

CSO Assessment Study: Legal and Political Environment for Developmental/Rural Development NGOs in India

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Introduction

Civil Society Organizations (CSOs) play a vital role in reaching out to unreached and unserved segments of society under official initiatives by organizing people for self-development and self-dependence. Besides, they also play a significant role in awareness generation, education and facilitation as well as advocacy for claiming their entitlements. While it is the primary responsibility of the government to look after the development and welfare of the people, the role of CSOs/NGOs, as a complementary and supplementary agency, becomes very important in tackling the left out issues and areas of immediate intervention like relief measures during natural calamities and disasters. Since, CSOs/NGOs are free of red tape culture and flexible in decision-making hence they plunge into action immediately as and when such initiatives are required. Therefore, CSOs/NGOs deserve a better deal for the good of society and nation at large.

Rationale and main objectives of the study

Civil Society Organizations (CSOs)/Voluntary Organizations (VOs)/Non-Governmental Organizations (NGOs), as mentioned above, play an important role in the betterment of lives of the people, particularly those belonging to distressed and disadvantaged categories. Due to their flexible approach and good rapport with the local communities, they are able to deliver better result as compared to government agencies by mobilizing people's participation and confidence. Keeping their significant role in view in nation building and human welfare, it becomes all the more important to study the impact of legal and political environment on their functioning. There is a need to find out the kind of legal and political constraints as well as challenges they are facing in implementation of their projects/plans for the development of the communities they serve and suggest measures to improve and ease their performance for the good of the nation and community at large. Another important aspect is that there are cases where the integrity of CSOs is suspected and are questioned for involving in unlawful activities and anti-national agitations by misappropriation of funds, as a result more stringent laws are introduced in the name of checking malpractices that adversely affects the flow of funds for activities. Thus, the present study is need-based, timely and fully justified.

The main objectives of the study are as mentioned below:

- to provide a brief description of the civil society organizations in India;
- to assess the legal and political environment of developmental/rural development NGOs: and,
- to present recommendations on protecting and enhancing CSO space in the country.

Methodology, scope and limitations

Considering the constraints of resources and timeframe, all sorts of data and information required for the study have been collected from secondary sources including government reports and websites, review of relevant literature/studies and consultations with knowledgeable organizations as well as people. It should be noted policies and regulations with regard to CSOs/NGOs/VOs come under the purview of Ministry of Home Affairs, Government of India. Keeping in view the focus of the study, it will be limited to legal and political environment affecting the functioning of the CSOs.

CHAPTER 1: Introduction to civil society organizations (CSOs) in the country

Voluntary action is manifestation of human quest for freedom of action and doing some sort of service for the larger good beyond selfish motives. India has a long and healthy tradition of voluntary action. Since times immemorial the service and care of the poor, sick, weak, disable, destitute and disadvantaged were accepted as social and moral obligations on the part of society as well as individuals towards their lesser fortunate brethren. The acts of benevolence, selfless service and sacrifice for the good of others were considered righteous acts. Religious considerations, mostly, motivated acts of charity and service to acquire *punya* (sacred) and in the process an honest desire for the service of the needy was generated.

In the long historical process through the ages, the Indian social system also developed certain customs and practices of which some like *sati* (a custom of cremation of wife along with her husband after his death), child marriage and the caste system were neither healthy nor desirable. Reacting sharply to such unhealthy trends, a social reform movement emerged at the dawn of nineteenth century. Raja Ram Mohan Roy (1773 to 1833) established Brahmo Samaj in the year 1828 with objective of opposing orthodox Hindus, opposing child marriage and propagating widow remarriage. He vehemently fought against the practice of *sati* and because of his crusade, *sati* was banned on 4 December 1829. He strongly advocated the spread of higher education, particularly among women. Thus, he founded Hindu College and Vedanta College.

Ishwar Chandra Vidyasagar (1820 to 1891) started the campaign in favor of widow remarriage and successfully attracted the attention of Government of India towards it. As a result, the Hindu Widow Remarriage Act was passed in 1856. He set an example by getting his son married to a widow. He also worked for the spread of education among girls and in 1849, the first school for Hindu girls – Hindu Balika Vidyalaya – was started in Calcutta. Sasi Pada Banerjee (1842 to 1925) also took up the cause of widows and established the Home for Hindu Widows in 1857. He himself, after the death of his first wife, got married to a widow. Keshab Chandra Sen (1838 to 1884) strongly advocated inter-caste marriage, widow remarriage and removal of *purdah* (veil) system. The enactment of Civil Marriage Act, 1872, is to his credit. He founded the “Good Will Fraternity Society” and the “Calcutta evening School”. Swami Dayanand Saraswati (1824 to 1883) founded Arya Samaj in 1875 in Bombay,

which fought against the evils like idol worship, child marriage, forced widowhood and caste discrimination. Mahatma Phule (1827 to 1888) fought against heavy odds for removal of untouchability. He started a school and maternity home for untouchables in his own house. He also founded the Satya Shodhak Samaj in 1873. Pandita Ramabai (1858 to 1922) worked for the emancipation of women. She established the Arya Mahila Samaj in 1880 and opened Sharda Sadan, a home for Hindu widows in 1889. Later similar homes were established in many cities. Maharshi Karve (1858 to 1962) started a number of primary schools in rural areas and encouraged higher education for women. In 1916, Karve Women's University was established. Sir Sayyed Ahmed Khan (1817 to 1898) took up the cause of higher education of Muslim girls and supported modern education as well as social reforms for the community. He started several educational institutions that later developed into the Aligarh Muslim University. Behramji Malabari (1853 to 1912) introduced the concept of women and child welfare. He started the Seva Sadan Society in Bombay that looked after destitute women and children and provided them the facility of medical aid and a library.

Swami Vivekananda (1863 to 1902), a disciple of Ramakrishna Paramhansa, was a great religious thinker and reformer. He presented new interpretations of the ideal of service. He preached that the service of the poor and the afflicted is the highest form of religion. He started Ramakrishna Mission and made social service an integral part of this organization. The Mission is deeply involved in education, health, relief and development works.

The social reformers and social workers of the nineteenth and early twentieth century represented two groups with somewhat different approaches. The first one did not challenge the political authority of the time and tried to influence it to enact legislations on the issues to which they had deep aversion. The second approach did not rely much on the central authority to initiate new reforms but approached the people to build up public opinion in order to recapture the spirit of their ancient culture. They tried to galvanize the people into a dynamic force and persuade them to recognize and achieve their genuine interest.

Voluntary action in early twentieth century was a basis for overall social reform and social welfare in the country. The focus of social work during this period was extended to include the spirit of nationalism and the feeling of brotherhood among the people and to train groups of people who were prepared to give up everything and devote their life to the service of the country with a missionary zeal.

The Servants of India Society marks the beginning of an organized effort for enlisting the cooperation of a band of dedicated volunteers recruited and trained for the specific purpose. For these volunteers work was worship and service the ultimate goal and the highest form of reward.

Prior to the British period voluntary action was centered around some individuals normally belonging to the upper strata of the society. During the British period, voluntary action spread in an institutionalized form and became more diverse. The first known voluntary organization as per the records maintained in the National Archives of India was the “Friend-in-Need Society” of Madras (Chennai) which applied for financial support to the Governor General in the year 1858 to 1859 through the Governor of Madras. The society got the assistance within one month of submission of its proposal to the Governor of Madras.

The enactment of the Societies Registration Act of 1860, on the pattern of a similar Act in United Kingdom, is a landmark in the history of voluntary organizations in India, and is still valid with minor amendments and adaptations by central and State governments. Christian Missionaries, both foreign and Indian, have played a significant role in the growth as well as in the widening of the outreach of voluntary organizations in India. Primarily they entered the areas of education and health but gradually gained ground in areas like welfare of destitute, handicapped, chronically ill, etc. During the British period, voluntary action survived and was sustained by support from four sources:

- social service oriented initiatives by the wives of the British and later Indian officers through their clubs;
- caste-based social welfare services by local communities;
- social welfare services initiated directly by foreign missionaries or sponsored by them; and,
- contributions by well off individuals in local communities.

In the early twentieth century, Mahatma Gandhi emerged on the Indian political scene as the undisputed leader of the freedom movement. Mahatma Gandhi’s contribution to the voluntary sector is unique. His vision of voluntary action was to strengthen people’s power at grassroots level; he wanted even the Indian National Congress to be converted into Lok Seva Sangh (Association for People’s Service) and to meet this end he conceived constructive programs. Many dedicated followers of Gandhiji, inspired by his thought, joined voluntary action to realize Gandhiji’s vision. Mahatma Gandhi founded four frontline organizations:

- Harijan Sevak Sangh (Association for the Service of Untouchables);
- Gram Udyog Sangh (Association for Promotion of Village Industries);
- Hindustani Talimi Sangh (Association for Education in Hindustani); and,
- Sarva Seva Sangh (Association for Service of All).

Some of the followers of Gandhiji started *vidyapeeths* (indigenous universities) such as Kashi Vidyapeeth, Gujarat Vidyapeeth, and Rural Development Institutes at Santiniketan, Wardha, Gandhigram, etc. These initiatives in Gandhian era strengthened the spirit of patriotism, nationalism, *swadeshi* (indigenous), and engendered a deep faith in people’s power. Gandhiji strongly advocated

equal status for women in the social, economic and political fields. Consequently, many voluntary bodies like the All India Women's Conference, Indian Adult Education Association and Bhartiya Depressed Classes League came into existence.

In the post-independence era, some organizations of Gandhian stream such as Harijan Sevak Sangh began to receive financial assistance from the government while others like Khadi¹ and Village Industries Commission became organs of the government. Quite a good number of organizations of this stream chose to be away from receiving any government funding. These organizations were grouped under the umbrella of Sarva Seva Sangh and their workers were known as "Sarvodaya" workers who operated in the impoverished pockets of the country through *ashrams* (hermitage). A training center Shram Bharati, was established by Dhiren Majumdar at Khadigram in Munger (Now Jamui) district of Bihar to train Sarvodaya workers.

Some of the senior Gandhians resisted institutionalization of voluntary action and preferred individual and group action. Acharya Vinoba Bhave, acclaimed as spiritual successor of Gandhi was prominent among them. He started the *Bhoodan* (Land Gift) movement in 1951. In 1954, growing violence in countryside on the issue of unequal distribution of land, particularly in Telangana region, influenced him deeply, and he decided to take up this issue. He visited the disturbed areas of Telangana and had a dialogue with landless and landlords in the village of Pochampalli, 40 kilometers from Hyderabad, he had an inspired vision based on simple gesture by Ramchandra Reddy, the young son of landlord, who offered to donate part of his land to the landless people in his village. Vinoba got an answer to the questions arising in his mind and decided to make this issue a mission for the rest of his life. He started his march across the country to persuade landowners to voluntarily donate part of their land for redistribution among the landless. This is how the "**Bhoodan Movement**" started. Vinoba along with his followers walked incessantly for nearly fourteen years all over India and managed to collect 42 lakh acres (170 million hectares) of land under *bhoodan* by 1966.

Jaya Prakash Narayan, looked upon as a natural successor to Jawahar Lal Nehru, the first Prime Minister of India, in political circles, had by that time come quite close to Gandhism and strongly pleaded that Gandhism should be fully utilized in order to develop a sound ideology for socialism in India. According to him, both the communism of Soviet Union and the socialism of western countries had ended up in State capitalism and dictatorship, with socialism remaining only a parliamentary or legalistic creed. Thus, both the methods of violence and parliamentary action had failed. Gandhism offered the third alternative, that of "revolution by non-violent mass action". The goals of socialism remained fully valid, but they were more likely to be attained by adopting the methods advocated by Gandhi.

Jaya Prakash Narayan (JP) realized that Vinoba's efforts and the people's response to it is not merely a movement of redistribution of land but the beginning of a great social revolution, and after the

¹Hand made goods particularly hand spun and woven coarse clothes

elections in 1952, he plunged whole-heartedly into this movement. As he moved from village to village with the message of *bhoodan*, he too had the same experience as Vinoba and was able to secure donations of thousands of hectares of land in the course of few weeks. Here, he thought, was “revolution by non-violent mass action” taking place before his eyes. Gradually, he became so deeply committed to the movement that he decided to devote all his time and energy to it. This decision was announced at the Sarvodaya Conference held at Bodh Gaya in 1954.

JP was considered the best-suited successor of Nehru but his decision not to join cabinet acquired an aura of renunciation. The solemnity of the occasion was underlined by Vinoba, who rededicated his own life to the cause of *bhoodan* in response to JP’s call. JP emphasized that *bhoodan* was an intensely political movement aimed to bring about such radical change; it was politics of different kind: not the politics of parties, elections, parliaments and government but the politics of the people. Not *Rajniti* but *Lokniti*.

By this time, he was sure enough that mere governmental efforts are not enough to achieve the goals of equality, freedom, brotherhood and peace. Besides, he believed that for a successful democracy “people’s power” at par with “State power” is a pre-requisite. He realized that there is no organized mechanism or effort to organize civil society to protect its interest and prepare people to participate in the process of their self-development. After experiencing the slow pace of development, deteriorating situation of law and order due to poverty and hunger, and the apathy of the local government officials towards the problems of the people, he decided to do something through non-governmental efforts. On 5 May 1954, he established Sokhodeora Ashram in Gaya district of Bihar through which various programs of constructive works leading to income/employment generation were initiated to empower the people. While working along these lines he realized that many voluntary organizations working in different parts of the country in isolation on various issues have a lot to share for strengthening one another. There was no national-level platform where they could meet and discuss common problems of the voluntary sector and take decisions for collective efforts on issues of common concern. He felt the need to set up such mechanism manned with a team of experts in different disciplines of development to help small voluntary organizations in developing meaningful participatory programs, micro-level planning, mobilization of resources, implementation of small development programs, monitoring and evaluation, and fostering new voluntary organizations in areas where they do not exist.

The above idea was discussed in a seminar organized by Indian Cooperative Union in 1958, a decision was taken to establish a national-level network of NGOs/VOs, and that is how Association of Voluntary Agencies for Rural Development (AVARD), came into existence in 1958. All the office bearers and Members of its Executive Committee included freedom fighters who opted out of active power politics and did not claim any benefit as freedom fighters provided by the government of India. The main objectives of AVARD were set forth as below:

- to promote cooperation and understanding among voluntary agencies working for the rural communities;
- to strengthen existing agencies and foster new ones;
- to act as a clearing house of information and knowledge on voluntary action and rural development;
- to facilitate interchange of ideas and experiences;
- to provide training and research support as well as mobilize resources; and,
- to serve as a link with like-minded national and international organizations.



AVARD continued its role in capacity building of grassroots organizations by organizing training programs on project formulation, micro-level planning for participatory socio-economic development, monitoring and evaluation in addition to implementation of some field projects directly. Besides, it was deeply involved in advocacy and engagement with government on policy matters related with voluntary sector. It also helped various State governments by preparing micro-level socio-economic/integrated development plans (Mishra, B: JP and NGO Movement in India: Think India 2002).

After the assassination of Mahatma Gandhi, National Gandhi Museum was established (1948 and in the years 1963 to 1964, the Gandhi Peace Foundation was founded to spread the thoughts and philosophy of Mahatma with its chapters in many states. Many other organizations like Gandhi Nidhi, Gandhi Darshan, Gandhi Smriti, etc. were established for the same purpose.

Another twist in voluntary action is noted when Mrs. Indira Gandhi, the Prime Minister of India, declared emergency on 25 June 1975 and AVARD as well as Gandhian organizations came under the scanner of the government with false charges of acting against the national interest and misappropriation of foreign funds for political purposes. A Commission of enquiry was set up to probe the role of these organizations. Despite, four years of serious inquiry the Central Bureau of Investigation (CBI) could not prove even a single charge against these organizations as it was politically motivated in response to JP's (President of AVARD) call to oppose emergency rule. In the process, these organizations suffered a lot and were weakened. Another important development and milestone was introduction of Foreign Contribution Regulation Act (FCRA) 1976 to monitor and control receipt as well as utilization of foreign funds. This regulation adversely affected the pace of voluntary action.

Voluntary Action Network India (VANI) was established in 1988 to fill up the space vacated by AVARD during emergency. The organization is known for its orientation towards left. As a platform, it

promotes voluntarism and creates space for voluntary action. As a network, it attempts to bring about a convergence of common sectoral issues and concern for building a truly national agenda of voluntary action in the country. It also facilitates linkages of various efforts and initiatives of the voluntary sector. Its main objectives include:

- Influencing policies with government, donors, CSR and media;
- Advisory on legal and internal management;
- Capacity building on institutional strengthening;
- Conducting research studies;
- Information dissemination; and,
- Fostering inter and intra sectoral linkages.

To be more specific, it has been engaged in lobbying and advocacy with no any major field projects for development.

There are organizations like Voluntary Health Association of India (VHAI) and Gandhi Peace Foundation (GPF) having State chapters but these are not networks in true sense of the term.

Definition and characteristics

Civil Society Organizations in India are commonly known as NGOs/VOs. However, those with Gandhian background and traditional constructive workers prefer to be called voluntary organization because NGO is a negative term and reflects opposition to the government. NGOs or Non-profit institutions may be defined as:

“Non-profit institutions are legal or social entities created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gains for the unit that establish, control or finance them. In practice, their productive activities are bound to generate either surpluses or deficits, but any surpluses they happen to make cannot be appropriated by other institutional units.”

The main characteristics of NGOs/Non-profit institutions are as mentioned below:

- They are formed voluntarily;
- These are legal entities registered under the law of the land;
- They are independent by nature and are controlled by those who have formed them or by the Board of Management to which such people have delegated, or are required by law to delegate responsibility for control and management;
- They are not for personal private profit or gain; and,
- They have to comply with the provisions of the laws under which they are registered.

Overview of the CSOs in the country

Number

There is no centralized system of registration for NGOs and it varies widely in the country, depending on the State. In some, registration is at State level while in some others it has been decentralized at district or even sub-district levels. Therefore, it is very difficult to find out the exact total number of NGOs. In 2015, Supreme Court of India directed Central Bureau of Investigation (CBI) to find out the total number of NGOs in India. In this first ever exercise to map NGOs the CBI came up with staggering data: India has 310 million NGOs.

As per the statement of the State Minister of Home Affairs in parliament on 24 November 2020, 49,859 NGOs are registered under FCRA. As many as 143,196 NGOs have signed up on NGO DARPAN of NITI Aayog, which is mandatory for accessing government funds. Among the States, UP tops the list of NGO DARPAN (20,414) and followed by MP (19,484), Delhi (11,077), West Bengal (10,763) and Tamil Nadu (10,015).

Coverage and types of organizations

In fact, there is no segregation of organizations and the total number of 310 million of NGOs includes all kinds of organizations. However, those registered under NGO DARPAN of NITI Aayog are developmental NGOs but those registered under FCRA are again a mix of organizations. As far as the types of organizations are concerned, these could be divided as under:

- Grassroots NGOs;
- State/district level organizations;
- Charitable trusts and NGOs (running hospitals, schools, orphanages, relief and rehabilitation works during calamities, etc.);
- Rights-based organizations (e.g., Ekta Parishad);
- National level NGOs and networks (e.g., AVARD, VANI); and,
- Donor/funding agencies.

Reach/network

The reach of NGOs differs widely – there are national level organizations and networks like AVARD, VANI, VHAI, GPF, Adult Education Association of India, and many more which cover the entire nation while there are others which cover either one region/State or just one/two district. For record purposes, there are a good number of associations/networks of NGOs in India as listed below but many of them are either idle or defunct:

National level

- All India Women's Conference (AIWC), New Delhi
- All India Spinners Association now merged in Sarva Seva Sangh
- All India Village Industries Association, Wardha, Maharashtra
- Haijan Sevak Sangh, Delhi
- Hindustani Talimi Sangh, Sevagram, Wardha, Maharashtra
- Kasturba Gandhi National Memorial Trust, Indore, Madhya Pradesh
- Gandhi Smarak Nidhi, New Delhi
- Sarva Seva Sangh, Sevagram, Wardha, Maharashtra
- Bhartiya Adimjati Sevak Sangh, New Delhi
- Association of Voluntary Agencies for Rural Development (AVARD), New Delhi
- Voluntary Health Association of India (VHAI), New Delhi
- Voluntary Action Network India (VANI), New Delhi
- Action for Food Production (AFPRO), New Delhi
- Self-employed Women's Association-Bharat (SEVA-Bharat), New Delhi
- Bhartiya Gramin Mahila Sangh, New Delhi
- All India Panchayat Parishad (AIPP), New Delhi
- Society for Developing Gramdams (SFDG), Govindpur, District Sonbhadra, Uttar Pradesh
- Indian Council of Social Welfare (ICSW), Mumbai
- Family Planning Association of India (FPAI), Mumbai
- Indian Association of Adult Education (IAAE), New Delhi
- Federation of Organizations Working for Children in India, New Delhi
- National Alliance of people's Movement (NAPM), New Delhi
- People's Union of Civil Liberties (PUCL), New Delhi
- Hind Kusht Nivaran Sangh, Wardha, Maharashtra

State level

- Gujarat Rajya Gram Vikas Sangh, Ahmedabad
- Bihar Gram Swaraj Sangh Kshetra Samanvaya Samiti, Simultala, Bihar
- Bihar Association of Voluntary Agencies (BAVA), Patna
- Bihar Nirman Sanstha Sangh, Patna
- Swayamsevi Sanstha Sangh, Patna
- All Kerala Association of Rural Development Service Societies, Trivendram
- Kerala Sastra Sahitya Parishad, Trichur
- Kerala Association for Non-formal Education and Development, Trivandrum
- Federation of Organizations for Rural Development-Karnataka, Dharwar
- A P Association of Voluntary Organizations and Social Workers, Hyderabad

- Federation of Voluntary Organizations of MP, Bhopal
- Rajasthan Sanstha Sangh, Jaipur
- SATHI, Faizabad, U P
- West Bengal Association of Voluntary Agencies for Rural Development, Kolkata

Sub-State/District Level

- Sahyog Dakshin Bihar, Patna
- Sahyog Uttar Bihar, Muzaffarpur
- Howrah District Association of Voluntary Agencies, Howrah, West Bengal
- Phulbani Action Group, Phulbani, Odisha

Areas/sectors where CSOs have significant presence in the country

Majority of NGOs work in multiple sectors depending upon the need of the people of the area they work with. They have strong presence in sectors like rural development, agriculture, irrigation, education and research, health, women and child welfare, welfare and development of Scheduled Caste/Scheduled Tribe communities, income/employment generation for women and marginalized communities, *khadi* and village industries, development of traditional artisans, culture, social welfare, empowerment of disables and a host of welfare as well as relief and rehabilitation works.

Other vital roles that NGOs play include: persuading and/or pressuring the State to do its duty to people and desist from abusing its authority, generating replicable/sustainable alternatives of development, facilitating participatory process through awareness building/motivation/training, advocating causes, monitoring the effects of development actions and highlighting their contradictions, strengthening democratic institutions and filling in the gaps in development.

As far as geographical coverage is concerned, comparatively larger States have more number of NGOs. Economically better off States such as Punjab and Haryana have lesser number of NGOs. Similarly, disturbed areas like Jammu and Kashmir and far-flung smaller states/union territories (e.g., Ladakh, Andaman, Arunachal Pradesh, etc.) too have lesser number of NGOs.

Thus, India has a vibrant NGO sector and huge number of organizations in conformity with its size and population. Since the roots of democracy are quite strong in the country, the NGOs have will power to differ with the ruling government. AVARD has a very clear policy that we can work with government but we cannot work for government.

CHAPTER 2: The Legal Framework on Developmental/Rural Development NGOs in India

Developmental/rural development NGOs play a significant role not only in developmental activities but also in empowering the people by awareness generation, training, facilitation in access to government programs, lobbying and advocacy at different levels for the good of the people and country at large.

Description of Developmental/Rural development NGOs

Number

As already mentioned in chapter one, the registration system in the country is highly decentralized – in some States there is provision of registration with Registrar of Societies at State level which is normally located in state capital, while in others there is provision of registration at Commissioner (Group of districts)/District level or even at Tehsil/Taluqa (Sub-district) level – and there is no any system for centralization of data. Therefore, it is very difficult to estimate the total number at country level. However, in the year 2015, the Supreme Court of India directed Central Bureau of Investigation (CBI) to find out the number of NGOs in the country and in this first ever exercise at country level to map NGOs the CBI filed an affidavit on 1 August 2015 with staggering data : India has (approx.) 31,00,000 (<http://indian express.com>). This estimated number includes all sorts of NGOs.

There are two most reliable sources about the number of NGOs – one, the NGOs registered under Foreign Contribution Regulation Act (FCRA) and two, NGOs recorded at NGO DARPAN of NITI Aayog (Formerly Planning Commission of India). According to Government figures as on 24 November 2020, a total of 49,859 NGOs were registered with FCRA whereas, as per website of NITI Aayog 143,196 NGOs/VOs had signed up on NGO DARPAN. These numbers include only developmental/rural development NGOs.

Table 1. State/Union Territory-wise Number of NGOs/VOs Recorded on NGO DARPAN

1	Andaman and Nicobar Islands	173
2	Andhra Pradesh	5,046
3	Arunachal Pradesh	481
4	Assam	2,359
5	Bihar	4,968
6	Chandigarh	230
7	Chhattisgarh	1,936
8	Dadra and Nagar Haveli	31
9	Daman and Diu	17

10	Delhi	11,077
11	Goa	273
12	Gujarat	6,922
13	Haryana	3,270
14	Himachal Pradesh	853
15	Jammu and Kashmir	1,773
16	Jharkhand	2,664
17	Karnataka	8,166
18	Kerala	4,136
19	Ladakh	170
20	Lakshadweep	4
21	Madhya Pradesh	19,484
22	Manipur	2,476
23	Meghalaya	319
24	Mizoram	263
25	Nagaland	438
26	Odisha	4,149
27	Puducherry	315
28	Punjab	1,809
29	Rajasthan	5,398
30	Sikkim	133
31	Tamil Nadu	10,015
32	Telangana	3,322
33	Tripura	500
34	Uttar Pradesh	20,414
35	Uttarakhand	2,108
36	West Bengal	10,763

The numbers mentioned above may not reflect the total number of NGOs in the country and as per a crude estimate; the correct number may be around 500,000.

Coverage and types of organization included

As we see in the above table, the NGOs cover almost the entire country but their geographical distribution and concentration varies largely depending upon the size and population as well as location and economic status of the States/UTs. Uttar Pradesh, the most populous State leads with highest number of NGOs followed by Madhya Pradesh, Delhi, West Bengal and Tamil Nadu with over 10,000 NGOs in the State. The least numbers are recorded in smaller and border States/UTs like Lakshadweep (4), Daman and Diu (17), Dadra and Nagar Haveli (31), Sikkim (133), Ladakh (170), Mizoram (263), Goa (273), etc. and they have smaller number of NGOs.

Sector/activity-wise the NGOs cover almost all important sectors but majority of them are engaged in:

- income/employment generation;
- education;
- health;
- environment;
- women and children;
- child labor;
- human rights;
- agriculture;
- irrigation/watershed development;
- *khadi* and village industries;
- community organization;
- empowerment of women and weaker sections of society;
- promotion of Self Help Groups;
- promotion of artisans and traditional arts and crafts;
- promotion of culture;
- welfare of scheduled caste and scheduled tribes;
- empowerment of people with disability;
- charity/relief and rehabilitation during calamities; and,
- lobbying and advocacy.

As far as the types of organizations are concerned, most of these organizations are registered either as a Society or Trust. Majority of them are working at grassroots level with local communities. Some trusts, particularly those belonging to corporate sector, are working as donor agencies by providing financial assistance to NGOs.

Roles

NGOs play a vital role in shaping and implementation of participatory democracy. Their credibility lies in responsible and constructive role they play in society. They have been contributing immensely for quite some time towards various development programs. They work at grassroots level even in remote areas and, therefore, their reach is much wider. They are closer to ground realities and know the needs of the communities. Their approach with target group is direct, emphatic and therefore, they are able to draw more contextualized plan of action. They also manage to develop intimate contacts and rapport with the people and develop confidence among them.

The role of NGOs have been recognized at global level particularly in United Nations Conference on Environment and Development held at Rio de Janeiro, Brazil in June 1992, Cairo Population

Conference 1994, the Copenhagen World Summit on Social Development 1995, the Beijing Conference on Women 1995, Rome World Food Summit 1996, Paris Climate Change Summit 2016, and so on.

The NGOs play multiple roles; however, their roles have been evolving over the passage of time as per the changes in society and governance. It gradually evolved from charity to development and empowerment. During the pre-British period, it was limited to charity and welfare. During the British rule it was mainly focused on social reforms and movements with an under pinning of freedom movement. The British government tried to regulate the activities of NGOs/VOs by introducing “The Societies Registration Act, 1860”. However, NGOs were free to operate anywhere in the country in conformity with the regulation and carried out constructive activities, particularly *khadi*, without any restrictions.

Mahatma Gandhi introduced 18-point (originally there were only 13 items and five more were added later) constructive programs in 1941 for Gandhian organizations and workers which included: Communal unity, Removal of untouchability, Prohibition, *Khadi*, Village industries, Village sanitation, Basic education, Adult education, Women, Knowledge of health and hygiene, Provincial languages, National language, Economic inequality, *Kisan* (Farmers), Labor, Adivasis, Lepers, and, Students.

Thus, we see that Mahatma Gandhi realizing the situation of the time tried methods to address the problems/issues at social, economic and political levels and lay down a sound foundation for self-reliant India.



During the post-independence period, the most pressing problem was that of settlement of refugees because of partition of the country and creation of an Islamic State of Pakistan. Majority of Hindus, Sikhs and Sindhi families migrated to India with no means at their disposal. Though the government provided all possible help in settling them but due to resource crunch, much was left to be done by NGOs.

After independence, the financial situation of the country was very weak and it was beyond the capacity of the government to meet the challenges successfully. Hence, the role of NGOs became very important in supplementing the government efforts in the development of the country, particularly the impoverished of the society. Many NGOs played dominant role with the help of foreign funds/donor agencies.

Another watershed came in 1976 when the then Prime Minister Mrs. Indira Gandhi introduced Foreign Contribution Regulation Act (FCRA) and tried to regulate foreign funding through Ministry of

Home Affairs. She suspected that foreign funds in the name of development are being misused by her political opponents against her. This regulation affected the flow of foreign funds and activities of NGOs to some extent. In year 2010, the Man Mohan Singh government amended the FCRA, the registration that was earlier for lifetime was changed, and it was made mandatory to renew the registration every five years. Many NGOs were deregistered on some or the other grounds of compliances. The provisions of the amended FCRA are quite strict in the name of security and have restricted the activities of NGOs in many cases. The present regime is also very cautious about the activities of NGOs and strict measures are being adopted to regulate them.

Despite all such adverse conditions NGOs played a vital role during COVID-19 and continue to contribute in social and economic development of communities and empowering them to stake their claims for entitlements.

Sector-wise, most of the NGOs are engaged in social service, education and research, and culture and recreation.

Services

Most of the NGOs carry out project-based developmental works. Their service as facilitators is very important, under which they educate the people about various official schemes and assist the beneficiaries to claim their entitlements and access the schemes as per procedure decided by the administration. Besides, NGOs provide services of training in leadership development, community organization and skill development through vocational training in various trades for self-employment and finding jobs in open market/government departments.

Reach

Geographically, the NGOs have reach to the area as mentioned in their by-laws as area of operation that ranges from district to State and national level. However, some sensitive areas from security point of view along the international border are restricted, which is generally 50-60 kilometers or so from the international border. NGOs are free to execute any kind of program that is in national interest and is in conformity of the laws of the land. NGOs reach out to the remote areas at grassroots level where government officials generally fail to visit for any kind of support.

Major NGO networks

At the country level, there are only two well-known NGO networks – Association of Voluntary Agencies for Rural Development (AVARD) and Voluntary Action Network-India (VANI). Both of these networks of NGOs are Delhi-based. There are some NGOs operating all over India with their State chapters but these are limited to their operational partners hence they may not be treated as networks. Such organizations include Voluntary Health Association of India (VHAI), Gandhi Peace

Foundation (GPF), Gandhi Nidhi, Ekta Parishad, Adult Education Association of India, etc. There are some State level/regional networks, particularly SATHI (Friends) need special mention, which works in Central and Eastern Uttar Pradesh.

Main sources of funding

Availability of funds is a very crucial element for the continuity of activities of NGOs and the sources of funding are continuously decreasing over time. The main sources of funding of NGOs are as listed below:

- Membership fee which is very nominal and limited;
- International donor agencies: It has decreased substantially after COVID-19 due to shortage of funds with donor agencies as well as introduction of new FCRA regulation under which the donor agencies have to get registered in India;
- National Trusts – donor agencies like Tata Trusts, Azim Premji Foundation, Ambani Foundation, etc.;
- Individual donations for which income tax rebate is admissible if the recipient organization is registered under 80 G / 35 AC of Income Tax Acts;
- Corporate Social Responsibility (CSR) under which it is mandatory for all corporate to donate at least two percent of their profit to NGOs;
- Central and State governments for the schemes run by them;
- Income from their own income generating activities – hospitals, manufacturing, schools, etc.; and,
- Crowd funding for any particular cause/issue.

Legal and Policy Environment of Developmental/Rural Development NGOs

Overview of Registration of Developmental/Rural Development NGOs

As mentioned earlier, the registration system of NGOs/VOs was introduced during British regime in the year 1860. As of now, there are nine different laws under which NGOs are registered. These are as mentioned below:

- Indian Trust Act, 1882
- The Societies Registration Act, 1860
- Companies Act, 1956 under section 25
- Charitable and Religious Trusts Act, 1920
- Sikh Gurudwara Act, 1925
- Trustees and Mortgagees Power Act, 1866
- Waif Act, 1995
- Indian Trustees Act, 1866
- Religious Endowment Act, 1863

An NGO registered under any of the above Acts has to abide by the provisions of the Act under which it is registered. Besides, NGOs have to get registered under FCRA for accessing foreign funds and under section 12 A of Income Tax Act for getting income tax exemption, and under sections 80 G and 35 AC for providing tax rebate to persons making donations to the organization. Under section 80 G a donor gets 50 percent rebate on income tax and under 35 AC 100 percent income tax rebate. For accessing CSR, fund the NGO has to be registered under CSR of Ministry of Corporate Affairs, Government of India. Similarly, for accessing government funds the NGO has to sign up with NITI Aayog DARPAN portal.

The procedure is very simple. For registration of society one has to approach Registrar of Societies or the designated office with by-laws, name, address, profession and contact phone number with proof (Any document issued by government like Aadhar Card, PAN Card, Voting Card, Driving License, Passport, etc.) of persons involved in the proposed Society with their designations. The application is submitted with required fee that is normally very modest and is processed in due course, if there is any query the applicants have to satisfy the office and get the registration completed.

In case of registration of Trusts one has to go to any court with deed of the Trust and documents of the persons involved as Settler and Trustees as well as registration fee and get the Trust registered. It is more simplified than registration as Society.

Similarly, for registration under FCRA, Income Tax Acts, CSR and NGO DARPAN, the NGO has to apply online. It is important to note that for registration under FCRA inquiry of the organization, its track record and members is done thoroughly by intelligence department of Home Ministry of Government of India and the organization is registered only after getting clearance from the intelligence department. The officers of intelligence department physically make visits, check documents and file their reports to the FCRA Division.

All registered organizations have to conduct general body and executive committee meetings as prescribed under the law and inform the relevant authority about changes, if any, made in the board. Besides, they have to submit audited statements of accounts to income tax department and to FCRA division, if registered under FCRA. All organizations have to report the funds received from foreign source every quarter. All donations made to the organization by individuals are reported to Income Tax department that issues certificates for exemption of tax to the persons making donations.

Overview of Accreditation Systems of Developmental/Rural Development NGOs

As mentioned earlier, the NGOs interested in implementing official programs/schemes have to sign up with the NGO DARPAN of NITI Aayog. Similarly, those working for *khadi* and village industries

have to get certification from *Khadi* and Village Industries Commission (KVIC) for getting financial support either in form of project or loan. The service providers to government departments have to be registered as vendors with the ministry/department concerned. However, within NGOs, there is no any accreditation system but there is provision of membership with the NGO networks.

Funding for Developmental/Rural Development NGOs

Access to foreign funding is permitted for those registered under FCRA. However, after the implementation of amended FCRA 2010, the access of NGOs to foreign funds has decreased because of decline in the number of donor agencies based in the country. Many of them have closed their offices either due to shortage of funds or complex regulations.

Registered NGOs listed with NGO DARPAN are eligible for official development assistance under the schemes of the government as mentioned earlier. Similarly, NGOs can participate in the schemes of KVIC if the commission certifies them. NGOs can access CSR funds if they are registered under CSR of Ministry of Corporate Affairs. NGOs are listed for providing Monitoring and Evaluation works of schemes/programs being implemented by government agencies/ departments as per prescribed procedure.

All NGOs are exempted from income tax if they are registered under section 12 A of Income Tax Act. The individual donors, as already mentioned, get 50 percent exemption in income tax if they donate to an organization registered under 80 G and 100 percent if the recipient organization is registered under 35 AC of Income Tax Act.

Accountability Mechanism of Developmental/Rural Development NGOs

The NGOs have to get all their accounts audited by an accredited chartered accountant and the balance sheets have to be submitted to income tax department within the stipulated period. Those receiving foreign funds have to report the amount received every quarter and submit the audited statement of accounts every financial year. If they are late, they are penalized with fine as decided by the government.

Thus, the legal framework for utilization of indigenous funds is supportive but as far as foreign funds are concerned, it is a bit regulative. If the NGOs abide by the prescribed procedure, there is no any problem but they have to adhere to the regulations and laws of the land. For receiving foreign funds, the NGOs should have a bank account with State Bank of India, Main Branch, New Delhi and their FCRA registration should be renewed as provided under the amended Act.

The main problem that NGOs are facing is related with renewal of FCRA Registration. The numbers of NGOs are huge and the staff with intelligence agencies for verification are limited so the government

is extending the dates repeatedly. Besides, some cases of corruption in the department has also came to the light. The licenses of some NGOs have been cancelled for not following the proper procedure while some others are fighting their cases in courts. The overall situation is satisfactory.

Chapter 3: Political Environment of Government-Developmental/Rural Development NGO Relations

It is vital and essential in public interest that the relationship between government and civil society organizations is constructive, collaborative and rational in a democratic country like India. Together they can share responsibilities for improving socio-economic conditions of the people. NGOs can play a complementary/supplementary role and fill in the gaps in development left out in official schemes by enhancing people's participation and implementing innovative schemes by mobilizing resources from funding agencies/individual donors from within the country as well as abroad but all this requires a congenial atmosphere and friendly political environment. The status of Government-NGO relations in India is as discussed below.

Right to freedom of expression, assembly and unrestricted mobility

The Constitution of India under Article 19 guarantees right to freedom of speech and expression; to assemble peacefully and without arms; to form associations and unions; to move freely throughout the territory of India; and, to practice any profession or carry on any occupation, trade or business, all of these are listed as Fundamental Right to Freedom.

However, the State can make laws to impose "reasonable restrictions" on the exercise of above rights in the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality, or in relation to contempt of court, defamation or incitement of an offence.

Besides, the areas along international borders are highly sensitive from security point of view specially because of growing terrorist activities and incidences of infiltration from neighboring countries with ulterior motives, particularly China and Pakistan, hence the area within 50 kilometers or so from the international border is restricted for free movement and operation. Special permission is required for CSOs for operating in such areas. However, there is no such problem along the borders of friendly countries like Nepal, Bhutan, Bangladesh, and Sri Lanka.

Nevertheless, the Constitution provides ample space and protection to civil society organizations to function in the democratic set up of India despite the above restrictions that can be imposed by the State by enacting laws for the purpose.

Right to information and participation

The Right to Information Act of 2005 empowers citizens of the country and any citizen of India can seek information from public authorities as per prescribed procedure at a very nominal fee. However, this right is limited. The authorities cannot share sensitive and classified information pertaining to security of the country and Ministry of Defence. Otherwise, also all ministries keep updating their websites and all vital information related to schemes, important decisions and financial details are available there. All constructive works being implemented by any agency/contractor with government funds have to display the details of work, date of completion and financial estimates on the site for the information of people at large.

As far as participation is concerned, it is not a right as such but a desirable element and participation is invited with terms and conditions in government initiatives. However, on its own initiatives, there is no restriction on CSOs and they can implement their programs with people's participation or by mobilizing financial support from sources other than government also by following the procedure defined in Act under which they are registered.

The government appoints members of NGO sector in its various committees at central, State and district levels that play an important role in decision-making as well as in advisory capacity and assist the administration in implementation of various policies and programs of the government.

Other rights

There is nothing special but they enjoy the right to represent, oppose government policies through peaceful processions i.e. Satyagraha (Non-violent Civil Disobedience) as taught by Mahatma Gandhi. In case of atrocities, if any, against them they can approach the court for justice.

Partnership and coordination mechanism

The first ever "National Policy on Voluntary Sector 2007" formulated by the Central Government and Voluntary Sector jointly, was approved by the Union Cabinet and notified in the official Gazette, provides framework to begin a process to evolve a new working relationship between government and voluntary sector without affecting the autonomy and identity of VOs.

This policy is a commitment to encourage, enable and empower an independent, creative and effective voluntary sector, with diversity in form and function, so that it can contribute to the social, cultural and economic advancement of the people of India. The policy recognizes that the voluntary sector has contributed significantly in finding innovative solutions to poverty, deprivation, discrimination and exclusion, through means such as awareness raising, social mobilization, service delivery, training, research and advocacy.

The policy deals with partnership in development relating to various vital issues such as the imperative of working together with mutual trust and respect, and with shared responsibility and authority, multi-level consultation, collaboration and funding as well as joint consultative mechanisms, utilization of expertise of voluntary sector, national collaborative programs to address complex problems, need-based decentralization, and acceptable accreditation of VOs for better funding decisions.

If implemented in letter and spirit, the comprehensive and constructive policy would have by now promoted a rational, constructive, and collaborative Government-Civil Society relationship. However, it was formulated, approved and notified in 2007 during the United Progressive Alliance (UPA) Government and hence so long as that Government continued (until May 2014) the Nodal Agency, Planning Commission and its Voluntary Action Cell (VAC), paid some attention to it. The successor and present National Democratic Alliance (NDA) Government in power since 26 May 2014 has paid little attention to it. The Nodal Agency, Planning Commission has been replaced by NITI Aayog (National Institution for Transforming India) with effect from 01 January 2015 which now maintains the NGO partnership system Portal (NGO-DARPAN) earlier maintained by the Planning Commission. However, since this official policy is still in place hence it is still feasible.

This policy recognizes three instruments of partnership:

- Consultation through formal process of interaction at the central, State and district levels;
- Strategic collaboration to tackle complex interventions where sustained social mobilization is critical over the long term; and,
- Project funding through standard schemes.

Thus, we see that the political environment is detrimental to GO-NGO relationship and partnership. As far as the present regime is concerned, it is supportive in case of activities of NGOs being implemented with indigenous funding. However, in case of foreign funded activities the government is a bit cautious and regulative in the name of protecting integrity and security of the country. In fact, some communal tensions indicate that foreign funds are being diverted for spoiling the communal harmony and illegal religious conversions in the shadow of NGOs that is a dangerous trend bringing bad name for NGO sector. Some organizations like Popular Front of India (PFI), followers of Islam, Sikh for Justice (supporter of separatist Khalistan movement), etc. are under the scanner. Some new regulations like all NGOs receiving foreign funds must open an account (FCR) with State Bank of India, New Delhi Main Branch, is somewhat cumbersome for those working at grassroots level in far-flung interior locations. However, they have the option to opening an account (FCRA) through State Bank of India Branch closer to their location that will forward their application to the Main Branch of State Bank of India, New Delhi. Similarly, one has to register under CSR of Ministry of Corporate Affairs, Government of India for mobilizing financial support from corporates. Despite all such happenings and regulatory measures, the overall situation is normal and there is no any change

in the basic policies with regard to NGOs but the existing provisions of accountability and compliances are being executed strictly which is in a way good for fair deal and healthy development of NGO sector.

CHAPTER 4: Conclusion and Recommendations

Conclusion

The political and legal environment of developmental/rural development NGOs as described in the foregoing chapters may be summarized as below:

- India has a long and healthy tradition of philanthropy and social service since times immemorial and it was accepted as a moral obligation on part of the society as well as individuals to help the needy. During the pre-British era, voluntary action was confined to relief and rehabilitation works with some sort of religious orientation. The affluent individuals donated resources for construction of temples, providing food through temples, mosques and *gurdwaras*, providing free drinking water to public, construction of water storage tanks for common use, digging of drinking water wells along roads, construction and maintenance of *dharashalas* (inns), orphanages, charitable hospitals, etc. There was no any kind of regulation or restriction from the government and individuals as well as communities were free to work on their own as per their own vision and plan of action.
- During the early British regime similar trend continued with more attention and orientation towards social reforms and movements against social evils like sati, child marriage, widow remarriage, untouchability, *purdah* system, etc. The formal regulation of voluntary action or activities of NGOs started in the year 1860 when the Societies Registration Act, 1860 was introduced in the country by the British rulers on the pattern of a similar Act in United Kingdom. This Act was a landmark in the history of NGOs in India and paved the way for institutionalized development initiatives in an organized manner along with reforms, relief and rehabilitation related activities.
- Christian missionaries have played a significant role in the growth as well as widening the outreach of NGOs by reaching out to interior grassroots locations, particularly the tribal zones. Their contribution in areas of health care and quality education needs special mention.
- In early twentieth century, Mahatma Gandhi emerged on the Indian political scene and founded four front line organizations – *Harijan Sevak Sangh* (Association for the Service of Untouchables), *Gram Udyog Sangh* (Association for Promotion of Village Industries), *Hindustani Talimi Sangh* (Association for Education in Hindustani) and *Sarva Seva Sangh* (Association for Service of All).

Besides, some of his followers started indigenous universities. Some of his followers also started training centers for the training of social workers.

- In 1941, Mahatma Gandhi also introduced 18-point constructive program for reconstruction and socio-economic development of India. The constructive programs were designed for addressing all sections of society and sectors of economic development.
- In the post-independence era, Acharya Vinoba Bhave started *Bhoodan* (Land Gift) Movement in 1951 and managed to collect 1.7 million hectares of land by 1966. Jaya Prakash Narayan (popularly known as JP), being looked upon as the natural successor of the first Prime Minister, Pt Jawahar Lal Nehru, left active politics in 1954 and joined hands with Vinoba Bhave to strengthen the *Bhoodan* Movement, which according to him was a “revolution by non-violent mass action”. He asserted that it is not merely a program of redistribution of land but a great social revolution. He emphasized that *Bhoodan* was an intensely political movement aimed to bring about such radical change in lives of the people; it was politics of different kind: not the parties, elections, parliaments and government but politics of people. Not “*Rajniti* (politics) but *Lokniti* (peoples’ politics)”.
- JP also realized that governmental efforts alone are not enough for rebuilding India and tried to set an example and model of development by establishing Shokhodeora Ashram in 1954 in Gaya district of Bihar State. Besides, very soon he realized that there are good number of NGOs working in isolation and have much to share with other organizations and there are many who are unable to implement effective programs due to lack of technical expertise for planning and execution. He visualized the need for a national level association of NGOs to address these issues. That is how AVARD came into existence.
- Association of Voluntary Agencies for Rural Development (AVARD) was established in 1958 with its headquarters in New Delhi by a group of freedom fighters who opted out of power politics to address the issues pertaining to NGO sector. The objectives of the organization included promotion of cooperation among NGOs; strengthening the existing NGOs and foster new ones; sharing information and knowledge about rural development and NGO sector; facilitating interchange of ideas and experiences; providing training and research support; mobilizing resources; advocacy; and, to act as a national platform of NGOs to engage and interact with government on policy matters pertaining to NGO sector. Another network of NGOs, Voluntary Action Network-India (VANI) was established in 1988 with somewhat similar objectives with more emphasis on advocacy.
- In 1975, the government imposed emergency and JP led the movement against it. JP and many other NGO leaders were put behind the bar. Another important milestone in the history of NGOs in India was introduction of the Foreign Contribution Regulation Act (FCRA), 1976 by Mrs. Indira

Gandhi government to regulate NGOs, stop misappropriation of foreign funds for political purposes, and make them accountable. All NGOs registered under FCRA had to file annual accounts with FCRA Division of the Ministry of Home affairs even if they did not receive any foreign fund during the year. They have to report zero balance that in fact is useless exercise. To some extent it adversely affected the access of NGOs to foreign funds and thereby their activities. However, she lost the elections in 1977. She returned to power in the next election, instituted a commission of enquiry against Gandhi Peace Foundation, and associated agencies including AVARD. All bank accounts were frozen and NGOs were harassed but no charges could be framed against any organization. This weakened the resource base of the organizations under enquiry and badly affected their functioning. Similarly, during the rule of communist party in West Bengal, the freedom of NGOs was under stress and had to be guided by the local cadres of the party.

- Another important change with regard to FCRA came in the year 2010 during the regime of Prime Minister Manmohan Singh when FCRA was amended and as per amended Act NGOs have to renew their registration every five years. Earlier it was one time registration for life. Similarly, the registration under 12 A, 80 G and 35 AC for income tax exemption have to be renewed every five years that were for lifetime earlier. For accessing government funds signing up with NITI Aayog NGO DARPAN was made mandatory.
- The Government of India has made it mandatory for corporate sector to spend at least two percent of their profit on socio-economic development through NGOs.
- It has been made mandatory to be registered under CSR of Ministry of Corporate Affairs, Government of India for accessing funds under Corporate Social Responsibility (CSR). Similarly, NGOs have to be registered as vendors with the concerned Ministry for providing services.
- NGOs can be defined as legal and non-profit entities registered under any registration Act of the land; managed by those who form it as provided under the Act under which registered – normally a board and have to comply with the rules and regulations as decided by the government.
- It is very difficult to arrive at the total number of NGOs, as there is no any centralized system to maintain data about NGOs. As per report of CBI, it is around 3,100,000 whereas as per portal of NGO DARPAN of NITI Aayog it 143,196 and only 49,859 are notified under FCRA. However, the total number could be around 500,000.
- As far as the number of networks is concerned, there are 24 national, 14 State and four district/sub-district level networks of NGOs but many of them are either defunct or idle. At present AVARD and VANI are active networks of NGOs.

- NGOs are spread all over the country but they are more in number in larger States and less in number towards international border areas. Function-wise they are engaged in almost all sorts of developmental activities but they have significant presence in areas of education, research and training, health care, environment, income/employment generation activities, welfare of women/children and marginalized communities, advocacy, etc. in addition to relief and rehabilitation works.
- As mentioned above, the role of NGOs as change agent involves awareness generation, community organization, training for capacity-building, advocacy, implementation of government schemes, empowerment of women and weaker sections/disables, organizing protest against anti-people policies, relief and rehabilitation works during calamities.
- The reach of NGOs is everywhere except the sensitive areas from security point of view. For reaching out to border areas special permission is required.
- In addition to Membership fee, the major sources of funding for NGOs include foreign funding, indigenous donor agencies/individuals, central and state government, funds from corporate sector under CSR and crowd funding for a particular cause.
- There are nine different Acts for registration of NGOs but most of the developmental/rural development NGOs are registered under the Societies Registration Act, Indian Trusts Act and non-profit Company Act.
- As far as accountability is concerned, all NGOs have to conduct meetings of General Body/ Board/Executive Committee as provided under the Act under which they are registered and inform the changes in the board under stipulated period, file annual income tax returns, share information about receipt of foreign fund every quarter and submit annual accounts to FCRA Division.
- The Article 19 of the Constitution of India guarantees freedom of expression, assembly without arms and form association, unrestricted mobility across the country. However, the government may impose reasonable restrictions for maintaining law and order, interest of friendly countries, and for protecting the integrity of the country. The Right to Information Act empowers citizens to seek any information from public authorities except sensitive information from security point of view/classified information.
- Partnership is not a right but NGOs are invited to participate with terms and conditions. “National Policy on Voluntary Sector 2007”, laid down the prospects of collaboration between government and NGOs based on mutual trust and respect but it has not been implemented in

letter and spirit. However, NGOs are invited as Members in various decision-making Committees of the Government and are funded under standard schemes for execution of programs.

- The overall legal and political environment of NGOs in India is a bit strict with regard to accessing foreign funds to stop misuse of funds for anti-national purposes but supportive for activities implemented with indigenous funds. The roots of democracy are quite deep and strong so there is no any major challenge as such.

Recommendations

- There should be some sort of system to collect information about NGO sector at State and national level. NITI Aayog may be Department of Statistics may be involved in it.
- The restriction of sharing foreign funds with other NGOs needs to be relaxed particularly in case of networks of NGOs.
- The provisions of renewal of registration every five years under FCRA, 12 A, 80 G and 35 AC should be extended to 10 years.
- Corporates should be barred from forming their own NGOs for CSR funding.
- There should be some platform at national level where government and NGO can meet and discuss matters pertaining to NGO sector. NITI Aayog may be entrusted with this responsibility.
- There should be more involvement of NGOs in tackling problems of population explosion, environmental degradation, empowerment of marginalized communities, popularization of government schemes, etc. ■

List of acronyms

AFPRO	Action for Food Production
AIWC	All India Women's Conference
AVARD	Association of Voluntary Agencies for Rural Development
CBI	Central Bureau of Investigation
CSOs	Civil Society Organizations
CSR	Corporate Social Responsibility
FCRA	Foreign Contribution Regulation Act
GPF	Gandhi Peace Foundation
JP	Jaya Prakash Narayan
NDA	National Democratic Alliance
NGOs	Non-Governmental Organizations
UPA	United Progressive Alliance
UT	Union Territory
VAC	Voluntary Action Cell
VHAI	Voluntary Health Association of India
VANI	Voluntary Action Network-India
VOs	Voluntary Organizations

Acknowledgements

The Association of Voluntary Agencies for Rural Development (AVARD) is thankful to all the authors, organizations and departments whose studies have been referred in the present study.

Our appreciation to ANGOC for organizing discussions from time to time with partners from seven Asian countries whose inputs helped greatly in enriching the study.

Last but not the least, we thank the staff members of AVARD who assisted in completion of this study.

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Citation:

Mishra, B. (2022). *CSO Assessment Study on the Legal and Political Environment for Developmental/Rural Development NGOs in India*. [Paper prepared by the Association of Voluntary Agencies for Rural Development of India for the project, "Study on Legal and Political Environment for CSOs in Asia" implemented by the Asian NGO Coalition for Agrarian for Agrarian Reform and Rural Development (ANGOC) and supported by the Fair Finance Asia (FFA) through the Initiatives for Dialogue and Empowerment through Alternative Legal Services (IDEALS)].

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The views contained in this document are those of the author, and do not necessarily reflect those of IDEALS and FFA.

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