

**A Study on  
Social Security for  
Grassroots Organizations in India**



**Submitted to VANI**

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Grassroots Organizations in India**

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# 1. Introduction

**In the last decade or so, there has been a growing concern and activism towards inclusive and sustainable development.** *The emerging challenges facing humanity such as COVID-19, climate change, resource scarcity and growing inequalities, have taught us that an interdependent world can only survive and thrive if everyone behaves responsibly and is accountable to each other for their actions.* COVID-19 has reaffirmed that business has to be inclusive and sustainable. It has provided us an opportunity to revisit our relationship with the nature. It has taught humanity many lessons to reorient its strategy, not to remain in silos, to become resilient, to act responsibly, and to become inclusive & sustainable. Globally, policies have moved towards making businesses more responsible and accountable for their own actions. *With several global companies being larger than many nation states in terms of turnover, the responsibility of businesses to their stakeholders will only increase in the coming years.* The rules of business and the role of business have been changed demanding them to become more responsible and sustainable. Businesses are measured as worthy on the basis of how they function in the best interests of the company, its employees, the shareholders, the community and for the protection of the environment. Businesses shall align their strategy along the *triple bottom-line approach "PPP"- Planet, People and Profit.* Hence, businesses are not only required to grow in an inclusive and sustainable manner, but also need to address the concerns of different stakeholders, and changing business philosophy.

**Doing something great for those who needed the most,** doing something great for the society & environment wherein you live, always gives the utmost pleasure and inner satisfaction. 'Giving back' or 'Charity' to the needy or society is implicit in Indian culture. It has been imbibed as the way of life since ages. We all know the principles of '**DHARMA**' and '**SEVA**' occupied a prominent place in the *Vedic Philosophy & Upanishad.* It says that the wealth should be used for the benefit of all. Similarly, *Gandhiji's Trusteeship Principle* states that surplus wealth needs to be kept in a trust for the common good and welfare of others. It says that the resources belong to the society and we are only the custodian of society's wealth. *Mother Teresa* said that "*I alone cannot change the world but I can cast a stone in the river which shall make ripples across*". Various government as well as private companies have been undertaking such charitable or philanthropic activities since time immemorial, even

before corporate social responsibility (CSR) was made mandatory under the Companies Act, 2013.

**However, a lot needs to be done. We as a country have both extremes-** highs & lows, ups & downs. For instance, we have one of the biggest billionaires, second highest start-ups, as well as one of the highest levels of poverty in the world. As per a latest study, as many as *40 Indians have been added to the billionaires list in 2021*, whereas thousands of lakhs of people lost their lives & livelihoods due to *COVID-19*. There is a large number of people who are illiterate, a large number of people who are yet to be covered under the banking net, perhaps one of the highest baggers on the roads & slums. Mumbai is the house of Bollywood and Corporates, and it is also the house of one of the largest slums in the world (Dharavi).

The COVID-19 pandemic has resulted in large scale economic and social disturbances, has caused extensive disruptions in the business eco-system, monumental loss to humanity and possess a great threat to the existence of humanity. Many have lost their lives and loved ones, while others have become jobless, homeless and hungry. Access to healthcare and basic amenities of life became a challenge. Hundreds of thousands migrant labourers including their children were headed towards their native places due to uncertainties and desperations created by the nation-wide lockdown.

Today, we have COVID. Tomorrow the next big crisis will be the shortage of ground water as predicted by many research studies of such imminent future crises. The ground water is being extracted at a rate faster than its natural replacement time and thereby resulting in its depletion at an astronomical rate. Similarly, one-third of global total food production, amounting to 1.3 billion tones, is being wasted every year. In monetary terms, this food wastage amounts to US\$ 680 billion in developed countries and US\$ 310 billion in developing countries. If this mountain of food wastage can be checked, a day will come when poverty will disappear from Africa & Asia.

The Non-Governmental Organizations (NGOs)/ Civil Society Organizations (CVOs)/ Not-for-Profit Organizations (NFPOs)/ Grassroots Organizations provide a connection between policy makers, businesses and society to achieve the global agenda of sustainable development. ***India is to achieve a \$5 trillion economy by 2025 and aligning its growth process with sustainable development goals (SDGs) by 2030,***



***a collective responsibility and joint efforts of the government, corporates, voluntary organizations as well as individual citizens is an absolute necessity.***

In this spirit, this study is to understand the significance of grassroots level organizations *and how are they different from NGOs/CVOs/NFPOs*, social security framework for grassroots organizations, and the way forward in this regard.

## **2. Objectives of the Study**

Given above background, the study is directed towards the following objectives:

1. To understanding the nature and functioning of grassroots organizations;
2. To study global trends regarding social security for grassroots organizations;
3. To map the existing social inclusion schemes in India that can be leveraged by grassroots organizations;
4. To identify key challenges/ issues in adopting social security framework for Indian grassroots organisations; and
5. Way forward: interventions required to mitigate such challenges.

## **3. Legacy of India's Philanthropic/ Voluntary Sector**

At the beginning, let's know a bit about India's geo-political structure and how the philanthropic culture has been graduated through growth and evolution of NGOs/CVOs/NFPOs. India is located in South Asia, bordering Bangladesh, Bhutan, the People's Republic of China, Myanmar, Nepal, and Pakistan. The Indian peninsula lies east of the Arabian Sea, north of the Indian Ocean, and west of the Bay of Bengal. India is the largest democracy and second highest populous country in the world with 1.40 billion population predominantly living in rural areas. The Indian economy has been growing rapidly with high growth trajectory, a vibrant corporate and start-up ecosystem.

### ***History of NGO Activity in India***

India has a long history of civil society based on the concepts of daana (giving) and seva (service). Voluntary organizations were active in cultural promotion, education, health, and natural disaster relief as early as the medieval era. They proliferated during British rule, working to improve social welfare and literacy and pursuing relief projects.

The *Societies Registration Act (SRA)* was approved in 1860 to confirm the legal status of the growing body of non-government organizations (NGOs). The SRA continues to be the relevant legislation for NGOs in India, although most state governments have enacted amendments to the original version.

During the second half of the 19th century, nationalist consciousness spread across India and self-help emerged as the primary focus of socio-political movements. Numerous organizations were established during this period, including the *Friend-in-Need Society (1858)*, *Prathana Samaj (1864)*, *Satya Shodhan Samaj (1873)*, *Arya Samaj (1875)*, *the National Council for Women in India (1875)*, and *the Indian National Conference (1887)*.

Christian missionaries active in India at this time directed their efforts toward reducing poverty and constructing hospitals, schools, roads, and other infrastructure. Meanwhile, NGOs focused their efforts on education, health, relief, and social welfare. A firm foundation for secular voluntary action in India was not laid until the *Servants of India, a secular NGO, was established in 1905*.

The *Central Social Welfare Board* was established in 1953 to promote social welfare activities and support people's participation programs through NGOs. This additional funding and recognition led to a growing body of professional NGOs. The Government of India decentralized development activities throughout the 1950s. The establishment of the *National Community Development Program* and the *National Extension Service* were early steps in this direction. Further decentralization was achieved with the introduction of the three-tier Panchayati Raj system in 1958. Many farmers unions and agricultural cooperatives were founded around this time, and networking became more commonplace in civil society. In 1958, the *Association for Voluntary Agencies for Rural Development (AVARD)* was founded as a consortium of major voluntary agencies.

*International NGOs* entered India in significant numbers to provide drought relief during two consecutive agricultural seasons, 1965–1966 and 1966–1967 respectively. Many of them established permanent local operations thereafter. Moreover, foreign funds began flowing to domestic NGOs in India, changing the character of civil society once more.

During 1970s, the government pursued a "minimum needs" programme, focusing on the basic impediments to improving the quality of life for the rural poor, such as

education, electrical power, and health. Several governmental development agencies were established around this time, such as the *People's Action for Development of India*. Foreign-trained Indians entered civil society in greater numbers, leading to a professionalization of the sector.

India witnessed a rapid increase and diversification of the NGO sector as a response to the national political scenario and increasing concern about poverty and marginalization. Both welfare and empowerment-oriented organizations emerged during this period and development, civil liberties, education, environment, health, and livelihood all became the focus areas. With community participation as a defined component in a number of social sector projects during the 1970s and 1980s, NGOs began to be formally recognized as development partners of the state. *Their work was increasingly characterized by grassroots interventions, advocacy at various levels, and mobilization of the marginalized to protect their rights.*

The process of structural adjustment begun in the early 1990s, and the more recent approach of bilateral and international donors channelling funds directly through the government, NGO networks and large corporate NGOs have somewhat pushed peoples' organizations into the background. Small, spontaneous initiatives at the community level, as a response to social and economic exploitations at the community level, are no longer the hallmark of the NGO sector.

The *Council for Advancement of People's Action and Rural Technology (CAPART)* was created in 1986 to promote and assist voluntary efforts in implementing rural development programs. *The 1990s also saw the establishment of several forums to promote dialogue between the government and NGOs.* The Planning Commission initiated an NGO– government interface through a series of conferences and appointed a nodal agency for NGO–state interactions. In the second half of the 1990s, the CAPART was decentralized so that envisaged benefits from NGO activities could also spread to the less explored and extremely poor areas of the country.

The government has set up several institutions to promote funding of NGOs (e.g., Khadi and Village Industries Cooperatives, Central Social Welfare Board, National Wasteland Development Board, CAPART). This has led to the beneficiaries' dependence on the state. NGO reliance on such funding has also introduced the risk

that they will lose their autonomy and become mere implementers of public sector projects.

In May 2007, the Union Cabinet of the Government of India approved *the National Policy on the Voluntary Sector* as the first step in a process to evolve a new working relationship between the government and volunteer organizations. Through the policy, the government commits to encouraging, enabling, and empowering an independent, creative, and effective voluntary sector with diverse form and function, so that it can contribute to the social, cultural, and economic advancement of the people of India. It recognizes that the voluntary sector has contributed significantly to finding innovative solutions to poverty, deprivation, discrimination, and exclusion, through awareness raising, social mobilization, service delivery, training, research, and advocacy.

### **Legislation and Registration of NGO**

NGOs are not required to register with the government. However, registration allows an NGO to deduct expenses from income for tax purposes, receive foreign contributions, and be considered for government grant-in-aid schemes. Registration also facilitates domestic fundraising, as the income tax act permits donors to deduct contributions made to register NGOs.

Laws in India classify organizations working in development into three categories: charitable trusts, societies, and Section 8 companies. Whether registered as a trust, society, or Section 8 company, NGOs are subject to the Societies Registration Act of 1860 and the Income Tax Act of 1961. Trusts are subject to the Public Trust Act (1976) and are, in addition to federal regulations, governed by the State Office of the Charity Commissioner. Organizations receiving foreign funds must abide by the Foreign Contribution Regulation Act of 1976, and are regulated by the Ministry of Home Affairs.

### **NGOs Today in India**

As per NGO Darpan portal of NITI Aayog, there are 1,64,282 active NGOs in India as in April 2023. These are non-profit or voluntary citizens' groups organized on a local, national, or international level. They have been working across diverse sectors

(religious activities, community and social services, sports and culture, hospitals and healthcare, education and training/skill development etc.) and geographical areas of the country. The number of NGOs as per their nature of incorporation/registration is given as below:

<b>NGO TYPE</b>	<b>NGO COUNT</b>
Registered Societies (Non-Government)	87,645
Trust (Non-Government)	63,050
Other Registered Entities (Non-Government)	2,673
Academic Institutions (Private)	1,812

*Source: Niti Aayog*

The Indian Centre for Philanthropy, the Center for Advancement of Philanthropy, Charities Aid Foundation (India), National Foundation for India, and the Society for Service to Voluntary Organizations are among the non-profit organizations that provide information resources, services, and networking opportunities to NGOs. The Credibility Alliance is an initiative by a group of NGOs committed to enhancing accountability and transparency in the voluntary sector through good governance. Credibility Alliance was registered in May 2004 as an independent, not-for-profit organization after 2 years of extensive consultation with thousands of NGOs in India. Credibility Alliance operates as a standards-setting body, and aims to build trust among all the stakeholders. Its members include nearly 600 organizations.

Most NGOs in India are small and dependent on volunteers to perform their activities. According to a survey conducted by Society for Participatory Research in Asia (SPRIA), 73.4% of NGOs have one or no paid staff, although across the country, more than 19 million persons work as volunteers or paid staff at an NGO.

## **4. Grassroots Organizations**

### ***Nature and function of Grassroots Organizations***

Here an attempt has been made to understand the nature and function of Grassroots organisations. From the relevant literatures, it appears that grassroots organisations

are groups of people pursuing common interests, largely on a volunteer and not-for-profit basis. It primarily consists of people advocating a cause to spur change in the delivery of public goods and services at local, national, or international levels. Grassroots initiatives are community-based approaches created to address localized problems. Initiatives backed by local organizations can quickly gain momentum on the local level because they are generally enacted by local actors.

Grassroots organizations are often formed by activists associated with social movements, while many are closely linked to communities and local concerns. The term often refers to voluntary associations through which disadvantaged people organise themselves to improve the social, cultural, and economic well-being of their families, communities, and societies. It refers to associations that draw their members from the communities that they aim to serve. It is a bottom-up-approach that allows citizens to define their own goals and ways to achieve them. These groups are the first responders to the crises and critical witnesses to which solutions are a better fit to context. It has the advantage of knowing the people, culture, and political environment to take the innovation and better implement it on the ground.

*Grassroots organizations are, therefore, defined as “self-organized groups of individuals pursuing common interests through volunteer-based, non-profit organizations that usually have a low degree of formality but a broader purpose than issue-based self-help groups, community-based organizations or neighbourhood associations”*

Regardless of its nature, grassroots associations have significant positive impact affecting socialization, activation and democratization functions. They often deliver services and play an important community-building role. They provide social support and assistance in the delivery of public services, stimulate self-expression and learning, stimulate happiness and health, affect socio-political activation, and influence and strengthen the economic impact of individuals.

### **Growth and Evaluation of Grassroots Organizations**

In recent years, there is a significant rise in grassroots organizations worldwide. Not only they're gaining more massive support from civilians or the ordinary people, but

many large bodies such as United Nations High Commissioner for Refugees are also recognizing and supporting their causes. For instance, **Community Change Action** is a grassroots advocacy group that seeks to empower low-income people, especially people of colour, to change the policies and institutions that impact their lives. It believes that effective social movements must be led by those most impacted. *Community Change Action and its affiliates use relational organizing and peer-to-peer texting to inspire collective mobilization for key measures like Medicare for all, relief for those impacted by COVID-19, and more.*

Grassroots organizers have been leading and mobilizing their communities for centuries. Since the early 1900s, mass grassroots movements have been prevalent in both the United States and other countries worldwide. Historic movements such as **American** Civil Rights Movement in the 1950s, **Brazil's** land ownership revolution in the 1970s etc. relied heavily on grassroots efforts to mobilize communities across the nation. In the 1980s, the **Chinese** rural democracy movement and the **German** peace lobby, though primarily politically driven but the organic association of people was the basis for supporting the issue/ ideology or candidate.

In **Guatemala**, a network of indigenous grassroots organisations is present in 35 rural municipalities. They collect information from service users about persistent and systemic problems with government provided health services relied upon by the rural indigenous population. A second grassroots network, which mobilises indigenous women volunteers in Guatemala, focuses specifically on the quality of healthcare provided to indigenous women. It uses similar strategies to collect information from local monitoring to examine the deficiencies in reproductive healthcare and other services. *In some parts of Guatemala, municipal and other government authorities together with community representatives participate in decisions about the allocation of public resources.*

In **Mozambique**, the non-governmental organisation 'Namati' is involved in training and deploying grassroots health advocates to raise awareness of health policy and resolve grievances in local healthcare facilities. The advocates aim to facilitate discussion between communities and clinics. They try to adopt a constructive, rather than a confrontational, approach to healthcare providers. Namati has had promising

results in its first three years, including improvements in quality of care, access to services, infrastructure, and essential medicines.

In **Peru**, groups of indigenous women have formed partnerships with non-governmental organisations, national health advocates, and human rights lawyers from the regional office of the national human rights ombudsman. They take part in an innovative monitoring programme called *vigilancia ciudadana* (citizen vigilance/surveillance). The programme was designed to deal with longstanding problems for indigenous communities of cultural insensitivity, poor quality care, and discrimination in healthcare delivery. The discriminatory and abusive behaviour, illegal charges, and culturally insensitive care diminish when monitors are appointed and present.

In **Austria**, apart from legally registered organizations (Vereine), there are other forms of civil organizations or structures such as “social partnerships” (Sozialpartnerschaft), and “ARGE” (Arbeitsgemeinschaften), an informal group of people, organization or a network in which a member is not asked to pay any kind of fee or make financial contributions.

In **Czech Republic**, such formal structure of grassroots organizations is called as “mutually beneficial volunteering” or “publicly beneficial volunteering” emanated from the Law on Voluntary Service.

In **Maharashtra, India**, Grassroots groups involve citizens in monitoring and planning in the health sector. To deliver this information, activists have developed a form of public hearing called Jan Sunwai as a kind of mass accountability event. These hearings are planned well in advance. Evidence is marshalled and local organisations mobilise community members and local elected representatives to attend. The media are invited and prominent experts are convened to act as a panel of judges and mediate the discussions. During the event, people are invited to present their experiences of health services. The relevant health authorities are required to attend and respond. The hearings enable people to witness any commitments made and to put pressure on health officials to deal with problems. Here, public transparency is used as a key source of leverage.



## **Grassroots Organizations during COVID-19**

During COVID-19, we have observed that many people either at individual capacity or jointly with other people have voluntarily shouldered the responsibility in stopping the spread of the disease by putting their and their loved ones' lives at risk. They have generously contributed and supplemented the efforts of the government and public authorities in the rescue, relief and rehabilitation initiatives by way of monetary contribution, providing food, making medicines and other things available to the needy.

It is the responsibility of the nation and other formal organizations to recognize their generosity and priceless contribution to the betterment of society and address their concerns which include providing social security measures such as livelihood, access to healthcare services, education and training, life insurance, family supports etc.

## **5. Social Security for Grassroot Organizations**

### **Global Trends**

Deprivation and vulnerability are integral to the lives of many in poor countries. Social security, thus, includes public action at the household, community, and state level to remove or reduce deprivation and vulnerability. Due to low and uncertain standards of living accompanied by market failures, it is the responsibility of the public authority or government to provide basic social security measures to the poor, vulnerable and deprived section of the. Given the intensity of insecurity, limited administrative resources, and budget constraints in developing countries, doubts have been expressed as to whether conventional social security measures are operationally tenable or financially viable.

Most **developed countries** have government-operated or government-supported programmes to provide social security to its citizens such as old-age pensions, unemployment benefit, family income support, facilities for the infirm or disabled, education, and healthcare related services. The mechanisms, eligibility, entitlements, coverage, administration, and levels of benefits though vary greatly, but nevertheless there is a considerable degree of support for those who may suffer from deprivation or adversity.

The position for most **developing countries** is very different. For instance, unemployment insurance and state pensions rarely cover more than a minority, generally a small minority. Health care, whilst often subsidized, may be thinly and haphazardly spread. State’s support for the infirm and disabled is generally negligible, and education seldom extends beyond primary school. These differences in the level, coverage, and effectiveness of State provision of social security partly reflect acute resource constraints in developing countries. The supply of social security is also restricted by the low level of institutional development which may help to facilitate effective provision of resources to the poor and vulnerable.

### **European Union (EU)**

The EU’s regulation agenda had the intent to strengthen the effectiveness, efficiency, coherence, accountability, and transparency of EU policies, while ensuring the greater engagement of stakeholders and citizens. An overview of EU initiatives to strengthen civil society engagement in policy processes is given below:

#### **EU initiatives to strengthen civil society engagement in policy processes**

Year	Initiatives	Introduced By	Highlights
1997	EC Communication on “Promoting the role of voluntary organizations and foundations in Europe”.	DG V (Social Policy) and DG XXIII (Social, Economy, Small and Medium-sized Enterprises, and Tourism).	<ul style="list-style-type: none"> <li>▪ Introduced a definition of voluntary organizations.</li> <li>▪ Aimed to address the relations between the Commission and the voluntary organizations in the social policy field.</li> </ul>
1999	“The role and contribution of civil society organizations in the building of Europe”.	Economic and Social Committee.	<ul style="list-style-type: none"> <li>▪ Starting point for the “First Convention of Civil Society organized at the European level”.</li> <li>▪ Definition of civil society.</li> </ul>
2000	Discussion Paper: “The Commission and non-governmental organizations: building a stronger partnership”.	European Commission.	<ul style="list-style-type: none"> <li>▪ Defined CSOs by using the same characteristics as those of “voluntary organizations” in the 1997 communication, but it addressed all policy sectors.</li> </ul>

2001	White Paper on European Governance.	European Commission.	<ul style="list-style-type: none"> <li>▪ Goal: “to open up policy-making to make it more inclusive and accountable,” and dialogue with civil society holds an important place within this.</li> </ul>
2002	General principles and minimum standards for consultation of interested parties.	European Commission.	<ul style="list-style-type: none"> <li>▪ The paper is a direct contribution to the “Action Plan for Better Regulation” and the new approach to impact assessment.</li> </ul>

### **Latvia**

Among the significant legislation and policy initiatives in Latvia, the following are important:

- the Public Benefit Organization Law (which aims to promote those activities of associations and foundations which benefit the public, as well as those of religious organizations and institutions);
- the “Integration of Society in Latvia” policy program;
- the “Strengthening of Civil Society 2008–2012” policy program;
- the strategic policy document: Guidelines for the Policy of Strengthening of Civil Society 2005–2014.

### **Hungary**

The most relevant regulations for the civic sector are the following:

- **1997:** one percent from personal income tax can be given to non-profit organizations, selected by taxpayers;
- **1998:** non-profit organizations serving the public interest can apply for public benefit and special public-benefit status (the public-benefit status becomes a condition for preferential tax treatment);
- **2004:** institutionalization of public support to civic society organizations through the creation of the National Civil Fund;
- **2005:** legal regulation of tax-free allowances to volunteers (the legal form of public benefit companies is substituted by that of non-profit companies, limiting the individual donors’ tax benefits). According to the 2005 Act LXXXVII7 on

voluntary activities, organizations hosting volunteers have to undergo a registration process and set up a contract with their volunteers in order to receive tax benefits. Only non-profit organizations with a public-benefit status are eligible for register with the competent Ministry. The law also determines tax-free allowances for volunteers: these have to be related to voluntary work and can include travel costs, accommodation, meals, training, insurance, etc. Per diems and bonuses are also tax free if their total does not exceed 10 per cent of the minimum wage. Because half of the NGOs registered do not have public-benefit status, this law does not cover the majority of NGOs and their volunteers.

- **2007:** a new type of non-profit organization appeared in the legislation: social enterprise, which is eligible for public-benefit status.

### ***Austria***

Social well-being indicators based on grassroots themes:

- for everyone to be equal (eye-level in encounters with state authorities and decision-makers);
- material security through provision of basic supplies;
- medical care and access to education (which should also integrate democratic, anti-discrimination and social well-being themes) for everyone;
- minimizing the gap between rich and poor;
- balancing support for persons with special needs; and
- facilitation of a self-determinate life (a maximum possible self-determination includes equitable co-determination from peoples concerned).

### ***Key challenges/ issues of grassroots level organizations***

The greater incidence and severity of deprivation, a low degree of development and of formal social-security systems, limited or inappropriate coverage of public support, resource constraints, low levels of institutional development for social-security provision, and the relative powerlessness and vulnerability of the poor are the factors which combine to make the problems of social security in developing more difficult.

Grassroots organisations face particular challenges when dealing with state authorities, including power asymmetry, organisational capture by elites, and some disadvantage of volunteerism.

The access to information to volunteers of grassroots level organizations is unequal, which often benefits authorities and may hamper community representatives. As information is controlled by authorities, they also control the debates and the decision-making processes. Community representation is sometimes reduced to a symbolic or procedural role.

The use of volunteers has some limitations, which needs to be acknowledged. In most cases, grassroots initiatives are attempting to fill gaps and perform functions that are the responsibility of the public health system. This is not without costs. For instance, opportunity costs (i.e., attending public meetings instead of participating in paid work), travel time, and costs of transport are deterrents to participation. Grassroots organisations should not be seen as free labour to replace the need for public data. Instead, the data and evidence they collect should complement public information.

Thus, the key challenges of grassroots organization are lack of financing for the non-profit sector, consequent incapacity of grassroots organizations and their inability to react to changing priorities of municipalities, their inability to present their own interests, and their unwillingness to cooperate as organizations with a similar focus are perceived to be competitors. *Given these, it is essential to create a stable environment for grassroots organizations and their work. This can be achieved by long-term strategic planning at the regional and municipal levels.*

## **6. Social Security Initiatives in India**

### ***Trends of Social Sector Expenditure***

The Government's spending on social services has shown a rising trend in the recent times. The social sector expenditure outlay of the Centre and State governments increased from Rs.12.8 lakh crore in FY2019 to Rs.21.3 lakh crore in FY2023. The expenditure on social services as a percentage of the total expenditure is around 26 per cent during FY2018 to FY2023.

Post the massive, unexpected disruption to human lives caused by the global pandemic, the year 2022 again picked up the threads. The challenges posed by the aftermath of this crisis, subsequent waves of the pandemic and the ensuing Russia-Ukraine conflict have impacted global as well as Indian development trajectory. There

was a stress on key aspects of social well-being of citizens such as health, education and social security etc. and the Government stepped in to continue its support towards social infrastructure development.

Social protection schemes, customised for different sections of the population such as the elderly and unorganised workers, have been prioritised ensuring a shield of dignity for every member of society. Special focus on aspirational districts has resulted in steady improvements across health, education, financial inclusion, and basic infrastructure. Transforming welfare through technology, Aadhaar and JAM have revolutionised the universe of state-citizen interaction, enabling targeted delivery of Direct Benefit Transfers (DBT), seamless portability of ration card across States through 'One Nation One Ration Card' and national database of unorganised workers 'eShram portal'.

On the human capital formation front, the twin pillars of education and health are being strengthened from the core. Within the progressive framework of the National Education Policy (NEP), the improvement in basic facilities in schools and the rising availability of teachers is expected to yield dividends which will enrich the nation's growth and development prospects in the decades to come.

### ***Social Security initiatives related to Healthcare Infrastructure***

The Government has also strengthened the health infrastructure and prepared itself to address present and future needs. Ensuring the provision of quality health facilities to citizens, the share of government health expenditure in total health expenditure has increased in the recent times. To augment the rural public healthcare system, the number of Sub-centres, Primary Health Centres (PHCs), and Community Health Centres (CHCs) have improved substantially, along with a rise in doctors, nurses, and other medical personnel in the past eight years. Consequently, a host of health-related indicators such as institutional births, immunisation and, coverage of health insurance, have witnessed an uptrend, as per data by National Family Health Survey (NFHS). Some of these initiatives in the healthcare area are ***Universal Immunisation Programme (UIP), eSanjeevani, Ayushman Bharat Pradhan Mantri-Jan Arogya Yojana, Ayushman Bharat-Health and Wellness Centres, and National Covid-19 Vaccination Programme.***

## **Social Protection for the Rainy Day**

While growth can lift people out of the low-income trap, it may not be able to ensure that they no longer remain vulnerable to any crisis situations in their lifetime. Thus, it is important to protect citizens from risks posed by rainy days, such as health issues, natural disasters, old age, etc. Especially in the wake of the hardships posed by the pandemic, the government invested more resources in social protection programmes and continued to do so in the future with the understanding that strong social protection systems can support the growth process. Some of such key social protection programmes/schemes in this area are ***Pradhan Mantri Vaya Vandana Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Shram Yogi Maan-Dhan Yojana (PM-SYMDY), PM Street Vendor's Atmanirbhar Nidhi Scheme (PM SVANidhi), Pradhan Mantri Mudra Yojana (PMMY) etc.***

## **Social Security Initiatives for India's Aspiring Rural Economy**

The percentage of the population living in India's rural areas was as high as around 80 per cent in the 1960s and remained over 70 per cent till 2007. It presently stands at 65 per cent for 2021. Since dependence of rural population is mainly on agriculture, the focus of the government on rural development is imperative. The emphasis has been on improving the quality of life in rural areas to ensure more equitable and inclusive development. The aim of engagement of the government in the rural economy has been "transforming lives and livelihoods through proactive socio-economic inclusion, integration, and empowerment of rural India." Some of such rural inclusion schemes are ***Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), Pradhan Mantri Awaas Yojana-Gramin (PMAY-G), Drinking Water and Sanitation- Jal Jeevan Mission and Mission Amrit Sarovar, Swachh Bharat Mission (Grameen), LPG connections- Pradhan Mantri Ujjwala Yojana & Swachh Indhan Behtar Jeevan, Electricity SAUBHAGYA- Pradhan Mantri Sahaj Bijli Har Ghar Yojana & Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Rural connectivity- Pradhan Mantri Gram Sadak Yojana (PMGSY), Rastriya Gram***

**Swaraj Abhiyan, SVAMITVA Scheme** (Survey of Villages and Mapping with Improved Technology in Village Areas) etc.

### ***Transformation of Aspirational Districts Programme***

The Government of India launched the 'Transformation of Aspirational Districts' (Aspirational Districts Programme (ADP)) initiative in January 2018 with a vision of a New India by 2022 wherein the focus is to raise living standards of its citizens and ensuring inclusive growth of all in the burgeoning economy. The districts are prodded and encouraged first to catch up with the best district of their state, and subsequently aspire to become one of the best in the country, by competing with and learning from others in the spirit of competitive and cooperative federalism.

117 Aspirational Districts (ADs) across 28 States/UTs have been identified by NITI Aayog based upon composite indicators ranging from health and nutrition, education, agriculture, and water resources, financial inclusion and skill development, and basic infrastructure which have an impact on HDI. The broad contours of the programme are Convergence (of Central & State Schemes), Collaboration (of Central, State level Nodal Officers & District Collectors), and Competition among districts through monthly delta ranking; all driven by a mass movement.

With States as the main drivers, this programme focuses on the strength of each district, identifying low-hanging fruits for immediate improvement and measuring progress by ranking districts every month. The ranking is based on the incremental progress made across 49 Key Performance Indicators (KPI) under five broad socio-economic themes mentioned above.

NITI Aayog has developed a broad template for the formulation of district plans. Since different districts have different opportunities and challenges, they have been advised to customise the template. A primer comprising steps to be taken to improve each of the indicators, compiled from the inputs received from respective Ministries, has also been developed with the help of Central Ministries and the States and shared with district administration.



## ***Progressing Labour Reform Measures***

The Ministry of Labour and Employment has taken several initiatives, legislative as well as administrative, to provide decent working conditions and improved quality of life for workers, employment generation and simplification of Labour Laws for ease of doing business. The endeavour is to create a climate of trust that is essential for economic growth and development and for the dignity of the labour force of the country.

In 2019 and 2020, 29 Central Labour Laws were amalgamated, rationalised, and simplified into four Labour Codes, viz.

- The Code on Wages, 2019
- The Industrial Relations Code, 2020
- The Occupational Safety, Health and Working Conditions Code, 2020, and
- The Code on Social Security, 2020

### ***The Code on Social Security, 2020***

It subsumes 9 Labour Acts including Employees' Provident Funds & Miscellaneous Provisions Act, Employees' State Insurance Act, Payment of Gratuity Act, Maternity Benefit Act, Employees Compensation Act, Building and Other Construction Workers Welfare Cess Act. The Code on Social Security, 2020 has been notified on 29.09.2020. It proposes to create a comprehensive framework legislation for social security- a right based system for phased universalization of social security contribution to be made by the employer/employee. The Government may contribute for deprived category of workers.

The new laws are in tune with the changing labour market trends and, at the same time, accommodate the minimum wage requirement and welfare needs of the unorganised sector workers, including the self-employed and migrant workers, within the legislation framework. The Labour Codes have been aligned with the present economic scenario and technological advancements along with reduction in multiplicity of definitions and authorities. The Codes also ease compliance mechanism aiming to promote ease of doing business/ setting up of enterprises and catalyse creation of employment opportunities while ensuring safety, health and social security of every worker. The use of technology such as, web-based inspection has been

introduced in order to ensure transparency and accountability in enforcement. The decriminalisation of minor offences has also been provided in the Labour Codes. The rules made under the Codes have been entrusted to Central Government, State Government and at appropriate level.

### ***e-Shram portal***

The Government has been working on improving life and dignity of labour force of country by protecting and safeguarding the interest of workers, promoting their welfare and providing social security both in organised and unorganised sectors. Accordingly, Ministry of Labour and Employment has developed eShram portal for creating a National database of unorganised workers, which is verified with Aadhaar. It captures details of workers like name, occupation, address, occupation type, educational qualification, and skill types etc., for the optimum realisation of their employability and extend the benefits of the social security schemes to them. It is the first-ever national database of unorganised workers, including migrant workers, construction workers, gig and platform workers, etc. Currently, e-Shram portal has been linked to NCS portal and ASEEM portal for seamless facilitation of services. As on 31 December 2022, a total of 28.5 crore unorganised workers have been registered on eShram portal. Of this, around 52.8 per cent are female workers and 61.7 per cent belonged to the age group 18-40 years. State-wise, Uttar Pradesh (29.1 per cent), Bihar (10.0 per cent), and West Bengal (9.0 per cent) accounted for nearly half of total registrations. Agriculture sector workers contributed to 52.4 per cent of the total registrations, followed by domestic and household workers (9.8 per cent), and construction workers (9.1 per cent).

### ***Skill India Mission***

National Skill Mission has been implemented for building vocational and technical training framework, skill up-gradation, building of new skills and innovative thinking not only for existing jobs but also jobs that are to be created.

### ***Direct Benefit Transfer (DBT)***

Cash transfers under central schemes like PM-KISAN, MGNREGS, National Social Assistance Programme (NSAP), Pradhan Mantri Matru Vandana Yojana (PMMVY), NRLM, National Health Mission (NHM), scholarship schemes of various ministries through the National Scholarship Portal (NSP) and food subsidy under Pradhan Mantri

Garib Kalyan Ann Yojana and Atmanirbhar Bharat Package were a big relief for all the adversely affected masses of India during the Covid-19 period.

### ***Aadhaar: The Many Achievements of the Unique Identity***

Aadhaar, a 12-digit unique identification number provides a digital identity to the residents of India and ensures authentication. It connects the Government and the individual, replacing the disentangled web of multiple IDs for multiple purposes and secures the social contract between the State and the Citizen. It is because of the initiative taken in 2010 that today, the nation is consistently building and strengthening a digital economy which will ultimately give a global competitive advantage in how money and goods move around the country over its competitors. Paul Romer, a Nobel laureate and former World Bank Chief Economist, has described what 135 crore citizens of India, which is 94 per cent of the population and 100 per cent of the adult (>18 years), have as “the most sophisticated ID programme in the world.”

## **7. Way Forward**

While the members of grassroots organizations can leverage the aforementioned existing social inclusion schemes at an individual capacity or at unit level, the following initiatives as a pursuit of public policy are paramount to actively engage these organizations for greater social cause, to maintain peace and harmony, and to ensure an inclusive and sustainable society.

- *The importance of government commitment to support civic society:* the role of CSOs and grassroots organizations in contributing to the well-being of the local communities has to be acknowledged by the state, and civic society development directions have to be made clear in strategic documents, after careful planning and consultation with stakeholders.
- Formal recognition of grassroots organizations will allow them to be publicly visible and accepted, as well as to apply for public funds for their security, sustainability and social protection. In **Austria**, such organizations or structures are called as “social partnerships” (Sozialpartnerschaft) or “ARGE” (Arbeitsgemeinschaften), an informal group of people, organization or a network in which a member is not asked to pay any kind of fee or make financial contributions. In **Czech Republic**, such

formal structure of grassroots organizations is called as “mutually beneficial volunteering” or “publicly beneficial volunteering” emanated from the Law on Voluntary Service. In **Hungary**, it is called as “National Volunteering Centre Foundation” or “Civil Service Centres” or “Hungarian Anti-Poverty Network”.

- Systemic support to the activities of grassroots organizations and CSOs is needed from the State. That includes changes in the legislation (state grants or earmarked subsidies, tax reduction for donations and sponsorship, regulations for income-generating activities, etc.).
- Covering the operational costs of grassroots organizations is crucial in enabling them to increase the local well-being of a community. There shall be the provision for funding schemes for grassroots organizations from the competent Governmental Departments that can be used for specific activities or projects. For instance, in 2004, the Hungarian Government established the National Civil Fund, an autonomous governmental fund with the aim of providing a mechanism for institutional support to NGOs. The idea was to provide state support for NGO operational costs beyond the already existing percentage mechanism. Thus, a strategic approach in funding the activities and operations of grassroots organizations is essential. Efforts shall be made to ensure diverse public funds for grassroots organizations. As many government authorities as possible should partner up with the third sector (including community-based organizations) and use their extensive expertise when planning and drafting policies.
- There is a need to complement project-based funding with grants covering operational costs: government agencies and bodies should aim to create appropriate funding schemes for grassroots organizations, which would minimize administrative requirements and allow them to cover the costs of their basic activities, including overheads. Possibilities for project based and operational support should complement each other.
- According to taxation laws, subsidies, grants and donations for NGOs are tax-deductible for individuals and companies. The current maximum allowed deduction is still inadequate to motivate potential donors. The tax environment is further complicated by inconsistent interpretations of tax laws. The tax law does not give an advantage to NGOs who conduct self-financing activities. NGOs can generate income through the provision of goods or services, but such activities are not explicitly supported and, in some cases, are indirectly limited. Many problems arise

from differing interpretations of economic activities of NGOs that are not well defined by the law.

- *Not having public-benefit status should not exclude grassroots organizations from public funds and benefits:* some support should be provided to small grassroots organizations without public-benefit status, which have less capacity to raise funds from international donors or individuals, and which contribute to the well-being of the community, but lack infrastructure and resources. Not having public-benefit status should not exclude organizations from receiving tax benefits for hosting volunteers. In addition, administrative burdens associated with officially hosting volunteers (book-keeping, data recording, etc.) should be lessened. However, organizations not working for the public good should not be financed from public funds or taxpayers' contributions.
- There is an accountability gap exists within the sustainable development goals (SDGs) framework and grassroots organisations in a way can fill up this gap. However, these organisations should be supported directly and through intermediary organisations. Grassroots organisations could be supported by intermediary organisations to establish mechanisms for the monitoring and accountability of the SDGs. In this way they can establish innovative, sustainable mechanisms that allow them to interact with state institutions. Some global networks, such as COPASAH (Community of Practitioners on Accountability and Social Action in Health; [www.copasah.net](http://www.copasah.net) ), are at the forefront of this endeavour. The practical experiences gained show how grassroots organisations can help the most marginalised people to play a central role in implementing the SDGs and promoting social and economic rights. Experience with grassroots involvement in social accountability strategies shows how these organisations can contribute to the sustainable development, especially at the sub-national level.
- Mechanisms should be developed for the dissemination of achievements and good practices from the grassroots initiatives, and their mainstreaming across the country.
- Training and capacity building of office bearers/members of grassroots organizations are essential for maximising social welfare. For the role of the grassroots organizations in promoting local well-being to be strengthened, it is necessary to establish clear and visible links among formal education and life-long learning ideas and their implementation at the community level.

- To be able to achieve good governance, local governments must not only work together with communities, but also grant them a certain amount of responsibility.
- In order to provide adequate support to each member of the community, and in particular to the most vulnerable, a shared vision and accountability mechanism should be in place for the committed community stakeholders, supported by relevant policies, coordination of resources, and relevant administrative measures at the national level.
- *A strong voice and cooperation among grassroots organizations should be encouraged:* platforms should be created where grassroots organizations can share experiences and formulate common reactions on proposed policies. The current grant-making schemes should also support cooperation projects to a larger extent, thus promoting cooperation, collaboration, and the mutual allocation of sources and resources.
- A redistributive cooperation model may be formulated to bring synergies and solidarity between big CSOs or public institutions and small grassroots initiatives; and a higher acceptance of grassroots initiatives as professional partners (being more involved and present in the political decision-making process).
- It is necessary to motivate politicians and civil servants to set long-term goals and create corresponding financial tools in order to enable CSOs to develop their activities in the long run. It is also necessary to raise awareness about the activities of individual grassroots organizations by informing citizens, politicians, municipalities, and civil servants. Politicians and civil servants should not make decisions without a knowledge of the specific environment in which grassroots organizations operate.
- It would be appropriate to motivate local, regional, and state administration to create strategies of communication with CSOs. Local public administration should create such an environment where individual CSOs do not compete against each other (or against state or municipal entities). They should motivate grassroots organizations towards a more constructive cooperation, uniting them into theme clusters or umbrella organizations which would represent them in legislative processes or in the creation of strategies.
- To enhance the appreciation of grassroots initiatives/ works, an institutional group could be created, a kind of grassroots association (panel of experts) which could become a mouthpiece for grassroots interests, actively involved in relevant

contextual “think tanks” and accepted as a professional partner in political decision-making processes at the national level.

- A more supportive, structural framework for better communication with political decision-makers, and with the public in general, would be a visible sign of recognition of grassroots initiatives’ work. The encounter between grassroots initiatives and the general public requires public space, which is also a part of the missing structural framework.

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