

GS FOUNDATION (2023-24)

Governance

HANDOUT 03

Development Process & Industry

Development Process & Industry

Development Process

- All those process that enables change from one state to another in positive direction i.e., capable of bringing positive impact on human life.
- Example – Sustainable development, Protection of Human rights, Social Development, Inclusive economic growth etc.

Development Industry

- All those stakeholders involved in the development process are considered part of it
- Types
 - ✓ State Actors [Govt. Departments, Agencies, Regulators, Commissions, boards etc.]
 - ✓ Non-State Actors [Civil Societies, Social Movements, Community based movements etc.]

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What is a Civil Society?

- Civil Society refers to a wide range of organizations like Non-Government Organizations, Community based groups, Charitable organizations, Professional Groups etc.

Classification of Civil Societies

- Registered Societies [Specific Purpose]
- Charitable Organizations & Trust
- Self Help Groups
- Non-Governmental Organizations
- Local Stakeholders Group – Resident Welfare Associations etc.

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Non-Governmental Organization [NGO's]

- Definition – NGOs are non-profit, voluntary, Citizen based organizations that functions independently of govt.
- Classification
 - ✓ Nature of work
 - a) Political Awareness – ADR, PUCL etc.
 - b) Human Rights – People's Watch, Amnesty International etc.
 - c) Environmental – Chintan, Green Peace etc.
 - d) Children – Smile Foundation, First Cry etc.
 - e) Women Empowerment – SEWA, CREA etc.
 - f) Animal Rights – PETA, Blue Cross etc.
 - g) LGBT Community - NAZ foundation, Humsafar Trust etc.

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Non-Governmental Organization [NGO's]

- **Functions in Democracy**
 - ✓ Bridging of the Gap in Service Delivery [Health, Education, Human Rights, Environmental Protection, Women Empowerment & Social Sectors etc.]
 - ✓ Promotes Participatory Governance [CRY – impacted life of 3 million children; Pratham – child education]
 - ✓ Mobilize public opinion acting as a pressure group [MKSS – RTI, ADR – Criminal antecedents etc.]
 - ✓ Role in Developmental activities
 - ✓ Forum for expression of diverse interest & marginalized sections [NAZ Foundation, PETA etc.]
 - ✓ They ensure Rule of Law, training ground for future political leaders [Aravind Kejriwal etc.]

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Non-Governmental Organization [NGO's]

- **Role in Protecting Environment**
 - ✓ Plug gaps in research & Policy inputs [Example – Bengaluru based NGO (Make Bengaluru climate friendly)]
 - ✓ Protecting Bio-Diversity [NGO – Center for Wildlife Studies]
 - ✓ Awareness Generation [Planting trees, Forest conservation, promoting sustainable practices, promotion of renewable fuels instead of fossil fuels etc.]
 - ✓ Implementation at ground [Swachh Bharat; EPA, 1986 etc.]
 - ✓ Public interest Litigation [Pollution related]

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Non-Governmental Organization [NGO's]

- Criticism & Challenges regarding functioning of NGO's
 - ✓ Misutilization of funds
 - ✓ Non-Compliance with Laws & Rules [E.g., FCRA rules]
 - ✓ Pursuing vested interest rather than public interest
 - ✓ Against developmental agenda of the country [IB Report – negative impact on GDP 2.3%; Green Peace India]
 - ✓ Lack of trust between Govt. & NGOs [IB Report]
 - ✓ Lack of Transparency, Accountability & Regulatory mechanism
 - ✓ Rise of Fake NGOs
 - ✓ Lack of Funding
 - ✓ Limited capacity of NGOs [HR, Finance & Institutional support etc.]

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Non-Governmental Organization [NGO's]

Foreign Contribution Regulation Act

- Objective - regulate foreign donation to individuals or associations in India that has a potential of affecting internal security.
- Who can't receive donations or funds?
 - ✓ Political parties; MP's; Govt. officials; Judges; Media Persons etc.
- Provisions of the Act, 2010 [FCRA, 2011 Rules]
 - ✓ Suspension / Cancellation of Registration
 - ✓ 5 years validity
 - ✓ Separate account to receive foreign funds
 - ✓ ITR mandatory
 - ✓ prevents funds to be used against national interest

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Non-Governmental Organization [NGO's]

Foreign Contribution Regulation Act

- FCRA rules, 2015
 - ✓ NGO undertaking – Sovereignty & Integrity or friendly relations with foreign state
 - ✓ Economic Security – Cancellation or Suspension
 - ✓ Prior Approval Category [E.G., Ford Foundation]
- Provisions of 2020 Amendment Act
 - ✓ SBI Delhi, Branch
 - ✓ No Diversion of funds to any person
 - ✓ not more than 20% used for administrative expenses [earlier 50%]
 - ✓ Suspension up to 360 days. [earlier 180 days]

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Non-Governmental Organization [NGO's]

- Way Forward
 - ✓ Strict Compliance to FCRA rules & increase grants
 - ✓ Establishment of National Accreditation Council for NGOs [2nd ARC]
 - ✓ Implementation of Accreditation guidelines framed by ministry of rural development [Accounts maintenance; regular Audit; procedure to impose fines; Multi-tier monitoring system]
 - ✓ Increasing awareness
 - ✓ Supportive ecosystem

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Practice Question

1. Can the Non-Governmental Organizations present an alternative model of public service delivery to benefit the common citizen? Discuss the challenges of this alternative model.

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Self Help Groups [SHGs]

- **Definition** – Self Help Groups are small voluntary informal associations of poor people preferably from same socio-economic background for the purpose solving their common problem through mutual help.
- **Example** – Kudumbashree in Kerala; SHGs in Yelagiri hills of Vellore district etc.
- **Objective**
 - ✓ Encourage small savings & aggregation of capital base
 - ✓ empowerment of poor especially women
 - ✓ promote capacity building and confidence
 - ✓ promote collective decision making
 - ✓ encourage members to take up social responsibilities for development.

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Self Help Groups [SHGs]

- **Features of SHGs**
 - ✓ Homogenous Membership
 - ✓ Small membership [15-20 members]
 - ✓ non-discrimination
 - ✓ regular meetings
 - ✓ transparency in functioning
 - ✓ set of rules & by laws
 - ✓ habit of thrift
 - ✓ utilization savings for loans & other activities
- **What is self help group bank linkage programme [SBLP]**
 - ✓ Initiated by NABARD, 1992
 - ✓ Objective – banking & credit services to poor people
 - ✓ how does it work? – credit facility multiple time once they accumulate certain savings [priority sector lending]
 - ✓ advantages – group obligation; low risk; better recovery

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Self Help Groups [SHGs]

- **Benefits / Advantages of SHGs**
 - ✓ Financial Inclusion [Rs. 20 crore loans for SHGs in AP]
 - ✓ Social & Economic empowerment [Kudumbashree in Kerala]
 - ✓ Capacity Building [SHGs in Yelagiri hills of TN; Horticulture trade]
 - ✓ Community Development [SHGs in Odisha provide emergency relief to people affected by cyclones]
 - ✓ Reduction in poverty [NRLM]
 - ✓ Improved social mobility
 - ✓ Gender Equality

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Self Help Groups [SHGs]

- **Challenges faced by SHGs**
 - **Socio-Cultural**
 - a) Gender Bias [Patriarchal Society]
 - b) Caste Barriers
 - c) Lack of financial independence to women
 - d) Lack of Entrepreneurial spirit
 - **Institutional**
 - a) Inadequate access to credit
 - b) Lack of training & management skills [internal conflicts]
 - c) Poor maintenance of records
 - d) Inadequate support from government
 - e) Lack of skilled manpower
 - f) Lack of transparency & Accountability
 - g) Lack of Technology & Access to market

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Self Help Groups [SHGs]

- **What are the various Govt. initiatives?**
 - ✓ SBLP [NABARD, 1992]
 - ✓ Priyadarshini Scheme [women empowerment & livelihood enhancement through SHG's - NABARD]
 - ✓ Grain Banks through SHG's
 - ✓ PSL norms [RBI directive]
 - ✓ Govt. livelihood missions linked to SHGs [SJGSY; NRLM; Deen Dayal Antyodaya Yojana]
 - ✓ Govt. agencies + NGOs [training & capacity building effort]
 - ✓ Mahila-e-haat web-based marketing platform [ministry of women & child development]
 - ✓ State Govt. – Kudumbashree in Kerala; Jeevika in Bihar etc.

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Self Help Groups [SHGs]

- Way Forward [2nd ARC]
 - ✓ Govt. to act as facilitator
 - ✓ Spatial distribution should be given adequate attention [Southern Vs Northern; Rural Vs Urban]
 - ✓ Promotion of micro-finance institution [Bandhan, Annapurna etc.]
 - ✓ Improve participation [Socio-cultural factors]
 - ✓ Capacity Building [Training, Skill development etc.]
 - ✓ Role of Civil society
 - ✓ Improve marketing facility

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Practice Question

2. The emergence of SHGs in contemporary times points to the slow but steady withdrawal of the state from the developmental activities. Examine the role of SFHs in developmental activities and the measures taken by the government of India to promote SHGs.

All The Best!

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