

ROLE OF NGOs IN INDIAN SOCIETY AND ECONOMY

By Aditya Bohra¹²⁸ & Nishita Golchha¹²⁹

INTRODUCTION

‘Social Entrepreneurship’ as the name suggests includes the intermingling of society and business. It aims at providing social benefits to one in all in every possible strata of life along with filling pockets. It is a result of varied circumstances prevailing in society at different points of time. The theory of social entrepreneurship has been adopted by various countries internationally.

The rapid expansion of communism in Europe, Asia and some other parts of the world in the post-world war period obliged the western democracies to think of an alternative system that may promise the well being of the people, especially of the weaker sections; without in anyway altering the basic structure of the political system. This promise they found in the concept of ‘welfare state’. Thus, welfare in one form or the other has been one of the major functions of the state since long.¹³⁰ A welfare State is one where a middle path of working is adopted between social and selfish needs of people. It ensures fulfillment of public interest on one hand and also ensures profit maximization on the other hand.

But the concept is not as easy to accomplish as it sounds. Due to differences among people, an absolute welfare state is a dream. Many people are born with silver spoon in their mouth, but many are born just to leave struggling for food and shelter their entire life. These differences are required to be bridged by the State; but, State alone cannot fulfill all the objectives. Thus, delegation of power, work and responsibilities takes place. When individuals take up the responsibility to bridge the gap between the privileged and not so privileged the concept of social entrepreneurship comes into picture.

Thus, social entrepreneurship provides solutions to social problems. The entrepreneurs adopt a mission to create and sustain social value. They find a midway so that business and non-profit

¹²⁸ 5th Year B. COM. LL.B. Student, Institute Of Law, Nirma University

¹²⁹ 5th Year B. COM. LL.B. Student, Institute Of Law, Nirma University

¹³⁰ Malhotra Dr. Vinay Kumar (1996); *Welfare State and Supreme Court In India*; New Delhi: Deep and Deep Publications

worlds can operate in all kinds of area and organizations. Unlike business entrepreneurs, social entrepreneurs also take into account a positive return to society along with profit.¹³¹ To fulfill such objectives Non- Profit Organizations play a very extensive and significant role.

In India, the set up of such organizations was far before the introduction of social entrepreneurs as an arena. For example- Vinoba Bhave, the founder of *India's Land Gift Movement*; Robert Owen, the founder of *Cooperative Movement* and Florence Nightingale, the founder of first nursing school and developer of modern nursing practices might be included in this category. They had established such foundations and organizations in 19th century that is much before the concept of Social Entrepreneurship used in management.¹³²

The authors will further elaborate about the role and working of Non-Profit Organizations in India; the laws guiding the working of such organizations. The author will also try to find out the loopholes in the theory of social entrepreneurs as well as suggest the ways to combat the same.

NGOs IN INDIAN SOCIETY

When we look in the area of social help and social assistance, the area that is occupied by the Non-Governmental Organizations has a great significance. It is now called the Third Sector and it is said so because of its unmatched contributions in the society as the state is itself not capable of doing all the welfare functions alone today. It has not only played an important role in human rights, but has also played a significant role in the areas such as environment, education, health etc. They not only play a role in implementing the laws and helping the society but they also play a significant role in lobbying and thus help in formulating better laws that are more beneficial to the society. The various NGOs have played an important role in formulating policies in social welfare like that of domestic violence, forest dwellers etc.

The NGOs can be said to work in the main following areas:

- *Human Rights Protection*: NGOs have a vital role to play in the protection of human rights of the people. After the enactment of Protection of Human Right Act, 1993 and

¹³¹< <https://www.theguardian.com>>; last visited on 1-03-2014

¹³²< <https://www.managmentstudy.com>>; last visited on 28-02-2014

establishment of National Human Rights Commission (NHRC), certain voluntary organizations and NGOs approach the NHRC in addition to other bodies for solving the disputes. Under section 12(i) of the Act, the Commission shall encourage the efforts of NGOs in assisting the NHRC in protecting the human rights of the Indian citizens. The Vienna Declaration and Programme of Action, 1993 has insisted on cooperation of nations on international levels so as to promote protection of Human Rights across the globe.

- *Health sector:* There are many NGOs that serve in the areas of health. Many legislation like Karnataka Private Nursing House (Regulation) Act, 1976; Tamil Nadu Private Clinical Establishment (Regulation) Act, 1997; Transplantation of Human Organs Act, 1994 and many more keeps an eye on the working of the NGOs in the working in this sector. The legislations not only ensure better working of the NGOs in this field but also ensures proper availability of infrastructure , facilities and it also deals with the measures to be taken in case of any malpractice takes place. These legislations keep a strict eye on the functions of the NGOs and thus it helps in efficacious and effective working of the organizations. Legislative Acts like the Bombay Public Trust Act, 1950 also provides the Charity Commissioner or the State Government to direct state-government run public trusts which runs hospitals to make medical facilities available to the poor and indigent people.
- *To work for the disabled persons:* To work in this sector is of a great need for the NGOs. To work in this sector, an organization must be registered under The Person with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995. This Act provides a benchmark for an organization so that it should ensure the set norms and the purpose be served.
- *Environmental Protection:* The NGOs that are engaged in environment protection are generally termed as Environment NGOs (ENGO). Under the Water (Prevention and Control of Pollution) Act, 1974 the composition of Central, State and Joint Pollution Control Board is such that it includes not more than three non official members representing the interest of fishery, agriculture etc. these places are generally grabbed by the officers of the NGOs. The opportunity to participate in deriving environment impact assessment and in public hearing for cleanliness of projects call for meaningful

involvement of ENGOs in enforcement of environment protection laws. The Union Government has notified the role of ENGOs in protecting the environment in 1992. Many Public Interest Litigation (PILs) have also made it clear that NGOs and public spirited individuals can bring a drastic change in malpractices and thus ensures a better performing of the duties towards the environmental issues.

- *Education Sector*: it has been long that voluntary organizations like the NGOs have been serving in the field of education in our society. Education is not only understanding of words and expressions but is to implement it and get a personality changed with wisdom and a learned mind. It also prepares a person for the future endeavors. There has always been felt a need for the state intervention in providing equal opportunities to the children. To impart quality education, many states have brought their legislations that ensure control over the voluntary organizations. Many Acts such as Kerala Education Act, 1958; West Bengal Primary Education Act, 1983; Delhi Education Act, 1973 and many more provides for such control with the state. The Hon'ble Supreme Court in the case of *Unni Krishnan, J.P. v. State of A.P.*¹³³, held that it is the right of a child below the age of 14 years a right to dignified life. The Court also held that private educational institutes could be established by registered societies on non-profit basis.
- *Protection of Children Rights*: children are the future of a country. It has always been emphasized that if a country needs to prosper, the future generation, i.e. the children of the country needs to be nourished. But in India, we have two different sides of the same. At one side, we see people send their child to great schools even after spending hefty fees. Whereas some are left with no choice but to send their child on work. To protect children against child labour, inter country adoption and sexual exploitation, the role of NGOs is contemplated more that in social practice than in legal policy. Many legislations provide for the assistance of the NGOs to the state in curbing such issues. In the matter of inter country adoption, the Indian Judiciary in the landmark case, *Lakshmi Kant Pandey v. Union of India*¹³⁴, the role of social organizations have been

¹³³ (1993) 1 SCC 645

¹³⁴ (1984) 2 SCC 244

described. Judiciary recognizes the role of NGOs to protect the children against exploitation.¹³⁵

SUCCESS STORIES OF SOCIAL ENTERPRENUERSHIP

Social entrepreneurship includes the motive of profit making. It includes ethics and economics together. But, many economists do not agree with such a theory. Economists have their eye on practical applications. Most of them are interested in economic science because they are interested in finding better ways of running the economy, or of structuring the economic system, or of intervening or not intervening in the economy. All of that practical part of economics is a branch of ethics. But, actually the ethical and the economic are far too intimately entangled to be separated in this way.¹³⁶

This consonance of ethics with economics brings us to the concept of Right to Development. This has been also been adopted by the United Nations through a declaration in 1986; which got consensus in 1993 in Vienna from all the governments. Many philosophers and philanthropists have evolved definitions which explain why such States and Non-Profit Organizations should work extensively. In the words of Burrows:-

“A healthy, well-educated society, and one from which the anxieties of insecurity and want are kept at bay, is the best guarantee of its own survival.”

The most appropriate definition in the Indian context is given by Gore and Khandekar:-

“Social services are those which are required on a very extensive scale by the normal population. They seek to meet the basic needs of the people and include services for health, education, housing etc. their aim is to develop human resources of the country.”

Over the past decade the social enterprise ecosystem in India has grown steadily. Although, the evolution of the ecosystem has been uneven, with a surfeit of subsidized capital for early stage start-ups, a splattering of incubation hubs and a small but expanding number of universities that have sought to embed social enterprise in teaching, research, and enterprise activities.¹³⁷

¹³⁵ Bhat P. Ishwara (2009); *Law & Social Transformation*: Lucknow: Eastern Book Company

¹³⁶ Basu Kaushik & Kanbur Ravi (2009); *Arguments for a Better World: Essays in Honor of Amartya Sen*; Volume 1 Ethics, Welfare and Measurment; New Delhi: Oxford University Press

¹³⁷ <<https://www.socialentreprisenetwork.com>>; last visited on 1-03-2014

There are various organizations working for the welfare of people and society at large. The detailed study of few of them is as follows:-

- **BEING HUMAN-** It is a very well known and popular Non-Profit Organization of the country. It has been initiated by Salman Khan, a famous celebrity figure of the Indian cinema. This organization sells T-shirts and other products online and in stores. It is a registered charitable trust. A portion of the sales go for supporting the underprivileged. The beginning of the trust was done by Salman Khan by his own hard earned money. But, with the advent of time, the organization has grown up altogether and funding money from various ventures like- Being Human Art, Being Human Merchandise, Being Human Gitanjali Gold Coins. The organization has seen various developments like in 2011 Salman Khan launched his own production house named- Salman Khan Being Human Productions. Money which is generated from these film productions is donated to being Human. The most recent activity done by the organization is that, Mr. Khan offered to pay Rs. 4 million for releasing around 400 prisoners from around 63 prisons in Uttar Pradesh via his organization because, the prisoners had completed their term of punishment, but were unable to pay legal fine for their charges.¹³⁸

The activities of the organization are divided into two broad categories- education and healthcare. Thus, it a good example of social entrepreneurship, where it contributes for the betterment of lives of not so lucky people as well as helps embracing the economy by opening stores, producing movies, selling art and craft.

- **MANN DESHI FOUNDATION-** Mann Deshi Group of Ventures is headquartered in Mhaswad, Maharashtra. Its basic aim to empower women by their financial inclusion in the economy of India. It aspires to create 1 million rural women entrepreneurs in India by 2020. The group manages three institutions that together harmonize and work. The aims of the organization is follows:-
 - It helps to create alternate livelihoods and incomes for rural women:
 - It ensures a women-owned rural cooperative bank that extends a range of financial services.

¹³⁸ <<https://www.beinghumanfoundation.in>>; last visited on 28-02-2014

- It offers a rural mobile MBA school that provides skill and entrepreneurship training.
- It collaborates with chamber of commerce that facilitates market and policy linkages.¹³⁹

The organization's key person- Chetna Vijay Sinha has been awarded the **2013 India Social Entrepreneur of the Year awards**. Thus, the organization takes keen initiative in upliftment of financial and economic status of women in the country, especially in the rural areas.

- RAGPICKER'S NGOs- Rag pickers are those part of the society by whom we are surrounded all the time, but, usually they go unrecognized. Generally, people negate their existence. Child and women rag pickers are the most vulnerable sexually as well as economically. Many non-profit organizations have come up to work towards the betterment of rag pickers. Few examples of such NGOs are- Sampurna (e)arth, Pratham etc. these organizations ensure that, the poverty stricken people who are forced to live on left outs of others are provided with decent standard of living. They are provided with the basic amenities of life like- hygienic shelter and food, education and a disease free life. The organizations also ensure that this class of the society gets a dignified job which can secure their future.¹⁴⁰

Thus, from the few above mentioned practical examples of non-profit organizations it is for sure that social entrepreneurship is working at its full pace and edge in the Indian society. All the more, these organizations have covered almost each and every aspect of the society. It tends to eradicate the major social problems so that India can head towards the tag of developed country and a welfare State with great speed.

CONCLUSION AND SUGGESTIONS

Humans like us, living sociably in a society needs to understand that every human in our periphery is born with same rights. Even the other human is a social animal. This thinking

¹³⁹ <<http://www.schwabfound.org>>; last visited on 27-02-2014

¹⁴⁰ <<https://www.indiaenvironmentalportal.org>> ; visited on 28-02-2014

would philosophically help build a society which will work for each other. Humans fail to understand and think beyond their own small world.

But, there is no denial of the fact that panarchy is used to capture the dynamics of adaptive cycles that are nested. Consider, for instance a household nested successively in a community, in a nation and in the global context. Connections between these levels, say in the price of a particular commodity, translate into changes in production, trade and the use of land and water at local levels. The first two stages in the adaptive cycle can be both creative and conservative, thereby triggering off development process and enlarging the freedoms of individuals nested within the system. The next stages to link the cycle to larger change and sustain the freedoms of individuals witness disturbances to the system, its reorganization and its movement to a different equilibrium.¹⁴¹

It is true that the idea of adopting a welfare state is of great help in securing human rights for all, but the concept needs some modifications. The conventional and narrow concept of welfare is no longer appropriate to the social imperatives of our time and the programmes derived from such a concept are becoming increasingly less relevant to emerging social needs. To think of welfare as being concerned only with sustaining the poor and the helpless is to misunderstand social and economic realities, as well as to encourage a lack of generosity in community attitudes and to reinforce judgmental rigidities in the execution of welfare programmes. Welfare is not a matter of restricted help, to restricted groups, in limited situations, for a given period of time. Instead of being peripheral function at the margin of society, it is the central object of organized social planning.¹⁴² Thus, concocting with the idea of Francois Lafitte:-

“Welfare state’s activities are intimately concerned with the personal welfare of citizen, not of special groups of citizens. This all embracing meaning of welfare is the essential substance of the welfare state.”

Thus, the authors would suggest the following ways so that the loopholes regarding the laws of NGOs and philosophy behind welfare of people can be combated effectively and efficiently:-

¹⁴¹ Basu Kaushik & Kanbur Ravi (2009); *Arguments for a Better World: Essays in Honor of Amartya Sen*; Volume II Ethics, Welfare and Measurement; New Delhi: Oxford University Press

¹⁴² Malhotra Dr. Vinay Kumar (1996); *Welfare State and Supreme Court In India*; New Delhi: Deep and Deep Publications

1. For ensuring sustainable freedoms for individuals located in developmental situations requires that we position them in a context of dynamic social systems.
2. Ideologies of every human needs to be developed that all capabilities that humans could acquire are to be understood as falling within the ambit of one or the other of five freedoms:- political freedom, economic facilities, social opportunities, guarantee of transparency and protective security. This would come through education of society at large.
3. Many laws that have been made for the welfare of the people go unrecognized. It is necessary to pay due attention on these laws so they become more prominent like other laws of the country.
4. People who live in lack of basic amenities are not expected to know their rights and the procedure to secure them in case they are infringed. So, there is a necessity of bridging this communication gap by holding workshops regularly for such people. A system can be formulated wholly dedicated for such activity; who will ensure communication of information in slums and rural.
5. More non-profit organizations should be encouraged.
6. Rules and guidelines should be made to ensure transparency in the working of non-profit organizations.



The LAW BRIGADE