

# Chapter 4

## Non-Governmental Organisations: A Conceptual Framework

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*“A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history.”*

- Mahatma Gandhi

#### **4.1 Introduction**

Non-Government Organisations, popularly known as NGOs are basically, service and development oriented organisations created out of the government to address particular issues, tasks or functions of a non-commercial nature. Such groups may be organised at a local, national or international level. They are dedicated to address these issues and are driven by people with a common interest. For the purpose of an operational definition, the World Bank's idea of an NGO can be taken which regards NGO as an organisation independent from the government, and that has a humanitarian or cooperative, rather than commercial objectives.

Since Independence, Government of India has been implementing various development and employment programmes especially for the rural population for improving their quality of life. But, despite efforts made by the Government, the benefit of its programme has not reached the deprived, poor and disadvantaged strata of the society in real terms. The main reason may be attributed to poor implementation of Government programmes. For a country which is the second most populous in the world and so diversified in its socio-economic context, only the efforts of Government would not fetch adequate results for development of its deprived strata. It was felt by the Government during 1970s that the voluntary agencies could add-on the Government's effort in rural development through mobilising communities

and catalyzing people's initiatives for change, as well as through direct implementation of interventions around specific issues. Since then, the Voluntary sector in India has been playing a crucial role in rural development.

#### **4.2 NGO: Definition**

The United Nations Department of Public Information (1980 cited by Murali Vallabhan TV) defines the Non-Governmental Organisation as organisations which are not part of the government and which have not been established as a result of an agreement between governments. NGOs can be research institutions, professional associations, trade unions, chambers of commerce, youth organisations, religious institutions, senior citizens associations, tourist bodies, private foundations, political parties, Zionist organisations, funding or development international and indigenous and any other organisation of a non-governmental nature.

World Bank (1990, cited by UNEP 2003) stated that an NGO is (a) formally or informally organised around shared purposes; (b) non-governmental, and so not part of the state apparatus; (c) self-governing, rather than externally controlled; and (d) voluntary both in the sense of being non-compulsory and in the sense of voluntary involvement in their governance or operations. NGOs include charitable and religious

associations that mobilise private funds for development, distribute food and family planning services and promote community organisation. They also include independent cooperatives, community associations, water user societies, women's groups and pastoral associations. Citizen Groups that raise awareness and influence policy are also categorised as NGOs.

### **4.3 NGO: Types**

World Bank typology (1989) divides NGOs into Operational NGOs and Advocacy NGOs. They may be '*relief-oriented*' or '*development-oriented*' organisations. Operational NGOs can be community based, national or international. However, it does not view these distinctions as rigid and recognizes that the majority of NGOs function along a continuum in which a great deal of overlap exists.

According to Snehlata Chandra (2001), the term NGO [Non Governmental Organisation] embraces a wide variety of organisations. They include;

- ☞ Voluntary Organisations [VOs] that pursue a social mission driven by a commitment to shared values
- ☞ Public Service Contractors [PSCs] that function as market-oriented non-profit businesses serving public purposes
- ☞ People's Organisations [POs] that represent their member, interests, have member accountable leadership, and are substantially self-reliant

- ☞ Governmental Non Governmental Organisations [GONGOs] that are creations of government and serve as instruments of government policy

Thiruvanukkarasu (2009) goes further broad to categorise NGOs into much more specific categories and put forth a slightly different classification as:

- ☞ International NGOs [INGOs]
- ☞ Business Oriented or Big International NGOs [BINGOs]
- ☞ Environmental NGOs [ENGOs]
- ☞ Governmental NGOs [GONGOs]
- ☞ Quasi Autonomous NGOS [QUANGOs]
- ☞ Technical Assistance NGOs [TANGOs]
- ☞ Civil Society Organisations [CSOs]

Though laws in India classify organizations working in development into three categories, viz. charitable trusts, societies, and Section 25 companies, all these classifications are valid and needed to comprehend the wide varieties of dimensions that nongovernmental organisations serve. Demographic and geographic constraints along with political and economic outline are framing the environment where the NGOs attempt to find a space for itself. This environment largely affects the scope of nongovernmental organisations in their existence and endeavours.

#### 4.4 NGO: Scope

Charities Aid India Foundation (CAF's Validated Database 2000) analyzed the difference between Voluntary Organizations (VOs) and NGOs as a general misconception is that any activity outside the pale of government is 'voluntary'. One needs to differentiate between organizations in the 'general' non-governmental sector and VOs. *Cooperatives, trade unions or Panchayati Raj Institutions are all non-governmental but are not voluntary organizations.* This study is envisaged to include any such organisation which has an entity out or away from the government. Body corporate, trusts, cooperatives and similar forms are making part in the framework of the study.

NGOs fulfil a wide range of functions including development assistance, crisis relief, social and health services. The areas they fulfil define their scope. Hardly NGOs are framed to serve with one objective, and often they carry a primary objective and subsidiary aims that serve the common or primary objective. The major areas where NGOs serve in the global arena include:

- Advocacy and awareness regarding particular issues
- Education and research
- Human rights
- Animal rights

- Women and Child welfare
- Community development, Training and Capacity building
- Health services, Counselling and Rehabilitation
- Socio-economic development
- Entrepreneurship development and training
- Environmental protection
- Media and infrastructure
- Culture and recreation
- Participatory democracy; and
- Other social services

NGOs have constituencies and develop specialties or areas of interest in which its programming, solicitations, fund raising and growth is oriented. When NGOs are met in the field, there are wide variances in size, appearance, activity, and expertise. It is crucial to understand that when various NGOs operate in the same emergency, there are large but often subtle differences between them.

#### **4.5 NGOs: Aims and Characteristics**

According to Bhose (2003) the important characteristics of NGOs are *Voluntary, Legal status, Non-profit oriented, Independent, Flexible, Quicker in decision making, High motivation, Freedom in work, Catalytic in approach and People centred.*

NGOs have some advantages while working with people in comparison to governmental organisations. Such advantages include *action orientation, flexibility in operations, development focus, relative independence, cost effectiveness* and most essentially with a *human touch and dedication*.

According to Aditya Mishra (2004), the main aims and objectives of NGOs include the following:

- Development of women and rural folks socially, economically, politically through income generating activities, education programmes, awareness camps, etc
- General socio-economic development of the people living in rural areas especially in down-trodden areas
- Encouraging the rural folks to participate actively in cultural activities, arts sports and science activities
- Development of the under-privileged sections of the society such as fishermen tribals, rural women etc
- Running educational programmes like formal education, non-formal education and adult education programmes to decrease illiteracy rate and to improve human resources for the development of a nation
- Protecting the environment, rehabilitating the deprived sections like the handicapped, mentally retarded and orphans



- Eradicating poverty through generation of employment opportunities, income generating activities, providing skill based training, and imparting new technology in agriculture
- Providing physical education, organizing competitions and giving training to the youth to participate actively in rural development activities
- Initiating self-employment ventures (for men and women) and organizing leadership/personality development programmes
- Propagating Gandhian ideology and literature, creating awareness and conducting de-addiction programmes
- Formation of self help groups and to provide financial assistance to the members of SHGs in order to empower them economically
- Doing research and surveys, working for social justice and offering legal advice to the rural and urban people who are in need of justice
- Organizing mother and child care programmes and value based education sessions to decrease, child deaths, malnutrition of women at the time of pregnancy and children and improving health, hygiene and sanitation in slum areas; and
- Protecting the interests of consumers and working for prohibition and assisting in housing

The Seventh Plan recognised that government alone could not handle the task of rural development. It enunciated a clear-cut policy for involvement of voluntary organisations in rural development in a big way. It stressed the need to enlist voluntary agencies in accelerating the process of social and economic transformation through their participation in the planning and implementation of programmes of rural development. The Seventh Plan indicated a number of functions that the voluntary organisations can perform which include the following:

- ✓ Securing people's participation which is vital to the success of programmes of rural development as it increases the acceptability and utilization of the services;
- ✓ Ensuring that the benefits of rural development reach the rural poor;
- ✓ Acting as link between the administration and people to bring about changes specially in the attitude of the people through motivation and building up of awareness;
- ✓ Supplementing government programmes in rural areas by offering a wider variety of choices and alternatives;
- ✓ Functioning as watchdog of the people at the local level thereby improving the services and the accountability;
- ✓ Activating the delivery system and streamlining its functioning;
- ✓ Disseminating information;

- ✓ Demonstrating how local initiative and local resources can be effectively used;
- ✓ Training and motivating grassroots workers;
- ✓ Mobilizing community resources thereby adding to the total resources available for development; and
- ✓ Facilitating the process of change in social and economic structures so that the benefit can reach a larger number of people.

The Seventh Plan had also pointed out the programmes and areas where the participation of voluntary organisations was visualized as being predominantly important which included the following:

- ☞ Integrated Rural Development Programme
- ☞ Implementation of land ceiling and distribution of surplus land
- ☞ Enforcement of minimum wages to agricultural labourers
- ☞ Identification and rehabilitation of bonded labour
- ☞ Development of Scheduled Castes and Scheduled Tribes
- ☞ Supply of safe drinking water
- ☞ Forestation, social forestry, development of alternative energy sources
- ☞ Promotion of small family norm
- ☞ Primary health care, control of communicable diseases and preventive health programmes

- ☞ Programmes for women and children in rural areas
- ☞ Literacy programmes
- ☞ Promotion of village and cottage industries
- ☞ Promotion of science and technology in rural areas
- ☞ Rural housing; and
- ☞ Environmental concerns

Thus the aims and characteristics enumerated gives a conceptual understanding with regard to the activities devised by, and envisaged for, the non-governmental organisations. NGOs in practice are multifaceted in nature and often cover a few of these aims as their agenda. Specific institutions are also created with respect to these objectives. Some organisations like cooperatives add wings to their scope by diversifying into one or more of these aims and objectives.

#### **4.6 NGOs: History**

International non-governmental organizations have a history dating back to at least 1839. International NGOs were important in the anti-slavery movement and the movement for women's suffrage, and reached a peak at the time of the World Disarmament Conference.

Ali Mostashari (2005) had reviewed that the term, 'Non-Governmental Organization' or NGO, came into use in 1945 because of the need for the

United Nations to differentiate in its Charter between participation rights for intergovernmental specialized agencies and those for international private organizations. At the UN, virtually all types of private bodies can be recognized as NGOs. They only have to be independent from government control, not seeking to challenge governments either as a political party or by an arrow focus on human rights, non-profit-making and non-criminal. With the improvement in communications, more locally-based groups, referred to as grass-roots organizations or community based organizations, have become active at the national or even the global level.

Rajesh Tandon (2005) commented that the voluntary sector and NGOs in the post independent period, were concentrated in the following agendas:

- ☞ Relief and Rehabilitation in famine as well as natural disasters
- ☞ Innovations in Literacy and formal education, National policy on primary healthcare, Women's livelihood thorough DWCRA 1981, Non-conventional energy 1985, Social and community Forestry 1986, SHGs and Microfinance 1990, ICDS 1995, and Sustainable Development missions ; and
- ☞ Effective Advocacy on Development Policy

He further stated that vast of NGO sector is mostly invisible; and the presence are uneven. Where 1.2 million organisations were estimated in

2002, one fourth have a religious identity, one fifth had community/social service and another one fifth in education.

David Korten (1988) had enumerated and contrasted the change over in the focus and nature of NGOs over the decades which he classifies into three generations. Exhibit 4.1 gives an account of the same.

### Exhibit 4.1

#### NGOs through Ages: Towards Sustainable Development

Characteristics	Generation		
	First	Second	Third
<b>Defining Features</b>	Relief and Welfare	Small-scale, self-reliant local development	Sustainable systems development
<b>Problem Definition</b>	Shortages of goods and services	Local inertia	Institutional and policy constraints
<b>Time Frame</b>	Immediate	Project life	Indefinite long-term
<b>Spatial Scope</b>	Individual or family	Neighbourhood or village	Region or nation
<b>Chief Actors</b>	NGO	NGO plus beneficiary organizations	All public and private institutions that define the relevant system
<b>Development Education</b>	Starving Children	Community self-help initiatives	Failures in interdependent systems
<b>Management Orientation</b>	Logistics management	Project management	Strategic management

[Adapted from Korten, David, "Third Generation NGO Strategies: A Key to People-Centered Development". Paper presented at the NGO Workshop organized at the Asian Institute of Technology, Bangkok, October 17-21, 1988]

SustainAbility<sup>©</sup> (2003) in the work titled 21<sup>st</sup> Century NGOs in the Market for Change, has given a comparison on the different dimensions of NGOs in 20<sup>th</sup> century and 21<sup>st</sup> century. Exhibit 4.2 depicts the same.

**Exhibit 4.2**  
**20<sup>th</sup> Century NGOs vs. 21<sup>st</sup> Century NGOs**

ISSUE	20 <sup>TH</sup> CENTURY	21 <sup>ST</sup> CENTURY	COMMENTS
<b>Status</b>	Outsiders	Insiders	20 <sup>th</sup> century NGOs spent the second half of the century as outsiders, challenging the system. 21 <sup>st</sup> century NGOs will increasingly be part of the system
<b>Focus</b>	Problems	Solutions	20 <sup>th</sup> century NGOs spotlighted problems as symptoms of market failure 21 <sup>st</sup> century NGOs will focus on solutions delivered through markets
<b>Structure</b>	Institutions	Networks	Growth will continue, but 21 <sup>st</sup> century will heavily invest in networks
<b>World view</b>	1-D	3-D	20 <sup>th</sup> century NGOs communicated with single issue campaigns. The 21 <sup>st</sup> century agenda will be multi dimensional
<b>Accountability</b>	Ad Hoc	Strategic	21 <sup>st</sup> century NGOs adopt best practice in transparency, accountability and governance.

[Source: Adapted from SustainAbility<sup>©</sup> , 2003]

Cousins William (1991) identified the following advantages and limitations of nongovernmental organisations.

***Advantages***

- ✓ They have the ability to experiment freely with innovative approaches and, if necessary, to take risks
- ✓ They are flexible in adapting to local situations and responding to local needs and therefore able to develop integrated projects, as well as sectoral projects
- ✓ They enjoy good rapport with people and can render micro-assistance to very poor people as they can identify those who are most in need and tailor assistance to their needs
- ✓ They have the ability to communicate at all levels, from the neighbourhood to the top levels of government
- ✓ They are able to recruit both experts and highly motivated staff with fewer restrictions than the government

***Limitations***

- ? Paternalistic attitudes restrict the degree of participation in programme/project design
- ? Restricted/constrained ways of approach to a problem or area
- ? Reduced replicability of an idea, due to non-representativeness of the project or selected area, relatively



small project coverage, dependence on outside financial resources, etc.

? "Territorial possessiveness" of an area or project reduces cooperation between agencies, seen as threatening or competitive

Due efforts have come in the course of time towards eliminating these limitations and benefiting from the merits. Flexibility and access have risen strong parameters in assessing the reach and depth of NGOs at large with due concern for their respective aims.

World Bank (1995) asserted that NGO is a broad term encompassing a wide array of diverse organizations. The World Bank collaborates with CBOs, national and international NGOs in a variety of different ways. Achieving the full potential benefits of NGO involvement implies enhanced roles for NGOs earlier on in the project cycle.

NGO involvement can contribute to the sustainability and effectiveness of Bank-financed projects by introducing innovative approaches and promoting community participation. NGOs can help expand project uptake and reach, and can facilitate greater awareness of diverse stakeholder views.

NGOs are active contributors to the Bank's economic and sector work (ESW) and participate in lending activities from identification through to

evaluation. NGO involvement is most frequent during implementation. Evidence shows, however, that NGOs can provide particularly valuable input during project identification and design. Where NGOs are expected to participate in implementation, they should also be consulted during design.

Key issues in working with NGOs identified by World Bank are:

- ☞ *Identifying an appropriate NGO partner:* Selecting an appropriate NGO partner involves gathering information about the NGO sector, establishing relevant selection criteria, and choosing a suitable selection process. Clear selection criteria should be established based on specific project needs. Organizational capacity should be assessed according to an NGO's proven track record, not its stated goals. It is important to identify "capacity-building" needs and strategies. Maximum transparency should be ensured in the selection process.
- ☞ *Time issues:* Be prepared for possible extra staff/time needs early on in the project cycle. Be aware of potential time fags/delays and the risk they pose to participatory processes. Ensure NGOs have an adequate understanding of project time-frame and deadlines.
- ☞ *Flexibility issues:* Seek NGO/community input early on in the project cycle. Establish clear mechanisms for responding to local views and needs. Use mid-term review process to adapt project

priorities/processes as necessary according to local input. In areas where NGOs have a recognized comparative advantage, take steps to maximize their institutional autonomy.

- ☞ *Funding issues:* NGOs are generally cost-effective. They should not, however, be viewed as a "low-cost alternative" to other types of implementing agencies. NGOs should not be expected to provide services free of charge or at lower than market rates (unless according to a co-financing agreement). Clarify the expected status of NGO involvement (e.g.: informal unpaid advisor, paid consultant, contractor, etc.) from the outset. Establish mutually acceptable fees and overhead costs.
- ☞ *Procurement and disbursement issues:* Use simplified bidding documents, where appropriate. Consider the use of alternative procurement practices. If necessary, make provisions for advance payments. Provide training for NGOs in procurement and disbursement procedures.
- ☞ *NGO-Government relations:* Consider conducting a state-NGO relations study. Keep in mind that government-NGO collaboration is not possible/ desirable in all cases. Always seek government-NGO complementarities. Understand how government policies influence the NGO sector and, where possible, promote an enabling environment for NGOs.

- ☞ *Importance of clearly defined roles and responsibilities:* Share all relevant project documents with participating NGOs. Consider the appointment of an NGO liaison officer. Organize a government – Bank – NGO information - sharing workshop.
- ☞ *Contractual/legal issues:* Adapt standard contract agreements as necessary to meet specific needs of NGOs/community groups. Write contracts in simple language. Consider using a Memorandum of Understanding or other alternative form of contract.
- ☞ *Capacity-building:* Consult with NGOs on appropriate strategies to support their institutional development. Where appropriate, build a training component for NGOs into project design. Encourage partnerships between international and local NGOs. Promote networking and information-sharing among NGOs.

#### **4.7 NGOs in Indian Context and Role in Rural Development**

The Indian Express (2010) reported that India has possibly the largest number of active non-government, not-for-profit organizations in the world. A recent study commissioned by the government put the number of such entities, accounted for till 2009, at 3.3 million. That is one NGO for less than 400 Indians, and many times the number of primary schools and primary health centres in India! Even this staggering number may be less than the actual number of NGOs active in the country. This is because the

study, commissioned in 2008, took into consideration only those entities which were registered under the Societies Registration Act, 1860 or the Mumbai Public Trust Act and its variants in other states. Such organisations can be registered under a plethora of Acts such as the Societies' Act, 1860, Indian Trust Act, 1882, Public Trust Act, 1950, Indian Companies Act, 1956 (Section 25), Religious Endowment Act, 1863, The Charitable and Religious Trust Act, 1920, the Mussalman Wakf Act, 1923, the Wakf Act, 1954, and Public Wakfs (Extension of Limitation Act) Act, 1959, etc. According to the government study, the largest number of NGOs are registered in Maharashtra (4.8 lakh), followed by Andhra Pradesh (4.6 lakh), UP (4.3 lakh), Kerala (3.3 lakh), Karnataka (1.9 lakh), Gujarat (1.7 lakh), West Bengal (1.7 lakh), Tamil Nadu (1.4 lakh), Orissa (1.3 lakh) and Rajasthan (1 lakh). More than 80 per cent of registrations come from these 10 states.

In developing countries, NGOs are playing an important role in agriculture and rural development. Farrington and others (1993) identified a number of roles played by different NGOs by their case studies in India, Bangladesh, Indonesia and Thailand. These roles are discussed below:

(i) *Role 1: NGOs as Field Testers*

NGO's ability to build close interactive relationships with their clients, to draw on their local knowledge and to work with them in

testing new technologies for managing on-and-off farm resources is evident in the case studies of MCC Bangladesh, PRADAN India and ISEREI Indonesia. It had given rise to an expectation of division of roles in which Government Organisations develop technology and NGOs provide field testing, local adaptation, feedback and dissemination are logical functional complementarities.

*(ii) Role 2: NGOs as Joint Partners*

NGOs are employed to facilitate the organisation of local groups capable of using available technology, which either NGOs or GOs deliver more efficiently than individuals could. Evidence from the case studies of PROSHIKA Livestock Bangladesh, BRAC Poultry Bangladesh, Ramakrishna Mission India and AWS India indicate that the relationship between NGO and GO has worked moderately well.

*(iii) Role 3: NGOs as Innovators*

NGOs innovate, whether in technical, procedural, institutional or methodological ways in the expectation that government will 'scale up'. Such innovations are tailored to meet specific requirements of the local groups. FIVDB ducks Bangladesh, BRAC irrigation Bangladesh, MYRADA India UBON/ATA fisheries Thailand and

Mag-uugmad Foundation training Philippines were the case studies herein.

*(iv) Role 4: NGOs as Networkers*

Networking is an interaction among a group of institutions in order to realise anticipated benefits for themselves or for their clients. Over the years some NGOs have made important achievement in promoting and strengthening NGO network. NAF Nepal, AVARD India, VANI India, Auroville Reclamation India and IIRR Philippines were the case studies herewith.

*(v) Role 5: Advocacy Role of NGOs*

Advocacy means influencing policy in favour of the poor and powerless. It can be understood as a deliberate, organised and systematic effort to influence policy affecting the poor, marginalised, underprivileged and the disadvantaged. DISHA India, PROSHIKA forestry Bangladesh and MCC crop adoption Bangladesh were the case studies herein.

*(vi) Role 6: NGO's Role in Empowerment*

NGOs in the process of development interventions enable the impoverished and down-trodden to gain power and authority over their livelihood and this is achieved by organising the unorganised sections of the society. SEWA India, WWF India, and Bhoomi Sena India were the case studies here.

Eighth Five Year Plan further stressed on the importance of voluntary sector and Ninth Plan proposed that voluntary organisations would also play an enhanced role especially as facilitators and social animators in bringing about greater awareness through advocacy. They would also help the poor to form self-help groups with the objective of improving their economic status through concerted action. In this way the PRIs, the voluntary organisations and the community would work in tandem to bring about greater development at the local level and consequent reduction in poverty levels

Tenth Five Year Plan asserted that self-help groups become cohesive in the long run only if they are homogenous. Social mobilisation is an important step in the formation of self-help groups. It requires a high degree of motivation, morale, expertise, management skills, time and pro-poor orientation on the part of the person who acts as a catalyst for group formation. Successful experiments in the promotion of micro finance and micro enterprise have revealed a strong partnership between NGOs and financial institutions. NGOs have an inherent advantage in reaching the poor due to their proximity, the trust they generate by working in the area, their commitment, flexibility in approach, responsiveness and cost effectiveness. They have played a dynamic role as social animators and



organisers in rural areas. Many NGOs have not only been instrumental in the formation of self-help groups but have also nurtured them over the years. Such NGOs have a strong presence in many states. However, voluntary and non-governmental action is weak in some of the poorer states. These are also the states where the spirit of cooperation and collaboration may be lacking because of poverty itself.

Tenth Plan further stated that economic activities require high degree of skills. After the identification of key activities, it would be necessary to organise training programmes for upgrading skills of beneficiaries selected under the programme.

The National Policy on Voluntary Sector (2007) recognised three instruments of partnership with the voluntary sector for structured development, viz., (i) consultation, through a formal process of interaction at the Centre, State and District level; (ii) strategic collaboration to tackle complex interventions where sustained social mobilization is critical over the long term; and (iii) project funding through standard schemes. Further in this regard, the Government will also examine the feasibility of enacting a simple and liberal central law that will serve as an alternative all-India statute for registering VOs, particularly those that wish to operate in different parts of the country and even abroad. Such a law would co-exist

with prevailing central and state laws, allowing a VO the option of registering under one or more laws, depending on the nature and sphere of its activities.

Eleventh Plan affirmed that the higher performance parameter of multiple lending and increased quantum of lending have been achieved in States like Andhra Pradesh due to the SHGs having federated at different levels from the village to the district. SHG network has been observed to acquire versatility in activities in States like Kerala and Andhra Pradesh. Diverse models are also found to be present in this arena.

**Table 4.1**  
**Financial Assistance from NABARD**

(Amount in ` Billion)

Year (end - March)	No. of SHGs Linked		Bank Loan		Refinance Assistance	
	During the year	Cumulative	During the year	Cumulative	During the year	Cumulative
1996-97	3841	8598	0.06	0.12	0.05	0.11
1997-98	5719	14317	0.12	0.24	0.11	0.21
1998-99	18678	32995	0.33	0.57	0.31	0.52
1999-00	81780	114775	1.36	1.93	0.98	1.50
2000-01	149050	263825	2.88	4.81	2.51	4.01
2001-02	197653	461478	5.45	10.26	3.96	7.97
2002-03	255882	717360	10.22	20.49	6.22	14.19
2003-04	361731	1079091	18.56	39.04	7.05	21.24
2004-05	539365	1618456	29.94	68.98	9.68	30.92
2005-06	620109	2238565	44.99	113.97	10.68	41.60
2006-07	1105749	-	65.70	-	12.93	54.53
2007-08	1227770	-	88.49	-	16.16	70.68

2008-09	1609586	-	122.54	-	26.20	96.88
2009-10	1586822	-	144.53	-	31.74	128.62
2010-11	1196134	-	145.48	-	31.74	128.62
2011-12	1147878	-	165.35	-	30.73	184.80
2012-13	1219821	-	205.85	-	39.17	223.96

Notes : 1. Data relate to Commercial Banks, RRBs and Co-operative Banks.

2. From 2006-07 onwards, data on number of SHGs financed by banks and bank loans are inclusive of 'Swarnajayanti Gram Swarozgar Yojna' (SGSY) SHGs and existing groups receiving repeat loans. Owing to this change, NABARD discontinued the publication of data on a cumulative basis from 2006-07.

Source : Handbook of Statistics on Indian Economy, RBI

South India has been found to be the largest recipient of funds from NABARD through SHG-Bank Linkage and other development schemes. Higher literacy rates and socio economic factors could have been the driving force behind. Yet, the role of NGOs cannot be discarded as they are proven to be the show makers behind the screen and at times on the screen.

#### **4.8 NGOs: Kerala Context**

State Level Bankers' Committee, Kerala (2012) stated that Voluntary organisations and NGOs as the promotional agencies have a vital role in facilitating the creation of SHGs by abiding the stipulations of NABARD. Organising groups of poor was so difficult in the initial stages, that emancipation of the poor women out of their four walls and convincing them of the benefits of forming groups was difficult. Through continual meetings with the village people, the task of forming groups was materialised. The tremendous growth revealed in the formation and functioning of SHGs in the state is a clear indication of the benefit of group

formation over the years. In Kerala, the cumulative number of SHGs maintaining savings account with the bank increased from 298576 as on 31-03-2008 to 439273 as on 30-06-2012. Out of this total, 88.23 percentage of SHGs are exclusively women SHGs and 32.51 percentage is created under Government sponsored schemes. This itself gives a picture of the structure of SHGs formed or organised in Kerala. Almost 67.49 percentage are formed through and with the environment of nongovernmental routes. A snow-balling effect is found in the widespread reach of SHGs through NGOs.

The Swarnjayanti Gram Swarozgar Yojana [SGSY] is being implemented by the District Rural Development Agencies (DRDAs) with the active involvement of Panchayati Raj Institutions (PRIs), banks, line Departments and the Non-Government Organisations (NGOs). However, With respect to the NGO Partnership system [NGO-PS] of Planning Commission only 1340 NGOs have been signed on the registry out of a total of 59452. Framework of non-governmental channels is comprehensive but need to be put along through a common thread of sustainable and synchronised route of development efforts.

NGO Models present in Kerala coming under the purview of the present study is discussed in the next chapter along with a theoretical evaluation of the role and impact of NGOs in entrepreneurship development in Kerala.

#### **4.9 Conclusion**

The National Policy on Voluntary Sector propagated that the country faces a number of complex problems that require adaptive, multi-sectoral solutions where sustained social mobilization is particularly important. These include poverty alleviation, skill promotion, entrepreneurship development, empowerment of women, population stabilization, combating HIV/AIDS, managing water resources, elementary education and forest management, to name a few. Such areas urgently require strategic collaboration between the Government and VOs, through national level programmes that are long-term in duration, and utilize multiple strategies, methodologies and activities to achieve their objectives.

An array of NGOs is found to be in existence in Kerala though many are not in the limelight. A basketful of diverse schemes are also on offer in tune with the aims and objectives of the organisations. The people of this region take constructive advantage though the awareness and belongingness to these organisations. Diverse models do perform the task in their own unique style within the policy framework. Operational management and participation could be found asymmetrical among different models. The role and impact of these nongovernmental organisations in entrepreneurship development in Kerala is discussed in the coming chapters.

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