

## **Governance Class 07**

20th February, 2024 at 1:00 PM

### **CSOs (01:00 PM)**

- It refers to any organisation which is formed when two or more people come together in a voluntary manner to protect their interests and promote their welfare from exploitation by the state or any other institution.
- Features of CSOs:
- Entry and exit into a civil society organisation is completely voluntary in nature.
- Any organisation which is not a part of either state or market can be a part of CSOs.
- Examples include NGOs, Pressure Groups, Voluntary associations, caste-based organisations, SHGs etc.
- Role:
- They provide inputs to the government in public policy formulation.
- They will also help the government in implementing public policies.
- For example- all the flagship schemes of the government are with the help of civil society organizations - like the Akshay Patra Foundation.
- Provide unbiased feedback to the government regarding the implementation of the scheme.
- For example- NREGA- Aruna Rai Foundation conducted the social audit of NREGA.
- Create awareness among the people of their rights.
- Make the governments accountable to the people for their performance.
- Help in transforming our representative democracy into participative governance.

### **PRESSURE GROUPS (01:00 PM)**

- When a group of people with similar interests come together to influence public policies by putting pressure on the government, pressure groups are formed.
- Examples include farmer associations, trade groups etc.
- In a developing country like India, resource allocation is always problematic through public policies.
- Because of its diversity, there are many sections of society that are only interested in protecting and promoting their welfare.
- They can use their numerical strength, and financial resources to influence public policies.
- They use both formal and informal methods to influence policies which include:
  1. Electing those representatives to positions of power, who are willing to fulfil their demands.
- Since India has an FPTP system, these PGs can become significant players in determining electoral outcomes.
  2. Lobbying with those who are in positions of power. They can offer their financial and other resources to influence public policies.
- 3. Through demonstrations, bandhs, rallies etc. In India, corporates influence public policies through effective lobbying. Corporate associations like FICCI, ASSOCHAM etc. influence economic policies.
- In 2019, the corporate income tax was reduced from 30% to 22% to make the Indian industry competitive at the global level.
- Similarly, the capital gain tax was also reduced as demanded by the Industries Association.
- Aatmanirbhar Bharat Abhiyan was launched to realise the objectives of self-reliance.
- PLI was launched to enhance domestic production.
- All these policy initiatives were taken by the state due to active collaboration between Industry associations and government.

### **CRITICISM OF NGOs: (02:15 PM)**

- It is found that some of the NGOs are working against the national interest.
- They receive foreign funds and use the money to finance agitations.
- For example, in 2010 in TN, it was found that NGOs have received foreign funds from Scandinavian countries to finance agitations.
- Many NGOs are also involved in agitations against major infrastructural projects, for example, Narmada Bachao Andolan led by Medha Patkar has influenced MLIs like the IMF, and WB. Finally, they decided not to fund the project.
- NGO activism has also resulted in policy paralysis in policy implementation.
- An economic survey pointed out that more than 8 lakh crores of rupees of PPP projects are struck due to NGO activism.
- Some NGOs are using foreign funds to finance terror activities. For example, Zakir Naik's Foundation had used foreign funds for terror activities.
- Similarly, in Kashmir, it was found that NGOs are using foreign funds to finance terrorists.
- According to MHA, some NGOs are using foreign funds to finance religious conversions.
- NGOs mostly demand transparency and accountability in the functioning of the administration but there is neither transparency nor accountability in their own functioning.
- Methods used by NGOs also have been criticised. They are using blackmailing tactics like fast unto death to put pressure on the government.

### **STEPS TAKEN BY GOVERNMENT (03:10 PM)**

- The Government amended FCRA in 1920 to prevent NGOs from misusing foreign funds.
- Any NGO accepting foreign funds must register itself with MHA.
- MHA has absolute discretionary power to grant licenses and also to renew licenses by taking into consideration national security.
- NGOs must open an account with SBI, New Delhi Branch to receive foreign funds.
- They can receive the foreign funds only in this account.
- Previously, they used to receive funds in hundreds of accounts and it had become impossible for the government to track the transactions.
- The government has also made it mandatory for NGOs to spend foreign funds only for the purpose for which they are sought.
- They cannot divert the funds for any other purpose.
- If it is found that foreign funds are diverted, their licenses can be cancelled and criminal cases can be filed against NGOs.
- NGOs are not allowed to further donate foreign funds to other NGOs.
- This is to prevent misuse of funds.
- If any NGO has to receive a foreign fund to be spent on a particular activity, it must have spent at least two years in that particular activity and must also have spent at least 20 lakh rupees, then only they are eligible for foreign donations.
- The government also has reduced the administrative expenses of NGOs to only 20% of foreign donations. Previously, the limit was 50%. This provision was misused by NGOs by diverting the money for other purposes and showing it as administrative expenses.
- In the last few years, the government has cancelled the licenses of more than 20k NGOs after they failed to fulfil the rules and regulations under FCRA.
- The Government also has stipulated that NGOs should not involve themselves in any political activities.
- In the recent past, the country has also observed a disturbing trend in the functioning of NGOs.
- Most of these NGOs are spending their time, energy and resources only on seeking donations from international aid agencies and big corporates.
- They are also looking for funds from the government to implement the flagship schemes.
- In the process, they are losing credibility among the stakeholders at the ground level.

### **WHAT NEEDS TO BE DONE?: (03:45 PM)**

- NGOs to regain their credibility must focus on working with the people at the ground level in a selfless manner.
- They must also work with the service motive rather than thinking about the donations.
- If they can work selflessly, it can result in improvement in their credibility which can ultimately be translated into more funds also. Examples include the Akshay Patra Foundation which receives funds from the government, corporations, aid agencies and private individuals.
- NGOs should also try to become financially independent rather than depending on the government for funding. It reduces their functional independence and also impacts their credibility in an adverse manner.
- They are expected to review the developmental and welfare schemes of the government and it is possible only when they are independent.
- **Recommendations of 2nd ARC:**
- The 2nd ARC in its report on citizen-centric administration and social capital has recommended the institutionalisation of the relationship between the voluntary sector and the government.
- It means that consultation with NGOs should be made mandatory before the government announces any major policy decisions.
- There should be the active involvement of NGOs in policy implementation.
- At present major flagship schemes of the government are implemented only with NGOs.
- Like the Sarva Shiksha Abhiyan, mid-day meal scheme, and PM Jan Arogya Yojana.
- The social audit should be made mandatory for all welfare schemes. This social audit should be performed by NGOs and other stakeholders.

**TOPIC FOR THE NEXT CLASS: CITIZEN'S CHARTER.**