



ENGAGEMENT STRATEGY FOR INDIA'S CIVIL SOCIETY



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Engagement Strategy for India's Civil Society

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Preface

Global Multilateral Forums are gaining wide currency in the world for their far-reaching decisions and increasing clout over international issues. One such forum that has come to attain such prominence is the G-20 or the Group of 20. The G20's focus to cater to range of development challenges for the world has aroused global citizenry to actively look towards the forum's leadership. The history of G20 commences with its interest to control financial risks that had the potential to derail global economic growth. Consequently the grouping came to discuss other issues and also acted as a unifying force for other groupings such as BRICS, IBSA and MIKTA. In its current framework, the G20 is positioned to be a closed international guild but gives space for other developing countries to be part of their processes. Additionally it has also opened itself to be approachable to other actors such as Private Sector, Institutions, Trade Unions, and Academicians etc. The idea was to generate more information and data that could be tapped for making efficient and lean policies. However efficient policy decisions cannot be realized unless Civil Society participation is guaranteed. Subsequently the C20 as a forum has progressively pushed for bringing a people-centric approach and cultivating sensitivity and awareness. It is on this background that the G20 has regularly been convening C20 forum which witnesses interface with global civil society. The C20 is integral to the G20's development agenda and regularly interfaces with its various working groups. The C20's growth and legitimacy has been molded over years of advocacy with the G20 to create a platform where CSOs could liaise for demanding accountability from G20 and provide their view points. As a national voice of Indian Civil Society Organizations, VANI has been consistently participating at the C20 to make responsive policy frameworks that can be customized to the Indian needs. While India still has time to hold its G20, it is highly critical that Indian CSO's collectively come together for ironing out issues that need to go into the G20. As such this paper intends to list the various challenges which can be subsequently worked upon in the coming years to be included in the C20 communique. It will also provide a starting point for Indian CSOs to prepare themselves for the 2022 G20. I would like to acknowledge the support extended by HBF in completing this report and express gratitude for being the force behind VANI in its G20 missions. I would also thank Arjun Phillips, Program Manager, VANI for researching and writing this report.

Best Regards

Harsh Jaitli
Chief Executive Officer



Abstract

The Civil 20 is a unique platform and is one of the many engagement groups utilized by Civil Society Organizations for feeding policy inputs into the G20. The C20 galvanizes the participation of Civil Society Organizations from across the world to interface with G20 presidencies and present their demands. Since 2011 C20 has been shadowing the G20 presidency and is organized on rotating basis in the host country. It is recognized that Civil Society is integral to the modern-day polity and with their experience in being directly involved with people at large is valuable for inclusive decision making and achieving policy coherence. G20 policy actions have far reaching ramifications across the world and the C20 presents itself as a voice of the common people in projecting long-standing aspirations, desires and experiences. Similarly it is a productive engagement strategy that is utilized to buttress G20's efforts to find ways and means for the most pressing problems of the world. The emergence of Agenda 2030 and recognition by G20 to use the SDGs for achieving critical objectives pushes for an increased participation and partnership with Civil Society. In 2015, VANI carried an extensive analysis of four thematic areas which are pursued by the G20 Development Working Groups. A series of consultations were also organized to nurture awareness and draw concrete linkages of issues from the Local to the Global Level. As India prepares itself to host the G20 in 2022, Indian Civil Society will be mobilizing itself to interact with the Government of India and submit recommendations which are hoped to be addressed under the Indian presidency of G20. This is especially important considering that it will be 8 years before the Agenda 2030 is fulfilled. The paper mainly deals with four identified challenges that need urgent attention- Sustainable Development, Corruption & Governance, Financial Inclusion and Poverty. Additionally it also includes the need for promoting an Enabling Environment for Civil Society Organizations.

The G20 and Global Development

The Group of Twenty (G20) comprises of the 19 major industrialized and emerging economies plus the European Union. In break-up it is the G-7 plus developing nations such as Brazil, China, India, and Russia. The G-20's members represent two-thirds of the world's people and 85 percent of its economy. Initially, the G20 was formed to address the emerging global economic and financial crisis and held a series of annual meetings of G20 heads of state and government focusing on issues related to world economic growth, international trade and the financial market regulation. Increasingly it has now started to find tenable solutions for emergent global challenges of development. Every year the G20 presidency prepares a development agenda that reflect its key



priority areas for strengthening the global development outlook which is monitored by the Development Working Group¹. At its 2016 Hangzhou Summit, the G20 adopted the G20 Action Plan on the 2030 Agenda for Sustainable Development. In this, it endorsed the 2030 Agenda, which had been adopted one year before as an overarching longer-term objective by the international community through the United Nations. Strengthening development is central to the G20's objective of achieving strong, sustainable and balanced growth and ensuring a more robust and resilient economy for all. Emerging and developing economies currently contribute around three quarters of global growth, but face a number of constraints to economic growth and resilience including severe short falls in infrastructure, a lack of modern and efficient tax systems, and lack of access to financial services by many of their citizens. Generating additional growth in these countries by addressing those issues could both have an important impact on their development and be valuable in promoting global growth². The G20 does not have a permanent secretariat and its presidency is held on rotation by the member countries. The current presiding nation, previous president and the future host country of the presidency form the Troika, which is responsible for the formulation of the summit agenda in a given year. Thereafter, discussions are held on these issues through two broad channels, the finance channel and the Sherpa's channel³. The finance channel comprises of the Finance Ministers, Central bank governors and their deputies who lead the discussions on working groups related to matters of finance. The Sherpa's channel is headed by the Sherpa of each country, who is basically a nominee of the government to lead the discussions which fall under the development agenda. The Sherpas also negotiate the final outcome documents and delegate and coordinate the work of various working groups. These working groups are listed below: -

- The Framework Working Group
- The Investment and Infrastructure Working Group
- The Development Working Group
- The Anti-Corruption Working Group
- The Task Force on Employment
- The G20 Trade Contacts Meeting
- The Energy Sustainability Working Group

1 Towards a more accountable G20? Accountability mechanisms of the G20 and the new challenges posed to them by the 2030 Agenda Sören Hilbrich Jakob Schwab

2 The G20 and Global Development Agenda

3 <http://www.vaniindia.org/downloads/E-Vani-11.pdf>



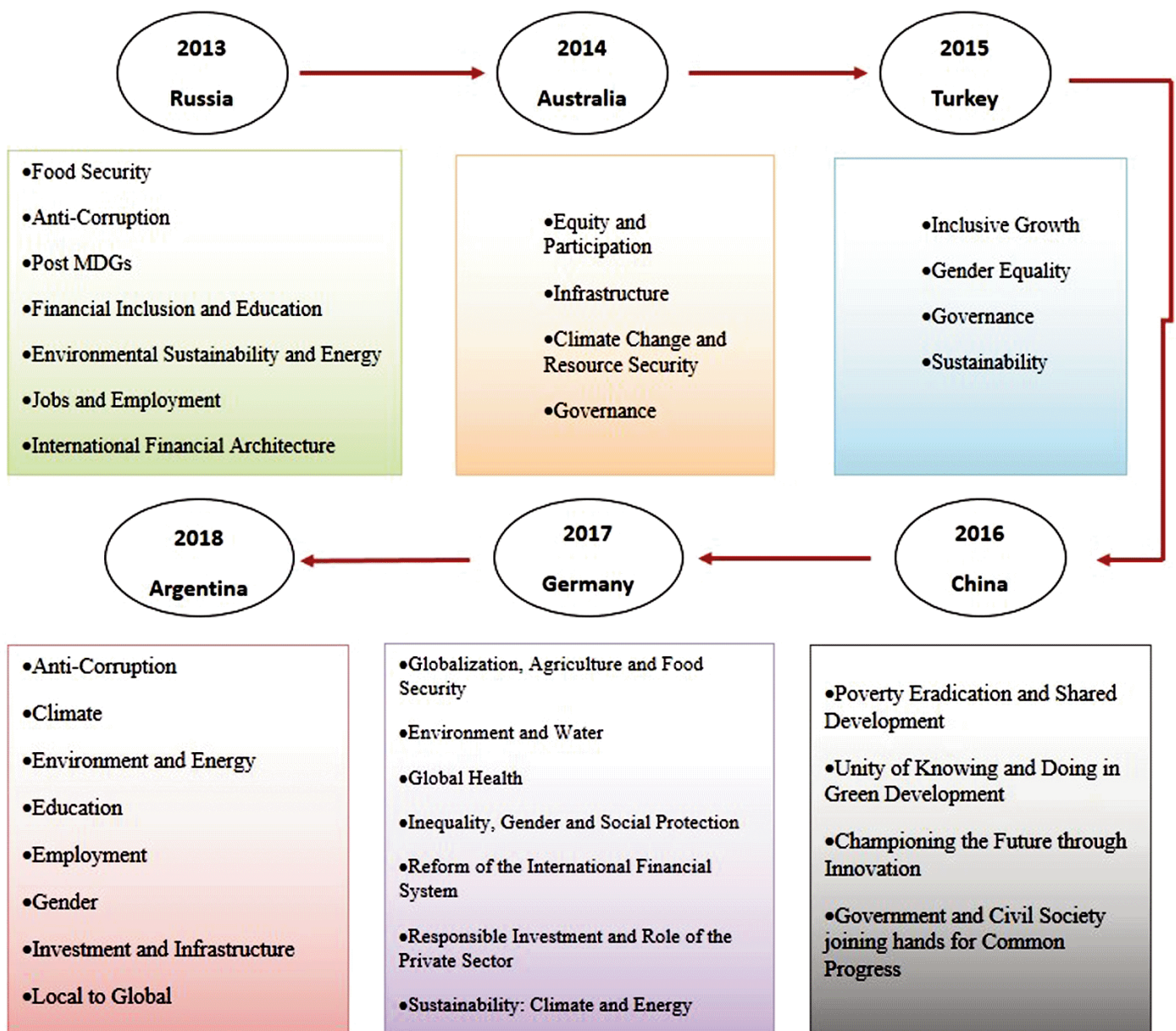
The host country of the G20 adopts a theme which broadly lays the contours of the action plan by the various G20 countries. However it is to be noted that there is no continuity in the G20 agendas adopted under host countries with each country having different specification every year.

Civil Society and C20's Intervention

The C20 provides a platform for the Global Civil Society to discuss the issues that have been set as a priority by the host countries and the G20 agenda. Over the years the G20 has been relying on several engagement groups which would provide nuanced policy recommendations. Therefore, there are different formal groups such as Private sector (B20), Labor (L20), Youth (Y20), Civil Society (C20) and Think Tanks (T20) to influence the agenda. Civil society Organizations, in their individual capacities or collectively, have been involved in the process of providing inputs from the civil society's perspective since the G20 was established but even more so since it gained prominence and considerable political and economic clout after the inception of the G20 summit. The G20 members have gradually recognized the importance of engaging with the civil society and as such have established a formal dialogue through Civil 20. Civil Society has been addressing the importance of tackling inequality, food security, governance and anti-corruption, inclusive development and climate change. All summits are stated to have one definite agenda around which the engagement groups prepare their communiqués. The C20 also liaise with the Development Working Groups of G20 which are composed of ministers of the host countries. The C20 is led by Civil Society Organizations of the host country of G20 which elects a steering committee which further elects a chair and co-chair and an official 'Sherpa' to present the communiqué at the G20. The C20 is also managed by a 'troika' which consists of previous C20 country, the current and the future. The 'troika' is an important innovation which leads to seamless continuity in the work for engagement with the G20. The C20 is also guided by an International Advisory Committee which steers and monitors the outcomes of the summit. Globally it is important for Civil Society participation in G20 engagement groups since this ensures that that the grouping acts in accordance with good governance and upholds international law and standards in its decision-making. Additionally, the change in presidency facilitates change in the orientation of the C20 since as a process it is not structured. It is notable that while the G20 has been monitored via the Development Commitments Monitor there is the lack of data on monitoring C20 follow-up on G20 communiqués presented over the years.



G-20 Timeline



India & G20

India has emerged as an important member of G20 contributing to streamlining the global financial architecture. In its participation at the global forum it has made varying efforts ranging from streamlining infrastructure financing, pitching the need for inclusive development, countering financial terrorism and pursuing a robust financial architecture. India's primary mandate is weaved around creating a sustainable financial regime, inducing a productive market environment for employment generation and inclining the world to find common shared solutions. For India, the G20 Summit has also allowed it to move forward towards poverty eradication and sustainable development, besides increasing its trade and investment. On the sidelines of G20 2018, Prime Minister Narendra Modi announced that India will host the G20 Summit In 2022, when the country celebrates its 75th year of Independence⁴. The summit will be critically important for India considering that such a global event of considerable magnitude will be held in India for the very first time. Two very important developments in the past few years are indicative of the urgency with which Indian Civil Society Organizations need to engage with the G20.

First, the G20 emergence has re-shaped the global multilateral climate, where it has considerable legitimacy to reexamine, dilute and proceed with the decisions of Bretton Woods Institutions such as- IMF, World Bank and WTO. This practically means that policies on trade and investment and financing of the development agenda are being basically determined by the G20. Secondly, India's climb to economic heights has been instrumental in making it wield considerable political influence in the new formations such as BRICS, IBSA etc. On the basis of these the Indian government is in a position to promote its own agenda within the G20 and represent the interests and demands of sections that it considers to be major stakeholders in the development process.

Recognizing India's Socio-Economic Challenges

Despite attaining high economic growth through sustained globalization and liberalization policies there are structural deficits which continue to impede India's overall development progress. Since

4 <https://www.ndtv.com/india-news/india-to-host-g20-summit-in-2022-to-coincide-with-75th-year-of-independence-says-pm-modi-1956512>



Year	India Issues
2011	Exchange of tax-related information; Supporting IMF; Sustainable growth in industrialized and developing country; Infrastructure Investment and reduce fiscal deficit; Growth in economy and financial inclusion
2012	Support IMF, Infrastructure Investment, Regulatory reform, Issue of food security and agricultural productivity, anti-corruption measures
2013	Bridging hope and reviving world economy (Currency Volatility, Monetary policies guided by national objectives)
2014	Economic growth, Infrastructure development and Employment
2015	Terrorism and Refugee; Enhancing Resilience and global financial system; Inclusive growth, global economy, growth strategies, employment and investment strategies
2016	Economic agenda (multilateral approach to address the issue of excess capacity, support multilateralism); Brexit and its impact, problem of AMR; tax evaders; Global Terrorism
2017	Sharing the benefits of Globalization, Building Resilience, Sustainability, Responsibility
2018	Fugitive economic offences and asset recovery; cooperation in agriculture & food processing, space, defence, oil & gas & civil nuclear energy; Globalization and multilateralism; Development & sustainability



70 years of independence India's democratic framework has been responsible for achieving critical headway in implementing policies and programs that have benefited a large section of population and ensured all-round development. However the efforts fall drastically short and economic growth has not been able to tackle development challenges that continue to burden India's aspiration of being a developed nation. According to UNDP indicators, India's population of 1.21 billion consists of 31% reeling under poverty inclusive of almost all types of demographic groups⁵. India faces the double burden of infectious diseases and a dramatic rise in non-communicable diseases, now estimated to account for more than half of all deaths. Apart from causing individual tragedies, these diseases are also a major economic threat. According to a study by the Forum in collaboration with the Harvard School of Public Health, India stands to lose \$6.15 trillion due to non-communicable diseases and mental disorders by 2030⁶. On the water and sanitation front, 732 million people do not have access to clean and hygienic toilet facilities with a major proportion of women and girls falling under this ambit and more than 163 million people in India do not have access to clean water, the highest in the world⁷. The Inter-Governmental Panel Report on Climate Change recently noted that India stands to be greatly affected under the impact of 1.5 degree increase in global temperature mentioning the impact will disproportionately affect disadvantaged and vulnerable populations through food insecurity, higher food prices, income losses, lost livelihood opportunities, adverse health impacts, and population displacements". India is home of largest population of illiterate adults in world – 287 million, amounting to 37% of the global total⁸. India's massive drive to achieve ensured access to financial services has resulted in an increase from 54% to 78%. However financial inclusion also comes to include monetary empowerment which has not been adequately quantified. India's rapid transformation should duly take into consideration the inflexible political economy that has been infused with social dogmas of caste and unequal treatment. The NCRB lists 45,003 cases of atrocities against SCs and 10,914 against STs with a conviction rate of 27.6 in both the cases in 2015. This points to lack of instituting safety frameworks for marginalized groups with limited access to justice and inability to become part of the mainstream. For chalking out a holistic pathway to growth bureaucratic interference and red-tape

5 About India: Challenges, <http://www.in.undp.org/content/india/en/home/countryinfo/challenges.html>

6 <https://www.weforum.org/agenda/2014/11/seven-key-priorities-indias-future/>

7 World Toilets Report, 2017 , WaterAid

8 <https://www.oxfamindia.org/featuredstories/10-facts-illiteracy-india-you-must-know>



has to be diluted and for that on the corruption index it is widely recognized that India fares poorly at 81st rank which is responsible for straining its financial resources and impeding development. Increasingly the jobless growth in India has projected a worrying situation in India with livelihoods and economic security coming under extreme pressures⁹. An aggregate of these problems result in holding back India's potential to achieve stated objectives and hinder its development outcomes. A critical parameter for assessing India's socio-economic challenges is through the dismal ranking accorded under the Human Development Index¹⁰. It calls upon the Indian Government to administer strong policy measures for correcting the structural imbalances marring the development landscape of India. Positively, the Indian Government acknowledges these problems and seeks to build solutions for ending their unmitigated domination. It is extremely crucial for India to adopt an approach that will be weaved into the Agenda 2030 for providing the propulsion at the implementation level and directly minimize the risks that accrue due to the prevalence of development challenges. The upcoming 2022 G20 provides ample opportunity to India to critically address these issues before and envisages a smooth transition into achieving future congruence in India's national and international objectives.

Proposed Recommendations by Indian Civil Society for G20-2022

For an effective G20 outcome, Civil Society is deeply interested fulfillment of the following objectives in preparing the development outlook for 2022. The key recommendations have been gathered from grassroots and reflect the current gaps urgently requiring critical attention. It is imperative to note that policy initiatives advanced on this premise will achieve a comprehensive solution for socio-economic deficits faced by India and may be a template for other developing countries. Civil Society Organizations across India have been voicing these issues at multiple platforms and have been collectively advocating for change in the status-quo. It is vital that the G20 development outlook includes these points as priority actions for the Indian Presidency as Indian Civil Society is optimistic of the government's intent towards G20 2022.

9 <https://www.businessinsider.in/india-witnessed-its-highest-unemployment-rate-in-27-months-at-7-38-in-december-says-cmie/articleshow/67418218.cms>

10 <http://www.in.undp.org/content/india/en/home/sustainable-development/successstories/india-ranks-130-on-2018-human-development-index.html>



1. Promoting Income Security¹¹–

- Facilitating access to decent jobs by reducing the drudgery and improving the working conditions
- Encouraging and strengthening micro, small and medium scale industries
- Developing financial instruments in the form of micro-credit that cater to the poorer sections of the society

2. Providing Health Security –

- Investing in primary health care infrastructure and systems that are linked to referral systems in towns and cities.
- Ensuring universal access to primary healthcare, through affordable and innovative insurance and other financing mechanisms
- Promoting private investments to increase access to healthcare and decrease the pressure on public healthcare systems.

3. Provide Quality Education

- Promoting girl child education by providing better sanitation facilities in schools and educational institutions.
- Promote participation in learning/ education to make the young population ready for the increasingly competitive and complex job market and take advantage of relevant available opportunities as their age increases
- Mainstream Vocational Education and Training and skills education in post primary curriculum

4. Providing Security from Natural Disasters

- Ensuring access to timely information through decentralized knowledge centers, ICT-based solutions, mobile, telephones etc.

11 Sustainable Development in India, VANI, 2014, <http://www.vaniindia.org/pub4jan15.pdf>



- Strengthening disaster-preparedness through national and regional risk assessment, mapping, monitoring and vigilance systems
- Ensuring timely relief, recovery and rehabilitation of victims affected by natural disasters through effective policies and procedures, including regional cooperation.

5. Managing Urbanization and Industrialization

To reap the economic advantages of urbanization & industrialization, better policies should be in place to meet urban and industrial infrastructure needs through sustainable means and address growing urban poverty and inequality. Measures might include:

- Promote an integrated approach to planning and building sustainable cities and urban settlements ensuring balance development for cities with rural regions.
- Consider disaster risk reduction, resilience and climate risks in regional planning.
- Promote cost effective and technically and environmentally sound management of chemicals and wastes
- Create public awareness about health and environmental problems
- Introducing innovations such as “pay-per-use” regulations that promote water affordability for drinking, domestic use, livestock, irrigation, industrial use, and recreational purposes
- Enhancing the water availability by creating innovative financing and partnerships for effective extraction, treatment, storage and equitable distribution of water.

6. Mitigation of Climate Change, Natural Disasters and Hazards Risks

India's development plans should balance economic development and environmental concerns. A number of measures could be taken in this direction, including:

- Raising awareness amongst various stakeholders
- Mainstreaming Disaster Risk Reduction (DRR) and Climate Change Adaptation (CCA), plans into the development planning and budgeting process at community, sub-national and national levels.
- Promote regional and global cooperation for disaster forecasting and reduction and managing post disaster situation
- Strengthening disaster-preparedness through national and regional risk assessment, mapping, monitoring and vigilance systems



7. Securing Biodiversity

The loss of sub-regional biodiversity has a negative impact upon the people of India as well as the global community. Some of the key priorities for action by the country are outlined below:

- Introduction of Eco-System based natural resource management
- Continuing to assess, map and document the biodiversity wealth of the sub-region
- Reviving traditional knowledge, especially among local communities, indigenous people and women
- Minimizing the losses from soil erosion, landslides and desertification by checking land degradation. Managing Water-Food-Energy Nexus: Interestingly, all three components of the nexus – groundwater, electricity and agriculture are state subjects according to the Constitution of India. Hence it is the state governments, rather than the central government, which can formulate policies for tackling this nexus.

8. Ensuring food security

- Improving access by strengthening public distribution systems
- Enhancing affordability through appropriate pricing instruments
- Nutrition and not just 'food'
- Strengthening of agricultural research system for developing new crop varieties and agricultural technologies in response to changing weather patterns

9. Enhancing Energy Security

- Improving the access to reliable, economically viable and environmentally sound energy services for all
- Enhancing rural electrification, decentralized energy systems, and use of renewable energy sources through national initiatives and regional cooperation
- Regulate pricing to encourage renewable decentralized systems in the region
- Adopt clean energy / energy-efficient technologies that are climate friendly and commercially viable
- Promote research on energy efficiency and the diversification of the energy mix



Providing Water Security-

- Strengthening of Integrated Water Resources Management (IWRM)
- Improving access to quality water for all by regulating consumption, managing ground water augmentation and adopting waste water recycling

10. Promoting Transparency and Reducing Corruption¹²

India must act towards improving responsiveness, transparency and accountability in its systems and processes of governance. The current political slogan of 'minimum government and maximum governance' implies overhauling the systems of governments to ensure maximum use of minimal public resources for greater inclusive development. That requires systems to be sensitive, citizens-centric, transparent, corruption-free and efficient in their responses. Different actors in governance (national, provincial and local governments; Civil Society including Media and the Market) must work together and complement each other in nation-building. The government and political leadership in the country should therefore commit for systems and processes of governance to enable: -

- Mandatory education of all citizens about their roles, responsibilities and rights as well as the rules and regulations of governance: Right to information and Right to education are important legal tools for the average citizen. But it must be made binding on the Union, State and Local governments that they should prepare details of existing and new rules and ensure its dissemination to and understanding amongst ordinary citizens. So, this must become a proactive responsibility of the government to educate citizens about all s/he needs to know for getting benefits from the government. Similarly private service providers should ensure availability and appropriate use of the relevant information by their client-citizens.
- Decentralized and Participatory Development Planning and implementation, led by constitutionally mandated local governments must be mandatory: Decentralized local governance reduces corruption in the long run. This is because localization helps to break the monopoly of power at the national level by bringing decision making closer to people.

¹² Corruption & Governance-Current Status & Review, VANI, 2014 <http://www.vaniindia.org/publication.asp>



Provisions and practices of taking decisions at local levels also strengthen government accountability to citizens by involving citizens in monitoring government performance and demanding corrective actions. This way it helps government to be more responsive and accountable to the people. In turn it reduces corruption and improves service delivery. Efforts to improve service delivery usually force the authorities to address corruption and its causes. However, one must pay attention to the institutional environment and the risk of it being captured by elites in the area. In the institutional environments typical of some developing countries, feudal or industrial interests dominate in a particular geographical area, owing to which institutions of participation and accountability maybe weak or ineffective and political interference in local affairs maybe rampant. In such cases, localization may increase opportunities for corruption. This suggests a pecking order of anti-corruption policies and programs where the rule¹³ of law and citizen empowerment should be the first priority in any reform efforts. Localization in the absence of rule of law may not prove to be a potent remedy for combating corruption.

- Reforms in recruitments and functioning of the Bureaucracy, Police and Judiciary to get rid of current practices of patronage and favouritism: Indian bureaucracy, police and judiciary have always been in the eye of the storm due to many reasons ranging from their irrelevance to inefficiency to corruption. Various reports from periodic studies and commissions have made many recommendations, which have not been implemented. As the Second Administrative Reform Commission (ARC) Reports point out and also as ground realities suggest, our bureaucracy, police and judiciary have yet not been aligned with new constitutional (now three levels of governments: union, state and local) realities. They are also not compatible with the fast changing socio-development needs of the Indians. Government and even civil society has so far not pushed for implementation of Second ARC report. In addition to the demand for implementation of second ARC report, focus should be also on addressing rampant corruptions in recruitments in bureaucracy, police and judiciary.
- Private business must make profit in transparent and accountable manner and all its policies and programmes must mandatorily follow 10 principles of UN Global Compact (UNGC): Currently there are no clear-cut and legal frameworks for ensuring accountability of private

13 http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2006/01/13/000016406_20060113145401/Rendered/PDF/wps3824.pdf



sector towards the UNGC principles. It must be made mandatory, with clear-cut measurable indicators, for all profit making organizations to follow the principles of UNGC in their actions on- and off- the field.

11. Recommendations for Effective and Universal Financial Inclusion¹⁴

The expansion of financial services to all sections of society is a pre-condition Global to achieve inclusive development and growth. As a whole, financial inclusion in the rural as well as financially backward pockets will initiate the next revolution of growth and prosperity. This means increasing bankability and financial services to the most poor districts and areas in the country. For effective implementation of Financial Inclusion to ensure universal coverage in India, the following issues and challenges need to be addressed:

- **Low Credit Share of Rural Areas:** Although, in terms of number of branches, rural areas now account for nearly 30% of total branches of scheduled commercial banks, the share of rural credit accounts for less than 10% of total credit. Government and Banks should initiate steps to arrange for more access to credit for the poor and also increase the credit absorption capacity in rural areas by promoting employment and other opportunities.
- **Easy and cheap remittance facility for migrant population** is of paramount importance and would be a good measure of the extent of financial inclusion achieved. **Agriculture Advances:** While the number of farmers' accounts with SCBs' increased from just 63 lakh in March 2006 to 176 lakh in March 2010; in terms of credit, farmers with land holdings 'above 5 acre' accounted for largest share of 44% of total bank credit. To achieve meaningful financial inclusion, banks should give priority for small farmers as compared to large farmers while sanctioning credit.
- **MSME – Financial Exclusion:** The statistics based on 4th Census on MSME sector (2006-07) revealed that only 5.18% of the units (both registered and unregistered) had availed finance through institutional sources, 2.05% got finance from non-institutional sources. The majority of units i.e., 92.77% had no finance or depended on self-finance. Specific targets, like in the case of agriculture, should also be fixed to ensure that at least 50% of the MSME Sector (specially micro and small) gain access to formal sources of credit within the next 5 years and all are covered with in 10 years.

14 Critical Review of Financial Inclusion in G20 Countries with Focus on India, VANI, 2015, <http://www.vaniindia.org/pub2jan15.pdf>



- **Differential Rate of Interest (DRI) Loans:** As per RBI stipulations, all banks are to give at least 1% of their total outstanding advances to those below poverty line to carry out their petty businesses. However it is extremely shameful that even this measly target is not being honoured at all and the average for the banks is less than 2 percent of the target defined.
- **Focus on Inclusion of Minorities:** Targets should be fixed for every branch and compliance should be made mandatory (at the cost of disciplinary action) to ensure that the target of the bank to disburse 15% of the advances of the priority sector to the minority community is achieved.
- **Financial Inclusion in Urban Areas:** Generally, the focus for financial inclusion has been the rural poor and urban areas are being neglected. Systems should be evolved and bank wise targets fixed to ensure total financial inclusion of the urban poor in a specified time frame.
- **BSBD Accounts:** It is reported that nearly half of the BSBD accounts are dormant. For effective use of BSBD accounts the OD facility of Rs. 5000 announced by GoI for all account holders on 11th July 2014 should be publicized and implemented and government should use BSBD accounts for all financial transactions with all BSBD account holders.
- **Adequate Publicity of Priority Sector Targets and Entitlements:** Banks and the government should launch a massive and sustained publicity campaign to ensure that all citizens become aware of their right to be included in the formal financial world and their entitlement to bank credit.
- **Financial Education in School and College Curriculum:** Modules on financial literacy should be introduced from high school onwards as part of the syllabus to ensure widespread and systematic understanding of the functioning of the world of finance and the entitlements of citizens to the collective financial assets available with the banks and other formal financial structures.
- **Government should Subsidise Processing and Recovery Costs:** As priority sector lending entails processing of very large numbers of loan application forms and their verification and involves additional efforts to reach out to large numbers for recovery in cases of default, much more staff is required for social banking. Hence as the cost to the banks for social banking is much more and adversely impacts their profitability, they do not assign the required staff and in the process all aspects for proper implementation of financial inclusion suffer. As banks are essentially commercial enterprises, they cannot operate at a loss. It is



proposed that the government should subsidise all additional costs incurred in the implementation of social banking for effective and optimal attainment of financial inclusion.

12. Social Exclusion

Social exclusion is a form of discrimination and is antithesis to Inclusive Growth. In India, social exclusion occurs on the basis of identities including caste, ethnicity, religion, gender and disability. Social exclusion has an undeniable impact on the poverty status of socially excluded communities. Those who belong to socially excluded groups are not affected by a lack of resources 'just like' the rest of the poor. They face particular discrimination in gaining access to these resources. For example, there may be a clean water pump in a village but those who are socially excluded may not be allowed access to it¹⁵.

- **Need for bridging gender gaps in education and workforce**

A wide attestation is evident of the glaring gender gaps spread across in the areas of equal employment, labor and workforce¹⁶. The Gender Parity Index which is the ratio of girl's enrollment to boy's enrollment in schools in upper primary or middle schools in the country was at 1.1, while it was the lowest at 0.92 for higher education during 2016-17¹⁷. The proportion of female workers in the non-agricultural sector is a measure of the extent to which labour markets are open to women in industry and service sectors and is an important indicator of economic empowerment. With regard to political empowerment of women, India in 2013, had only 11.46 per cent women as members of both houses of parliament combined, which placed it at the rank of 108 among the nations of the world.

- **Mainstreaming Marginalized, Vulnerable and Disabled Groups**

India is besotted with a historical eschewing of marginalized, vulnerable and disabled groups. A direct result is discernible on the lack of inclusive efforts taken by the government to address their plight and concerns. Over successive years policies and programs

15 http://www.pacsindia.org/about_pacs/what-is-social-exclusion

16 India ranks 108th in WEF gender gap index 2018, <https://timesofindia.indiatimes.com/business/india-business/india-ranks-108th-in-wef-gender-gap-index-2018/articleshow/67145063.cms>

17 <https://www.statista.com/statistics/661204/gender-parity-index-india-by-school-types/>



implemented by the Government of India have focused on mainstreaming these communities however with little success¹⁸. In urgency to attain the SDGs, it is impending on promoting policies that will attempt to mainstream marginalized, vulnerable and disabled groups and ensure their inclusive growth and progress. National policies have to be inclusive of these factors and give equal weightage in their targeting and implementation.

13. Promote an Enabling Environment for Civil Society Organizations¹⁹

Civil Society action in India has been proactively advocating and supporting the cause of socio-economic development for decades. Diverse campaigns launched by Civil Society Organizations have resulted in empowerment of large sections of society and enabled to set precedents for judicial and legislative emulation. By virtue of their extensive reach, Civil Society Organizations have occupied the space where the state has been unable to penetrate. Post-independence, massive efforts were undertaken to tackle issues which were seen to be laggards to India's growth story.

Today India boasts of a lively Civil Society Sector engaged in a million missions striving towards Inclusive Growth, Social Justice, Basic Dignity and Equality for All. In tandem with the Government and Private Sector the Civil Society Sector has tirelessly toiled to uplift India's social development vis-a-vis a plethora of programs, projects and activities. Through extensive social innovations, public sensitization campaigns, policy advocacy, evidence backed research and voicing the concerns of the 'have-nots', the Civil Society Sector has autonomously endeavored to achieve the vision of a 'Prosperous India'. However it has not been a smooth road to realize this vision with short-term and long-term challenges disrupting the operational environment for the Civil Society Sector. **A non-supportive regulatory regime, limited accessibility to resources, harassment in rural areas by local bureaucracy and absence of redressing mechanisms** have diluted the core objectives of Civil Society Organizations to make substantial

18 India ranks 62nd on WEF Inclusive Development Index, <https://www.thehindubusinessline.com/economy/india-ranks-62nd-on-wefs-inclusive-development-index/article10046051.ece>

19 Various VANI Sources , 2015-18



change at the village, mohalla, tehsil/taluka and state level. Despite the guarantees provided under the Indian Constitution to freedom to speech, expression and association, the processes made for Civil Society Sector's operability are discriminatory when compared to other sectors.

For long the Civil Society Sector has expected an Enabling Environment by the government which can assure the sustainability of its labors. With a colonial registration law still in practice, there is no data on the size and scale of development based Civil Society Organizations that results in absence of a filtering mechanism for differentiating between genuine organizations from fallacious entities. Consequently in assessment and law making, development based Civil Society Organizations face strenuous provisions due to the actions of false organizations. It is notable that the Civil Society Sector combined contains half a billion beneficiaries behind them, who have reposed their trust and support in lieu of receiving services.

This confidence in the Civil Society Sector is a product of years of investing in people and therefore it is in a position to confidently state its last mile outreach and public credibility through strong networks across India. Consequently the Civil Society Sector has emerged as the largest employer, with 100 million employed as development professionals, social workers, angandwadi workers, ASHA etc. Considering that India still needs to reach satisfactory levels of development indicators, the role of Civil Society Sector needs critical expansion with the ability to supplement Government in providing quality life to 1.2 Billion Indians. For G20 2022, the Civil Society Sector expects fulfillment of three basic demands that will critically solve the longstanding issues plaguing as operational constraints in larger spectrum of the sector.

Action Points expected by Indian Government for G20-2022

- Harmonizing and Reforming the Regulatory Regime of Civil Society Organizations in India
- Providing adequate resource and institutional support for CSOs to carry out their activities
- Ensuring partnership of CSOs in development projects of India

Conclusion

The Indian Civil Society places high hopes with the Indian Government to work on these issues at the national front and package them for its upcoming G20 presidency in 2022. All these development challenges are underpinned with the need to make India a developed nation in the coming years and make available its achievements and lesson learned for future global assessment and emulation. India's Civil Society Organizations have wide experiences and contain valuable social/behavioral examples which should be fed into the policy formulation of the Indian Government. It is essential that the Indian Government provides parity in engaging with Civil Society and not be restrictive to focus solely on Private Sector and Corporate Institutions for deriving development results. Civil society groups play well a wide diversity of roles, and in some of these they are truly irreplaceable. Crucially, given that not even the most democratic of states is sufficiently equipped to control itself, civil society is the guardian of rights and freedoms; in fact, its existence can be traced back to the very origins of the liberal state - a state that found in civil society the limits to the exercise of its own power. Civil society imposes limits and demands explanations: it calls governments to account²⁰. Most importantly Civil Society Organizations have been the vehicles to ensure that key public issues get adequate attention from the Government whilst Civil Society performing watchdog interventions. A healthy democracy like India should focus to build platforms for interactions and engagement with Civil Society where the pulse of the public opinion can be collected for providing finesse to public policy and coherence. Additionally India is one of the unique countries where it is transitioning to a developed nation and is committed to established rule of law and democratic governance. On this note, India's Civil Society hopes that its recommendations will be duly recorded and provided ample focus. The Indian Civil Society eagerly looks forward for a constructive engagement with the Government of India at the C20-2022.

20 Why Civil Society Should be At The Table, Ines Pousadela, 2018 https://civil-20.org/c20/wp-content/uploads/2018/08/G20-Why-civil-society-should-be-at-the-table_ENG_final.pdf



Matrix of Challenges

Sl.No.	Issue	Baseline Challenge	National Policies
1.	Promoting Income Security	<ul style="list-style-type: none"> - 31% under poverty (almost all types of demographic groups) - Over 61% of elderly will have no income security by 2050 	Pradhan Mantri Jan Dhan Yojana, Atal Pension Yojana, Indira Gandhi National Old Age Pension Scheme
2	Providing Health Security	<ul style="list-style-type: none"> - India stands to lose \$6.15 trillion due to non-communicable diseases and mental disorders by 2030. - 732 million people do not have access to clean and hygienic toilet facilities (with a major proportion of women and girls) - >163 million people in India do not have access to clean water 	National Health Policy (2017), Ayushman Bharat
3	Provide Quality Education	<ul style="list-style-type: none"> - India's population of illiterate adults– 287 million, amounting to 37% of the global total - 2.5 million graduates every year but this caters to just about 10% of India's youth and the quality of this output is considered below par 	Sarv Shiksha Abhiyan, National Education Policy
4	Providing Security from Natural Disasters	<ul style="list-style-type: none"> - India has faced more than 260 events of disasters and over 3.5 million people affected from 1975–2001 (Disaster Management in India- Ministry of Home Affairs, GoI) 	National Disaster Management Plan, The Disaster Management Act 2005
5	Managing Urbanization and Industrialization	<ul style="list-style-type: none"> - About 34% of India's population lives in Urban areas (UN World Urbanization Prospects Report 2018) - An increase of 3% since 2011 census. 	Pradhan Mantri Awas Yojana, National Urban Housing and Habitat Policy

Matrix of Challenges

Sl.No.	Issue	Baseline Challenge	National Policies
6	Mitigation of Climate Change, Natural Disasters and Hazards Risks	<ul style="list-style-type: none"> - 1.5 degree increase in global temperature will impact and affect disadvantaged and vulnerable section - India ranks 177 out of 180 nations globally in EPI (Centre for Science and Environment) 	NAPCC: National Mission for Enhanced Energy Efficiency, National Mission for a Green India, National Mission for Strategic Knowledge for Climate Change
7	Securing Biodiversity	<ul style="list-style-type: none"> - At least 10% of India's recorded wild flora and fauna are on list of threatened species and many are on brink of obliteration. - The Wildlife Act mentions 253 fauna species as requiring adequate protection and 135 plants species have been identified as endangered by the Botanical Survey of India. 	Biological Diversity Act, National Mission for Sustaining the Himalayan Ecosystem
8	Ensuring food security	<ul style="list-style-type: none"> - India currently has the largest number of undernourished people in the world i.e. 212 million (2011). - Between 2006 and 2016, stunting in children below five years declined from 48% to 38%. - Yet, Nearly 47 million or 4 out of 10 children in India are not meeting their full human potential because of chronic under-nutrition. - Around 50 % of the urban slums are not notified and thus are deprived of the subsidized food made available through Public Distribution System (PDS) - India has been ranked at the 103rd position on the Global Hunger Index (International Food Policy Research Institute) 	National Food Security Act 2013 (includes Mid-day meal, ICDS, PDS)



Matrix of Challenges

Sl.No.	Issue	Baseline Challenge	National Policies
9	Enhancing Energy Security	<ul style="list-style-type: none"> - India attains global 4th and 6th position in global Wind and Solar Power installed capacity. - By November 2017, a total of 62 GW Renewable Power installed 	Energy Conservation Act, National Solar Mission, National Mission on Sustainable Habitat
10	Promoting Transparency and Reducing Corruption	<ul style="list-style-type: none"> - On corruption index, India fares poorly at 81st rank - India's Liberal Democracy Index has fallen, ranks 81st (V-Dem Annual Democracy Report 2018) 	The Lokpal and Lokayuktas Act, The Fugitive Economic Offenders Act
11	Financial Inclusion	<ul style="list-style-type: none"> - India's was placed 96th among 162 countries on Economic Freedom in the World 2018, by Centre for Civil Society 	Pradhan Mantri Mudra Yojana
12	Tackling Social Exclusion	<ul style="list-style-type: none"> - 45,003 cases of atrocities against SCs and 10,914 against STs (NCRB) - India ranks 147 of Oxfam world inequality index 	National Rural Livelihood Mission, Pradhan Mantri Jan Vikas Karyakram, NMDFC
13	Enabling Environment for Civil Society Organizations	<ul style="list-style-type: none"> - India's Freedom of Expression Index score has fallen 27% since 2014 (V-Dem Annual Democracy Report 2018) - India is now ranked at 136 out of 180 countries in the World Press Freedom Index (CIVICUS) 	Society Registration Act, FCRA, Income Tax, Companies Act, GST

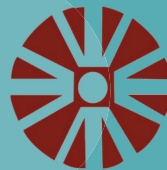
LIST OF VANI PUBLICATIONS

- India's Development Cooperation with ASEAN (English & Hindi)
- Sustainability in the Context of Indian Civil Society Organisations (English & Hindi)
- Financing Sustainable Development on Civil Perspective on AIIB (English)
- Study on Capacity Building and Need Assessment of Voluntary Organisations (English)
- Civic Charter in Indian Context (English & Hindi)
- Food Security and Agriculture (English & Hindi)
- India's Grants and Investment in Africa (English & Hindi)
- Poverty and Inequality on BRICS Nations (English & Hindi)
- Development and Approach of BRICS New Development Bank (English & Hindi)
- Towards Enabling Environment for the Voluntary Sector in India - A Study Report (English, Hindi & Assamee)
- Study on Implementation and Impact of Istanbul Principles in India (English)
- Financial Sector Reforms in India (English & Hindi)
- Self-Certification A Study Report (English)
- A Study Report on Three New Formations BIMSTEC, BBIN and Blue Economy (English & Hindi)
- Declaration for Responsible Governance & Management of VOs (Hindi & Hindi)
- Model Policy on Foreign Funding for Voluntary Organizations in India (English)
- Model Policy on Registration - A Study Report (English)
- Income Tax Act for The Voluntary Sector - A Study Report (English)
- India-Africa Partnership: A Civil Society Perspective (English)
- Development Finance and Cooperation in SSC with Special focus on India (English & Hindi)
- Status of Voluntary Organizations in Disturbed States - A Study Report (English & Hindi)
- Critical Review of Financial Inclusion - In G20 Countries with Focus on India (English & Hindi)
- Bringing People in from the Cold - Ensuring Inclusive Growth in India (English & Hindi)
- Corruption and Governance in India - Current Status and Way Forward (English & Hindi)
- Sustainable Development in India - Review and Way Forward (English & Hindi)
- Policy Brief of Revisiting the National Policy on Voluntary Sector and Need for A National Policy on Volunteering (English & Hindi)
- Enabling Environment of the Voluntary Sector in India A Study Report (English & Hindi)
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- Model Policies for Internal Good Governance in Voluntary Organizations (English & Hindi)
- The Hand Book in Good Governance for the Voluntary Sector (English)
- Contribution and Challenges of Voluntary Organizations Working on Religious Minority A Primer of the Study Report (English & Hindi)
- Contribution and Challenges of Voluntary Organisations Working with Women A Primer of the Study Report (E& H)
- Role and Contribution of Voluntary Organisations in Health & Nutrition A Primer of the Study Report (English & Hindi)
- Challenges of the Grassroots Voluntary Organisations A Primer of the Study Report (English & Hindi)
- Role and Contribution of Voluntary Organisations on Water & Sanitation A Primer of the Study Report (English & Hindi)
- Contribution and Challenges of Voluntary Organizations Working with Dalits A Primer of the Study Report (English & Hindi)
- Contribution of CSR on Thematic Issues of Education, Health and Nutrition, and Water and Sanitation A Primer of the Study Report (English & Hindi)
- Revisiting the National Policy on Voluntary Sector and Need for a National Policy on Volunteering (English & Hindi)
- Civil Society Accountability Principles and Practice (India Toolkit) (English)

About Voluntary Action Network India (VANI)

VANI is a national network of Indian Voluntary Development Organizations (VDOs). Currently VANI has 540 members with an outreach to around 10,000 VDOs across India. The membership of VANI ranges from grass roots to the national organizations. The members work on a range of priority development issues of the government including education, health, nutrition, integrated child development, livelihood, skill development, environment, natural resource management, climate change, water and sanitation, emergency response and preparedness, agriculture, poverty and so on, in some of the most remote areas of the country. In the year 2017-18, our network collectively reached out to over 32 million people belonging to vulnerable and marginalized groups including children, disabled people, women, elderly, farmers, dalit, tribals, disaster survivors, unemployed, youth, LGBT, sex workers etc. VANI through its efforts and strategies aims to build a strong civil society sector not only at national but regional and local level as well.

VANI was set up with the mission to promote voluntarism, create space for the sector by fostering value based voluntary action. VANI's interventions are focused to strengthen the external and internal enabling environment. To ensure the external enabling environment, VANI conducts evidence based advocacy which includes regulatory frameworks and resource generation. In order to achieve this VANI works with the government, private sector, bilateral, multilaterals and other stakeholders. For strengthening the internal enabling environment, VANI works towards building resilience and promoting accountability, transparency and compliance through the interactive educational events and information dissemination. VANI strives to become a resource centre by conducting evidence based research; publishing studies, articles and reports not only at state level but national and global level as well.



VANI
Celebrating 30 Years

VOICE OF THE VOLUNTARY SECTOR

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