



VOICE OF THE VOLUNTARY SECTOR  
**VANI**

# Voluntary Action Network India

*an apex body of voluntary organisations*

*celebrating 25 years...*

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#### Is Sub-contracting system ruining the voluntary sector?

*Dear Members and Associates,*

*Greetings from VANI!*

Few days back the rural development minister stated that the nexus between government, politics and NGOs is operating like mafia. It is not only concern for the leaders like rural development minister, but this issue has been raised repeatedly by the voluntary sector. Since the government started doling out its projects on the basis of tenders, contracts, or outsourcing this menace has started developing. The engagement of voluntary sector started being visualised as contractors and not as partners in development.

The value addition, commitment, knowledge and dedication got replaced by terms like contracts, fees, EoIs (Expression of Interest) RFPs (Request for Proposals). The decades of knowledge, experience, now have not much value in front of costing, jargons, and sleek presentations.

It is not only that voluntary sector is being side-lined in this "cost-benefit analysis", but even localised aspirations also don't have much space in project implementation. The projects at district or sub-district level are now seen more like a sub-set of larger projects, than a programme intervention. The national or state plans are implemented in an all-size fit process.

The nexus, which honourable minister was hinting can be seen as the by-product of this process where humans are replaced by systems. The last 15 years have witnessed mushrooming of more "NGO", doing government projects than in any time of history. Most of the time, the language of tenders of development sector is same as that of any infrastructure tender, like road or bridge construction. The cost is fixed, methodology is fixed, and even the content, mode of delivery, etc. is predetermined. In many tenders, which are floated by the government at the district level demand monetary deposit as security for the bidding organisation. Most of the times, amount fixed is so high that it automatically debars small organisations. This makes way for organisations having backing of some rich entity which can show security for them. We feel that Planning Commission should also



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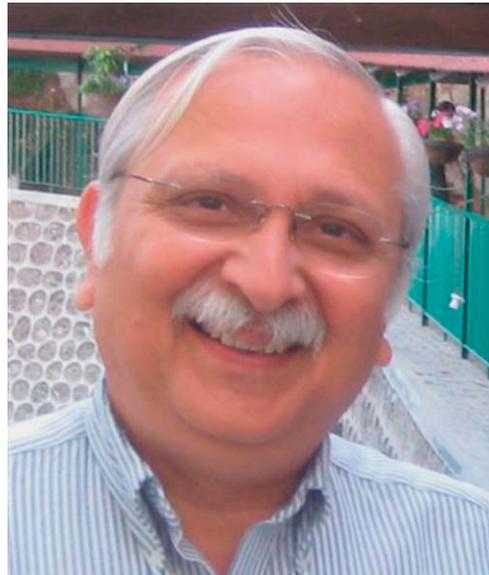
# Roles of Civil Society in Changing Context of India

— By Dr. Rajesh Tandon

## Introduction:

Since the days of economic liberalisation in 1991, India has changed in some very significant ways. Its GDP has reached nearly \$ 1.8 trn, and it is now the third largest economy of the world in terms of purchasing power parity. The per capita income has grown more than five-fold, now at nearly \$1500 per head per annum. The expansion of middle class and High Net Worth Individuals has been significant. Private sector has expanded its contributions to Indian economy. The world's 'largest' democracy, India, has also witnessed notable achievements in the sphere of information technology. Parallel to developments in economic and technological domains, there are deeper changes in the political governance of the country too. The introduction of democratic decentralisation and constitutionally mandated local governance systems in 1993, the enactment of Right to Information Act in 2005, the Mahatma Gandhi National Rural Employment Guarantee Act in 2005, the Forest Rights Act in 2006, and the Right to Education Act in 2009 have advanced the rights based approach to development and the institutionalisation of many social accountability mechanisms in grassroots governance. India's influence on global governance institutions is also expanding. Its emergence as a potential super power and its expanding domestic and international market along with its rising stature has given it a seat on high tables of G20, BRICS and IBSA.

According to the recent report of the World Bank, India accounts for nearly one-third of the world's poorest one billion people (living at less than \$1.25 per day); it implies that nearly 350 million Indians (roughly a third of total Indian population of 1.2 billion today) are living in abject poverty. The benefits of economic growth have not been distributed evenly. On the contrary, the gaps between the rich and the poor have expanded. This situation can make India a "demographic disaster" rather than a "demographic dividend" since half of its population is below the age of 25. Urban growth in India has largely remained unplanned and exclusionary, producing



problems such as the growth of slums and squatter settlements, environmental degradation, and increased burdens on urban infrastructures. Additionally, conflicts around control over natural resources have given rise to threats from extremists in several parts of the country. Pervading issues of corruption, slow implementation of governance reforms, and a sluggish bureaucratic administration have impeded rapid reduction of poverty.

## Changing Contours of Civil Society

In early 1990s, PRIA had conducted a study of voluntary development organisations in India; the study had shown that inspiration and commitment of young people had led to emergence of a new generation of development organisations after the emergency in the country (1991). A large number of these organisations were involved in generating awareness and conscientisation of the rural poor, and forming their collectives, associations, cooperatives, sanghas and self-help groups. That scenario seems to have changed now.

Over this period, there has been a 'mushrooming of voluntary organisations' (Tandon, 2002a) in India. Many organisations have emerged without being aware of the local context and its needs. Many more, instead of



pursuing social commitments, pursue business and commercial motivations. Another trend is for political leaders to form CSOs. Many CSOs are also set up by ex-bureaucrats who regard the sector from a business/profit-making perspective. Some unemployed youth view CSOs/NGOs as self-employment ventures. For example, after the Tsunami in 2004 enormous amount of funds gushed into Tamil Nadu for relief, so many people opened NGOs with the intention of accessing those funds.

This period has also seen a dramatic growth in social movements; citizens' movements raise their voices against anti-people policies, for better governance and for a corruption-free society. Civil society in the form of non-formal, sporadic and spontaneous protest movements (like the anti-corruption movement led by Anna Hazare, the anti-POSCO movement in Odisha, the West Bengal land movements, the anti-nuclear movement in Tamilnadu, movement against water privatisation in Karnataka) has gained momentum in the recent past.

Another significant trend is the development of Corporate Social Responsibility promoted by the growing private sector. It has gained greater currency since the new Companies Act in 2012, which suggests that companies are expected to earmark two per cent of their net profits towards CSR each year. Many corporations have started promoting CSR and private philanthropic activities and several are also involving CSOs in implementation tasks. However, these CSR activities are largely conducted by the corporates through the formation of separate foundations or under their own banner.

These various forms of civil society in India reveal that the sector is rich in diversity and extremely heterogeneous in nature. But, when such diverse sets of actors, values, roles, activities are brought together under the broad banner of 'civil society', then it also carries within itself the seeds of a confused identity for the sector as a whole. Thus, diversity is both a source of strength and problem for the Indian civil society.

Three kinds of changes in the composition and roles of civil society can be ascertained over the past two decades. First, a much larger number of campaigns and policy advocacy efforts have been occurring in India.

These focus on rights of the excluded; they also target negative consequences of rapid economic growth and displacement of people from their livelihoods and habitats. Second, a larger number of SHGs and micro-finance NGOs have gained visibility during the past decade. Government's policy to support SHGs, interests of banks in micro-lending and international funding towards financial inclusion has contributed towards this growth in the country. Third, spontaneous and collective citizen protests have grown in urban centres. Young, educated, economically mobile urban middle-class is now more frequently demanding better governance and justice from the state.

Some traditional roles of Indian NGOs have also continued during this period. These include provision of basic services to the poor and the marginalised. While basic education and primary health care were more common such services even before, new areas of service delivery are water, sanitation and housing. Likewise, religious institutions in India have always played some charitable welfare roles' throughout history. With growth of new 'gurus' and cult icons, the public visibility of such charities has only increased.

### **Changing Relationships of Civil society**

Over this period, how has the relationship of civil society been changing with respect to the government, donors, media, etc.?

### ***Civil society space in India is both expanding and shrinking.***

Indian state has opened up space for increasing interactions with the CSOs so far as policy-making is concerned. For instance, the National Advisory Council (NAC) set up by the United Progressive Alliance Government (UPA) in 2004 provides civil society policy and legislative inputs to Government on social policy and rights of the disadvantaged groups. In 2007 Dr. Man Mohan Singh's Cabinet approved the first ever National Policy on Voluntary Sector in India, which proposes creating an enabling environment for voluntary organisations (VOs) by regular consultations with various national ministries. Consequently, the Finance Ministry has been organizing pre-budget meetings with selected NGOs since 2010. NGOs also provided substantial inputs in the preparation of 11th and 12th Five Year Plans.



**The government policy of granting funds only through its approved list of CSOs reinforces the problem of limited access of government funds for 'non-approved' CSOs. Under such circumstances, strategic partnership with the government is difficult so the emphasis is on contractual agreements. The government of India also regulates the voluntary sector through the recently passed Foreign Contribution Regulation Act (FCRA) and the proposed Direct Tax Code (DTC).**

The space for civil society in India is shrinking as well. Withdrawal of international funding has made the CSOs increasingly dependent upon government funds and projects, consequently losing autonomy and freedom to voice critique and pro-people demands. Acquiring government funds has become time-consuming, complicated, and corrupt under the tender-based bidding approach. The government policy of granting funds only through its approved list of CSOs reinforces the problem of limited access of government funds for 'non-approved' CSOs. Under such circumstances, strategic partnership with the government is difficult so the emphasis is on contractual agreements. The government of India also regulates the voluntary sector through the recently passed Foreign Contribution Regulation Act (FCRA) and the proposed Direct Tax Code (DTC).

Similar trends can be noticed in respect of civil society relations with political parties. There are several instances

of CSOs working as think-tanks and advisors to political parties. Yet another example is the transformation of civil society into a political party; LokSatta and AamAadmi Party are two such recent examples.

However, the changing nature of political parties is further constraining this interaction. The rapid criminalization, use of illegal funds and family control of political parties has resulted in serious difficulties in enhancing the democratic culture in politics. Most political leaders at local and district levels today use politics as a source of income and protection from law. In their view, civil society activists are a nuisance, to be excluded and intimidated. That segment of civil society which demands accountability from political leaders faces greatest threat in this regard.

***Confusing Identity***

The overwhelming diversity in forms, purposes, sizes and activities of actors in civil society is amazing. The rate and frequency at which citizens in all locations of society are organising themselves to both demand and construct solutions to their daily problems of life has increased dramatically. New legally incorporated entities at the grass-roots level have grown enormously. CBOs of the excluded sections of population have multiplied several fold amongst the dalit and Muslim communities. Even middle-class neighbourhoods have many more associations. Corporate foundations and CSR agencies have come into being. A large number of private schools, colleges and universities have also been established, all as non-profit organisations. Even some government agencies have been setting up NGOs and institutional mechanisms for efficient service delivery.

In this morass, diversity is confusing identity. Is this all one sector? Does it really have a shared vision of society? Are some common values shared by all actors of civil society? The confusion around identity is experienced within as well as perceived from outside.

***Resourcing to partner and reform***

The dilemma of resourcing civil society operations is most acutely experienced by the intermediate civil society, or development NGOs or voluntary development organisations. For most CBOs, internal membership support is adequate. Many access government funds too. Those who are focused on providing services or



delivering government schemes seem to have enough resources. The ones who generate market-linked solutions (like micro-finance) can use premiums to take care of staff costs and administrative overheads. For some fortunate ones, large endowments, corpus or immovable assets generate a regular income stream to allow them to pursue their mission. Pay-by-services (like schools and clinics) have also found cross-subsidisation models to enable them to work with the poor.

However, flexible funding that allows certain degree of autonomy from government and political system has particularly 'dried-up' for intermediate NGOs who mobilize communities to claim their rights and whose efforts question the absence of democratic accountability of the state and its institutions.

Increased philanthropy is not quite filling in this gap, yet. Increased middle-class donations are focused on basic services to the poor (education, health care and water); more domestic and international (diaspora) giving is also going to religious and semi-religious parts of civil society. So, what are the choices to resource these underfunded streams of work of civil society demanding transparency

and accountability? What are the critical implications of exercising any of those choices? How will the independent space for autonomous civil society be sustained and nurtured over the coming decades?

A similar challenge exists in partnering with private business. In provision of education, health and other basic services to the poor and the excluded, many partnerships between business and civil society have been synergistic. However, when displacement of tribals and other poor families from land and livelihood is threatened, conflict and contestation increases between business and civil society.

Explorations of partnerships between business and civil society in reforming governance and accountability have been rather limited so far. When will transparency, accountability, efficiency, absence of corruption and rule of law become important not just from the perspective of civil society, but also private business?

**– This is an abstract taken from Samarjit Memorial Lecture, presented by Dr. Rajesh Tandon at Hyderabad**

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**Continued from page 1**

produce the white paper of nature, impact and efficacy of projects allotted under sub-contact system. It is their duty not only as the body which finalizes the plans for the country but it must also see that how they have contributed in going against the "National Policy on Voluntary sector" produced by them in 2007.

The doubts are also raised about the transparency of this new system. Even if task is allocated to VO the last instalment seldom comes. We have been approached by many VOs who worked with government under this new system and their last instalment had been denied. Even at the time of costing, the government which expects VOs as employer to follow the basic labour laws refuses to pay salaries. Today thousands of people working in the voluntary sector are denied basic social security due to such attitude of the government system.

If we see this situation by linking it with Income tax then it creates new problem for VOs. The terms like fees, contracts, bidding, etc. draws the attention of assessing officer under Income tax. They feel that it is a business income, and most of VOs working with government have additional harassment from income tax department. Many of them face threat of losing their charitable status.

If the minister is serious about his observation then he must look at this problem holistically and analyse the cause. He must ask his department to study the trends of allocating big contracts by the government, flow of CSR funds from PSUs, the policies adopted by the government departments in allocating work under this system. There is also need to inbuilt the process of securing the independence of VOs and not due to government projects as carrot and stick policy. When there is desire, need and opportunity to generate resources from within the country and government is investing big amounts, these above stated safety mechanism becomes necessary. These systems will also help genuine VOs to come forward and work with government and public sector.

Harsh Jaitli  
Chief Executive Officer



# Change in more than 50% of board members under the FCRA

The Foreign Contribution (Regulation) Act, 2010 (FCRA) has been passed by both the houses of Parliament to replace Foreign Contribution (Regulation) Act, 1976 [FCRA 1976] to regulate the acceptance and utilization of foreign contribution or foreign hospitality by specified persons or organizations. For a charitable group in India to receive funds from an overseas source, the government of India requires that the charitable group has registration that complies with the Foreign Contribution Regulation Act (FCRA). There are two types of FCRA authorization:

1. Registration
2. Prior Permission

## Registration

Registration under FCRA gives Indian charitable organizations the authorization to receive donations from foreign sources. Organizations are eligible for registration under FCRA if they have been in existence for at least three years. As per the new FCRA regulations

**If an organization has been in existence for less than three years, they must receive “Prior Permission” to accept foreign contributions. Prior Permission is given to charitable groups by the FCRA department in order for groups to accept foreign contribution on a case-by-case basis.**

(2010), organizations must renew their FCRA every five years.

A charitable group must apply online for FCRA by submitting Form FC-3, and then sending in a hard copy of the application along with other required documents within 30 days. The fee to apply for the registration is Rs. 2,000. An acceptance or rejection of the application is made within 90 to 120 days after the application is made.

## Prior Permission

If an organization has been in existence for less than three years, they must receive “Prior Permission” to accept foreign contributions. Prior Permission is given to charitable groups by the FCRA department in order for groups to accept foreign contribution on a case-by-case basis. This permission should be obtained before accepting any contribution, and is applicable to a specific project and specific amount. This means the charitable group cannot use it for a different project or for additional funding for the same project. The charitable group cannot receive amounts more than the one specified in the Prior Permission. Groups can have two or more projects running side-by-side under Prior Permission. If a project is to be funded jointly by two or more donors, the charitable group can apply for a single Prior Permission that incorporates funding from all donors for the project.

After taking FCRA registration, NGO has to take prior permission before making any change in Board Members in excess of 50%. This condition is mentioned in the “Undertaking” given by the applicant at the time of making Application for Registration or for Prior Permission. Therefore, even though it is not mentioned in the Act or the Rules, it becomes binding on all the organisations by virtue of the undertaking given at the time of making an application for ‘registration’ or ‘prior permission’.



### ***Undertaking given at the time of registration***

A declaration and undertaking is given along with Form FC-3 at the time of making application for registration. The relevant extract of the undertaking under Form FC-3 is as under:

“(ii) to obtain prior permission for change of Members of the Executive Committee/Governing Council, if, at any point of time, such change causes replacement of 50% or more of such Members as were mentioned in the application no. .... dated ..... for registration under the Foreign Contribution (Regulation) Act, 2010 (42 of 2010) and undertake further not to accept any foreign contribution except with prior permission till the permission to replace the office-bearer(s) has been granted.”

It can be seen that the undertaking provides for seeking prior permission before there is a change in more than 50% of the Board Members as were mentioned in the application for registration. For example, if there were seven Board Members at the time of making the application for registration, then any change in the Board in excess of three members shall be made with prior permission. In other words, if the fourth member out of these seven members wants to resign or retire it should be done with prior permission. However, it may be noted that there is no bar in increasing or adding new members.

### ***Undertaking given at the time of prior permission***

A declaration and undertaking is given along with Form FC-4 at the time of making an application for prior permission. The relevant extract of the undertaking under Form FC-4 is as under:

“(ii) to intimate within thirty days regarding the change of Members of the Executive Committee/Governing Council, if, at any point of time, such change causes replacement of 50% or more of such Members as were mentioned in the application No. .... dated..... for prior permission under the Foreign

**If there were seven Board Members at the time of making the application for registration, then any change in the Board in excess of three members shall be made with prior permission. In other words, if the fourth member out of these seven members wants to resign or retire it should be done with prior permission. However, it may be noted that there is no bar in increasing or adding new members.**

Contribution (Regulation) Act, 2010 (42 of 2010) and undertake further not to accept any foreign contribution except with prior permission till the permission to replace the office-bearer(s) has been granted.”

It can be seen that the undertaking provides for informing after there is a change in more than 50% of the Board Members which were mentioned in the application for prior permission. For example, if there were seven Board Members at the time of making the application for prior permission then any change in the board in excess of three members shall have to be intimated. In other words, if the fourth member out of these seven members resigns or retires it should be approved by the Central Government.



### ***What if more than 50% change happens for reasons beyond control?***

There may be a change of more than 50% in the board as discussed above for reasons such as death or election by voting etc. which are not in the control of the organizations. In such cases, the organization should inform the Central Government immediately after such change has occurred and get retrospective approval.

### ***What if more than 50% change has already happened due to ignorance of law?***

There may be a change of more than 50% in the board as discussed above, due to ignorance of law. In such cases the organisation should inform the Central Government immediately after becoming aware of such requirement and request for condonation of the lapse. The Central Government may consider the matter if the reasons are justified. The intent of this law is not to harass or to interfere into the governance of genuine NGOs. The primary purpose of this law is to prevent unscrupulous practices where the FC registered associations are taken over by changing the governance structure.

### ***Does this law apply to organizations registered under the repealed FCRA 1976?***

The undertaking regarding change of more than 50% of the Board Member was also there in the old Form FC-8 also. In fact, this undertaking became a part of the application form for registration with effect from 27.12.1996 when the erstwhile Form FC-8 was amended. In other words, all organisations who have applied for FCRA registration after 27th December 1996 have given the undertaking regarding prior approval for change in more than 50% of the Board Members. Therefore, technically all organisations who have applied after 27th December 1996 are bound by this law. The organisations who have applied and obtained registration before 27.12.1996 are not subject to this provision.

### ***Is not taking prior permission a serious offence?***

As discussed earlier, this provision pertaining to change of Board Members is not a part of the FCR Act or FCR Rules. This provision finds a place in the application form for registration and prior permission. Therefore, strictly speaking it does not result in violation of the FCR Act or

FCR Rules and the onus would be on the FCRA department to prove that such provision is in consistency and consonance with the FCR Act or FCR Rules. The Supreme Court ruling in this regard is discussed below.

### ***Supreme Court on limitation created by a form***

It has been debated in several case laws whether direction by virtue of a Form can create legally mandatory obligation on the concerned organisation. Many High Courts held that a limitation provided under a Form was beyond the scope of the Act and therefore not tenable. The Supreme Court in CIT v. Nagpur Hotel Owners' Association [2001] 247 ITR 201, held that the additional condition in a Form can be held to be mandatory only if the purpose and the scheme of the pertaining Act is threatened to be defeated. In this case the Supreme Court held in favour of the Government, but made it very clear that any condition specified in a Form should be within the provisions of the Act and Rules. In light of the above, Supreme Court ruling a Form can create conditions only if it fulfills the provisions of the Act. In our opinion, any change in the Board of Directors in the normal course of activity does not seem to be a violation of FCR Act or Rules. Therefore, treating such changes as violation may not be legally sustainable.

### ***VANI's suggestions:***

- This provision is a part of both the old and the new FCRA. Therefore, it is necessary to seek prior approval in case of more than 50% change in the Board Members.
- Further, those organisations who have not taken permission, even after such change has occurred, should apply for permission and condonation.
- Legally, any such condition for prior approval, imposed through a Form does not seem to be sustainable. There might be circumstances where the organisation cannot take prior permission viz. death of Board Members, outcome of election etc.
- However, it is recommended that all organisation should inform the FCRA department and take prior approval wherever it is possible.

***- This is an abstract taken from Standard and norm by Financial Management Service Foundation***



## Leaders Speak: Amitabh Behar

***Amitabh Behar is the Executive Director of the National Foundation for India (NFI), a philanthropic trust that supports civic action for promoting democracy and social justice. He is currently the Global Co-Chair of GCAP (Global Call to Action against Poverty) and Convener of the National Social Watch Coalition (NSWC). Over the years he has done capacity building of more than 1000 development workers and activists on people centered advocacy. He was one of the key founders of Centre for Budget and Governance Accountability (CBGA) (as founder Director) and Wada Na Todo Abhiyaan (WNTA) (as National Convener for five years).***

### What is your personal experience about this sector?

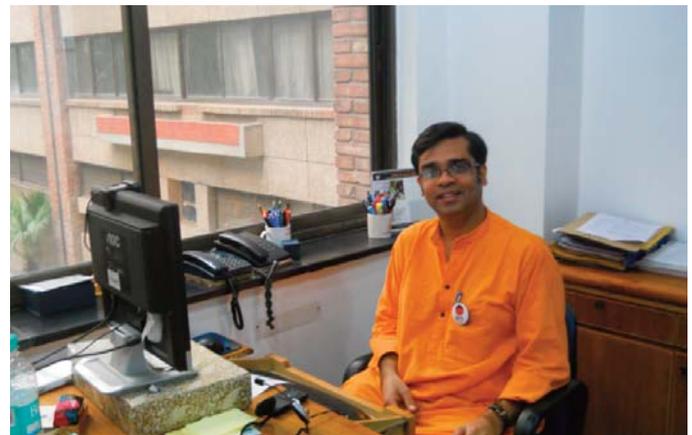
I have had an inspiring experience working in this sector which is highly motivating. The sector gives a complete perception about the country's development in this changing world. Unlike other sectors where people get disengaged with the veracities of their surroundings this sector keeps us grounded and provides scope to contribute towards creating a more just and humane society.

### Why did you join this sector?

I was committed as a young child and while growing up I was involved in student politics. I was equally aware about the inequality and injustice that prevails upon in our country. However, I also learnt that inequality is a global phenomenon. My passion has been to create a just society so that justice becomes a central driving force and the sector provides us right opportunities to create a just society. Ideally, politics should be an effective channel, but in our country mainstream politics at this moment doesn't provide opportunities for an ideological battle, a battle for justice and equality, and therefore the choice was very simple for me to work in this sector.

### What is your perception about this sector?

I can see two contradictory trends. The sector has grown enormously as many young people are joining from different walks of life which is exciting and is a positive sign too. Post an anti-corruption and Nirbhaya movement there is an enthusiasm to connect with the sector. On the other hands the real space for struggles and challenging the power is shrinking, so if we look at the social movements, that space has shrunk and there is a confrontation with the state.



### What is your suggestion for the future of this sector?

There is a tough battle ahead and which is on two fronts, one externally and the other is our internal battle. Externally, the condition is becoming more oppressive for the poor, for the socially excluded, be it Dalits, Adivasi, women, etc., and therefore this battle is tougher. We need huge resource and I am not talking about financial resources. We need resources of our passion, deeper commitment to our values to make the struggle bigger. Therefore we need to motivate ourselves and others to prepare for this long and a tough battle. Internally, I think, the sector is going through a transformation where new actors joining, but it is also leading to dilute our core objectives. Therefore we need to be very cautious, where we have to fight with the state to insure our space, so that it is not encroached upon and then also with these new actors confirming, they don't dilute our mission of changing this world.

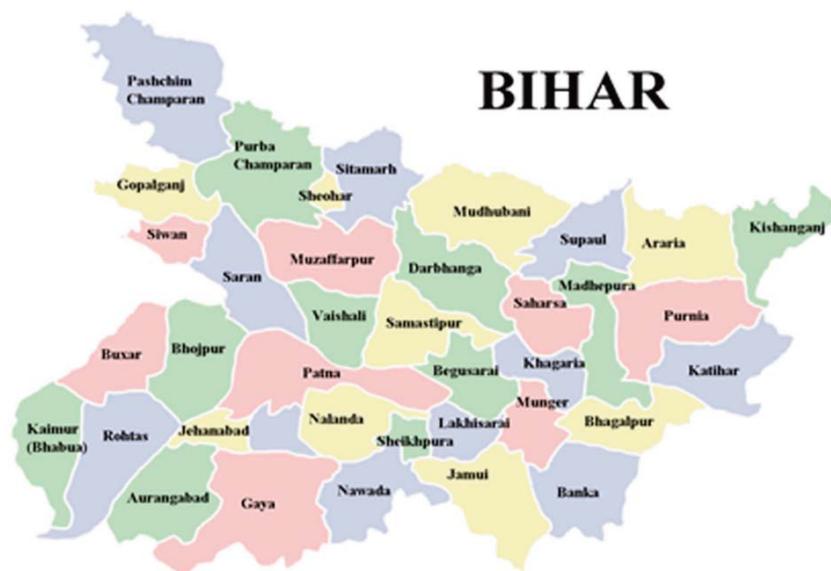
***– Views expressed are personal, Interview taken by S. M. Zaki Ahmad, Research and Documentation officer VANI.***



# Status of State- Bihar

— Based on research study conducted by VANI on Bihar state

Bihar is a major state in eastern India. It falls within the rich Gangetic plains and comprises a total area of 94.16 lakh hectares. By way of population, it holds the 12th position among the states in the country. The plains of Bihar are known for their diversity of crops and for agro-based industries. The state comprises of 38 districts and Paschim Champaran is the largest district and Arwal being the smallest district in the state. According to the Bihar Census 2011 the state has the third highest population in the country. Around 88.71 percent people live in rural areas and 11.29 percent in urban areas.



## The Current Status of Voluntary Organizations

According from (Annual Report 2010-11) the Department of Registration show that a total of 26,500 voluntary agencies are registered in Bihar under the Societies

Registration Act, 1860. As per annual figures, 2476 institutions were registered under the Societies Registration Act, 1860 in 2008-09. In 2009-10, 2979 were registered, and in 2010-11, 2387.

**District-wise Number of Voluntary Agencies in Bihar**

District	No. of NGO	District	No. of NGO
Arariya	10	Muzaffarpur	99
Aurangabad	6	Navada	116
Banka	14	Patna	529
Begusarai	20	Purnea	35
Bhagalpur	50	Rohtas	24
Buxar	15	Saharsa	21
West Champaran	48	Samastipur	65
East Champaran	33	Saran	47
Chhapra	05	Seohar	4
Darbhanga	24	Sheikhpura	03
Bhojpur	41	Sitamarhi	34
Gaya	98	Siwan	31
Gopalganj	17	Supaul	12
Jehanabad	30	Vaishali	42
Kaimur	0	Monghyr	46
Katihar	28	Jamui	26
Khagaria	24	Kishanganj	09
Lakhisarai	7	Madhubani	116
Madhepura	05		
<b>Total</b>			<b>1734</b>



The district-wise list of number of FCRA-aided agencies shows that the greatest number at 429 happens to be 30.5 percent of all at Patna. Then, in Navada and Madhubani, 6.6 percent institutions are registered under the FCRA. In Gaya, 98 institutions were registered under the FCRA Act 1860, while in Muzaffarpur around 99 institutions were registered. It may be noted that a sum-total of 1734 institutions are registered in Bihar. It may also be noted that according to the Planning and Development Department of Bihar around 30,000 institutions are registered all over India under the Societies Registration Act. This means that among the institutions registered under the Societies Registration Act, 1860, only 5.78 percent have registered under the FCRA.

### Contribution and Impact of VOs in Bihar

In Bihar the VOs are actively involved in **issue based work**. They have been working on health; education; women's empowerment; agrarian development; land, forests and water and sanitation; rehabilitation; dalit rights; human rights; differently challenged people;

programs for the old and destitute; human trafficking; animal husbandry; horticulture; helping in the formation of self-help groups and in raising their capacities, and to establish linkages with banks; assistance for income enhancement; disaster management and relief measures.

There are VOs which does **advocacy** to influence national and international policy and functioning. They are engaged mainly in the spheres of education, environment, dalit rights, land issues, human rights, etc. There are VOs which does **issue based networking**. Such organizations get together to raise demands for various rights as part of a network. They place their demands before the government pertaining to education, food security, gender, eviction, child labour, and panchayati raj, the ownership of the natural resources that may provide the means of livelihood, social security, human trafficking, female feticide, women's rights, dalit rights and corruption. There are VOs that campaign and form groups to bring forth and address the rights of dalits and adivasis, environment conservation, land reforms, etc.

## Gram Nirman Mandal: Putting Jai Prakash Narayan's Ideas into Practice

*It was on May 4, 1954 that Bharat Ratna Loknayak Jai Prakash Narayan established Gram Nirman. JP had given up the politics of power, and adopted the path of voluntary change and constructive work. According to him, the Bhoodan Gramdan movement was a key program of a voluntary revolution. Until 1954, several hundred thousand acres of land had been acquired through voluntary contributions as Bhoodan. There had been hundreds of such donations. The problem now was how to go about the task of reconstruction. He chose to begin this task in areas which were extremely backward, economically and socially. Thus it was that Kauwakol in Navada sub-division of Gaya district was made an area of intense social experiment, and the decision taken to build a Nirman Kendra on some land handed over to him by a mahant (Religious Lord) from Sokhodevra Ashram. To carry out this task, an organization was needed. Gram Nirman was the collective which put JP's ideas into practice, making village after village self-reliant in food, clothing, housing, education, health, self-employment, transport and economic development. It also helped strengthen the Gram Sabha. This organization laid emphasis on peace, training, savings, employment generation for village development. A rest house was also provided so as to let activists relax. JP lived and worked from such ashrams for years together. For 15 years until his death, he presided over the Gram Nirman Mandal. The institution has been engaged in constructive work for 55 years.*



**Challenges faced by the voluntary sector**

**1. Paucity of Resources:** VOs are faced with a paucity of resources. In order to fulfill their objectives they are completely dependent upon government sources. However, they often get disillusioned with the ways and means of government functioning. The demands for advance commission often pose great difficulties. Foreign donors grant funds to VOs for the professionalism that they find in them, but the ones working at the grassroots are not in a position to fulfill the criteria. Numerous VOs have lack of information and knowledge about where to obtain resources from. Most of them are dependent upon government aid.

**2. Lack of Skill:** VOs are faced with inadequacies among their personnel that intensify the challenges before them. The requisites in areas such as proficiency with computers, English language, that concerns project formulation, documentation, preparation of data bases, presentations, and so on drawbacks cause a number of hardships for the VOs. Those operating in rural areas lag behind when it comes to garnering resources. It is in imparting training and issuing guidelines for work, that the VOs usually face drawbacks. Those that are relatively vocal and skilled are more capable of procuring the required resources, while the rest remain deprived.

**3. Inadequate Infrastructure:** A number of VOs are faced with many challenges on account of infrastructure. Foreign donors also take greater interest in assisting those VOs which have a better infrastructure, whereas the others face several difficulties. Problems such as having to change one's office address frequently create further adversities. Such difficulties ultimately hinder the development work. The institutions, which are poor in terms of infrastructure, are not few.



**4. Entry of Agencies from Outside:** With the entry of VOs from outside, local organizations get deprived of opportunities. VOs from outside are found to work in a more technical manner, whereas organizations working at the local level have shortcomings regarding information and expertise. For e.g. during the national calamity of 2008, the VOs from other states did the relief work instead of those from the four districts of the affected Kosi area, viz., Saharsa, Madhepura, Supaul and Purnea. Even though the problems may generally be local in nature, the local VOs are not given opportunities. Arbitrariness on the part of banks also threatens the future of self-help groups.

**5. Ideological difference between the VOs:** Timely information dissemination about advertisements/





tenders does not reach the social activists working in remote and far-flung areas. It has been observed that the representatives of various organizations working on the similar issue are not united on a single platform. They fail to coordinate among themselves or share their experiences due to mutual competition.

#### 6. **Disparity between the Budget Provisions of Government Agencies and Voluntary Organizations:**

There were instances of a few VOs encountering problems on account of the expenses

incurred for administrative purposes. No allocation of administrative expenses in the government programmes creates a number of difficulties for smaller voluntary organizations.

**7. Working with the government:** The VOs are dependent upon government assistance. The present system of issuing tenders has led to an erosion of the dignity of VOs. The introduction of the system of tenders has increasingly led to competition among the VOs vying for tenders.

## Recommendations

- **Funding:** Timely release of government funds to the VOs so that the activities does not suffer. A dialogue should be established with the government to discuss the problems faced by the voluntary organizations and simplify the process of allocating funds. The government should adopt a liberal and flexible policy.
- **Resource mobilization:** There is a need to explore and find an alternative source of funding and focus should be on finding new ways to raise resources. The VOs should strategize to tap individual donations and organizations and build a corpus for financial sustainability.
- **Internal capacity building:** Regular capacity building exercises, trainings and skill development programmes should be planned and conducted to remain updated about the latest information and development in the sector.
- **Strategies to engage with the government:** The partnership and relation between the VOs and the government needs to be strengthened. The government could help and support the voluntary sector in maintaining financial sustainability by giving them fair and equal access to governmental contracts. The VOs should involve the government officials in workshops, training programmes and information dissemination. Greater involvement and interaction will result in long term collaboration.
- **To strengthen relationship among VOs:** The VOs need to mobilize resources and financial sustainability is required to function efficiently and effectively. The best practices and innovative ideas should be shared and appreciated among the VOs and with other stakeholders. Improved networking and collectivization amongst VOs will lead to more consensus based collective regulation.
- Apart from the issues concerning the people, the media along with the VOs should together ponder over the basic questions of rights and entitlements.

*(Based on research study conducted by VANI on Bihar state)*



# Status of the Voluntary Sector in India

## Introduction

The study is an attempt to accurately portray the Indian voluntary sector that has been engaged in various developmental works in the remotest locations of the country for the upliftment of the downtrodden and marginalised. They can also rightfully take credit for supporting the successful implementation various welfare plans and projects of the government.

Today the corporate sector also through the corporate social responsibility (CSR) mechanism has ventured into this field and has entered the field considered the exclusive domain of the voluntary organizations (VOs). However, since the business of corporate bodies is to make profit and so they are not expected to make a serious dent in the deprivations in matters of health, education, water& sanitation etc. Even, the government with its unmatched prowess is unable to reach those who get left behind and hence it is the civil society groups that include non-governmental or voluntary organizations, media, faith based organizations, academia, that come forward to fill these gaps. Since these gaps addressing multiple marginalities and vulnerabilities are complex, and the rewards in terms of employment, power, status, money in addressing them is very little so it gets to be the job of civil society.

**Voluntary organizations are a part of a larger civil society and this study is an attempt to define the voluntary sector, its impact and the challenges faced by it in bringing in the desired change.** At a micro level, the VOs have positively impacted the lives of the

needy, while building a reputation for itself. At the same time and at a more macro level, many indigenous organizations along with some international ones, have become highly professional, bringing a lot of credibility to the sector. Despite this, there has been much confusion and speculation in the minds of the media, government, and general civil society about the identity of the sector.

## Issue of Representation

**The authors have limited their study to only that voluntary organizations those are working at the grassroots level and other small medium and bigger organizations, community based organizations whose sole motive is providing not-for-profit services to the society. Therefore, in the present study, we have designated term 'voluntary organizations (VOs)' for the organizations working with the above mentioned intention/motive.**

Now the issue is the fact that the government of India follows the definition provided by SNA . According to this definition, **the private schools, hospitals, sports associations, CSR foundations, which are big profit making bodies are also categorised as NPI or non-profit institutions.** Therefore, it is all the more important for us to emphasize what are **the main features of real voluntary organizations, since they are the ones, who have been working at the grassroots levels for the cause of upliftment of the downtrodden.** Hence, through this report an effort has been made to list what we are NOT.

<sup>1</sup> National Accounts Division, Central Statistics Office, Ministry of Statistics and Programme Implementation, GOVERNMENT OF INDIA, March 2012, Final Report on Non Profit Institutions in India A Profile and Satellite Accounts in the framework of System of National Accounts (including State-wise Comparison of Profiles), Website- Website: [www.mospi.gov.in](http://www.mospi.gov.in)



## What we are NOT

### We are NOT for profit

### We have NOT stemmed from the big business houses to fulfil corporate social responsibility

We do NOT have political agenda although we fight for the rights of people

## And What We Are

Following international recommendations, **PRIA** defined an NPO as an entity that meets five criteria simultaneously, viz, **it has an institutional identity, and it is separate from the government, is non-profit distributing, self-governing and has been set up voluntarily.**

## External & Internal Challenges of the Voluntary Sector

India faces multiplicities of issues. With the changing global scenario, the Indian society has also witnessed rapid changes and added to the already existing issues. This has resulted in increase in the number of VOs that have come up to undertake various developmental activities and impact these issues. 'They have come up with various kinds of formations and hence can be viewed as heterogeneous in nature'.

The country has witnessed some characteristic changes in the last couple of decades that have impacted not just the general civil society of India, but also the voluntary sector in their functional outlook;

- FDI
- Global Recession
- India as a Rising Power

- India as a Donor
- Changes in Specific Laws ie FCRA 2010, DTC, Companies Bill 2012, MSSR Bill 2012
- Lack of Funding Sources
- Lack of internal good governance
- Skill gap
- Ideological differences between the VOs
- Lack of stability among the workforce

## Contributions of the Voluntary Sector

In this study, the contribution of the sector in the areas of water & sanitation, health & nutrition, education, environment, empowerment (women, children, tribes & the marginalized) and livelihood is discussed and highlighted using case examples. VOs use three primary approaches to target their constituencies - Research and Advocacy, Service Delivery and Rights-based Entitlements. Examples are given in these sectorial themes and through these approaches to illuminate the contribution of VOs to the social development sector of India.

Due to limited data, it is impossible to present samples of VO contribution on a national level. As this study only serves as an introduction to potential future studies especially on the thematic areas discussed herewith, the VO contribution per theme was largely based on the existing primary data of VANI which was consolidated and presented in a manner that would expound this study's objective of producing a report that would reflect the current state of the voluntary sector in the country. Examples of VOs in particular social development arenas are highlighted to demonstrate the complex and multi-faceted terrain that VOs operate in. The examples also demonstrate the specific contributions that VOs make to the social development of India's population.

<sup>2</sup> Srivastava and Rajesh Tandon, *Economic and Political Weekly*, Vol. 40, No. 19 (May 7-13, 2005), pp. 1948-1952. Published by: *Economic and Political Weekly*. Stable URL: <http://www.jstor.org/stable/4416603>.

<sup>3</sup> Goswami, Tandon, Bandhopadhyay (2012), *Civil Society in Changing India: Emerging Roles, Relationships and Strategies*, [www.pria.org](http://www.pria.org)



## RECOMMENDATIONS FOR THE FUTURE

The study provides a list of recommendations based on the data and analysis and the views of experts, professionals and practitioners. The recommendations are:

- To have a sectorial identity by weeding out organizations that have stemmed from the corporate bodies to reemphasize the values of voluntarism and not-for-profit
- To have a nodal ministry for the voluntary sector based on the guidelines of Steering Committee report of 2012. This ministry would help foster an enabling environment for the sector and assist in its regulation and monitoring of effective implementation of social development programs. The ministry would also facilitate communication between the voluntary sector and the government. It could also help liaise with the corporate sector through CSR
- To expand this pilot study and develop a more in-depth research program to study the contribution of the voluntary sector in health, sanitation, education, water etc.
- Proper legislation made exclusively for not-for-profit organizations and is separate from all other types of organizations that stem from other profit making bodies
- The government needs to be careful and sensitive towards the organizations working on the rights and entitlement issues to safeguard the rights of poor and marginalized
- The sector also needs to improve itself by bringing and following good governance practices towards greater transparency and accountability before demanding the same from the government and administration.
- All the three pillars of development: the voluntary sector, the government and the private sector - need to work in coordination, strengthen the inter-relationship and supplementing rather than competing with each other

The voluntary sector needs to demonstrate high level of transparency and accountability both downward towards the community/ beneficiaries and upwards to the government, donor and the larger civil society through self-regulations. There are various models of self-regulations like self-certification, accreditation, or at least following the criteria of due diligence. As discussed earlier, the voluntary sector is highly regulated in India since various ministries have their own mechanism to monitor. We need to develop a system that not just keeps the independence of the sector intact, but also has effective check on this. It is imperative to understand that the voluntary sector is equally important for the democracy and development of nation as the media or any other sector is.

Since majority of the sector is surviving on the grants from the government and public sector, there is a need to check the source of the funding. In the last few years we have observed and also CAG reports have indicated that many government departments do not follow their own guidelines while funding NGOs, hence promote corruption. We suggest that in such cases, it is not just the NGOs/VOs that should be blacklisted or penalized, but those providing such funds should also be questioned. There is sudden mushrooming of NGOs formed by vested interests. This fly by night NGOs can be checked only if we monitor both receiver and provider of the funds.

In a nutshell, VANI along with its members, advocates for high level of accountability and transparency in public institutions and that includes voluntary sector too. Hence, we urge the Government of India to create an effective mechanism like VO–Council with anchoring ministry, without differentiating between foreign or Indian funds. We also aspire that the 'National Policy on Voluntary Sector', produced by Planning Commission and approved by Union Cabinet in 2007, is implemented in its true spirits.

***– This is an abstract taken from the research study on  
“Status of Voluntary Sector in India” conducted by VANI)***

Please see report on this link <http://www.vaniindia.org/update/Inside%20Pages%20Status%20Voluntary%20Sector%20dt%202022-6-13.pdf>



# News You Can Use

## India's caste campaigners win EU backing to end 'apartheid' conditions

Harriet Grant

[theguardian.com](http://theguardian.com), Friday 11 October 2013

EU passes resolution against caste-based discrimination, as campaigners accuse India of failing to protect Dalit rights.

The International Labour Organisation estimates that the overwhelming majority of bonded labour victims in south Asia are from lower castes, with forced and bonded labour particularly widespread in the agriculture, mining and garment production sectors. Some of the companies involved in these sectors supply products to multinationals.

<http://www.theguardian.com/global-development/2013/oct/11/indian-caste-campaigners-eu-discrimination>

## NGO campaigns for anti-riots Bill

Oct 29, 2013

In an attempt to fast forward the tabling of the Prevention of Communal and Targeted Violence (Access to Justice and Reparations) Bill 2011, a group of NGOs on Monday got together and launched a 'postcard campaign'.

The campaign, organised by Justice For All, aims to send one lakh postcards to the prime minister with the demand that the long-pending Bill be tabled without any delay. "The idea of this Bill is to establish the principle of accountability. Those who are opposing it have vested interests," said advocate Yusuf Muchhala, who attended the conference here, along with social activist Teesta Setalvad and actor Rahul Bose.

<http://www.dnaindia.com/india/report-ngo-campaigns-for-anti-riots-bill-1910508>

## NGO plans to grow vegetables in schools

Sep. 9, 2013

MYSORE: Students will grow vegetables in their school yards and supply them for their own midday meal scheme. The thrill of pulling your own food out of the ground could be a motivation. This is what an NGO plans to do: give a balanced menu to children.

Kalpavruksha Trust, an NGO working in the areas of agriculture, health and education plans to involve a section of government schools in Mysore in this endeavour. It plans to encourage students to grow



vegetables and greens under its 'Growing vegetables in government school' campaign to supply vegetables to schools preparing midday meal under a government scheme.

<http://timesofindia.indiatimes.com/city/mysore/NGO-plans-to-grow-vegetables-in-schools/articleshow/22427265.cms>

## **14 children go missing in Delhi everyday: NGO**

**Sep. 16, 2013**

New Delhi: It's been more than six years since Saabra Shaikh's ten-year-old daughter Aatika went missing. On April 13, 2008, Aatika had gone out to answer the call of nature and never returned home. Her family members realising her absence, started looking for her. Not able to find her anywhere, they went to the police station to file a missing person's complaint.

"The officer at the police station charged Rs 500 to file an FIR. He charged some more money to give us a copy of it," alleged Saabra, a resident of Jahagir Puri.

Like Saabra, many more parents of missing children gathered today at a public hearing organised here by NGO Child Relief and You (CRY).

[http://zeenews.india.com/news/delhi/14-children-go-missing-in-delhi-everyday-ngo\\_876921.html](http://zeenews.india.com/news/delhi/14-children-go-missing-in-delhi-everyday-ngo_876921.html)

## **Global:**

### **Women 'marginalised' by world hunger policies**

**Claire Provost in Rome**

**theguardian.com, Wednesday 9 October 2013**

The Alternatives and resistance to policies that generate hunger report, published on Tuesday, argues that particular attention must be paid to the social and political structures that constrain women's choices and limit their ability to participate in decision-making. These include discriminatory land laws and traditional gender roles.

<http://www.theguardian.com/global-development/2013/oct/09/women-world-hunger-food-rights>

### **Global food waste campaigns suffer from data deficiency**

**Julian Parfitt**

**Guardian Professional, Monday 28 October 2013**

Food waste is an issue of global significance, affecting food security and environmental sustainability, yet basic information is lacking on the types and quantities wasted. The available statistics give the illusion of information, but are based on very limited data.



<http://www.theguardian.com/global-development-professionals-network/2013/oct/28/global-food-waste-tesco-fao-data>

## 29 million people enslaved, says first global index on slavery

*Harriet Grant*

*theguardian.com, Thursday 17 October 2013*

More than 29 million people are living in slavery, according to the first index to attempt to measure the scale of modern-day slavery on a country-by-country basis.

The index, published by the Walk Free Foundation on Thursday, ranks 162 countries and identifies risk factors for enslavement and the government responses.

<http://www.theguardian.com/global-development/2013/oct/17/29-million-people-enslaved-global-index>

## VANI Activities: September 2013 - October 2013

- **12-13 September 2013**, Meeting on FCRA at Mizoram.
- **20 September 2013**, 25th Annual General Body Meeting of VANI and VOICE 2013, Raipur, Chhattisgarh.
- **18 October 2013**, Meeting on "Challenges faced by voluntary sector" at Andhra Pradesh.



### International

- **22 September 2013**, ADA Meeting in UN General Assembly at New York U. S.
- **21-22, October 2013**, Third ADA Meeting at Seoul Olympic Parktel, Seoul, South Korea.
- **23, October 2013**, "Asia Democracy Network Founding Assembly" at Seoul, South Korea.



### Forthcoming Activities

- **19, November 2013**, "Round Table Discussion on Foreign Funding of Indian Voluntary Sector" at India International Centre, New Delhi.
- 2nd week of December, Meeting on GO-VO partnership regarding Private sector and company Bill.



## My voice: Samitra Khatoon, PARWAAZ, Ahmedabad), Gujarat

### What is your opinion about voluntary sector?

This sector has done tremendous work for the masses. As a woman and belonging to the minority community from Gujarat I believe that this sector gave the opportunities to the communities to raise their voices for their rights.

### What scenario drove you in this sector?

I am working in this sector since last ten years. The main factor that drove me to this sector is gender discrimination in my community. When I was a child I thought it is a common Phenomenon, but when I came out of our community and interaction with other communities and meeting with people I recognize this discrimination.

### Regarding present scenario what are the main challenges faced by you?

As a Muslim girl I was never permitted to go outside the house so to break this barrier was very difficult for me. Even at home I faced many restrictions from my parents I also faced challenges from our community, but finally I overcame this.

### What is the role of youth in voluntary sector?

Youth played big role in this sector. In our community youth are breaking the stereotype concept of the society



and challenging the patriarchal system, recently we showed the great movement for the women's right and they will work to bring about a change in society. The youths are involved with various activities for the empowerment of women like awareness of the communities by street play, training of youth on gender issues, etc.

### Where do you want to see the voluntary sector in next 10 years?

Voluntary sector will play a significant role for the change of society. I hope with the help of this sector we empower women in next ten years. Hence this sector will definitely help me in women's freedom struggle and finally we achieve real freedom.

*– Samina Khatoon has been associated with PARWAAZ, Ahmedabad for the last 10 years. The views expressed here are personal*