campaigns were initiated to isolate the sector and wash away its rich past achievements. The media was oozing with news that how the government is trying to curtail civil society and voluntary activism through varied mechanisms. Such instances are not recent but a follow up of past practices manufactured to control the voluntary sector. Our sector, which perhaps dates 200 years back, has rendered considerable service in nation building and development. In tandem with the government, we have been effective delivery points by bringing productive culmination of policies to the last mile. It is common to hear utterances that civil society remains at loggerheads with the government or that is working



in opposition to supplant the state with a vested interest or even that it functions solely to oppose anything that is attached to the government. Such phrases do little justice in explaining our function as they are fallacious, generic and often constructed on individual perceptions. Civil Society/ Voluntary Sector have always sought to partner with the government by providing a healthy democratic atmosphere of partnership and criticism. Our nation is a democracy and therefore the democratic right to express and criticize remains immutable. We as constituent and active members of the civil society seek to rectify the mistakes of the government by giving our suggestions. These suggestions are then translated into social service, which shifts the burden of service delivery from the shoulders of the government to us. It cannot be forgotten that our sector has selflessly dedicated itself towards contributing on building a robust, economically sufficient



and socially competent society. Whether it is advocating reforms in education or demanding entitlements for the poor, a litany of achievements can be presented to those doubting our integrity. What is required as a panacea for such ignorance is an urgent need to understand that as a sector, we do not work in opposition but in cooperation with government. However when required we are transfigure into real platforms of genuine opposition i.e. voicing grievances of the public and seeking their urgent redressal. In our quest to voice our concerns as a sector, we have been appealing to the government to treat us fairly. Although by sheer cunningness of tampering with laws, we are targeted sometimes for petty issues other times for just being voluntary organizations. FCRA, Income Tax and other forms of fiscal tools are liberally employed to gag us and circumvent us to a limited area. Such antics display a sinister attempt to shun us away or keep us at an arm's length. However given the time to time accusations, slanders or victimizations, we have always respected the government and adhered to their diktats by falling in conformance. Never has our sector opposed the most punitive measures slammed on us only for the sake of bringing transparency in the sector and flushing away dubious organizations. This is so because of our ethical and moral sculpting that has shaped us to

live by the motto of 'serving the people'. On this point our judiciary has always lived up to its stature of maintaining the balance by providing our sector a fair treatment and when required exoneration. Our constitution provides us with the right to exist and occupy a fair amount of space in the society. Usurping of those rights tantamount to a dictatorial behavior, which is unconstitutional and undemocratic. While we are fortunate that such instances have not surfaced till yet, hitherto experiences of control and regulation paint a worrisome picture of the voluntary sector in India. We fervently appeal to the government, that our respect for them remains intact owing to the fact that they are the elected representatives of the people. Our criticism towards them is not formulated on a plank of seeking an alternative popularity but to provide genuine support and partnership. We exist to share the burden of responsibility and work towards an inclusive and proficient society. Our democracy, although nascent is still on its progress to maturity. What better way than acknowledging our role as an ingredient involved in making it an every-day success!

— By Arjun Kumar Phillips,
Communications Executive, VANI

CONTINUED FROM PAGE 2

process at various major locations, disseminating Frequently Asked Questions (FAQs) in English and regional languages, identifying nodal persons in states to guide organisations. VANI has agreed to create pool of resource persons to deliver the above interventions.

The third topic of conversation was various experiences related implementation of FCRA in last five years. The participants also suggested a detailed review of FCRA in last five years. We all know that organisations have suffered due to lack of accountability and transparency in the implementation of FCRA. There also have been harassments from the line departments. In fact many times FCRA department has expressed ignorance for various actions of line department. VANI proposed a research based advocacy with the government to improve the functioning of FCRA.

I am sure that with the support of its members, associates and friends VANI would be able to make the above aspirations a reality. Please send us your observations and comments on the above so that we can further sharpen our efforts to make FCRA less painful.

Harsh Jaitli
Chief Executive Officer

Setting the course for the Post 2015 Agenda

**Arjun Kumar
Phillips**

The time has finally come, when countries all around the world will convene to review the Millennium Development Goals (MDG's) that had been adopted fifteen years ago at the Millennium Summit hosted by the United Nations. Structured around eight universally applicable goals derived from earlier international commitments and more importantly the Millennium Declaration, these markers are resolved to contribute towards establishing a poverty free society and bring an increase in the living standards with universal access to rights. The overarching areas that were identified to be targeted were Human Capital (nutrition, healthcare and education), creation of infrastructure benefiting people and security of human rights. The MDG's are most importantly a directive for poverty alleviation with each country being a stakeholder to implement national programs and policies for the attainment of these goals. It has been one of the most successful attempts to encourage global collective effort with the prime objective of reducing poverty by 2015. Moreover the MDG's also place a monitoring status on the international community for observing the progress made by respective countries as well as mobilize support for development cooperation. However while the MDG's have worked their inspiration in fulfilling certain goals (halving world poverty according to estimates) (European Report on Development 2013), a substantial number of them remain far from being realized, leading a number of commentators to criticize the parameters adopted for their attainment. Critics have been vocal against their exclusivity of the MDG's, as they tend to limit their reach to eight set indicators. The ignorance of structural causes of poverty witnessed especially in the aftermath of the financial crisis occurring in the United States and Europe evoked debates

regarding the viability of the goals on whether they can address the 'well-being' of an individual. Poverty eradication required an extensive study of different perspectives especially based on inclusion and reducing inequality. Thus the Post 2015 agenda's blueprint is required to echo these themes and provide sustainable solutions.

Post 2015 Agenda emerged out as a compulsion for the need to establish a review mechanism after the expiry of the MDG's. Its requirement became imperative as to what future strategy had to be adopted after the termination of the MDG's. In the High Plenary Meeting of the UN General Assembly, governments of various countries observed that the goals had fallen short of achieving their objective, inviting to draw an advanced strategy for the 'promotion of the economic and social advancement of all peoples emanating from the United Nations Millennium Declaration and the 2005 World Summit Outcome'. This resulted in UN Secretary General Ban Ki Moon to establish a UN System Task Team and appointing a special adviser for Post 2015 Development Planning. In complement to these processes, a digital interface known as crowdsourcing was launched as a part of the UNDG's global thematic consultations and national consultations in 88 countries which would enable people from any part of the world to feed into the system their inputs in what is required for the next level of anti-poverty goals.



A review of the MDG's

The past decade of the MDG era saw poverty reduction achieved to certain levels, however this was not even across all countries as the trend was more applicable to India, China and Brazil while minutely discernible in African countries. The post 2015 dialogue is largely dominated on the need to be more inclusive and create sustainable goals encompassing a plethora of factors which determine its pragmatism in poverty alleviation and contribute to human development. While analyzing the success and failure of the MDG's it should be borne that they cannot be confused with national targets and priorities. These are global targets which are aggregated by employing statistical indicators. The review of the MDG's will also present an opportunity to identify the gaps that have crept to stall the progress of the MDG's and at the same time come out with renewed objectives for building a sustainable framework.

The MDG's were adopted at a time when global poverty had reached enormous levels especially with regards to Africa and Asia. The seven targets of MDG's include universal primary education, nutrition, gender equality, closing in on the income poverty gap, reducing child and maternal mortality and access to clean water and sanitation rights. Specific macro policies were reined in by countries on an individual basis which did result in success especially in decreasing the malnutrition levels, universal access to primary education and child mortality in Asia as well as Africa while maternal mortality still lagged behind (Kenny and Summer 2011). When analyzing the Income poverty targets in comparison to the Non-Income poverty we observe that there has been a marked reduction in the extreme income poverty with a proportion of people living on less than 1.25\$ per day declining from 43 % in 1990 to 22.4% in 2008(World Bank).. On the other hand in our analysis we observed that Non-Income poverty targets, due to their larger coverage in the MDG, have been significantly met while others have fared dismally. The proportions of under-fives underweight have decreased since 1990. Primary education has attained a universal status with enrolment between 90% and 95%. On a global scale

maternal mortality rates have also reduced to significant levels however the Sub-Saharan African regions still continue to register a high maternal mortality rate. The MDG6 on tackling diseases especially HIV has not been successful owing to an increase in the number of HIV infected while progress to clean water and sanitation has not been satisfactory. On the whole LDC's have not been able to reach towards the goals when compared to the developed countries, informing us that their endeavors towards poverty reduction are not enough.

Successor of MDG's: SDG's

The Sustainable Development Goals are posited to be the next level of the Millennium Development Goals appearing in the Rio20+ Document under the rubric of 'The World We Want' which set out a mandate to establish an Open Working Group to develop a set of sustainable development goals for consideration and appropriate action by the General Assembly at its 68th session. It also provided the basis for their conceptualization. The Rio outcome gave the mandate that the SDGs should be coherent with and integrated into the UN development agenda beyond 2015¹.

The consensus that emerged was to transform the current MDG's into SDG's which would feature inclusivity and sustainability. Similarly, it is a new approach to develop fiscally sustainable, socially responsible and legally conducive objectives. The mandate reaffirmed the commitment towards eradicating poverty and promoting sustainable patterns of consumption and production with an expiry date of the year 2030. The document also established the need to feature inclusivity by opening the debate on the SDG's to numerous stakeholders in opposition to following a closeted approach. A post-2015 agenda that will emerge from a participatory, inclusive and bottom-up process will be quite different from one that will be defined by a group of experts and technocrats². What uniquely sets out the SDG's in contrast to the MDG's is their conciseness, being limited to a few, globally appealable and universal applicability. While the MDG were weaved around a set pattern of goals the

SDG's are hoped to be created on a holistic premise, intertwining with various economic, social and environmental indicators. A conspicuous criticism has been of MDG's exclusivity in terms of outcome indicators (Ghosh 2014). SDG's signify a sequential step towards MDG's and are not parallel processes. In its larger outcome the SDG's are a blueprint to reduce the staggering gaps between the North and South. In addition to this it becomes relevant to see the overlap of human development with environmental sustainability as the adoption of sustainable goals can only be addressed through sensitization towards environmental concerns. Sustainability came to prominence during the 1972 Stockholm Declaration where a new paradigm for development was invoked keeping in view that future needs for development will not be compromised at the behest of environmental degradation. Hence viewing development through this prism draws another dimension for understanding the factors complementing human development and poverty reduction. After numerous deliberations with civil society members, it was felt that the MDG's were not an absolute failure but provided a watershed (Pollard 2011). However it was still felt that an all-embracing global reformed targets be developed for continuing the agenda of

Sustainability came to prominence during the 1972 Stockholm Declaration where a new paradigm for development was invoked keeping in view that future needs for development will not be compromised at the behest of environmental degradation. Hence viewing development through this prism draws another dimension for understanding the factors complementing human development and poverty reduction.

poverty reduction. Therefore SDG's provide a framework for social mobilisation on justice and human progress at all levels³ by providing coherent policy directions for the allocation of resources, trade and ODA. Furthermore SDG's also require streamlining and channeling all existing OWG recommendations into a paradigm that can set out achievable targets at both the national and international level. SDG's as a component of the Post 2015 Agenda has therefore been rightly characterized as a transformative agenda

Funding and ODA for SDG's

The HLP on Post 2015 was clear in its commitment to reduce poverty to a minimal level recognizing the importance of Official Development Assistance (as mandated by the UN for developed countries to siphon off 0.7% of their GNI towards developing countries). ODA's role in being an effective medium is also seen juxtaposed to alternate sources of funding (to civil society organizations mainly). ODA will also continue to be important, particularly for the least developed countries. The track record so far is bleak: in 2011, OECD donor countries delivered a total ODA of \$133.5 billion (equivalent to 0.31% of combined GNI), which reflected a large shortfall of 166.8 billion from their commitment of \$300 billion ODA (equivalent to 0.7% of combined GNI) (OECD 2011).

However a new debate has emerged which calls for moving 'Beyond Aid' (European Report on Development). Certainly such an exercise will not be deemed practical for a majority of the LDC's and developing countries as ODA plays a determining factor in pushing development and lifting millions put of poverty. Given that their access to capital markets for sources of funding is not adequate ODA thus becomes an essential component. The flow of stable aid becomes essential that aid as it represents the biggest financial inflow to fragile states, after remittances and foreign direct investment (FDI). ODA is expected to remain a critical input to achieve the new development goals⁴. The Monterrey Declaration (2002) rightly identified the comparative advantage of aid: "ODA plays an essential role as a complement to other sources of financing for

development, especially in those countries with the least capacity to attract private direct investment”.

A variety of researches have advocated that there be a substitution of ODA with domestic resource mobilizations such as progressive taxation and privatization of public sector enterprises. But seeing the volatility existing in the financial markets, such mobilizations would not be tenable for reducing poverty-income inequalities. The Busan Declaration on aid effectiveness sought to improve the aid from the North to the South by 2015 by deepening the level of cooperation and understanding and ensuring parliamentary control over ODA. Given the complexity of challenges encountering those treading to counter poverty and fulfill the commitments towards the Post 2015 Agenda, aid will be a crucial input in ensuring the sustainability of the targets. Apart from the ODA, the civil society largely depends on funding from foreign private Aid initiatives and various Philanthropies. In its estimates the World Bank noted that the Private aid today amounts to approximately US\$60–70 billion per year, equivalent to nearly half the net ODA disbursed in one year by all OECD-DAC members. Foreign Private Aid has been instrumental in boosting civil society action by strengthening its various advocacies and projects as it has a direct bearing on civil society organizations functioning. Non-governmental organizations find numerous mentions in the Post 2015 Agenda as civil Society organizations from around the world who were called on for consultations and invited for participation in deliberations as to what should be composite of the SDG's. Civil Society organizations were seen to be the catalysts and could foster an environment for the development of SDG's through their expertise in development. Keeping all these considerations in mind, determining aid effectiveness for the Post-2015 Agenda should be determined relatively with VO's/CSO's/NGO's. It is an obvious assertion that flexible funding to civil society groups strengthens organizational investment in building capacities and designing innovative tools for tackling social issues. Owing to the sheer size of a government, a decentralized model i.e. deploying civil society groups to work towards SDG's would be a plausible route for an assured victory on poverty alleviation.

Voluntarism as a necessity for the Agenda's fulfillment

In viewing that that the successor MDG's have to be inclusive and sustainable, the United Nations was explicit in stating the contribution of volunteers towards the Post 2015 Dialogue. The role of volunteers was outlined in the 'Integration Volunteering in the Next decade 2016-2025' by the United Nations Volunteer Report. Right into the start of Millennium Declaration, Volunteerism came to be recognized as an integral activity in facing development challenges. In 2011 and 2012, building on the momentum gained from the 10 year anniversary of IYV (IYV+10) which was marked with stakeholders globally, a multitude of policy recommendations and thematic discussions have been developed, aiming to further integrate volunteerism into policies and strategies.⁵ Volunteerism was recognized as an added value towards growth and development and initiatives were appreciated which aimed at creating a conducive and enabling environment for their operations. Volunteerism gains significance due to its direct people reach and will be productive for the Post 2015 Agenda due to the 'inclusive' and 'participatory' overtones attached to it. The UNV report mentions the cross linkages volunteerism has over different global thematic areas with providing evidence and knowledge of volunteerism's contribution to development. Since 2012, conglomerations of civil society organizations have been proactive in instituting consultations across the world in their efforts to frame parameters which could be accommodated in the agenda document. The UNV report also mentioned the incorporation of volunteers in drafting country wise joint action plans which could be used as advocacy documents in order to sensitize the national as the international community. Efforts have been in process to place attention on the Global South, with the formation of the Global Call to Action against Poverty (GCAP). This network constituted by various non-governmental organizations from around the world, analyze the progress towards the post 2015 dialogue by challenging institutions and processes that perpetuate poverty and defend human rights gender justice, social justice and security needed for

survival and peace⁶. By appealing to their respective national governments as well as international agencies such as the United Nations, International Monetary Fund and World Bank, GCAP plans to bring in discourses which till yet have remained outside the periphery of the millennium goals. In short, GCAP aims to presents its assessment of what the HLP got right and what needs to be improved upon by reinforcing the essence of the Post 2015 Agenda's slogan of "Leaving no one behind".

Conclusion

It goes without mentioning that Post 2015 Agenda will be a decisive plan which will set forth a new paradigm for sustainability and development. By integration of various goals and searching their linkages, Post 2015 has to deliver on results especially in face of the burgeoning climate change and global warming. This will present a new challenge for all developing countries as reduction in industrialization will affect their respective national economies and in turn amount to lower growth levels. Indeed, climate change and development are inextricably linked, both in terms of the impacts and the responses. Quite importantly, policies and investments that advance economic development—when designed properly—can often be the same policies and investments that tackle the causes and consequences of climate change⁷. The OWG maintained that international cooperation for climate change had to come from all nations, with maximum participation towards finding a congruent solution for climate change and SDG's. Hence forth there is a need to reframe climate change discussions as an issue from the standpoint of poverty eradication and sustainable development in the third world countries. This precarious position occupied by the developing and least developed countries urges them to seek a double edged sword like solution. Given the increase in global average temperatures disturbing the ecological topography, a vast number of poor people depending on forestry, agriculture, fisheries will be affected, pushing national governments to find alternatives for employment. Climate change has proven to be a threat to economic sustainability. This calls into

creation of overlapping policies and policy coherence at national level which has to balance all factors from economic development to climate change mitigation by refraining from being limited to a few areas. Another development awaited in 2015 will be the significant UNFCCC 2015 and Post 2015 meetings coinciding with each other. This historical event will deliver a decisive mandate that will prove to be effective roadmap for the future. In conclusion, volunteerism has to be recognized as an advanced strategy in our quest to find a sustainable future by its virtue of being a civic engagement which will ultimately result in providing an inclusive framework for action.

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— By Arjun Kumar Phillips,
Communications Executive, VANI

Transfer of Funds to Organisations not registered under FCRA

FMSF

INTRODUCTION

1.1.1 As per the provisions of Foreign Contribution Regulation Act, (FCRA) 2010 an NPO can receive foreign contribution only if it has prior permission or registration under FCRA. In this context it becomes important to understand the law pertaining to any subsequent contribution made by such NPOs. Under FCRA an FC registered NPO can provide further contribution only to another organisation which is registered or has prior permission under FCRA.

1.1.2 However, an NPO under specific circumstances is also allowed to transfer funds to organisations which are not registered under FCRA. In this issue we shall discuss the provisions pertaining to transfer of foreign contribution to organisations which are not registered or have prior permission under FCRA.

IS TRANSFER OF FUNDS TO OTHER UNREGISTERED ORGANISATIONS PERMISSIBLE

1.2.1 Yes, it is permissible to transfer funds to other unregistered organisations which do not have registration/prior permission under FCRA. However, such transfer can be made only with prior permission in compliance of Section 7 and Rule 24. A snapshot of such compliances is provided at the end of this issue. The provisions of Section 7 and Rule 24 are as under :

7. Prohibition to transfer foreign contribution to other person.

“No person who –

(a) is registered and granted a certificate or has obtained prior permission under this Act; and

(b) receives any foreign contribution, shall transfer such foreign contribution to any other person unless such other person is also registered and had been granted the certificate or obtained the prior permission under this Act:

Provided that such person may transfer, with the prior approval of the Central Government, a part of such foreign contribution to any other person who has not been granted a certificate or obtained permission under this Act in accordance with the rules made by the Central Government.”

1.2.2 Rule 24 of FCRR, 2011* prescribes the procedure for transferring foreign contribution as under:

“Rule 24:-“Procedure for transferring foreign contribution to other registered or unregistered persons:-

(1) A person who has been granted a certificate of registration or prior permission under section 11 and intends to transfer part of the foreign contribution received by him to a person who has not been granted a certificate of registration or prior permission under the Act, may transfer such foreign contribution to an extent not exceeding ten per cent of the total value thereof and for this purpose, make an application to the Central Government in Form FC-10. <http://mha.nic.in/fcra/forms/fc-10.pdf>

(2) Every application made under sub-rule (1) shall be accompanied by a declaration to the effect that

(a) the amount proposed to be transferred during the financial year is less than ten per cent of

the total value of the foreign contribution received by him during the financial year;

(b) the transferor shall not transfer any amount of foreign contribution until the Central Government approves such transfer.

(3) A person who has been granted a certificate of registration or prior permission under section 11 shall not be required to seek the prior approval of the Central Government for transferring the foreign contribution received by him to another person who has been granted a certificate of registration or prior permission under the Act provided that the recipient has not been proceeded against under any of the provisions of the Act.

(4) Both the transferor and the recipient shall be responsible for ensuring proper utilisation of the foreign contribution so transferred and such transfer of foreign contribution shall be reflected in the returns in Form FC-6 to be submitted by both the transferor and the recipient.”.

PROCEDURE TO BE FOLLOWED FOR TRANSFER OF FUNDS TO UNREGISTERED ORGANISATIONS

1.3.1 The following procedure is to be followed :

- The donor organisation shall apply in Form 10 to the Central Government. The form is available at <http://mha.nic.in/fcra/forms/fc-10.pdf>
- * As amended by -the Foreign Contribution (Regulation) Amendment Rules, 2012 [G.S.R. 292 (E) dated 12th April, 2012]
- Under this provision a maximum amount of 10% of the total foreign contribution received by the donor organisation can be given to unregistered organisations with prior approval.
- Every application made under sub-rule (1)

shall be accompanied by a declaration to the effect that

(a) the amount proposed to be transferred during the financial year is less than ten per cent of the total value of the foreign contribution received by him during the financial year;

(b) the transferor shall not transfer any amount of foreign contribution until the

Central Government approves such transfer.

- Both the transferor and the recipient shall be responsible for ensuring proper utilisation of the foreign contribution so transferred and such transfer of foreign contribution shall be reflected in the returns in Form FC-6 to be submitted by both the transferor and the recipient.

It may be noted that prior to the amendment of the Foreign Contribution (Regulation) Amendment Rules, 2012 [G.S.R. 292 (E) dated 12th April, 2012], there was a requirement of approval from the District Magistrate for filing of Form FC 10. After the amendment of the Rule 24, the approval of District Magistrate is not necessary.

— A paper by Financial Management Service Foundation (FMSF)

Leader's Speak

Erica
Bornstein

In this interview, we get to talk with Erica Bornstein an anthropologist from the University of Wisconsin-Milwaukee who had contributed to the 'Status of the Voluntary Sector' in 2012. Erica discusses her experience in India while working with the voluntary sector as well as speaks about a book she is writing on the voluntary sector in India.

As an anthropologist, what role do you see of a civil society in any country?

Civil society is a vital part of democracy. Organizations and groups in the voluntary sector embody a social space of innovation as well as dissent, negotiation, and discussion. Any democracy requires a plurality of voices, and civil society guarantees that the state will not have too much executive power. Its institutions are part of the wider system of checks and balances, which ensure states and markets, do not exceed their limits.

Can you talk a little about your book?

I'm writing ethnography of regulation that focuses on the voluntary sector in India. I've been studying how the state has tried to regulate the Indian voluntary sector, historically, and how the sector has been in conversation with the state about its own regulation. I see it as a dynamic dialogue.

Your experience in contributing towards the status of voluntary organizations study report

I learned a lot working with VANI in 2012-12. I was on a sabbatical in India when I started working on the Status of the Voluntary Sector report with other VANI staff. As an academic, I've written collaboratively with other authors, but I have never worked as a team and this was really interesting. I've also never had to write this type of report, which required ideas to be very clear in order to reach a broad audience. It was a good experience for me. In terms of content, I was surprised that this report had to be written at all. In the US, where I live and teach at the University of Wisconsin-Milwaukee, voluntary organizations (called non-profits in the US) don't have a bad reputation and there is not the same kind of suspicion meted towards them as in India. Also, thinking comparatively, the US regulates non-profits through the tax code. All nonprofits that work toward the public good must be registered as a 501c3. The Indian legal context is much more complex, and is being challenged and codified as I write this

paragraph, so for an anthropologist it is a very exciting social site to study.

What was your experience of the voluntary sector in India with relation to VANI's role?

The voluntary sector is huge and diverse in India!

I'm always surprised that there is one term used to describe it. I think that's part of the challenge for the sector: how to represent "it" when "it" is barely a thing. As people who work in the sector know, the voluntary sector is comprised of social action groups, community development organizations, social movements, non-profits, NGOs, government organized NGOs (GONGOs) and other institutions registered as societies, trusts or charitable companies in India. Nonetheless, as I mentioned in my earlier comment, the sector has a tremendously important role to play in Indian social life and politics. It provides all sorts of checks and balances on political power, can advocate for people who are marginalized and don't have resources to advocate for themselves, and it can communicate internationally with other like-minded organizations. The not-for-profit nature of the sector allows it to enter all spaces of public good that markets to not find profitable, and that the state is unable to govern or serve. It is a space of great creativity.

Given the offensive launched by national governments, do you think that civil society networks are resilient enough to withstand the shocks?

Absolutely! The shocks are evidence that civil society networks are worthy of attention.



Hilly Regional Workshop on State of Voluntary Organization's Opportunities and Challenges

VANI

With an objective to provide a platform to discuss the challenges and opportunities faced by voluntary organizations of Himachal Pradesh, Haryana, Jammu and Kashmir, Uttarakhand and Uttar Pradesh. The hilly regional workshop was organized by VANI in Chandigarh, at Commonwealth Youth Programme, Commonwealth Secretariat on 17-18 December, 2014. Participation of the representatives from different organizations was twenty five.

Background of the meeting

The workshop was planned for organizations from the Hilly region of northern India namely: Himachal Pradesh, Haryana, Jammu and Kashmir, Uttarakhand and Uttar Pradesh. In the current scenario, the Indian voluntary sector faces numerous challenges of communicating its best practices. There are varieties of organizations that have identified themselves as voluntary development organizations. These organizations are divided due to varying thematic, geographic and strategic orientations. The genuine development organizations are working in the field of service delivery, research and advocacy and on rights based approach. These organizations are located in remote areas, small regions and at district headquarters. Due to their location and connectivity they often do not get the relevant information and communication on government aided schemes, policies and programmes meant for the community. They do not get enough information on regulatory provisions, the laws and legislation which are very much required for smooth functioning. With the implementation of the new Foreign Contribution Regulation Act (FCRA), and amended Section 2(15) of the Income Tax Act, the sector has become highly regulated. This has led to the demand for a more systematic approach towards the sector. The sector is also experiencing multiple reporting mechanisms with all the donors, be it government aided schemes and programmes, programmes by the corporates under the corporate social responsibility and the International funding. Hence it is very essential to strengthen the internal management and governance system of the voluntary organizations. This has become all the



more necessary and important as there is a demand for accountability and transparency from various stakeholders and in order to be accountable to the external stakeholders there is need to be accountable to internal stakeholders as well. In other words the sector is accountable to the donors from whom resources are generated – to meet legal requirements, towards its employees and staff and within the organizations, and towards the society and community. Secondly the Uttarakhand region and Jammu and Kashmir were affected by floods and disaster recently. The Uttarakhand region was affected by flash floods triggered by very heavy rainfall and cloudburst on 16-17 June 2013 that affected 12 districts of the state. Further the most affected districts were Rudraprayag, Chamoli, Uttarkashi and Pithoragarh. Similarly the Jammu and Kashmir region was also affected by heavy rainfall on September 2-4, 2014 followed by floods. The disaster which affected the region on September 5, 2014 is because of the climate change, unplanned and uncontrolled development, encroachment of river banks, lakes, ponds and massive loss of wet lands, absence of flood forecasting system and poor governance.

Introduction

The workshop was attended by 25 members from, Yamunanagar- Haryana, Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Uttar Pradesh and Chandigarh. The attendance turned out to be low due to unexpected heavy rainfall and snowfall on 16 December 2014 due to which the participants were



stranded and they had to cancel the programme. If the conditions had been favorable about 45-50 members would have participated in the two day meeting.

Discussion started around the confusion in the identity of the sector, as every type of NGOs and organizations are generalized under one category which led to the ambiguity about the identity, nature, scope and scale of the voluntary sector that are engaged in the development work. Similarly due to lack of information and reporting under the FCRA numerous organizations are under the scrutiny and their registration was cancelled. It was felt that due to lack of accountability and transparency the organizations were facing harassment and difficulty. It was noted that the recent disasters in the hilly region have led to the question of disaster preparedness and management skills. The voluntary organizations need to be capacitated and skilled to handle the disaster mitigation and preparedness.

The points that were given attention-

1. Confused Identity of the sector and the ambiguity about the sector that are engaged in the development tasks.
2. The Sector lacks representation and till date no single department or Ministry is responsible or deals extensively with the issues of the voluntary organizations in the country.
3. It has been observed that the sector is being controlled rather than regulated as there are outdated laws of registration. For example the Societies registration Act 1860 is more than 150 years old. Most of the VO registering laws have no regulatory content and merely serve as a record of Voluntary Organizations.
4. The voluntary organizations working on rights based approach are under scrutiny. The VOs face harassment and under scan by the state and national government. For example the VOs collaborate with the government in implementing national schemes and programmes the interest converge and there is cooperation and support but on the contrary if the VOs raise questions, acts as a watch dog and voice their opinion on the policies, actions and corruption against the government then the relationship becomes confrontational.
5. Similarly there are restrictive clauses in FCRA 2010 and the Income tax. The organizations organizing campaigns, 'bandhs', 'rail roko' and others are termed as political in nature. Similarly in the current provision in section 2(15) of the IT Act the nominal receipts and recoveries from the beneficiaries are termed as profitable. Therefore the taxation authorities confuse the terminology – bidding, contracts as a profit making business.
6. The nature of resources/ contribution received is changing: The grants and/or funds received by voluntary organizations are changing. There are three major types of funding – foreign funding, government aid and through corporate social responsibility. All the three types of support are in a bad state. The religious institutions, churches, maths etc. are receiving maximum grants. Similarly the changing relationship of government support from partnership to subcontractor has led to red tapism, survival of large organizations and small and grass root organizations facing resource crunch and survival. The corporates are also diverting the funds through the foundations that are meant to be disbursed under corporate social responsibility.
7. Accountability and Transparency: There is lack of visible signs of good and internal governance and management systems within the organizations. The organizations should address the issues through self-certification mechanism and self-regulation. This will in tale better and efficient board, secretariat and relation with other voluntary development organizations.

Evolving effective reforms for voluntary organizations in disturbed states

Ratna Manjari

India is a vast country and its constitution, programs and policies have played pivotal roles in the field of socio-economic development. The welfare, growth and development of the people are the constitutional obligation and responsibility of the central government and the states. There are numerous initiatives, schemes, flagship programmes and policy launched by the government of India to bridge the education, health and nutrition, livelihood and infrastructure divide. The objective is to ensure growth, improvement in the living standards of the people and well-being. In spite of the efforts by the government there are states and regions that are marginalized, underdeveloped and disturbed. The unjust land acquisition, exploitation of water and forest resources undermines the rights of the local people that affect the social welfare status of the poor - health, food security, rural governance and access to entitlement. There has been insurgency in many parts of the states. They have been in the grip of more than one form of conflict: secessionist insurgencies, separatism within India, struggles for local autonomy, inter- and intra-tribal clashes, local versus immigrants, language tussles, boundary clashes and so forth.

In context to above challenges, it has been observed that the VOs have acquired greater importance and significance than before because the administration has not been able to reach the people, especially the poor and weaker sections. Intervention of VOs in these disturbed states has played a critical role in bridging the gap; contributing towards the welfare of the people; fighting for their rights be it forest rights act (FRA), right to education (RTE), right to information (RTI), right to food (RTF), etc.

VANI since its inception has been working on the issue of enabling environment of voluntary development organizations in India. Over the past few years, through its interventions, VANI has observed that small and medium voluntary organizations (VOs) working in conflict zones have been facing newer challenges, which in a way restricts the democratic space and rights provided by the Constitution of India. Although, majority of laws, which regulate the sector, are national but their

interpretation and implementation vary from state to state. Similarly, the registration laws are also state subject. The space to participate in the development efforts also varies from state to state. These have resulted in violation of human rights, curbed the activities of VOs and evoked issued with government machinery.



The issues faced by the VOs in disturbed states are quite different from the ones that are faced in other parts of the country. The state intervention, Intelligence bureau and the local authorities put vigilance on the organizations that are working with the community as they act as the citizen's watch dog for holding the government accountable. The interference of police and local authorities in the

In spite of the efforts by the government there are states and regions that are marginalized, underdeveloped and disturbed. The unjust land acquisition, exploitation of water and forest resources undermines the rights of the local people that affect the social welfare status of the poor - health, food security, rural governance and access to entitlement.

Impact on the development and on tribal, community and society at large in the disturbed states

Insurgency, class, community and the struggles have erupted in most of the states of India. The most common protests are Vedanta and Posco in Orissa where the struggle is between the state and the underground groups. However these specific and localized struggles have been overshadowed by the conflict between the Maoists and the State government, which has structured the plight of the tribal people in these regions. This has led to the uneven development of the tribal areas- alienation that has resulted from the land acquisition process and the lack of settlement of rights over natural resources. The above factors have led to the atrocities against the tribal people, community inhabitants by the implementers of the state and particularly by the police and administration.

In the States of Jharkhand and Chhattisgarh the scenario is extremely different and in sharp contrast. The tribal people have a history of losing their lands to the non-tribal farmers, moneylenders and traders. This has played an important role in creating the space for the Maoists in Chhattisgarh and Jharkhand.

These problems of uneven development are likely to get emphasized unless the larger democratic movement does not develop a new egalitarian vision of tribal development.

The Northeastern region comprises of states - Assam, Manipur, Nagaland, Tripura, Mizoram, Arunachal Pradesh and Meghalaya. For many decades, there has been a climate of insurgency in many parts of the region and the states have been in the grip of more than one form of conflict or the other. This has resulted in a slow pace of development that has further stimulated this climate causing political fragmentation of the region. Also the north eastern region has a difficult terrain, dense forest cover and open borders with Myanmar and Bangladesh which has provided a congenial environment for some of these insurgencies. The conflicts have consistently evoked counter insurgency operations from security forces to curb the activities of 'terrorists' or their 'sympathizers'. This has resulted in several violations of human rights - ranging from outright killing, to torture, to the burning of entire villages by the security forces.

The central government has been instrumental in sanctioning special packages and huge amount of central funds are being given to the northeastern region. Through the non-lapsable central pool of resources (NLCPR). But most of the resources lapse due to unspent budget.

operation of the organization has increased immensely. The VOs are required to inform/intimate the local police station on regular basis. They often receive notices/letters seeking clarification on

The issues faced by the VOs in disturbed states are quite different from the ones that are faced in other parts of the country. The state intervention, Intelligence bureau and the local authorities put vigilance on the organizations that are working with the community as they act as the citizen's watch dog for holding the government accountable.

organizations operation. The VOs working on rights based approach are subject to enquiry and scrutiny and they are ordered to submit detailed report on the activities undertaken by them. The local authorities pressurize the VOs and the community-based organizations and there prevails distrust on the programmes and activities.

It is recommended that the voluntary organizations need to strengthen the engagement with media, government and coordinate with the government bodies. Similarly a mechanism needs to be framed at the state and district level. The VOs need to critically evaluate the policies and schemes of the government and guide the people. The VOs need to mobilize resources and be financially sustainable to function efficiently and effectively and achieve the goal of financial accountability, transparency and internal governance and management systems.

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Reinventing Indian Democracy

**Dr. Mazher
Hussain**

Reinventing Indian Democracy- I

From Subject to Citizen

Even 66 years after declaring ourselves a democracy, we, the people of India, continue to operate with the attitude of 'subjects' and have not developed the mindset required of citizens. From poor to rich and illiterate to educated, whenever we approach any elected representatives or officials it is still with an attitude of supplication (and in many cases with folded hands like in the era of Rajas and Maharajas). Provisioning of most basic services like water and sanitation to the allocation of mega business opportunities in the form of government contracts or licenses for exploiting natural resources still seem obtainable only as benevolence and favours to be received from those in authority on the basis of our community, caste, language, ethnicity etc. instead of being available as entitlements due to citizens.

Though the system that we have adopted in the name of democracy has dispensed with kings and monarchs, it failed to effectively limit the vast discretionary powers of those who replaced them as elected representatives and people continue to be dependent on the goodwill and benevolence of these politicians as they were on the rulers during monarchies.

Participatory Democracy Vs Representative Democracy

An ideal democracy is one where all citizens participate directly in all decision making processes that impact public affairs to safeguard and promote their interests and rights as citizens. But as direct participation is possible only when group strengths could be a few hundred and as our countries are crossing the million and even the billion marks in population, total participatory democracy becomes impossible and all functional democracies have created provisions for representation where different groups elect someone to represent them in different decision making bodies. Result: combinations of participation and representation in varying degrees.

Still the quality of any democracy would depend on the extent of direct participation by citizens. If



greater decision making is invested in the representatives, their powers become more discretionary leading to proportionate decrease in contribution of people to processes of governance till a point is reached where people could become de facto subjects totally dependent on the discretionary powers of the elected representatives.

Indian Democratic Practice: The Inherent Flaw and Its Rectification

The form of democracy that we have come to follow in India is totally dependent on and confined to the electoral process where the only option for participation in the process of governance available to the people seems to be to cast their vote once in five years to elect their representative. After casting their votes, people appear to lose all their rights to influence or participate in the governance processes from the local to the national levels. The elected representatives appropriate the prerogative to take any and every decision unilaterally. No wonder our present day democratic rulers are no different from the monarchs and feudal lords in terms of ensuring the enslavement of people through the vast discretionary powers they have usurped.

But this violates the very core of the Constitution of India that clearly aspires for decentralization of governance and greater participation of people that is clearly laid down in Article 423 dealing with

panchayats and municipalities to “enable them to function as institutions of self-government and ...for the devolution of powers and responsibilities (for) preparation of plans for economic development...social justice and implementation of schemes...”. But even after 42 years when there was no genuine devolution of powers to the Panchayats and Municipalities as envisaged, the 73rd and 74th Amendments were made in the Constitution of India in 1992 with the objective of promoting local governments at village, town and city levels. With these amendments, true democracy no longer means voting once in five years but requires active participation of all citizens in planning all the development and welfare programs of their areas.

If the 73rd and 74th Amendments to the Constitution of India are implemented in letter and spirit then this would ensure that common people, by participating in their local Gram / Area Sabhas as citizens, would be able to decide about all civic amenities, education and health facilities, selection of eligible candidates for welfare schemes and preparation of the development plans for their Areas and not be dependent on the benevolence or discretion of the elected representatives or officials as is the case now. This would mean that at least 70% of the requirements of the lives of people (especially of the poor and marginalised) could be decided by people themselves. In such a scenario, the role of elected representatives and government officials would be the implementation of decisions taken by the people as citizens! There can be no better model for participatory democracy with a potential to directly accommodate over a billion people of the country in governance processes as citizens!! The only condition is to ensure that all our Gram and Area Sabhas are constituted properly and function effectively.

But unfortunately political leaders from all parties are preventing the constitution and functioning of Gram and Area Sabhas to protect the discretionary powers they have come to acquire unconstitutionally over governance processes at all levels. As a result, citizenship entitlements of the people are getting undermined leading to subversion of self reliant governance process in communities and more and more centralization of power- contrary to the letter and spirit of the Constitution of India.

When someone asked Gandhi about his idea of India a little before independence, he replied that

independent India to him is 5 lakh self sufficient, self reliant villages. During 66 years of Independence, New Delhi seems to be emerging as our idea of India! But till the day we move out from New Delhi to our million hamlets, villages, towns and cities, a billion Indians will be condemned to continue as subjects and cannot become citizens.

Reinventing Indian Democracy-II

Taking Politics beyond Elections

It is a constant lament that politicians come to people once in five years to seek votes during elections and become invisible thereafter. Further, votes are being increasingly solicited in the name of community, caste and regional affiliations rather than on the track record of service to people. This is strengthening sectarian politics wherein political parties create confrontations (and sometimes even engineer conflicts) between different communities to reap votes and gain power. With increasing reliance for electoral victory on divisive politics, development agendas are taking a back seat and the ultimate losers are people- irrespective of their community.

Feudal Mindsets in Democratic Framework

Many candidates from different parties contest elections but only one can win. Some, who lose, do so by just a few hundred votes. In the Legislative Council elections in Andhra Pradesh in 2009 the defeat of a candidate was by just one vote! But after election results are declared, the winning candidates (from the local sarpanch to national leaders) come to think that they have acquired absolute power over the entire area and only their writ can and should run in all matters. Even people approach only the candidates who have won (and not the losers) for redress of their problems. Officials also feel answerable only to the elected representatives and not to any of the losers who seem to become invisible and fall off the radar, at least till the next elections. So the winning candidates, people, officials and even defeated candidates are all responsible for the continuation of this mindset of making winners the uncrowned kings of their constituencies.

But for a variety of reasons access to elected candidates becomes difficult and in most cases they do not solve problems brought to them by the people. Consequently people get disenchanted with

the entire political class, disengage themselves from governance processes and become reluctant participants in the political ritual of just casting their votes during election.

Setting up Political Competition

We fail to realize that most of those who lose elections are also leaders, with the backing of political parties, cadre, good standing in society and could wield some influence with the government departments and officials. Being out of office, they will have more time available, and having lost the elections, some of them may end up with an increased desire to prove their influence and leadership stature. Experiences have shown that if a representation is submitted to the elected representative and also to the defeated candidates of the area, the defeated candidates are faster in taking up the issues with the concerned authorities. Once the elected representatives learn about the initiatives by the defeated candidate(s), they immediately plunge into action for its resolution and to corner credit. The chances of people's problems being addressed and resolved become much higher if both the elected and defeated leaders are approached!

But most people, including the defeated candidates, avoid taking up issues of people as this could lead to friction with the winning candidates. However, this mindset has to be challenged and can be changed. By showing the potential to develop political goodwill for future encashment by taking up people's issues, many defeated candidates could be motivated to challenge the monopoly of the elected representatives. The resultant competition between politicians can take politics beyond elections and into the domain of service to people and should be welcomed and encouraged even if it entails frictions and even occasional violence. With consistent increase of such competition to serve people, the hostility will have to come down and could eventually lead to the formation of a mindset that does not make service to the people of an area the exclusive domain and right of only the elected representatives.

In fact time has come for us to make appropriate changes in our rules governing the composition of public governance bodies that would ensure that at least the first and second runner ups in any elections automatically become members of relevant governance structures like the Panchayats and Ward

Committees for local bodies and District Review Committees etc. for Assembly and Parliamentary levels. A place for them in these bodies would ensure a voice for large numbers who have voted for them and make our polity more representative and democratic and address some of the drawbacks of the First Past the Post electoral system that we are following.

Securing Participatory Democracy through Existing Constitutional Provisions

The present practice of representative democracy has posited vast discretionary powers with political leaders making people de facto subjects in what is claimed and projected as a democratic system. Even development agendas and election issues are being manipulated and framed by politicians and not by the people who continue to live the ever increasing problems. So, instead of committing to address the issues of proper civic amenities, education, health care and employment etc. political parties are able to win elections and come to power by promising construction of temples or protection of masjids, provision of rice at 2 rupees a kilogram or best of all so far, gift of a colour television set courtesy the state exchequer!

The constitution of India, through Gram and Area Sabhas has already made provision for direct participation of people in the most basic but crucial governance processes and also empowered them to determine the agendas for their own development. All that is required now is education of different sections of society- people, politicians and officials- to the availability of these provisions; transformation in the mindsets to internalize and adopt them, and finally ensure their proper and strict implementation at all levels and at all times to make people equal partners in governance, secure their empowerment and save them from dangers and costs of divisive politics.

It is only when all these are achieved; our politics would transform to go beyond elections to become a continuous service of people and not just a stratagem to divide them to gain power.

— Dr. Mazher Hussain is Executive Director of COVA, a national network working on issues of communal harmony in India and peace in South Asia and can be reached at mazherhussain11@gmail.com

Transforming India Tomorrow: Converging Rajniti and Lokniti

**Dr. Rajesh
Tandon**

The Cabinet Resolution establishing NITI (National Institution for Transforming India) Aayog, as a replacement for sixty years old Planning Commission, makes an interesting reading of what may well be the guiding spirit of this new institution. As the new team at NITI Aayog begins to take forward the aspirations enshrined in this Cabinet Resolution, seven over-arching cornerstones of its functions emerge:

- Effective governance entails 'participative citizenry', implying active involvement of all citizens, especially women and youth
- Facilitate evolution of a 'shared vision' of national development, in keeping with the diversity of realities and stages of development in the country
- Promote a methodology for formulation of 'development plans at each village' (and ward of town), and then aggregation at the district level
- Harness the enormous 'social capital' of India's citizens at home, and abroad, in ways that supports realisation of shared vision
- Suggest strategies for human and institutional 'capacity building' in public systems and society at large
- Create platforms for sharing innovations and knowledge from 'experts and practitioners' of good governance and equitable development
- Encourage partnerships between 'key stakeholders' for providing advice and support to the national development agenda

In an important way, the mandate of this new entity is vast and comprehensive, without specifying particular domains of policy. The Aayog can begin to operationalise the above principles without necessarily inducting within itself all the domain expertise it requires. In fact, a lean and facilitating structure of the Aayog, with strong networking capacities, can draw on the enormous domain knowledge that already exists in the country. Much of this expertise is in the private sector, outside the government institutions. Both for-profit and not-for-profit private sector---individuals and institutions---can be called upon to function as task force, work

groups, and other temporary mechanisms to accomplish a particular set of policy tasks, and then be disbanded to carry on.

A second major imperative for the Aayog is to understand that its mandate is not limited to national government alone. Today, the relevance of such support to various state governments is far more critical. State governments lack strong domain knowledge, and their capacity to harness such expertise varies greatly across the country. Most planning boards in state governments do not function adequately. Aayog can perhaps act in such a non-partisan manner (since it does not have resource allocation roles at all) so that all state governments can benefit from its support.

Finally, the Aayog can identify several constitutional mechanisms that bear close links to some aspects of its responsibilities. Two such mechanisms are particularly relevant. First is the State Finance Commission (SFC). Most of these SFCs have not been able to realise their full potential, including integration with National Finance Commission, due to a variety of political and technical constraints. Aayog can facilitate realisation of fuller potential of SFCs in each of the states.

A second mechanism is District Planning Committee (DPC); in most states, DPCs have not been properly constituted, or empowered or resourced to perform the most crucial integrative planning function in each district of the country. Aayog can support processes which enable DPCs to realise their full potential, thereby 'mid-wiving the re-birth' of the Planning Commission in each of the more than 600 districts of the country.

The essence of the mandate of NITI Aayog, therefore, is to find ways in which the Rajniti (policy of the state) can be harmonised and integrated with Lokniti (policy of the people). Politics of effective governance needs to be played out at the interface of Rajniti and Lokniti. It is in effectively mediating this interface through open conversations of different perspectives, experiences and expertise that the Aayog can become most productive and useful to the people of India tomorrow.

(This article is taken from Dr. Rajesh Tandon's Blog)

— Dr. Rajesh Tandon, President, PRIA, New Delhi

Analyzing G20 from the perspective of
civil societyDivita
Shandilya**Introduction: A background to G 20**

G-20 or the Group of twenty, consists of the developed countries of Australia, United States of America, Canada, United Kingdom, Germany, France, Italy, Japan and South Korea and the developing economies of India, China, Brazil, South Africa, Russia, Argentina, Indonesia, Mexico, Saudi Arabia and Turkey along with the European Union. The G 20 major economies of the world collectively account for almost 85% of the global output (gross world product), 80% of the world trade and two-thirds of the world population.

The G20 was established as an international economic forum in 1999 in the wake of the East Asian Financial Crisis. Although it originated as a forum for finance ministers and central bank governors of the respective member countries to deal with the repercussions of the financial crisis and contain its aftershock, it evolved into a summit of Heads of States post the 2008 global financial crisis. While the finance ministers and the central bank governors meet several times throughout the year, the Heads of member nations (Presidents and Prime-Ministers) meet at the G20 summit, which has been held annually since 2011 (previously the summit was held bi-annually) and deliberate on issues and policies to promote international financial stability. G20 has emerged as the primary council for



international economic cooperation in recent years and has expanded the scope of its functioning from ensuring economic recovery and strengthening the financial architecture to include critical issues of the global financial system such as rebalancing the international financial architecture, improving financial inclusion, fighting money laundering and financing of terrorism and bringing in transparency of fiscal policies. It also aims to foster development and sustainable growth through progressive policies on food security, infrastructure investment, employment and climate change.

The Current troika comprises of Australia (which hosted the summit in 2014), Turkey (the current host) and China (to assume G20 presidency in 2016).

As it took over the presidency, Turkey formulated the “three I’s” principle: Inclusiveness, Implementation and Investment for Growth and expressed its commitment to ensure inclusive and robust growth through collective action.

The Turkish G20 presidency has also come out with its priority document which enlists the three pillars on which its presidency will be based, namely: (1) Strengthening the Global Recovery and Lifting the Potential of the economies of the member countries. (2) Enhancing resilience of the global economy and, (3) Buttressing Sustainability through focus on issues of development, energy and climate change finance.

Functioning of G20

The G20 does not have a permanent secretariat and its presidency is held on rotation by the member countries. The current presiding nation, previous president and the future host country of the presidency form the Troika, which is responsible for the formulation of the summit agenda in a given year.

Thereafter, discussions are held on these issues through two broad channels, the finance channel and the Sherpa's channel. The finance channel comprises of the Finance Ministers, Central bank governors and their deputies who lead the discussions on working groups related to matters of finance. The Sherpa's channel is headed by the Sherpa of each country, who is basically a nominee of the government to lead the discussions which fall under the development agenda.

The Sherpas also negotiate the final outcome documents and delegate and coordinate the work of various working groups. These working groups are listed below: -

- The Framework Working Group
- The Investment and Infrastructure Working Group
- The Development Working Group
- The Anti-Corruption Working Group
- The Task Force on Employment

Since its policies and decisions have widespread implications for other developed and developing countries which are not represented in the forum, concerns related to its legitimacy and representative structure become all the more important.

- The G20 Trade Contacts Meeting
- The Energy Sustainability Working Group

As per practice, the working groups are co-chaired by a developed and a developing member state. These working groups also invite inputs and feedback from international financial institutions, business groups, academia and non-G 20 countries. The G-20 has put in place outreach groups Business 20 (B20), Labour 20 (L20), Youth 20 (Y20), Think 20 (T20) and Civil 20 (C20) to establish dialogues with major stakeholders in business associations, trade unions, think tanks, civil society and students and young professionals.

Criticism of the G20

Many critics have raised concerns about the legitimacy and accountability of the G20 since it was not established through a consultative or an election based process but through a unilateral declaration by the largest twenty economies of the world. Since its policies and decisions have widespread implications for other developed and developing countries which are not represented in the forum, concerns related to its legitimacy and representative structure become all the more important. The process of its functioning has also been consistently questioned as it does not have a permanent secretariat or a formal charter but mostly works through closed door meetings. The fear that the G20 could undermine the United Nations agencies and processes has also been voiced by many.

The Civil 20 process

Civil society organisations, in their individual capacities or collectively, have been involved in the process of providing inputs from the civil society's perspective since the G20 was established but even more so since it gained prominence and considerable political and economic clout after the inception of the G20 summit.

The G20 members have gradually recognised the importance of engaging with the civil society and as such have established a formal dialogue through Civil 20. The first C20 was hosted under the Russian presidency in 2013, where it was recognised as a formal platform for interaction with the objective of

“a productive dialogue between global civil society, politicians and decision makers on the basis of the priorities stated in the official agenda of the Russian presidency.”

The C20 has since taken shape in the form of a meeting where ideas and opinions on the agenda of the G20 summit are exchanged and where the civil society provides contributions to policies on issues pertinent to it and also presents its assessment of the main agenda and other issues of the G20 summit. Various grass root groups, academics, non-governmental organisations and other actors represent the civil society in this meeting and also contribute to transparency, review and evaluation processes otherwise.

Major demands that have been raised by the civil society in its deliberations prior to and since the formation of the C20 include improving representation and participation of low income countries, ensuring sustainable growth, strengthening efforts to reduce inequality and alleviate poverty and increasing accountability of the G20 process.

Civil society has also provided recommendations

The C20 has since taken shape in the form of a meeting where ideas and opinions on the agenda of the G20 summit are exchanged and where the civil society provides contributions to policies on issues pertinent to it and also presents its assessment of the main agenda and other issues of the G20 summit.



such as whistle-blower protection, stolen asset recovery, establishing country by country reporting on income earned and taxes paid by corporations and introducing legislation to regulate tax havens to tackle issues of anti-corruption and financial transparency; ensuring fair and sustainable employment, introducing measures to bridge the gender gap in workforce and providing stronger social security nets on issues of employment and cutting fossil fuel subsidies, investing in renewable energy technologies and small scale agriculture and reducing food price volatility to address issues such as climate change and rampant food insecurity.

Need for engagement with G20 in India

Two very important developments in the past few years are indicative of the urgency with which Indian civil society organisations need to engage with the G20. First, the emergence of the G20 as the premier international economic forum, which wields enough influence to shape discussions and trump decisions made by financial institutions such as the IMF, WTO and the World Bank. This means that policies on trade and investment and financing of the development agenda are being basically determined by the G20.

Secondly, the growing strength of the Indian economy, which has become a leading voice in international forums such as the BRICS, IBSA and G20 itself. The Indian government is in a position to promote its own agenda within the G20 and represent the interests and demands of sections that it considers to be major stakeholders in the development process.

Therefore, Indian NGOs, academics and other actors of the civil society need to actively and critically participate in the G20 to ensure that the Indian government broadly defines its stakeholders and uses its position in the G20 to voice their interests, especially those of the poor and marginalised.

VANI's engagement with G20

As the national platform for voluntary organisations in India, VANI realizes the critical importance of building the capacity of Indian voluntary organisations, especially those working at the grass roots, to develop a better understanding of India's role at the global stage and thereafter be able to engage with the policy processes and discussions and provide their inputs.

Therefore, with the objective of bridging the gap that seemingly exists between voluntary organisations and global discourses on development and making them aware of India's positions and commitments on various international platforms which are informed and shaped by these discourses and in turn determine the developmental path adopted by the government of India, VANI conducted a study on four thematic issues namely, financial inclusion, sustainable development, corruption and governance and inclusive growth.

The reports published under this study ("Critical Review of Financial Inclusion-In G20 Countries with Focus on India", "Bringing People in From the Cold-Ensuring Inclusive Growth in India", "Corruption and Governance in India-Current Status and Way Forward" and "Sustainable Development in India-Review and Way Forward") also serve the purpose of informing the government and international networks of the good practices and positive experiences of voluntary organisations as often the government and these networks remain apathetic or oblivious to the learnings of voluntary organisations that have expertise in grappling with complex social, economic and political issues on the ground.

VANI also intends to use these reports to engage with the relevant line ministries in order to influence the G20 process and consolidate the civil society's position on various issues on the G20's agenda.

Since the establishment of the C20, the C20 secretariat runs a consultative process where it engages national and international civil society organisations in order to develop joint civil society policy recommendations.

Since these recommendations are used as the basis for advocacy and influencing work with G20 governments for the duration of the Presidency, it is imperative that the consultation process be as broad based as possible.

In order to help set the agenda for the year, VANI encourages its members and other voluntary organisations to take part in the survey being conducted by the C20 Turkey Secretariat. The online survey is available at <http://www.c20turkey.org/poll>

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