

NGOS AND GOVERNMENT IN COLLABORATION FOR DEVELOPMENT

1. Voluntarism And Voluntary Organisations - The Roots

Voluntarism has a long tradition in India. Its roots have been and continue to be largely the various religions. Until the 19th century, voluntary action was not institutionalised as some activity apart from religion and day-to-day life. Many of the religious reform movements that emerged in the 19th and 20th centuries gave a clear focus and a more institutionalised expression to voluntary action. Swami Vivekananda, for example, introduced the concept of social service in Hindu Monasticism and founded the Ramakrishna Mission with the ideal "one's own salvation and service to humanity". The Lingayat Mutts in Karnataka which have not been given the recognition that they deserve for their organised approach to social service and change are another example with a long tradition. Some of the various Christian denominations, went a step further; they not only institutionalised voluntarism, but kept it apart from the religious establishment, though others still preserve a close rapport and sometimes a common agenda. Religious revival movements in Hinduism which emerged within the country during the last century which may or may not have had a political agenda have also adopted a more institutionalised form of voluntary action; the RSS is one example. Most of the voluntary institutions devoted to social service which emerged from these various religious roots have created a distinct space for themselves; they also tend to adopt a more professional approach to developmental issues. However, the degree of institutional space between these institutions devoted to social service and the formal religious establishment which gave them birth, tends to differ from case to case; in some institutions, for example the religious person is the head of the social service institution. As a result of this difference in the space between the religious establishment and the social service institution, the social and development strategies that the latter select as their mission also differ and so does their image in society.

Inspired by Mahatma Gandhi, voluntary action during the freedom movement became constructive work in communities where problems of untouchability, illiteracy and economic livelihood were addressed. The inspirational base was Gandhi's philosophy rather than any religion; it adopted and promoted institutional forms of voluntarism expressed in the various Gandhian institutions which spread all over the country. Much has been written about these institutions elsewhere.

The 1970s and 80s threw up hundreds of social activists whose approach to development was partly inspired by Marxist philosophy. Major upheavals, especially the

Bangladesh refugee operations of 1971, the droughts in Bihar in 1967-68 and in Tamilnadu and Maharashtra in 1973-74, the cyclone and tidal wave in Andhra in 1987, and in Orissa in 1971, and the earthquakes during the last few years have all drawn hundreds of volunteers to cope with the disaster. Many of these volunteers later set up organisations to harness and sustain voluntary action. Politicians and retired civil servants contributed to the number of voluntary organisations especially in the latter half of the 20th century. In the 80s and 90s a few professionals, some from prestigious institutions and some who returned from abroad also set up voluntary organisations with the motive of "returning something to society"; they contributed to the "professionalising" of the voluntary sector. The voluntary institutions that emerged from these experiences of drought, tidal waves, refugees and earthquakes and those that were established by professionals were mainly "secular" in character. They have no religious or cultural agenda and have introduced systems that promote a culture of transparency and accountability in varying degrees.

However, the signs indicate rather clearly that the biggest growth in voluntarism (and volunteers) and in voluntary institutions in the country during the next 10 years at least, will emerge from the religious revival movements which also have a political agenda, namely the RSS, VHP and the BJP as well as from sections of Muslim and Christian communities which place religion at the centre of their ideology. This would leave little or no space between their respective religious establishments and the voluntary organisations that they promote.

In the short term this growth of voluntarism and voluntary institutions motivated by religions and backed by political power in some cases, may cause conflict with the institutions already working at the grass roots (described in the earlier para) which have little to do with institutionalised religions. This is partly due to the close association of the group (backed by religions) with political parties in power and the resulting patronage and well as because of the unwillingness of these groups to tackle social issues which have a religious or socio-cultural sanction, but yet are oppressive. In the long term, however, there is every possibility that the underlying culture and tradition which is inclusive, as well as the pressures to accommodate or "adjust" thrown up by political processes, will help to bring these institutions which spring from and maintain a close connection with a religious base, into the mainstream of Indian tradition and culture where polarisation and exclusivism on a religious or ideological basis has no place. As a Professor of mine used to say: "All civilisations have periods when they rushed towards the precipice and fell over; however the Hindu civilisation unlike the others has managed to balance on the brink". Will it continue to have the potential to continue this balancing act whenever it is required to do so? On the answer depends the direction that the voluntary sector will take in the future. If culture takes primacy over politics and if the space between culture and religious identity is lost, then the static view of cultural tradition will dominate ignoring its inherent dynamism. The consequence of this will be intolerance of different interpretations and even of conflicting interpretations for which the Hindu cultural tradition is famous and from which its strength to balance on the brink emerges. It was Mahatma Gandhi who wrote:

"If the Shastras sanction untouchability, then we must reject them". Unless leaders of the religions which have a significant presence in the country and politicians who identify closely with these religions are able (or brave enough) to practice and preach a similar message, there is little doubt that the healthy and vibrant voluntary sector which exists today will not only stop growing but will atrophy.

India is fortunate that its basic culture is shaped by a "religion" which does not subscribe to a philosophy which, briefly and popularly put, holds a position that "I am right and you are wrong"; on the contrary it subscribes to a position that says "I am right and you also may be right". It does not subscribe to a philosophy that says "I have the truth and am chosen by God while you are not", but to one that says "There are many ways to God". While all religious philosophies promote voluntarism, it is only a religious philosophy which promotes an environment, where respect for others because they may be right – not just tolerance for others, because they are wrong but I am generous enough to let them live – that can promote genuine voluntary institutions which have the freedom of space they require to form one of the pillars of a healthy democracy. I am confident that any efforts, whether political or otherwise, to corrupt or erode this great tradition will wilt under the bright light of the real India shining.

As former Chief Justice of India, Shri M.N.Venkatachalaiah writes in "Idea of India", "Indeed, if one were asked as to what is the single most important legacy of ancient India, the undoubted answer is the tradition of tolerance, respect for diversities and reverence for life. It is also the tradition that celebrates peace as a technique for advancement of political, social and even commercial goods."

The latest evidence that religious inspiration still plays a role in national policy related to voluntary institutions is found in the draft National Policy for the Voluntary Sector (2003) from the Planning Commission where the voluntary sector is defined as follows: "*Voluntary Action is strictly defined as an activity or function undertaken by a person or persons for the benefit of others without any personal financial or material returns. The livelihood of persons so engaged is expected to be generated from elsewhere or from other activities*". This definition seems to be based on the religious or ascetic approach where these volunteers are expected to be motivated by considerations other than their own material advancement. To the extent that they need some "other" means to survive, the definition presupposes that they will be supported by institutions like religious establishments and extended families. This surely does not fit the demands of the present day scenario, where joint or extended families in business no longer exist to support such volunteers and where most development practitioners are not members of religious institutions or industrial families; even if they were, their sense of independence and the need for an independent image in order to be credible, would require them to be entitled to a reasonable remuneration.

How then does one describe voluntarism? To each his/her own. Myrada which has a large number of qualified staff whose skills are required today to cope with the complexities related to development issues and strategies has adopted a middle position. It defines voluntarism as "the willingness to work in Myrada and to stay in the

organisation although there are opportunities elsewhere with emoluments ranging from 5 to 15 times greater than what Myrada pays". They subscribe to several religions; their inspiration comes from several sources, but the institution keeps a healthy space between itself and all religions and political parties and expects its staff to do likewise. However at the same time Myrada ensures that it has a sound and open personnel policy and a regime of emoluments which conform to all the laws of the land. It is not easy to keep this balance especially when Government decides to bend financial norms. One example is the Government's decision that organisations should pay an interest of 9% on the employees contribution to the Provident Fund Provident when the interest rates on investments has fallen below that figure. In such a case from where does a not-for-profit organisation which receives funds against clearly set out line items of expenditure find the resources to close the gap?

Karnataka has managed to marginalise and counteract forces that triggered religious polarisation and exclusivism elsewhere. However, Karnataka has not had a strong Gandhian or a Marxist movement or even a religious revival movement in the last 50 years which institutionalised voluntarism for social and development issues and ensured adequate space between these institutions and the religious system which promoted them. Neither has its political leaders promoted alternate institutional strategies like the Janma Bhoomi initiative in neighbouring Andhra. Instead Karnataka has promoted the Panchayati Raj Institutions and Municipalities.....as well as developed a strong working relationship with the Voluntary Institutions popularly called NGOs.

In fact PIDOW (Participatory Integrated development of Watersheds) near Gulbarga was the first development project in the country in which the Government of Karnataka, a Bilateral Donor and an NGO (Myrada) was involved in an official manner. The agreement was signed in 1986. The Government of Karnataka set up a mechanism to guide and monitor this arrangement between three partners which was a new experience for all involved. It was called the Joint Project Committee. The learnings from this experience helped to guide several similar projects in Karnataka including the Western Ghats Forestry and Environmental project (1991) The Integrated Rural Water Supply, Environmental Sanitation and Habitat Development Project (1991), and several other projects with Bilateral and Multilateral Agencies in the latter half of the nineties like the Sujala Watershed Project and the Urban Development and Coastal Environmental management project among others. In all these projects NGOs were involved. The Sujala Project is unique in one way: for the first time is an operational NGO involved as a Partner Agency at the State level.

2. Voluntary Organisations Finds A Place In The National Plans

This wealth of tradition in voluntarism and voluntary institutions and their rapid growth could no longer be ignored by the Government; this phenomenon finally found a place in the National Plans. Let us refer briefly to the relevant paragraphs in each Plan.

The Sixth Five Year Plan (1980-85) has six paragraphs on this subject under the title "People's Participation". The motivating source of this statement is not clear, but my guess it came from the Gandhians who played a major role in forming policy during this period. To quote from the Plan document:

*"The planning process in a democratic country can acquire fuller meaning and depth if the people not only associate themselves in planning for their development but also participate consciously in plan implementation. The successive five year plans have emphasised the need for promoting peoples organisations to secure this end. The very raison d'être of Panchayat Raj was to ensure people's participation in local planning and implementation. Likewise the emphasis through the Plans on building up cooperatives was to strengthen people's involvement in the management of their economic development. Panchayat Raj and Cooperative institutions, though people's organisations are, however, creatures of the Government through various statutes. These have been dealt with in earlier sections of the chapter. **What is of equal importance is the promotion of purely non-governmental organisations, formal or informal in nature, which could motivate and mobilise people in specific or general developmental tasks. Experience suggests that the task of educating and mobilising the people in this direction is more effectively accomplished when it is institutionalised. Individual action though important can only be sporadic in nature, whereas institutionalised action can be distinctly more effective in mobilising local resources, articulating needs and coordinating the developmental tasks which are undertaken by the people.**" (11.61)*

The message is clear: Institutionalised voluntary action is of equal importance as PRIs and Cooperatives which are "creatures of Government"; therefore they need to be promoted. The focus however is on "people's participation". The term non-governmental organisation is used to distinguish private initiative from PRIs and Cooperatives which are Government sponsored. The term also helps to stress the need for institutionalised action which is considered to be more effective than individual effort. Interestingly, the role of these non governmental organisations was not limited to "service delivery" (though this was the common understanding in Government) but extended to mobilising local resources, articulating local needs and even to co-ordination.

The document then lists several areas in which NGOs could participate. These include forestry, renewable energy sources, family welfare, health and nutrition, education, water management and soil conservation, social welfare programmes, minimum needs programmes, disaster preparedness and management, promotion of ecology and tribal development and environmental protection and education. It also recognised the increasing interest of business houses in rural development and suggests that certain Blocks could be handed to them.

The Seventh Plan (1985-1990) Document devotes two and a half pages to the Voluntary Sector - the most extensive treatment of this subject compared to other Plan documents. The title of the relevant Chapter reads "Involvement of Voluntary Agencies". This title is the closest that any plan document has come to the popular nomenclature "NGOs - Non Governmental Organisations". The document recognised "there has been inadequate recognition of their role in accelerating the process of social and economic development "(pg 68) ..."Therefore, during the seventh plan, serious efforts will be made to involve voluntary agencies in various development programmes" (pg 68); and further; "The accent in the Seventh Plan will be to professionalise volunteerism, to introduce professional competence (delinked from degrees) and management expertise in keeping with the resources and capabilities of voluntary agencies to be in a position to meet the basic requirements of government in terms of accountability " (pgs 68 & 69) This is a clear call to develop institutions which are credible, transparent and staffed by "qualified" and committed people. The document recognises the need for "an established forum where voluntary agencies could be given an opportunity to explain their position and defend themselves or bring field problems to the notice of State Governments" (pg 69). And finally "There is need for voluntary agencies to decide on a code of conduct to be applicable to those agencies receiving government funds". (pg 70) Interestingly, there is no mention of the PRIs in this chapter which is a major lacuna. The role of PADI (People's Action for Development India) later amalgamated with CART (Council for Advancement of Rural Technology) to form CAPART to promote and monitor Voluntary Agencies and the formation of Consultative groups in all States headed by the Chief Secretary or Development Commissioner was recommended; they would deal with all matters related to Voluntary Agencies, including funding.

The Seventh Plan, therefore went a step further: Institutionalisation as recommended in the Sixth Plan was important but not enough; the institutions need to be professionally managed, accountable and to develop a code of conduct for themselves. This recognised the basic feature of voluntary work, namely that Government is not the prime monitor or regulator, but that the voluntary agencies themselves should evolve a code of conduct and respect it.

The Eighth Plan (1990-95) Document devoted just one page (six brief paras) to the subject entitled "Voluntary Sector" and repeats much of the content of the Seventh Plan Document. It also laments that while the seventh Plan had anticipated that voluntary effort would be forthcoming in a massive way for better implementation of

antipoverty and minimum needs programmes, "it is not easily possible to assess the extent to which they have been realised because voluntary agencies interact separately with various ministries/departments. Absence of a common mechanism to monitor the progress of voluntary effort in various sectors is conspicuous". (pg. 34). It continues, "If the professional and managerial capabilities of voluntary organisations are built up in a systematic manner they can make tremendous contributions in bringing about people's participation both in financial terms and through beneficiary support".

The document points to the absence of a "common mechanism" to **monitor** voluntary effort. The term "monitor" leaves the way open to various interpretations, which made several people nervous about Government's intentions.

Once again the need for sound organisational and financial systems and professional skills is stressed. The document also recommends the formation of a national grid of voluntary institutions at the central level to provide a forum for Voluntary organisations. This is a welcome suggestion since, the lack of an institution at National Level which is able to reflect the interests and concerns of the entire voluntary sector, has been a major reason why the efforts of the voluntary sector to relate in an ongoing manner with Ministries (like the Home Ministry) which are not funding NGOs, but yet have a major say in their functioning have been sporadic and often ineffective. As a result NGOs opt for a political strategy whenever they have a problem. Those Ministries and Departments which are funding NGOs have regular contact with them and a stake in their survival which makes the relationship a more supportive and a problem solving one. This is not the case with the Home Ministry. CAPART which relates with all the Ministries which provide funds for government sponsored schemes implemented by NGOs does not seem to be able to lobby effectively with the Home Ministry or the Ministry of Economic Affairs.

The position of the Planning Commission is marginally better since it brings together politicians, bureaucrats and NGOs at a more senior level. The function of interacting with the Home Ministry is expected to take place at the Planning Commission through the "Joint Machinery for Collaborative relationship between Government and the Voluntary sector" (Joint Consultative Machinery for short), the members of which include the Secretaries of the Home Ministry and of other Ministries involved directly with NGOs. There is however the impression that meetings of the Joint Consultative Machinery called by the Planning Commission involving all stakeholders are sporadic, tend to avoid major issues where there is a level of tension and generally tend to drag an issue over a considerable period of time. However the regularity of meetings and their follow up on issues raised, depends considerably on the individual responsible for the NGO sector in the Planning Commission (namely the Adviser who is an Additional Secretary and transferable and more recently a Deputy Adviser who is "permanent") or on active lobbying from NGO Institutions and individuals. Left to itself, the Joint Machinery comes to a grinding halt.

The Joint Consultative Machinery was constituted in 1994 (during the Eight Plan). It met only twice -in 1994 and on January 15, 2003. It was dormant for 7 years. In 2002, the Planning Commission convened a National Conference on "Roles of the Voluntary Sector in National Development". Following this Conference a new Joint Machinery comprising leaders of the Voluntary sector and Senior Government Officials was constituted by a notification dated January 28,2003. It met in June 2003. It was decided in this meeting to formulate a National Policy on the Voluntary sector.

In the Ninth Plan (1997-2002) the Voluntary sector is considered in the context of the Panchayat framework. It devotes one short paragraph to the Voluntary sector (2.1.148) under the Chapter entitled: "Institutional mechanism for Delivery" where the PRIs are positioned as the main institutions for service delivery. To quote the entire para:

"Voluntary organisations would also play an enhanced role especially as facilitators and social animators in bringing about greater awareness and 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 and Voluntary organisations and the community would work in tandem to bring about greater development at the local level and consequent reduction in poverty levels".

For the first time does a Plan Document recognise the important role of advocacy that the Voluntary organisations can play in a democratic system. It is not clear however, how this role is viewed by some Ministries; many social activists who adopt an advocacy role and who work within a democratic framework have had problems with the law and order machinery.

The Tenth Plan Document devoted far more space and importance to the PRIs than to People's/Voluntary Organisations which include NGOs, User Groups (mainly in irrigated areas) and community organisations. These groups are placed in the context of promoting "good governance" which is the role of the PRIs. When the Plan document refers to the Voluntary Organisations, it places them in the context of the PRIs -which are "institutions of governance". The paragraph devoted to the Voluntary organisations reads:

"It has been clearly established that where Panchayats, community organisations and user groups have worked in close co-operation, people have benefited immensely from developmental projects initiated either by the Government or the communities themselves. People's organisations, whether in the form of an NGO or a group of experts, provide expertise and competence to the Panchayats that they otherwise may not possess. However, in many places, the emergence of Constitutionally mandated

PRI's has led to a conflict of interest, as both voluntary organisations and these institutions occupy the same space. The voluntary agencies have to recognise that PRI's are institutions of governance and must work in close cooperation with them. The PRI's, for their part, have to recognise the critical role that voluntary organisations can play in enhancing their capabilities. The delivery of programmes would improve only if the PRI's emerge as strong players in the social and economic life of the country. NGOs and other civil society organisations can facilitate the evolution of PRI's as institutions geared to promote the well-being of the rural poor."
(3.2)

Though this Plan document does not highlight the role of NGOs as the Seventh Plan does, it uses the term "NGOs" twice. The concern expressed that the PRI's and the Voluntary organisations "occupy the same space" probable implies that there has been (or could be) conflict between the two. This calls for comment. The major situation where there is potential for conflict is when Government Programmes involve both the PRI's (Zilla Panchayats and Gram Panchayats) and the Voluntary Organisations as Implementing Agencies. One such example is the watershed programmes under the Ministry of Rural development where the latest guidelines called "Hariyali" identify the PRI's as the lead Implementing Agencies (with a low priority to NGOs) in contrast to the previous guidelines which identified both the Voluntary Organisations and the PRI's as Implementing Agencies. Apart from this type of programme, there is little reason for conflict between the two. There is however ample potential for a level of tension between the Gram Panchayats (which are representative bodies) and the Gram Sabhas (which are participatory bodies). The Gram Panchayats tend to reflect and support the traditional (and feudal) power structures and traditional social norms in society. The Gram Sabhas (or Vasathi sabhas) are below the Gram Panchayats; many Voluntary Agencies promote them by helping them to build up their institutional capacity (which implies regular meetings, developing a Mission and vision, conventions and regulations which they adopt, sanctions for dysfunctional behaviour, ability to resolve conflict etc). Together with these Gram Sabhas, the NGOs also promote Self Help Affinity groups of the poor and marginalised and Watershed Associations like User Groups. These participatory bodies are in a position to play a balancing role since, once organised and trained (and often federated), they are able to promote the interests of the poor and the marginalised sectors of village society; in several cases this brings them into conflict with the traditional power structures which control the Gram Panchayats; this indirectly brings the NGOs involved into the picture and makes it vulnerable to pressures from the PRI institutions.

While Myrada supports and promotes the Gram Panchayats in the rural areas, it also holds a position that representative bodies (constituted through elections) are not the only legitimate institutions in society; they need to be balanced with participatory institutions like the Gram Sabhas, Self Help Affinity Groups of the poor, Parent Teacher Committees and watershed institutions where all the stakeholders participate. It is these participatory institutions that provide a balance to the power structure which the representative bodies normally represent. We often ask the question: Have the elected representatives in Panchayat Raj institutions taken the initiative to create spaces and provide support for the marginalised sectors to express and promote their social and economic interests and rights? Or have they strengthened traditional feudal power relations? The answers we get differ from case to case and depends on the number of strength of participatory groups like SAGs and Gram Sabhas which have their own agenda, meet regularly and not under directions from Government

Ironically, the past decade has shown that the major obstacles to empowering PRIs have not been the NGOs but the elected politicians and the various Line Departments.

3. NGOs In The National Plan Documents

Most of the Plan Documents focus on a broader spectrum of voluntary involvement; they are therefore more comfortable with terms like "people's participation". The term NGO to describe an intermediary, not for profit institution appears twice in the Tenth Plan where the space and attention given to the voluntary sector was minimal. The term non-governmental organisations appears in the Sixth Plan but as a term to distinguish such organisations from Cooperatives and PRIs which are government sponsored. The Seventh Plan document is the only one which focuses more on those organisations which fit the name **"NGOs" and which are generally understood to be not-for-profit, professional, intermediary institutions which manage programmes in the areas of economic and social development, engage in advocacy, welfare, rehabilitation and training.** These NGOs are generally not membership institutions. They form one set of institutions which form part of a broader portfolio which also include institutions like trade unions, professional associations, environmental groups which are largely membership institutions; however the members of these membership institutions mentioned above are largely from the middle and upper classes and do not require NGOs to form and train them. There is another category of institutions generally called community based institutions (CBOs) which are also membership institutions but whose members are largely of the poor. Many NGOs are involved in building these community based institutions. The Mission statement of Myrada for example is "Building poor people's institutions" like SAGs, watershed institutions, village forestry committees, parent teacher associations, etc.

The Plan documents, even the Seventh Plan, do not use the term "NGO". The Tenth Plan Document is the exception. . They use terms like " People's Participation (Sixth Plan); Voluntary Agencies (Seventh Plan),"Voluntary Sector/organisation" (Eight Plan, Ninth Plan and Tenth Plans). The focus therefore is more on the broader portfolio of institutions described above which fall more comfortably under the umbrella of "Civil Society Institutions" rather than NGOs in the commonly understood sense. This focus on "voluntary" rather than "Non Government" is also part of and reflects the long tradition of voluntarism in the country. Institutionalisation and professionalism which are expected from NGOs is a later phenomenon and does not seem to rest comfortably on the culture and systems of governance in the country; this uneasiness is further compounded by the blurred profile of an NGO. This "uneasiness" and the "blurred profile" find expression in several restrictive rules which are applied to NGOs, which will be referred to below.

4. The Profile Of A Voluntary Agency Is Blurred

This recognition of Voluntary Agencies by Government may have had some influence in promoting a number of Government sponsored Institutions or Government NGOs registered under the Societies Registration Act. These institutions registered under the Societies Act have a senior government officer as Chairperson and several other officers on the Boards who make up the majority of members. Many of these Government sponsored Societies have been promoted by Bilateral and Multilateral donors. Though this is not the place to assess the reason for this development - and there are many good and appropriate ones - such organisations tend to blur the profile of a Voluntary Organisation. In reality they are part of the implementing structure of Government. If we add to these organisations set up by Government, other Charitable Societies and Trusts set up by Business Houses, as well as Educational Institutions (including IIMs) and Hospitals, the character of a Voluntary organisation becomes further blurred. The problems that Voluntary Organisations (and NGOs which have full time staff and run a professional outfit) have to face arise from decisions taken by Government related to taxation and other forms of control which cover all such agencies including Educational Institutions, Hospitals etc. **One example is the decision by the Government of Karnataka to levy a "fee " of Rs 100 for every Rs 1 lakh received by Charitable Societies. Organisations like Myrada receive a large part of their funds from Government through watershed projects like Sujala, Health and AIDs programmes and others related to housing, drinking water and sanitation. Will the Government sanction a budget which includes this fee of Rs 100? Definitely not. From where then does the NGO get this amount? In case you are surprised, let me quote the notification:**

Quote:

NOTIFICATION DATED 30-03-2002

In exercise of the powers conferred by sub-section (2) of Section 30 of the Karnataka Societies Registration Act, 1960 (Karnataka Act 17 of 1960) the Government of Karnataka hereby makes the following rules further to amend the Karnataka Societies Registration Rules, 1961, namely:

1. Title and commencement: (1) These rules may be called the Karnataka Societies Registration (Amendment) Rules, 2002.
(2) They shall come into force from the date of their publication in the Official Gazette.
2. Amendment of Rule 9: In rule 9 of the Karnataka Societies Registration Rules, 1961, in the Table:
 - (1) For the entries relating to Serial Number 5, in columns (1), (2) and (3), the following shall be substituted namely:

"5. Filing of Income and Expenditure under Section 13, -
For every one lakh rupees of the amount of income and

Expenditure or part thereof

Rs.100/-

(2) In Sl.No.6, in column (2), for the entries relating to clause (b), the following shall be substituted, namely:

"(h) Where the delay exceeds one year, for each year of delay or part thereof."

By Order and in the name of the Governor of Karnataka
Sd/ Deputy Secretary to Government, Revenue Department

The levy linked to income appears to be more in the nature of an income tax or a turnover tax rather than a mere filing fee.

5. NGOs In State Plans And Policies

The State Governments need to include a Chapter on Voluntary organisations in the State Plan Documents and not leave this responsibility to the National Plans only. Though, as described above, there are several major projects where the NGOs are involved with State Governments, there are several areas in this relationship which need to be clarified. The theoretical framework on which this collaboration is based needs to be incorporated in the State Plan Documents and policy and practice drawn from there in order to make the collaboration between Government and NGOs as effective as possible in developing and implementing strategies which empower the poor and build the basis for their sustained livelihoods. A few of the issues that need to be addressed are listed below:

- * Though it is practical for Government to register several types of organisations under the Societies Registration Act, once this legal base is established there is need to group them in a few categories. It does not reflect the situation on the ground if organisations like Educational Institutions, Hospitals, Government sponsored Societies, Religious Institutions and NGOs involved in development are all treated in the same manner as regards taxation, requirements for filing returns and the levying of "charges" as is being done at present. Further why should development NGOs involved with Government in implementing projects be considered as Contractors and asked to produce a Bank guarantee?
- * What are the reasons for involving NGOs in development programmes? There is a long history of NGOs being part of the service delivery system of the Government; the major examples are in health-related programmes, women and childcare, and more recently in programmes funded by the Ministry of Rural Development. Involvement of NGOs officially in multilateral/bilateral programmes raised the level of collaboration to another level. The NGOs became not only implementers; they also found a place in designing and managing programmes together with Government at all levels. The reasons for NGO involvement largely fell into 3 categories: (a) the different comparative advantages of Government and NGOs; (b) their ability to mobilise local resources; and (c) reduced cost in service delivery. The Government of Karnataka was the first to take this step; the watershed project in Gulbarga was the first in the country in which the GOK, a bilateral agency and MYRADA were officially involved. The Project started in 1986. However, a conceptual framework is required which provides an institutionalised basis for this collaboration.
- * What are the indicators of a professionally managed NGO with committed staff?

- * Why should community based organisations like Self Help Affinity Groups, Watershed Associations etc. which are participatory bodies be treated in the same manner as intermediary NGOs involved in development?
- * Should serving Government Officers be allowed to start development NGOs and Consultancies and be involved with them? Is there no conflict of interest in such cases especially where Government funds are involved? Some people are of the opinion that if Government can pass an order prohibiting Government officials from acting in movies and TV serials (vide order dated March 8,2004), cannot it also forbid serving officials from starting NGOs or at least from receiving funds from Government for development programmes. The experience in some Countries where Senior Officers at country level also set up NGOs and Consultancies has created a major issue related to transparency and conflict of interest. India, so far, is fortunately free of this practice -once again there are exceptions.
- * What about NGOs and Consultancy organisations formed by religious institutions where the Religious person is head of the NGO/Consultancy? Is there adequate space here between the religious institution and the NGO or consultancy? If the head of the NGO or consultancy continues to be a religious person, are such organisations eligible for Government funding? Given that this writer expects a major growth of religious based NGOs in the near future, is it not advisable for Government to take a stand on this issue before it is forced to do so in a crisis situation.?
- * Isn't there a need for a Consultative Machinery to be set up at State level just as in the Planning Commission at the centre?
- * What is the theoretical framework for collaboration between the PRIs and NGOs? And what are the guidelines for collaboration?

6. Government And Voluntary Organisations -A Love Hate Relationship

The Societies Registration Act was passed in 1860, three years after the Mutiny of 1857. There is bound to be a connection. The colonial Government was not comfortable with the growing number of organised groups; they had to be controlled. The history of the relationship between the voluntary sector and the colonial government since 1860 continued to be dominated by suspicion and unease and punctuated by Government decisions which sought to monitor and control their activities. The movement for Independence provided adequate space for voluntarism to flourish and Governments uneasiness also increased. Has there been a change after independence in this relationship?

Between 1950 and 1970 the Gandhian institutions were the major voluntary institutions which influenced official policy. They had a close association with Government at the highest levels; this changed after the Emergency and the return of Mrs Gandhi to power. In the second half of the 1970s and in the 1980s a large number of social activists emerged who took up various issues related to, atrocities on dalits, rights of people displaced by large projects, rights of tribals and bonded labour, rights to minimum wages. Some were involved with social issues like dowry deaths, burning of widows and "witches", with child labour and prostitution. Their focus was on winning rights and changing people's consciousness; the strategies they adopted often led to open tension and conflict. Few of them however had a mass base — the leadership was usually in the hands of the NGOs or "social activists". Their approach often brought them into confrontation with the state, local power structures and the law and order machinery. Without a mass base which they could sustain, they were vulnerable to pressure from the establishment. Some of them had no respect for or belief in democratic institutions and processes; others however subscribed to the democratic framework as a necessary condition for their functioning but not a sufficient condition for social transformation.

A new category of organisations appeared on the scene in the shape of religious fundamentalist forces and those which sought to break away from the country particularly in the North east. Many of them received ample funds from within and abroad, most of which did not pass through legitimate channels. This category of non-governmental institutions and those described above who one could generally be called "social activists" were largely responsible for the negative reaction of Government to all forms of voluntary action. While the former category of social activists who work within a democratic framework have a legitimate role in a democratic society particularly when the major political parties and even trade unions failed to convert the legitimate demands of marginalised sectors into effective policy and programme support, the latter category which largely comprised religious fundamentalist and secessionist groups and Marxist radicals who did not believe in democratic processes cannot expect to be treated with respect by the Government. Unfortunately the response of Government to the voluntary sector in general has been largely influenced

by the activities of the latter category. Certain Ministries like the Home Ministry react to the subversive activities of organisations in the latter category by clamping down even on organisations in the first category led by social activists who have a legitimate role; further these Ministries come out with rules and regulations directed at controlling the second category which tend to throttle the progress of the entire voluntary sector.

The need for a Joint Consultative Machinery at National and State levels comprising officials from all the Ministries and Departments involved with NGOs, particularly from those Ministries like Home and Economic Affairs which do not interact with NGOs on a programme basis but have a major role in providing or limiting the space that NGOs require to function effectively has been stressed earlier in this paper. These JCMs need to have a theoretical framework incorporated in the National and State Plans within which they can function.

7. The Itch To Control And To Own

When I have a discussion with religious people I request them to "suspend their faith"; otherwise the social framework of the analysis I adopt can be unsettling. Similarly, I ask you to suspend your allegiance to Government (if you are or have been a Government official).

The thrust of most Government efforts related to voluntary agencies seems to be directed to exercising some level of control or ownership. The need to control originates largely from the bureaucracy while the urge to own comes from political figures. The latter is more easily understood: ownership translates more readily into votes. But I am not sure where the need to control originates. Does it come from the "very nature of government" as understood and practised in India - after all when I ask middle level officers what it means to govern, I usually get a reply "to control" (a generous interpretation of "to control" could be "to regulate" which is well within the Government's rights; but the line between the two is thin). This statement is often qualified later by a list of other responsibilities. Is it a carry over from the colonial tradition? Does it come from the "masculine culture" that permeates Government, as some of my gender and women's empowerment friends claim, (the masculine culture is supposed to have a strong streak of control). Does it come from one of the basic tendencies in human nature to be the centre of the universe around whom all other satellites revolve and in some way are dependent? Or does it emerge from more mundane needs to get relatives, friends and benefactors posts and admissions or to promote certain ideologies? Wherever it comes from (and the sources could be several) there is ample evidence that it manifests itself ... it is a strong itch ... almost I would say as strong as the "sex drive"... and like the sex drive, it needs to be repeatedly kept under control not through conflictual statements and positions but through establishing appropriate institutionalised space where regular dialogue is organised within a structured framework focusing on issues and leading towards a solution.

Before I raise more issues than can be dealt with in some degree of detail, let us come to the reason for introducing this issue. It is because of the evidence that the underlying trends and at times structural demands prevailing in government culture and systems (described above) make it difficult for government officials to relate functionally with any other institution especially one in the voluntary sector. Establishing a functioning relationship **between individuals** in both sectors is relatively easy; but difficulties arise when it is **between institutions**. These difficulties however, are manageable. The suggestion made above to establish institutional space is one of the initiatives which will help, provided it is implemented in spirit and practice. However, certain practices like regular transfers make it difficult for senior officers in Government who realise the importance of this relation, to put in place a framework that endures over a long period and which helps the two institutions to function with a degree of mutual respect and openness - without one (the Government) constantly attempting to take over the other (the Voluntary Institution). One reason why some

good attempts do not reach fruition is that such a system which encourages regular dialogue must be guided for at least two to three years for it to become institutionalised. Unfortunately senior officers are transferred within a year especially in departments managing development programmes.

The reasons given by officials for the trend to increase the degree of control by Government over NGOs vary. The most common are a) "Government has taken a loan; we are responsible to repay it; therefore..." and b) accountability -"this is public money- every organisation receiving money from the Government exchequer is answerable to Parliament; we supply the information; therefore ... "These are good and valid arguments, provided there is no underlying agenda. However, it must be mentioned that all of us have a part in repaying loans not just "the government" and it is necessary to be accountable for all money received not just for Government funds. Even if an NGO does not receive funds from Government, it needs to maintain proper accounting systems. But to balance these requirements with an approach that generates a productive and long term relationship with voluntary institutions, requires a person at the head of the Government Department managing the project who has a broad vision, who has the experience of dealing with other institutions, who does not feel threatened by them and who commands the respect of his or her subordinates and is able to make them function effectively and within a framework of accepted behaviour and conventions. Unfortunately the number of such people in Government is declining. This does not bode well for the voluntary sector especially in collaborative initiatives where each sector offers its own comparative advantages. The features related to leadership in Government described above are also valid for and applicable to the NGOs. Unfortunately experience indicates that it takes at least six months to a year to get several NGOs who opt to work with Government to abide by the required standards of financial accounting, personnel policies and normal conventions of attending meetings, sending reports on time and maintaining a healthy dialogue with all intervening agencies. Leadership in many cases is also found to be wanting. However, it is a healthy sign that the number of NGOs willing to change and to adopt sound management systems is growing.

These comments on Government especially, are sure to elicit reaction which will probably come in large measure from those in Government whom I refer to as the "already converted". Therefore it calls for further analysis, even though brief.

The officials who represent Government work at three levels:

Level A includes officers of the IAS and IFS and State Administrative Service cadres and senior representatives of Government who normally head programmes related to development.

Level B covers all those who consider visits to the field as part of their supervisory role but where field tours (defined as actual interaction with villagers and not with lower level officials) do not take up much of their time and depends very much on their

interest to visit the field; these officers are mainly drawn from the so-called Line Departments or recruited on an ad hoc basis

Level C includes all those who consider interaction with people as their main role; they live in the field, usually in their area of responsibility.

NGO experience indicates that there are several (fortunately still a majority) Level A officers with certain skills, which could be described as entrepreneurial; they are willing to listen and learn and to function in a situation that is continuously evolving; they are able to take calculated risks and quick decisions; they command the respect of their staff from whom they expect and get the required support; many have experience in working with NGOs. Where such officers lead the Government department, the synergy grows between Government and NGOs and this in turn ensures adequate support to the staff of both institutions as well as to the people; it also creates a conducive working situation. Meetings chaired by such officers are not restricted to administrative and financial matters, but cover development strategies and search for ways to forge all the intervenors into an effective team. Such officers were also willing to support the emergence of people's institutions and to give them representation in project meetings. A major feature of their administration is that they are able to "get their staff working towards an objective". Unfortunately Government tends to transfer such officers out of positions in development programmes which have a major objective of alleviating poverty, to other sectors considered to be "more important". Their successors are often not "up to the job".

The willingness and often the ability of officers at level B to take risks, decisions and to manage staff diminish sharply. Officials at this level - many of whom have several comparable abilities as those above - normally have longer tenures than their superiors; but they are reluctant to take innovative decisions that do not conform to rules and procedures since they may not be appreciated later by a new boss. They are also not able or willing to manage their staff effectively. By and large, officials at this level are uncomfortable with NGOs; this results in a lack of mutual trust. Some have had previous and limited experience with NGOs, where, as it often happens, only the negative features or a few failures have influenced their opinions. These impressions are strengthened by their experience of some NGOs who did not give adequate importance to regular reporting, to attendance at meetings called by the Government and to financial management. NGOs are even viewed by some of them as potential threats to their interests, since NGOs not only have direct access to their superiors but also generally tend to be sympathetic to complaints from people about the lack of response and the style of functioning of these officials, often without verifying their genuineness. The performance of officials at this level is also hindered by the distance of the project site from their homes and the lack of transport, which often is not a constraint with NGOs. In many cases they were not involved in the initial stages of the project cycle and are sometimes expected to implement plans drawn up with people's participation while they themselves remained marginalised. They often resent their superiors' rapport with NGOs who are free to talk at meetings and whom, many feel,

enjoy a privileged position. Officials at this level have no major stake in achieving the objectives of the project. Their involvement is conditioned mainly by administrative demands to meet short-term targets related to expenditure and beneficiaries. It is obvious that these features do not forge a sound basis for healthy and constructive relationships. There are no doubt several exceptions where officials are supportive of the involvement of community based institutions and NGOs; but these generally have to swim against the tide. Ironically, in all probability, it will be only the exceptions who would find time to read this paper.

On some occasions, NGO staff (including MYRADA's) have contributed towards strengthening these negative images by their inexperience and misplaced enthusiasm.

Government staff at **Level C** whose major role is to interface with people normally relate well with NGO field staff. They are often provided by the NGO with some degree of support in terms of transport, stay and in achieving targets given to them under various Government schemes/programmes. Staff of this level, however, have little opportunity to upgrade their skills; besides there is no space for them to even consider innovative strategies.

There are a few negative perceptions at all levels of Government that do not contribute towards strengthening the relationship with NGOs. For example, there are certain sections in Government who cannot understand why NGOs should receive funds for development programmes, especially when they are scarce. Government officials, in general, are not accustomed to competition and questioning which emerge in their dealings with NGOs and people's groups. It was difficult, for example, for officials to accept that people's budgets for watershed structures were lower than official ones. Many are unsure how to deal with people's groups and initiatives, which they feel, are best left to politicians. Most Government Officials also do not realise that NGOs do not have "plan" and "non-plan " budgets; all salaries are linked to and form part of operational programmes and budgets — no programmes, no salaries.

One irritant to NGO-Government relations, which officials find difficult to cope with, is the 'Halo' which NGOs tend to claim. While NGOs may be proud to possess it, they must also ensure that it is not used as an excuse to avoid the basic requirements of good administration like regular and adequate reports and accounts and attendance at meetings.

An example of Government's urge to control and one where it controlled this urge are useful.

The first example is where the official financial system did not "control" but instead recognised the need to relate with peoples institutions to promote credit flow to the poor. Instead of requiring them to adopt the official systems and procedures, it allowed them to develop their own, provided they were transparent and effective. An example is the Self Help Affinity groups which are now well known in many States under

different names: Stree Shakti in Karnataka, Mahalir Thittam in TN to give some examples. Myrada started these SHGs in 1985; NABARD gave Myrada a grant of Rs 1 million in 1987 to experiment with a pilot project, which if successful, could become national policy. Between 1987 and 1990 when the RBI accepted this strategy as an important and effective instrument to bring credit to the poor, there were several meetings between RBI, NABARD, Bank Officials and Myrada. One of the major obstacles that the Banks repeatedly stressed was that the SHGs are not registered..."how can we lend to the group which has no legal identity?" "How can we control them and file a case if required"? they asked. After several visits to the existing groups, when the Bankers discovered that the SHGs functioned even more transparently and professionally than so called registered bodies, they decided it was a risk worth taking; they also knew that registration did not help them in cases of default even after the courts had ruled that securitised assets like land could be taken over and sold to recover the loan. The RBI backed this decision to lend to unregistered groups which functioned like professional institutions. The RBI also allowed Banks to lend directly to groups (not just to individuals in groups) without asking for the purpose of each loan given to the members in advance. Groups were free to decide on the purpose (be it food, to repay money lenders or to go on pilgrimage) and on the size.. As a result, today the Banks have lent over Rs 2200 crores to SHGs all over the country making it the largest micro finance initiative in the world. The recovery rate in over 90% reaching 98% in some areas. This is an example of how the financial sector overcame the strong urge to control and to impose its systems and, as a result, made a breakthrough in rural finance to the poor. Can you imagine what would have happened if the SHGs were required to adopt the IRDP procedures of unit costs, subsidies, fixed purpose of loans (only for productive assets) etc.? What would have happened if they were registered as Societies and had to file returns to the Registrar of Societies every year? Unfortunately a similar approach has not been adopted by Government programmes in the watershed context.

The second example also relates to the SHGs but it is not a story of respect for independent institutions but of the urge to own and control. Let us quote a notification:

Translated from the Original in Tamil

From:
The Block Development Officer
Sathyamangalam

To:
All Bank Managers
All Agri. Coop. Bank Managers

Ref: 1069/2002A3/dated 16-04-2002

Sir,

Sub: SGSY - Youth Self Help Groups - Sathy Block - Formation of Youth Self Help Groups regarding

Ref: 1. GO No.137/(Standard) DRDA dated 21-07-1999
2. Chennai Director, Rural Development/2001 dated 21-01-2002
3. Project Director, DRDA, Erode's letter No.402/2002/A3/dated 11-02-2002
4. This office, Ref.No. 1069/2002/A3/dated 05-04-2002

The above referred communications 1, 2 and 3 refer to the details of the activities of Youth Self Help Groups under SGSY. The activities of the Youth Self Help Groups formed under SGSY are under the supervision of the Asst. Block Development Officer at the Block level and the Project Director, DRDA at the District level. We bring to your notice that the supervision of such groups has not been assigned by the Government either to the Project Officer (Mahalir Thittam) or any non-governmental organisation.

Therefore, if Youth Self Help Groups approach banks for opening of savings bank accounts, Bank Managers are requested to **confirm the permission of the Asst. Block Development Officer and only then open the savings bank accounts.**

Sd/-

Asst. Block Development Officer

My concern is: Do the Bank Managers require the prior permission of the Asst. Block Development Officer before opening an account for an SHG? What is the hidden agenda?

And what does one say of the need to renew Registration annually in Karnataka? The Societies Registration Act and Rules provide for a one-time registration of the society under Section 8 of the Act. There is no provision for an annual or a periodic renewal of the registration in the Act and Rules. This is however insisted on by the office of the sub-registrar.

8. The Involvement of NGOs in Programmes Supported by Multilateral/Bilateral Agencies

The Relationship Between Multilateral/Bilateral (M/B) Agencies And The Government:
The temptation to conclude with some comments on this relationship arose from the growing number of programmes in which Government, M/B Agencies and NGOs are involved. This is perhaps one of the most significant developments in the "service delivery structure" which has been institutionalised during the past 10-15 years. There were some attempts in the late 70s and early 80s, but in most cases the M/B Agency had to compromise by entering into two agreements -one with the Government and the other with the NGO. The change towards a genuine three way partnership started during the Sixth Plan (1985-1990) and gathered momentum during the Seventh and Eight Plans thanks mainly to enlightened and innovative decisions taken at the Government of India level. Whatever the reasons - and there were several -the message went out: "The Government can do business with the NGOs not only as implementers of programmes (as was the practice with several Ministries and Government Departments) but as partners who have certain strengths which complement those in Government". Myrada on its part holds the position that one of the major objectives of this partnership between Government and the NGO is to "build " a third partner, namely the community based institutions, who over the period of the project, take the lead in interventions. As these M/B Projects show a trend of increasing in number with a corresponding growth in NGO involvement, a few comments are required which may be of help to all partners.

A few plain facts need to be placed up front. a) The NGOs concerned come forward to be involved in the project; as such they have the obligation of abiding by certain rules and practices which are part of Government's organisational requirements. There is little sympathy for an NGO who says: "Yes I am involved, but I cannot attend meetings or send reports and accounts in time". b) Not all Government Officials involved are happy about NGOs participation; the Heads of the Departments have to make a special effort to institutionalise this partnership; this takes at least two years of sustained pressure and education; regular transfers of these heads (as is the custom) seriously undermine this process of institutionalisation. In general, the impression one gets is that Government does not give high priority to "development" once the Projects are signed .

During the process of implementing such M/B projects, NGOs are often disturbed as priorities keep changing and decisions are taken which are not transparent to them. It is therefore necessary to make an attempt to place these M/B Projects within a broader framework so that NGOs can better understand the context within which the programme implementation structure functions.

The experience of MYRADA as well as of several other NGOs involved in Multilateral/Bilateral (M/B) projects indicates that the M/B agency and Government have far more features in common than NGOs have with them. As a result, the relationship between the M/B agency and the Government are subject to far less stress, than those between the NGOs and these two organisations. It may be useful to identify the features that NGOs find common between these two intervenors, especially the ones that are seen to be more significant, and to assess whether they inhibit or support the growth of relationships among all the intervenors and a synergy in the collaborative interventions. These features and their impact on the project are seen through NGOs' eyes and therefore reflect the NGOs' perceptions; they are incomplete, and will be considered biased, but need to be taken into account in initiatives to improve the effectiveness of this collaborative model of intervention in development strategy.

As perceived by NGOs, this relationship between M/B agencies and the Government is based on the influenced by the following major features:

In terms of Linkages:

- ❖ there is a direct communication link between the two; (while the M/B agency is expected to communicate with the NGO only through the Government)
- ❖ there is a long tradition of working together; in many cases, personal relationships have developed which add an element of trust; (the NGO is a new entrant and does not usually enjoy these relationship);
- ❖ important negotiations between them and documents are restricted and unavailable to the NGOs involved;
- ❖ both work within the context of sovereign agreements; this places their relationship in a particular project within the broader context which could well include mutual overarching interests that tend to dominate the relationship in a particular project and, at times, even divert it from achieving its objective;
- ❖ the Government is the client of the Multilateral/Bilateral agency; the client claims ownership of the project based partly on its obligation to repay the loan; ownership is often extended to the right to exclude or include other intervenors. (The official position, though often unexpressed, is that the NGO has no right to intervene since it has no obligation to repay.)

In terms of a stake:

- ❖ both (Government. and M/B) have an indirect financial stake in the project; both are aware that recoveries from an loan investment in sanitation or watersheds will not be generated directly from the project but from elsewhere. This often leads the borrowing Government to adopt an approach which is inspired more by the political capital which can be derived from investments in a particular constituency

than by concern for productive and sustained impact. (The inclusion of several villages in the first phase of the World Bank Drinking Water Project in Karnataka which already had an adequate supply, is an example; their refusal to contribute however provided an opening for these villages to be excluded; it also created problems for the NGO involved, since they were "political" choices in the first place).

- ❖ the M/B agency usually works on the assumption that there will be incremental commitment to the objectives that involve sustainability and equity. The Government is comfortable with this approach. The reality is that this approach allows the level of commitment to these two objectives to diminish, once the agreement launching the project is signed. Thereafter, the pressure to disburse funds and to achieve targets drives the implementation process. (Since the NGOs give the objectives of sustainability and equity priority, conflicts arise).
- ❖ Neither the M/B agency or the Government has a major stake in the involvement of NGOs and people's institutions through out the project cycle from identification of the project to maintenance of the asset and impact. Yet this factor is critical for a collaborative intervention strategy to be effective in terms of sustainability.
- ❖ Both have staff who have no personal stake in the sustainability of the project impact; they move on to other responsibilities, long before impact can be assessed. This is particularly true of the borrowing Government; most of the projects have four to five directors within the project's life; as a result; it is quarterly targets achieved in terms of funds spent and beneficiaries targeted that become the major indicators of performance; (NGO staff usually stay on in the area for longer periods and have to live with the consequences of distortions resulting from decisions taken under political compulsions and short term interests).

In terms of operational strategies:

- ❖ both M/B agencies and Government staff feel comfortable with a directive style of functioning; they are not accustomed to a consultative style, which NGOs promote.
- ❖ both have staff who are accustomed to identify, plan, budget and implement projects for the people; they are both accustomed to delivering goods and services and to hire or contract turnkey operators who continue to do the same; participatory processes involving people's decisions in project budgeting and implementation are new approaches which do not fit well into their planning methods, procedures for operations, procurement and disbursement and with their perception of order (in recent projects, however, there is a significant increase in the emphasis given by most M/B Agencies to people's participation);
- ❖ both are uncomfortable with informal institutions or people's' groups and view them as transitory institutions. As a result one of the major concerns of officials is to formalise these institutions and /or to absorb them into larger recognised societies.

(NGOs are aware that people's institutions operate far more transparently even though they are not registered. Many refuse registration because it makes them vulnerable to harassment by petty officials. Even the RBI and NABARD have accepted the legitimacy of informal Self Help Groups which are not registered).

- ❖ similarly, both the M/B agencies and Government tend to consider traditional technical skills and structures as backward of low value and productivity and to be replaced. On the other hand NGOs recognise traditional institutions and skills, place a monetary value on them and build on them. [There is, however, a noticeable change in the approach of several M/B Agencies towards placing a value on traditional skills and structures.]
- ❖ the relationship is sustained by the assurance that both parties are represented at all meetings prior to project approval and on all follow up committees; together they set the agenda and the pace. (The experience of NGOs is that they are included in meetings where only narrow issues regarding NGO involvement are discussed and not in meetings where the project and sector policy matters are on the agenda; this severely diminishes the effectiveness of their intervention).
- ❖ both operate according to established rules and procedures which are standardised across regions; but local conditions vary. Neither actively fosters change; both find it difficult to be flexible enough to respond readily to change and to cope with conflict which results from change, without becoming defensive. There are, of course, exceptions, but these depend almost entirely on the leadership; it is "back to usual" when such leaders are transferred and replaced by others who do not measure up to the situation.
- ❖ Administrative systems in Government are geared to monitoring the delivery of goods and services and do not give value or priority to capacity and institution building. (Staff of some M/B agencies however are increasingly placing greater value on institution and capacity building, but their financial and administrative systems have not yet translated this value into indicators that carry weight at decision making levels).

Relationship between the Multilateral/Bilateral Agency and the NGOs:

In terms of Linkages

- ❖ In a few cases, experiences of previous collaborations which were positive helped to build relations of trust in a particular project. NGOs who enter into this relationship for the first time have to make a special effort to understand the demands of a triangular collaborative intervention; many need support in this area;
- ❖ A few of the Bilateral agencies (not the Multilateral ones) have the space and the willingness to relate with NGOs not as contractors but as partners.. The individual

projects they fund are expressions of this partnership with the organisation. They confirm this partnership by supporting programmes that helped to build the organisation; their support, for example, for the corporate concerns like capacity building of staff, has been crucial for the growth and sustainability of several NGOs.

In terms of a stake

- ❖ The M/B agency has a stake in the success of the NGO's intervention, since in many cases it takes the initiative to involve NGOs in the project, often against the prevailing opinion which does not welcome NGO participation or cannot identify what value it could add.
- ❖ Some NGOs, on their part, have a stake in strengthening this relationship, since they often find that the M/B agency supports their concerns especially as regards sustainability of impact based on the participation of people throughout the project cycle and on the growth of people's institutions.
- ❖ Senior staff of both organisations (M/B Agencies and NGOs) have terms in office which are long enough for them to experience the impact of their decisions; this gives them a greater sense of accountability than Senior staff of Government whose terms are relatively short.
- ❖ Performance appraisals are far more related to actual achievements in these two organisations than in the Government where annual increments and promotions have become matters of right, unrelated to performance at most levels.

In terms of Operational Strategies

- ❖ Even though most of the M/B agencies support participative strategies, yet the commitment to participation throughout the project cycle among the M/B agencies varies. With some M/B agencies the interpretation of what participation means in the field becomes increasingly restricted as one moves from staff who relate with the field towards the centre and as the project cycle moves from planning to implementation.
- ❖ There is greater willingness among M/B agencies when compared to Government, to share information related to operations with NGOs.

Aloysius Prakash Fernandez
MYRADA, Bangalore
March 23, 2004

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