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## Taxonomy of State-CSOs Relations in India

Binod Kumar

### Introduction

There are varieties of organizations working actively outside the scope of state and market. These organizations include non-profit organizations (NPOs), non-governmental organization (NGOs), community based organizations (CBOs) and government organized non-governmental organizations (GONGOs). They offer program and services in partnership with central, state and local governments. These organizations provide wide range of services outside the domain of state and market.

The non-governmental organizations (NGOs) occupy a large space of the gamut of civil society organizations which are characterized by registration and recognition with the state. Hence, NGOs are legally constituted entities to resolve problems of society. The term 'NGO' initially

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B. Kumar (✉)

Department of Social Work, Dr. Bhim Rao Ambedkar College, University of Delhi, New Delhi, India

used by the United Nations refers organizations that are not part of the government and market. NGOs are registered with state under the Societies Registration Act, 1860. These forms of organizations are primarily involved in development activities and service delivery in collaboration with state. Within CSOs, there are other forms of organizations which may not be registered with the state and functions independently of state. Likewise, voluntary organizations are another form of organizations within the umbrella of civil society which contains some additional characteristics, as they are non-obligatory, unpaid, carried out for the benefit of others in society and they are organized.<sup>1</sup>

Booming civil society sector in India can be attributed to the failure of the Nehruvian model of development and an upsurge of anti-people policies in the 1970s (Kumar 2010). However, the importance of civil society organizations in India acquired salience only in the 1990s, when India departed from the welfare centric to the entrepreneurial model. Hence, the emergence of a large number of civil society organizations in India was not a product of civic culture; instead, it was a political decision which paved the way for the emergence of this sector. During the 1990s, the state started withdrawing from various social sector programs, and the gap created in due course has been filled by NGOs. They have responded to the state in two ways: where the majority of organizations collaborated with the government to deliver services on behalf of government, whereas some organizations are incorporated as supporting organization to their profit making body. For example, Azim Premji Foundation has been started and funded by Wipro, a profit making body.

The interaction between state and CSOs underlines the crucial role of NGOs at the micro and meso level of governance. The micro and meso level analysis of the work of CSOs allows us to know the work and function of the agency. The macro-level perspective does not clear as to who is doing what at the grassroots level. However, CSOs are seen as the passive recipients of aid at the macro level and in turn, state is seen as a victim of political pressure to decentralize and share power with CSOs (Eade and Ligteringen 2001).

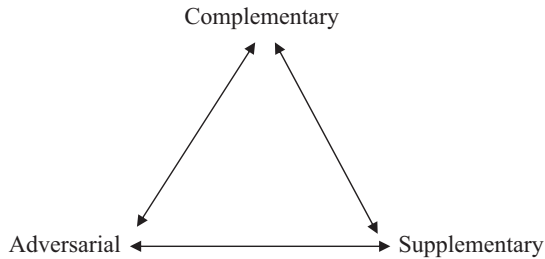
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<sup>1</sup>[http://www.grupcies.com/boletin/images/stories/PDFBoletin/ArticuloI\\_Edic\\_59.pdf](http://www.grupcies.com/boletin/images/stories/PDFBoletin/ArticuloI_Edic_59.pdf)

Of late, the increased dependency of state on CSOs has led to the absence of interdependency. The reverse approach to examine the interaction between state and CSOs recognizes: CSOs increasing dependence on state. The same is also applicable in case of interaction between inter-governmental organizations and NGOs (Edward and Hulme 1996). The changing interaction between state and CSOs requires micro, meso and macro level analysis to understand it in entirety. By the passage of time, the interaction between state and CSOs has metamorphosed across the globe. Where government is getting smaller, CSOs are becoming bigger and stronger. The global imperative to have smaller and regulatory state has transformed the character of CSOs. Now, civil society is characterized by 'private' in effort but 'public' in nature, consequently filling the vacuum created by the withdrawal of state. The NGOs in current forms are performing the role of public agencies and paid by public funds (Hasan, Onyx and Lyons 2008).

Edward and Hulme's (1996) analysis of state-CSOs interaction seems very convincing and interesting. The analysis is reminiscent of Jurgen Habermas's colonization theory. According to this theory, the state has succeeded in intruding, controlling and instrumentalizing the public sphere. Edward and Hulme (1996) do not refer to this theory, but their approach to view CSOs as instruments and puppets of the state provokes associations with Habermas's colonization theory. Edward and Hulme (1996) reflect little on process of interdependence between state and CSOs and even less on state's dependence on CSOs. Despite that it would not be plausible to interpret dependence of state on CSOs as victory of civil society. Meaning thereby, there is little to witness inverse of colonization theory that suggests how CSOs have intruded, controlled and instrumentalized the political state (Steiner-Khamsi 2008).

Young (2000) has suggested a triangular model of CSOs-government relations (Fig. 9.1) and argues that to a varying degree all three types of relations are being interplayed at the same time; however, some assume more importance during some periods than do others (Edward and Hulme 1996). Initially, the relationship between CSOs and state were adversarial; however, it has changed significantly in the wake of the adoption of new economic policy and structural adjustment program. On the



**Fig. 9.1** Modes of interaction between state and CSOs (Source: Anheier 2005: 285)

basis of the above analysis, state-CSOs interactions could be categorized under three broad rubrics:

*Supplementary:* CSOs are providing voluntary services which are mostly not covered by the state, and there has been extension of several services by the voluntary sector in the response of government cutback.

*Complementary:* This covers contracts and partnership between government and CSOs in the response of new public management and outsourcing (transaction costs and greater efficiency are prime agendas).

*Adversarial:* Civil society organizations (CSOs) are involved in advocacy for the rights of marginalized people left unserved or underserved by the state. CSOs are in adversarial role because they lobby for higher budget allocation. More pertinent example to this relationship between CSO and state has emerged in the form of dam construction and environment-ecological protection where state argues in favor of displacement and dam construction for various purposes. In contrast, civil society organizations stand against the same.

## State-CSOs Interface

There has been an increasing reliance on a partnership of CSOs with state and market. The increased convergence of the work has resulted in blurring boundaries among state, market and civil society (sometimes referred to as the third sector). In the changed scenario, there is a real reason to think about governance of the third sector. There have been pressing

needs to regulate the third sector not only to establish a framework for them, but also to create a level playing field for the development of the third sector itself. NGOs are one of the foremost components of the third sector which needs attention in the current context.

In the backdrop of intrusion of state to control the third sector, there is state's imperative to establish a framework of governance to ensure accountability. Accountability has been integrated part of the governance framework; hence, when we talk about governance, it is imperative to talk about accountability. The NGO's upward accountability to external donors misplaces the local priority and tries to transplant the donor-driven development agenda. At the domestic level, NGOs upward accountability lies with the bureaucrats and administrators rather than to the system to ensure flow of funds. In this way, the inherent foundational attributes of the NGOs like community orientation, efficiency and political activism are in the phase of crumbling. Hence, NGOs have not only increased in number and size across the country, but they have also become more institutionalized, dependent and ideology-driven. Consequently, NGOs have been co-opted and corrupted by their funders, and it is leading to misplaced or ghost community priorities.

CSOs transformation process from state independent to state dependent entities has made them more vulnerable. They are functioning at the mercy of state, meaning thereby if they have good relationships with government officials or have political clout, only then can they get funds from the state. To get rid of external influences and dependence, it is imperative to understand the state-CSOs dynamic relations rather than analyzing the conditions under which they have been able to avoid the trap of external dependency (Dongre and Gopalan 2008).

The changing landscape and nature of welfare state have necessitated more and more number of CSOs joining hands with central or state government to implement the specific project. The partnership is based on the premise of ensuring the state's traditional functions like health and education. Nonetheless, NGOs have de facto been metamorphosed into Quasi-Non-Governmental Organizations (Choudhury and Ahmed 2002).

## CSOs in Liberalization and Free Trade Regime

With increasing schism between rich and poor in the society, there has been an emergence of various non-state actors. Non-governmental organizations (NGOs) are one among them, which aim to raise the voices of poor and advocates in their interest. Liberalization and free trade have rendered the people jobless at the bottom of the pyramid. In this backdrop, civil society organizations found legitimacy and acceptance in society. In a liberal democracy like India, people see them as a ray of hope and alternative to government; however, government visualizes them as potential partners in development. This partnership has repercussions for governance not only at the national level but at the international level too. In *Government, Politics and the State* (Pierre and Peters 2000), the model for governance at three levels has been provided: (1) *moving up*: emerging role of international organizations which refers to the role of international agencies in governance, (2) *moving down*: regions, localities and community which refers to decentralization of state authority to local and regional institutions, and finally, (3) *moving out*: NPOs, corporatization and privatization which refers to the delegation of state functions to non-state institutions. Most of the advance democracies have helped to set up a large number of NGOs in public service delivery if they have not privatized the functions altogether. The idea of creating satellite institutions for enhancing public service delivery has gained massive popularity and is currently used at all levels of government (Pierre and Peters 2000). Meaning thereby, the government can use for-profit or non-profit organizations to fulfill the gap in service delivery. In some cases, these organizations have existed before and now the government is using them to reach out to the community. Moreover, in other instances, government has fostered the creation of these organizations and then became significant funders (Pierre and Peters 2000). If we compare it with the Indian scenario, various NGOs have been working for poverty alleviation without any collaboration with government and now the government is partnering with them and making use of their expertise. For example, to achieve the goal of financial inclusion of marginalized people, the government has facilitated the creation of micro-credit

institutions and self-help groups (SHG) with regulation and governance through the Reserve Bank of India (RBI).

## Genealogical Excavation of State-CSOs Relations in India

In a country like India, charity has been an integrated part of the religious belief system since time immemorial. In other words, the voluntary sector in India owes its origin to religious obligations, philanthropy and traditional charity. Traditionally, the welfare of poor and marginalized has been co-shared between state and religion in India. By the passage of time, there has been emergence of other social institutions for the welfare of poor; however, it was not systematic, organized and institutionalized. The evolution of organized philanthropy and voluntary organizations are newer phenomena. Notwithstanding, voluntary work in India has been heavily influenced by contemporary religious, social and cultural values.

The paradigm shift on the evolution of voluntary sector can be witnessed in the form of (1) traditional and (2) modern. Traditional voluntary work revolves around religion and charity attached to religion, whereas the modern charity got its recognition only in the eighteenth century with the enactment of the English Literary and Scientific Institutions Act, 1854 of UK. It is *Society Registration Act, 1860* in India which provided a legal basis to the voluntary work on institutionalized pattern. The enactment of the said act was done after the mutiny of 1857. Meaning thereby, it was enacted partly to provide the legal basis to the voluntary work and partly to regulate the flow of funds and keep a tab on organizations and collectives working for the independence of the country (ARC 2008). Despite that numerous organizations were established in pursuant to their objectives.

The voluntary sector in the modern era is sub-divided into pre-independence and post-independence, whereas post-independence phase can easily be categorized into Nehruvian Phase (1947–1964), Indira Gandhi Phase (1964–1984), Rajeev Gandhi Phase (1984–1989), Post liberalization Phase (1991 and after) and Post-2014 phase.

## Traditional Era

Traditional voluntary works in India stemmed from religious strictures cutting across all religions; in as much as the concept of salvation was very closely associated with charity and philanthropic giving. *Daan* (giving in charity), *Dakshina* (giving to guru in return for knowledge), *Bhiksha* (giving to monk) in Buddhism and *Zakat* in Islam, all connote the very conception of religious charity in some way.

During this phase, voluntarism was limited to cultural and religious activities; however, in limited sense, it was also extended to education, medicine and assistance in the time of distress like famine and disaster which continues to dominate today also. Education was imparted through *mathas*, *pathshalas* and *ashram* attached to Hindu temples. Likewise, Jainism and Buddhism promoted their version of volunteerism in the form of education and medicine. Moreover, a new kind of philanthropy emerged with the advent of Mughals in India which was limited mainly to food, education, hospital and shelter.

## Modern Era

### Pre-independence period

The advent of East India Company (EIC) in India witnessed a departure from the traditional to the modern form of volunteerism characterizing the arrival of Christian Missionaries largely engaged in the fields of education, hospital care, the welfare of downtrodden and the marginalized (Nair 2007). In the early stage, as state and religion interacted closely with each other, voluntary organizations manifested with religion were primarily engaged in welfare of poor and downtrodden and hence existed in harmony with state. However, there was no established principle to regulate the relationship between state and voluntary organizations and the same was largely influenced by the policies of the individual ruler.

From the early nineteenth century to the end of the colonial period was marked by intervention of church and church-associated organizations moreover process of socio-religious reform in different parts was



initiated by educated Indians in the same period only. Subsequently, the Charter of 1813 removed all restrictions from Christian Missionaries functioning in India paving way to the establishment of various church and church-associated organizations. Although, their motive was to spread Christianity, however, they chose to do the same through the establishment of schools and hospitals in remote rural areas. Simultaneously, they also tried to organize the rural communities in cooperative credit groups and inculcated self-reliance in them.

During the same period, Indian social reformers like Raja Rammohan Roy and Ishwar Chandra Vidyasagar were influenced and inspired by the work of missionaries. Various forms of voluntary societies and collectives, namely the Brahma Samaj, Arya Samaj, Ahmediya Movement, Aligarh Movement and Ramakrishna Mission, and so on were witnessed during this period. They imbibed scientificity, modernity and progressive thought in their approach. On the one hand, these voluntary collectives focused on the agenda of social reform at the grassroots level and advanced programs of mass mobilization for self-rule and self-reliance on the other. These were the foremost indigenous and organized CSOs of the country. Despite being specific to a region or community, they were common in ultimate manifestations. Some of them continue to exist and flourish even today.

Rapidly emerging social and educational organizations necessitated the enactment of *Societies Registration Act of 1860* to regulate and oversee the activities of the organizations. The act, which continues to govern the majority of CSOs in the country even today, provides the legal basis to these organizations. This was the first attempt to provide legal status, organize and oversee the voluntary works in India. The codification of law governing voluntary organizations limited the scope of work for the first time as a defined boundary did not exist earlier. It fixed the horizon under which voluntary organizations are supposed to work. Nevertheless, a firm foundation for the secular and current form of voluntary action was not laid until the 'Servants of India Society', an NGO, was established in 1905 in Pune by Gopal Krishna Gokhale (ADB, 2009).

The advent of Mahatma Gandhi in the freedom struggle paved the way for a new voluntary regime which witnessed the emergence of demand for *Swaraj* or Self-Rule. It invigorated Indian masses with socio-political

awareness diffused with nationalist identity and turned the masses into a politically aware collective. Gandhian volunteerism thus facilitated a paradigmatic shift from socio-religious based reform to awareness about political process and the spirit of nation-building. In other words, Gandhian volunteerism was a hallmark of mass participation and political sensitization which led to various successful initiatives like Non-Cooperation Movement of 1921, Civil Disobedience Movement of 1930 and Quit India Movement of 1942 during the freedom struggle. Notwithstanding, Tandon (2002) observes, the legacy of volunteerism of political process and nation-building was not carried forward primarily because those who earlier worked in the voluntary sector subsequently became part of the government. Hence, post-independence India saw stagnancy in the vibrancy of volunteerism, but it was revived during emergency and post-emergency period (Tandon 2002).

## Post-independence period

The post-independence period saw passive cooperation between state and civil society organizations which turned hostile after the imposition of the infamous emergency of 1975. The post-independence period witnessed the evolution of a large number of voluntary organizations based on the ideology of Mahatma Gandhi and state in the formative years promoted these organizations for development work. However, Tandon (2002) cited the reason of emergence of a large number of CSOs in post-independence era to the incapacity of the state to incorporate all leaders within the government who emerged out of the freedom struggle. In this phase, state supported the Gandhian voluntary initiatives with generous disbursement of the funds inasmuch as that in many cases government took control of these organizations through their governing bodies. However, in this process, state supported voluntary organizations lost their autonomy and consequently became the parastatal agencies, what is popularly referred as government organised non-governmental organizations (GONGOs). This was the first phase when state started co-opting the work of voluntary organizations, which ultimately compromised their autonomy.

The early support to the voluntary sector in post-independence India came up in the form of establishment of Central Social Welfare Board (CSWB) in 1953. Imperative of the new government in India was to fast track the economic growth, and in this process, social issues like health, education and sanitation were left behind. Consequently, civil society organizations (CSOs) were encouraged to fill the gaps. Until this period, NGOs were in passive support of the state and the state facilitated the much-needed platform. The government initiatives like the National Community Development Program (NCDP) and the National Extension Services (NES) revitalized the scope of the voluntary sector in free India.

Meanwhile, three tiers of Panchayati Raj Institutions (PRIs) were introduced in 1958 to promote decentralization in governance. To strengthen the voluntary sector in India, the Association for Voluntary Agencies for Rural Development (AVARD) was founded in 1958 as a consortium of voluntary agencies. However, the imposition of emergency drew the breaking point in the history of the volunteer sector in India, and there was a sudden shift in CSOs-state relationship in the post-emergency period when it turned into a confrontation from collaboration.

The period of 1970–1980 saw a turbulent relationship between state and CSOs because of the socialist movement started by Jaiprakash Narayan and the imposition of emergency by the then Prime Minister Indira Gandhi. In this period, the voluntary organizations were alleged to have nexus with foreign powers which wanted to destabilize the national government of India which consequently reduced the scope of work for the CSOs. Nevertheless, in-depth analysis of the reason for the strained relationship between the state and CSOs has been multifarious. State failure to meet the aspirations of the people and the inability to reduce poverty and inequality in independent India created disillusionment among intellectuals in particular and common people in general. This resulted in the exploration of alternate ways to state policy consequently leading to establishment of large number of non-profit organizations. The state system came under massive attack from various organizations from various parts of country in the form of student movement and socialist movement. Non-governmental organizations (NGOs) without

any affiliations with political parties were seen as the answer to the failure of the democratic process, and these organizations mainly targeted the issues of the marginalized and the reduction of poverty. However, these organizations retained their Gandhian spirit of work and identity. Shaped by the need of hour, there was emergence of two different types of NGOs: one which directly targeted the reduction of poverty through the adoption of appropriate technology and collaborated with the government in the reduction of poverty, and the other which adopted the right-based approach with a focus on awareness and empowerment and assumed a confrontational position with the state.

Dissenting voices of the civil society against the policy of Congress government were quieted by the imposition of emergency in 1975–1977. The growing rift between civil society and government had apparent implications on resource base, workspace and autonomy of civil society organizations. This was the initial period when the government seriously started to think about regulating the work of these organizations and enacted the Foreign Contribution Regulation Act (FCRA), 1976. While the act was enacted ostensibly to regulate the foreign funds of NGOs whose activities were likely to be interpreted as pernicious to the sovereignty and integrity of the country, however indirectly, it tried to regulate the funding of political parties and CSOs having political affiliations (Nair 2007).

The non-Congress government in the post-emergency period gave a new lease of life for voluntary organizations. Janata Party Government at center introduced tax concessions for commercial companies for their voluntary initiatives. It finally led to the establishment of various successful innovative ventures and infused professionalism in non-profit organizations. Moreover, it was further strengthened by policy regarding promotion of voluntary sector in the Sixth Five Year Plan (1980–1985) document.

The easeful relationship between the government and CSOs was truncated by the subsequent Congress government in 1980. The government withdrew the tax concession provided by the Janata Party government. Moreover, the government also started to regulate the work of CSOs as the Act of 1976 enabled the government to keep a tab on their work and

account. The increased tussle between the government and civil society organizations resulted in increased regulation and surveillance by the government. The government ensured that no CSO is involved in political mobilization on the one hand and political parties are not involved in mass mobilization in the garb of non-governmental work on the other. The active role played by CSOs in safeguarding the rights of people during the emergency turned the contemporary government hostile to them. Subsequently, the government instituted an inquiry commission known as the Kudal Commission (1980) against a large number of Gandhian organizations which caused irreparable damage to their reputation and work. In addition to that, the central government also imposed heavy regulation and control on CSOs through the institution of FCRA, and the financial act of 1983 curtailed exemption to corporate agencies against donations to NGOs. It removed all tax exemptions on income generation activities by NGOs. The government also established a national fund for rural development to channelize the corporate funds and prevent NGOs from directly getting funds from corporate houses. It also proposed for the establishment of national and state councils for voluntary agencies with code of ethics for NGOs; however, it never materialized after that.

Notwithstanding, the curtailment by the government, Sixth Plan and subsequent five-year plans took a call for voluntary sector participation in the process of development, which resulted in increment of funds to voluntary organizations by different government departments. As government fund to CSOs started ballooning, state started directing and controlling NGOs initially through PADI (People's Action for Development in India) and CART (Council for Advancement of Rural Technology) which were subsequently merged and constituted as CAPART (Council for Advancement of People's Action and Rural Technology). As the 1980s saw the state deflecting toward pro-market and stepping toward structural reforms, CSOs gained ground as 'third sector' complementary to state and market (Kohli 1990).

In the backdrop of politico-economic changes of the 1990s in the form of the Congress losing ground to regional parties and introduction of structural adjustment, there was a metamorphic change in the forms

and nature of CSOs. Implementation of policies of transparency, accountability together with decentralization by the government had such an impact on NGOs that there was a paradigm shift in economic and social development approaches adopted by them. Due to the adoption of the structural adjustment programme, there was massive pressure in the government to perform better, become more visible and increase social capital, which consequently resulted in greater spaces of work for the third sector. After 1991, there has been an overall increase in collaboration between state, market and civil society organizations. We can witness the trend which suggests more and more NGOs are working in service delivery which traditionally was an exclusive domain of the sovereign state. The growing partnership between state and CSOs indicates the failure of the state in improving the reach and quality of essential services (Nair 2007).

However, Kohli (1990) observed that Ms. Indira Gandhi had become severely disillusioned about the state's potential for social change (Jenkins 2011). Therefore, she stressed the connection between contemporary voluntary organizations and a political class which caused her political downfall on the one hand, and she promoted the same directly or indirectly through liberalization on the other. She started the process of liberalization which got concrete shape under her son Rajiv Gandhi and finally under Prime Minister Narasimha Rao in 1991, which in turn created a space for CSOs under a broader framework of third sector in complementarity with state and market. The improving relationship between the state and the voluntary sector saw a new light in the 1990s, when the state apart from collaboration with CSOs started to open a forum for dialogues. Through a series of conferences in 1992, 1994, 2000 and 2004, Planning Commission of India initiated the state-voluntary sector interface. In the year 2000, the commission was entrusted to facilitate the dialogue between voluntary sector and state in order to identify the areas for collaboration. In addition, during the Eighth Five-Year Plan (FYP) government facilitated the creation of nationwide network of voluntary organizations which continued till the Tenth Five-Year Plan. In the same period, CAPART was decentralized into eight regional offices to facilitate the work of the voluntary sector in poor and remote areas of the country.

In addition to that, the decade of 1990s saw another significant development that is decentralized governance in the form of 73rd and 74th Constitutional Amendments which enlarged the working space for CSOs. Consequently, it legitimized their work at the local level in collaboration with local governance structures and Panchayati Raj Institutions (PRIs). In post-1990s, civil society organizations have grown enormously and have taken a different shape. In a changed scenario, these organizations are closely linked to development and engaged in a host of activities like community organizations, advocacy, human rights and development interventions. The paradigm shift in the nature and work of voluntary organizations has changed them into the agency of state.

The availability of a large amount of external as well as internal funds to the NGOs has created mixed results. In some cases, committed and visionary organizations took leverage of the resources and were able to achieve their objectives. However, numerous organizations emerged to siphon off the public funds. Diversification of voluntary sector continued in later half of 1990s because of liberalization, globalization, structural reform and decentralization together with ostensible state withdrawal from the service delivery. In the same period, some NGOs followed the public service contractor model. In contrast, others worked as intermediaries, and grassroots mobilization took the back seat as the strategy and agenda of these organizations.

In the post-1990s phase, the rapid growth necessitated a sense of social responsibility in 1990s, which was termed as 'new economy philanthropy' by Sidel (2000). The new kind of philanthropy is urban and has emerged due to successful economic innovation which in turn tries to create innovation to solve the social problems. In terms of sharing relationships with the state, the 'new economic philanthropy' is focused and working in tune with the state apparatus to solve the social problems (Sidel 2000). The focus of their intervention is limited to non-controversial issues like health and education in consonance with the requirements of the state. These organizations composed of the large economic base with well-resourced social institutions; hence, they have a huge capacity to usher the social change in comparison to the traditional philanthropic organizations. Where most of the conventional initiatives have been

unorganized with unclear vision, the 'new economic philanthropy' is focused, organized and managed by professionals. The new philanthropic model has changed the landscape of "third sector"; moreover, they have more chances to succeed and lead the local and national initiatives due to their resource base and political clout.

## Emerging Layers of Interaction Between State and CSOs

The kind of interaction which exists between state and CSOs directly depends upon the dominant strategy (of confrontation and cooperation) prevailing between them. Nevertheless, CSOs cannot be insulated to the outer world, and they have to respond to the socio-political and economic environment of the state to maintain their relevance. The interaction between the state and CSOs is a product of the space created by the 'state'. The dominant ideology of the government sets the agenda, whereas CSOs are expected to respond to that. Sometimes, state works as an enabler and provides a conducive environment for institutionalization of initiatives of CSOs and provides the legitimacy. In a federal system like ours, it is more complicated for CSOs to survive and operate when the ruling party at provincial level is different from federal level. The state expects the development organizations to respond to the changing priority of society. In post-2014, when the government shifted its focus from anti-poverty programs to skill building and Swacch Bharat, NGOs directly changed their priorities. They shifted their focus to the Clean India Mission and skill-building (Kumar 2010). Subsequently, when the state faced the global pressure from multilateral donor agencies and adopted structural adjustment programmes, NGOs in India scaled up their activities and changed their approaches. The outcome was cooption of CSOs representative in various bodies of the government. Mimicking and veering toward the governmental approach of development has impacted the functions of NGOs in such a manner that even NGOs are trying to scale up and assess their work on various quantitative methods as the government does. In a growth-rate oriented development regime



where the government is trying to evaluate every impact on quantitative parameters, NGOs are also employing the same methods and apparatus. Current trends have prompted bureaucratization in NGOs, consequently incurring high transaction cost.

There are various weaknesses of the voluntary sector in India; notwithstanding, it has its strength also. The government has recognized their strength through various documents and has shown interest in collaboration with voluntary sector not only as a passive implementer of government policies and programmes but also as an active partner in policy formulation. The recognition is witnessed through the establishment of Voluntary Action Cell within Planning Commission, the apex policy-making body of India. The Planning Commission has been appointed as a nodal agency to interact with voluntary organizations regarding preparation of the Five-Year Plan (FYP) documents. Report of the '*Public Private Participation (PPP) Sub Group on Social Sector*' constituted by the Planning Commission has also affirmed the need to collaborate with the voluntary sector in the implementation of various government schemes. The report scrutinizes the poor performance of the public utilities and social services in general. It concludes that Public-Private-Partnership (PPP) brings in greater professionalism to voluntary organizations through introducing business practice on the one hand and ensuring better quality services on the other. It reiterates that PPP in the social sector is a promise of a better quality of services through clear focus. It contemplates that introduction of PPP would reverse the chronic under investment in social sector through mobilizing public and private capital; however, experience in this regard shows that it did not open the gate to private sector participation (GOI 2004).

The current debate on the role of CSOs indicates toward replacing the state as a representative of democracy. In the period of rapid economic growth and withdrawal of state, CSOs are filling the gap created by the withdrawal of state. In the changed scenario, CSOs are performing many tasks which were earlier the exclusive domain of the state. There has been a mechanism to hold the state accountable; however, there is a lack of accountability mechanism for NGOs. To leverage the role of NGOs in the process of development, there is a requirement of a balanced

partnership to further the need and aspiration of the society (Kamat 2003). The changing role of CSOs from social change agents to the franchise of the state has changed the character of the sector. The change in functional approach of CSOs from activism to managerialism would have far-reaching consequences because technical staff take the work as apolitical and tend to disconnect from socio-political and economic processes. The increasing state funds for NGOs have necessitated them to professionalize their staff and work in the way state asks. They are mimicking the state apparatus, which has a pernicious effect on the functions of NGOs. In other words, state funding has a significant role in depoliticizing the work of NGOs and consciously state is facilitating the same.

Kamat (2003) in her study, *Development Hegemony: NGOs and the State in India*, has shown that there are linkages between professionalization and de-politicization of NGOs. She also reiterates metamorphic transformation in the nature of work NGOs are dealing and the kind of organizational set up they are adopting. In her research in Western India, she indicates how NGOs moved away from confronting state through mobilization of poor for their empowerment, and instead, they took the skill-training approach to mitigate poverty and inequality, which suits the ideology of state (Kamat 2003).

## Conclusion

In forging the tripartite partnership among state, market and civil society organizations (CSOs), NGOs have a very critical role. It provides a social basis for democracy by highlighting the critical issues of governance. CSOs' interaction with state and market determine its relationship with them. The civil society organizations collaborate with the government for policy formulation and depose its expertise to the government on a particular issue and sometimes acts as a whistleblower to ensure accountability and transparency in the government. The new development process is characterized by cooperation and constructive partnership among state, market and civil society. The nature of these three institutions makes them distinct in their approach and work; however, there are some areas where they need to engage and negotiate with each other for the

betterment of society. However, cleavages have been orchestrated in such a manner that common ground seems abnormal, and conflicts seem very common and natural.

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