

## **CSO Governance: On the Path from ‘Marginalized’ to ‘Center Stage’ & Prayas Experience**

**-Amod K. Kanth**

We wish to emphasize upon our leaders, opinion makers and the resource providers that they have to appreciate and accept the crucial role being played by the voluntary sector in the task of national development in terms of support and services to the marginalized and needy segments of the society and for good governance. The role of the government is getting vastly altered-on the side being focused upon national security and law and order, creating Infrastructures in the core areas alongside the essential regulatory and financial controls and, on the other side, responding to the increasing demands from the people or the higher judiciary on the ever-increasing social sector related welfare and developmental activities. The Indian State is a peculiar amalgam of strong, vibrant and uninterrupted democratic institutions functioning alongside an unparalleled, the so-called steel-frame, bureaucratic set up coming as the strongest legacy of the Colonial India. Similarly, following the Indian economy getting increasingly market-driven that opened-up post-1991 Liberalization-Privatization and Globalization, the role of corporate or the business sector has also altered, making India the 4<sup>th</sup> or 6<sup>th</sup> largest global economy. Simultaneously, the aspirational India is creating new demands co-existing with the problems arising out of India’s huge poverty-nearly 1/3<sup>rd</sup> of the people below poverty line- which gives us 131<sup>st</sup> position in terms of the Human Development Indicators (HDIs) and the widening huge gaps between the rich and poor.

In case we consider the democratic-cum-bureaucratic governance as the primary or first wing of governance and development process, the vast and powerful market economy or Corporate as the second wing of development process having its own systems of governance, the actual task of helping the government in bridging the gaps between the rich and the poor and upholding the aspirations of the marginalized in socio-economic development, inevitably, falls upon the Voluntary Sector. With the changing times, perceptions and realities of the Indian caste and community-ridden polity-thrown against the economic scenario as it remains visible on the ground and unfolds terribly in Covid19 type of huge disaster, there appears to be a major void which can be filled by a combination of grassroots democratic institutions and voluntary organisations working very closely with the Indian government and the business and industrial sector. The political leadership alongwith the government as it operates and the larger civil society must understand and harness the unlimited potential of India’s voluntary sector reported to be constituted by 3.2 million registered Voluntary Organizations, which all need to be brought into a seamless process of governance, both demarcating and integrating the respective roles and responsibilities.

In India, social and economic development programmes and initiatives of the national and state governments that aim at the fulfillment of the basic needs of the people as corresponding obligations of the state towards their empowerment, have tended to reduce the segments of population into mere ‘beneficiaries’ of doles. In such a context, in addition to the democratic and bureaucratic systems of governance which are now being heavily influenced by the corporate and market forces, the role of civil society organizations is crucial and needs to be redefined. This is particularly true when the

government is gigantic in size, omnipresent and all pervasive, striding over all sectors. In such a scenario, voluntary sector's interventions cannot be confined to a limited supplementary functions or only in peripheral and often in the critical or advisory role to the government.

India has the largest share of the deprived and the marginalized among the one 1.3 billion plus, out of the 7.9 billion plus inhabitants of the world, who are said to be living without shelter or basic amenities required for human existence. Clearly, we need to introspect as to why despite being the 4<sup>th</sup> or 6<sup>th</sup> biggest economy in the world alongside our highly acclaimed democratic governance structures and an inclusive society, we have failed to associate our mute marginalized millions in the task of re-engineering our society towards basic subsistence, equitable development and growth.

We have a parliamentary system of popular governance which has so far been viewed as the largest politically sustained democracy in the world. Though huge in size, it appears, our democratic structure, largely caste and community-based-political in character lacking in its socio-economic agenda does not always represent the true voices and the real problems of the marginalized population which often results in Government 'of' the people becoming a Government 'off' the people. The growing influence of the market economy into the socio-economic realm and the progressive influence of new elite and powers-that-be into the traditional Government functions have created divergence in our multi-layered pluralistic country widening the gaps between the rich and poor. The on-going global Covid pandemic which has pushed down millions ( 75 million @ 2 dollars a day) of people below poverty line and, conversely, made the richest Indians amongst the richest in the world – which speak volumes about our governance cutting across our democratic polity and the bureaucratic structures that sustain within the given socio-economic structures of the civil society.

There is a distinct gap between the not-so-efficient public administration and the profit-oriented private sector getting stronger by the day, particularly in crisis situations that we face. This situation obviously creates the big space and the need for the NGOs or CSOs to act as the 'Third Sector' of governance and developmental process, or perhaps the 'Fourth Sector' if we consider the democratic institutions and elected bodies separately from the bureaucratic structures and the corporate as three other sectors.

Recent years have seen a phenomenal growth of voluntary organisations in India. Over 3.2 million registered and a much larger number of unregistered organisations with a variety of activities and mandates can be found all over the country. Lamentably, the tradition of Gandhian institutions of constructive social work and self-less service is increasingly being substituted by NGOs articulating rhetoric change, instead of actually creating socio-economic change and development on the ground. Such change and development in terms of service delivery may connote socio-economic transformation at all levels, activities for the marginalized segments of children, women, elders, disabled, besides in the areas of health, education, women's empowerment, environment, self- helps and micro credit. Whatever be the form, shape and ideological content of the civil society organizations, there can't be a dispute about its main justification being its support to the poor, helpless and the marginalized.

Unfortunately, the term ‘NGO’, same as the other much-maligned expressions like bureaucracy and the government, has acquired a somewhat dubious connotation. People, even those well placed in the government and in other responsible positions, talk loosely about the voluntary sector as being ‘rackets’ or agencies that try to corner and misuse the government and non-governmental funds being generated within the country and from abroad. The voluntary sector’s credibility is at low ebb at this critical point of time when it should be poised to play a historic role in the country’s socio-economic security and development. This is unfortunate because it is one of the key sectors of our organized civil society that can assist the nation to liberate from the morass of utter poverty, despondency and the sub-human existence in which nearly 30% of the Indians are still living. In our fast changing economy and international status rubbing shoulders with the richest and mightiest in the world, official acceptance of 30% Indians being poor and vulnerable not only define the Government’s ideal role, it also clearly highlights the agenda of India’s voluntary sector.

Governance is the process by which a society manages itself through the mechanism of the state and other agencies. The core ingredients of good governance are: people’s participation, transparency, responsiveness, consensus orientation, equity and inclusiveness, the rule of law, effectiveness and efficiency, accountability, and strategic vision. Governance in the context of governmental, non-governmental, corporate and civil society organizations – pursuing divergent objective and goals, have to still fall in the line with the overarching themes of our democratic values as enshrined in the Indian Constitution and the national interests defined in its pluralistic and inclusive terms.

### **Voluntary Sector: An Alternative Path of Social Development ensuring Good Governance**

The challenges in social sector in India is mind boggling in proportion, to the extent that the planners, policy makers, national and international resource providers throw up their hands in hopelessness<sup>1</sup>. In this context, we take a look at the socio-economic structure wherein we attempt to find the redressal of such problems through the institutions within the Government, the Panchayati Raj Institutions, the corporate overarcng the social sector programs and activities conceptualised and implemented through the Schemes. Every Government has a political system besides the administrative and bureaucratic set-up which functions according the defined or undefined agenda of those in power. Lack of understanding or appreciation, unresponsive attitude and apathy of the policy makers make the situation worse. The Panchayati Raj Institutions created through 73<sup>rd</sup> Constitutional amendment in 1992 still evolving as empowered democratic bodies are not yet to get constructively connected to the rural communities are not able to give proper solutions for most of the rural problems by themselves.

The monolithic approach towards the voluntary sector does not create any positive impact while complementing the efforts of the government. Perhaps, it is debatable whether an alternative system of governance and development, as it was resorted to in the case of Bangladesh through massive NGOs like Bangladesh Rural Advancement Committee (BRAC) and Grameen Bank and in some other third world countries, might help us to some extent. The CSOs have the most crucial role to

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<sup>1</sup> Kanth Amod K., article titled ‘ Voluntary Sector as the Alternative Path of Development’, 2003

play in the national development when the country is moving towards inclusive governance through a mix of governmental and voluntary actions, particularly in the crucial sectors of education, child care, protection & development, health care, environment etc.

So far as the corporate sector is concerned, even prior to the Companies Act 2013 amendments and the 2014 Rules within Section 135 of the Act it had made some contributions towards the societal development but most of their philanthropic efforts were through the individual institutions. The Act and the Rules mandated all companies across the Country to shell out 2% of average net profit if it exceeded Rs.5% crore during the preceding three years, networth of the company exceeded Rs. 500 crore and the turn-over exceeded Rs. 1000 crore. The latest 2021-amendments in Section 135 CSR Rules and Schedule 7 that specifies the areas of CSR expenditure has included the Societies and Trusts alongwith the 'Section 8 non-profit Companies' -which alone appeared to be the preferred option, thanks to NITI Aayog for acceding to our demand through the Ministry of Corporate Affairs.

In times to come, the regulatory provisions being more stringent, both for the CSOs and the Corporate, we can visualise the emerging role of the this important sector constituted by civil society through the voluntary organizations to fill the gap. The areas like, alleviation of hunger and poverty, promoting education and vocational skills particularly in the light of the unserved segments of population within the framework of the National Education policy 2020, gender equality and women empowerment besides environmental sustainability give immense opportunities for CSR-CSOs partnerships. All CSR projects to be implementing through qualifying agencies, estimated to be annually worth Rs.24000 crores, being required to have unique registration numbers to be regulated through the Ministry of Corporate Affairs portal alongside the mandatory registration on the NITI Aayog 'Darpan portal' for any government fund, decidedly create a governance structure of its own between the CSOs, government and Corporate. In fact, this sector cannot be just viewed any more as 'a charitable work', but it has to take its position as a major partner in the good governance building process alongwith the government, democratic and bureaucratic system and the market-driven corporate and business houses.

If we talk of participatory governance in the context of the intertwined areas of operation between the social sectors and voluntary organizations, it can be understood in multiple forms, namely, the government as a whole at different levels, the Panchayati Raj Institutions (PRIs) and now in the changing regulatory framework the CSOs and Corporate. Hence, what is required is a chain of multiple partnerships from the policy formulations to grassroots levels served by thousands of active CSOs or NGOs or CBOs (Community based organizations), between the Government, Corporate and the voluntary organizations. Now, in these partnerships the unique component of the voluntary sector follows the broad-based bottom up voluntary approach alongside the democratic institutions and not the top to bottom approach of the government. This implies that the voluntary sector involves true participation from the grass roots to the policy formulation levels-local to national.

When we look at the CSOs or NGOs as voluntary organizations (VOs) from the point of view of their being a form of functional democracy and governance, then we actually realize that they also

operate as democratic institutions, operating alongside and/or alongwith the PRIs and ULBs (Urban Local Bodies) in similar fields. More so, since they also emerge from the people's needs and their efforts are to be made for the people. The innovations, empowerment, research and advocacy by the VOs are also unique and distinct features. There is a need to nurture the growth of this most important sector of development so that it gets evenly distributed throughout the country and takes-up sizeable responsibilities in partnership with the LSGs/PRIs and the government, from the village to national levels.

Thus, the positioning of voluntary sector has to move from 'marginalization' to 'centre stage'. VOs can play the important role in providing and shaping an alternative albeit complementary path of development on the basis of responding to the felt-needs of the community by involving a great deal of participation.

### **Governance in the context of Social Sector**

In independent India, the test of good governance has been reflected in the goals and objectives of the government in its policies, programmes and in the manner of their execution and in the results achieved. The preamble to the Indian Constitution outlines the goals and ideals of the Indian state. The most important goal is to secure all its citizens the democratic freedoms and principles that deliver justice: social, economic, cultural and political. The Preamble and the basic Principles summarize the very purpose of any 'welfare state'. Several aspects of this goal and the way to achieve the same have also been more explicitly spelt out. To ensure transparency, the Government has now recognized Right to Information and to promote good governance. For the same reason, the Planning Commission had come out with the National Policy for Voluntary Sector that defined its position in our national scene and its role in the process of change. In spite of the lofty principles, laws, policies and measures, the outcome in terms of the participatory systems of governance was, at best, meager. In fact, our beginning in terms of the initiatives taken were always satisfactory, but every time we ended up missing the train, enjoying good governance for ourselves and for the people at large.

Administrative efficiency, economy, productivity that defined the position of people's participation in our national scene and the role of the voluntary initiatives in the process of change were considered to be the key aspects of public administration and were deemed to be determinant factors of good governance. In the democratic processes, such participation also gives the ordinary citizens means of voicing need-based opinions. After 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments resulting in the elaborate changes brought into the governance framework through the Panchayati Raj Institutions and the Urban Local Bodies the term 'participation' was further widened and made into the part and parcel of the so-called non-political democratic and governmental systems. Additionally, in the evolving constitutional interpretations about rights giving guarantees for dignified life and livelihood which resulted into numerous programs like MNREGA, Mid-Day Meals, ICDS, Children's Right to Free and Compulsory Education etc and good governance through people's participation at all levels can be discussed from the human rights and child rights angles as well. In today's context, governance needs to be understood and reflected from both human needs and human rights perspectives, especially when one examines the efficacy of voluntary sector.

## **Governance, Policy Making and the Voluntary Sector**

Governance is very much alive subject for discussion within and outside the voluntary sector today while the absence of regulatory legislation, accountability and transparency in respect of the Societies and Trusts which constitute the bulk of the Sector, as compared to the companies including the comprehensively regulated minuscule Section 8 non-profit companies under the Companies Act 2013. The Governance issues in the voluntary sector are deeply connected to the internal organizational affairs and the much larger, external inter-sectoral dynamics of the country. Both for accounting standards and the need for greater monitoring, the Planning Commission had proposed to ensure that the Board or the Management Body of the voluntary organizations had to be clear about their legal and social responsibilities and how it meets them alongwith staff or volunteers.

During the past three decades, with the increased activities through direct services in the entire range of social sector or through contracting of care and other services to the voluntary sector, the management weakness have been increasingly recognized. Across countries, India being one of the most prominent, people have formed millions of private, non-profit and voluntary organizations to pursue public purposes in the areas, once considered the exclusive domain of the state. Economically, environmentally and socially, where the state has been found inadequate in rendering the requisite services or they have willingly agreed to create public private partnerships with the voluntary organizations. The non-profit initiatives at times emerging from the start-up initiatives and groups have also taken advantage of the revolution in the modes of communications, the fast growing social media alongside the increasingly prominent marginalization giving strong reasons to fill the gaps. This revolution may permanently alter relations between states and citizens at all levels in the fast disappearing boundaries between the government, corporate or business and the voluntary profit-non-profit initiatives through CSR or otherwise creating newer definition of governance in the 21<sup>st</sup> century.

Reasons and situations for the evolution of the voluntary sector<sup>2</sup>:

- Tremendous enhancement in the budget, Schemes and Programs of the Social Sector within the government and outside
- Inadequate government initiatives in the areas of deprivation and gaps that leave nearly 30% of India's population below poverty lines.
- Poor rate of success of the government programs within the Social Sector areas like in Health & Education of the socio-economically deprived sections resulting in India's 131<sup>st</sup> position out of 189 countries and territories
- Lack of people's participation in the developmental process, political leadership being indifferent towards socio-economic transformation of the country
- Bureaucracy with all its limitations and inherent weaknesses still remains unresponsive towards the voluntary initiatives
- Corruption and gross inefficiency in government functioning resulting in multiple legislations proposed by voluntary sector activists

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<sup>2</sup> Doraiswamy P.K.- the Role of Civil Society in Good Governance

In any case, the entire concept of a welfare state is undergoing major changes wherein the direct intervention of the state is at a low premium. Already, the public sector economy with the pronounced intent of 'public service' being given up – the economic role of the state is in question in multiple ways. Consequently, the question arises, why the socio-economic agenda of the governance can't be taken beyond the tokenism of 'Public Private Partnership'.

### **Establishing and Enabling Environment for the Voluntary Sector**

VOs may be registered as societies, as charitable trusts, or as non-profit organizations under central or state laws. Some state laws have adopted the Societies Registration Act (1860), Indian Public Trust Act and the Companies Act (1956) etc. The legal and organizational entity thus created with objectives to serve the public interest, is established for voluntary action in the social sector. There have been numerous amendments in the Foreign Contribution (Regulation) Act, Companies Act and the Income Tax Laws, most of them adversely affecting the functioning of the voluntary organizations without really creating a proper legal regime for them towards better functioning and internal management, lending them accountability or transparency. Societies being the main legal entities giving functional framework to majority of voluntary organizations in the country has been loosely regulated and governed by the Societies Registration Act of 1960, like the Indian Penal Code 1860 and the Indian Police Act 1861 of the same vintage. It may be intriguing to examine why many efforts to change this basic law that gives the semblance of recognised existence and also provides a handle to the government to control all forms of societal initiatives has remained unchanged since the year 1860 when the British Empire in India, was being consolidated through transfer of Power to the Crown.

By no stretch of imagination can we digest such an out-dated and archaic legal regime, a repressive by-product of the 1857 First war of Independence against the British Colonial rule, for the most vibrant and multi-faceted voluntary organizations that we claim to be running in India. The only concrete effort was made to substitute this Act with another one called, 'Multi-State Societies Registration Bill 2012', which was formulated by the Expert Group chaired by Dr. KN Chaturvedi (former Secretary Legislative) on the Societies Registration Act 1860 constituted by the Ministry of Corporate affairs, GOI. No serious efforts appear to have been made by the GOI to proceed further, partly for the reason that Societies and Trusts and such other legal entities fall within the legislative domain of the States under the Indian Constitution with some possibility to pull the subject within the Concurrent list enabling the Union Government to push this inter-state Bill.

The 2007-National Policy on Voluntary Sector also remained entirely on the paper although there was so-called pro-NGO political environment for several years and in the planning Commission there has been a Voluntary Action Cell manned mostly by an Advisor, which continues to be there in existence within the NITI ( National Institution for Transformation of India) Aayog as well. I had numerous opportunities to participate in several Working Groups of the Planning Commission during the formulation of the 12<sup>th</sup> 5-Year Plan and get the feel of the interest shown by the various Ministries and the Planning Commission besides the huge power wielded by the Sonia Gandhi

chaired- National Advisory Committee and the members, mostly the voluntary sector known activists who drafted several laws in the social sector.

Thanks to the NITI CEO Amitabh Kant, the past and present Vice Chairmen Arvind Panagariya and Rajiv Kumar, we could create the CSOs (Civil Society Organizations) Standing Committee in 2018 consisting of the leading CSOs, CSR Philanthropists and all concerned Central Government Ministries. Chaired by the Vice Chairman NITI Aayog Dr. Rajiv Kumar, myself while representing Prayas being Joint Coordinator, this expanded body has been mandated for another four years starting from April 2020. Within the Terms of Reference of the CSOs Standing Committee fall almost all the common activities of the government and the civil society organizations related to the Social Sector, as follows:

(1) Identification of areas for CSOs engagements for service deliveries and implementation of schemes (2) Provide forum to deliberate on major issues and challenges so as to promote partnership between CSOs and government (3) Deliberate and recommend suggestions on specific issues as and when referred to by the government (4) Suggest improvements in the existing laws and policies (5) Suggest improvements in the implementation of the schemes and programs at the grassroots level (6) To work as the medium of synergy amongst service delivery organizations, people and the government (7) Standing Committee to also meant to support the government on various issues relating to schemes and programs and their implementations; a special reference is made to 115 Aspirational districts and the schemes and programs for the youth of Jammu & Kashmir.

Earlier, there were five Sub-groups within this body, which have now since been expanded to Seventeen covering each and every thematic area of the social sector and beyond, most of which also cover the seventeen areas of the seventeen (17) Global ( UN) Sustainable Development Goals (SDGs) which are monitored by the NITI Aayog for India. There appeared to be lot of enthusiasm within the NITI while as representatives of the voluntary sector many of us were asked to contribute towards the preparation of the Prime Minister's (NITI Aayog's) 15-year Vision document (2015 to 2030) for the country including 7- year Strategy and 3-year Action plan. Indeed, this move seemed to create space for the voluntary organizations through participation in the governance through programs and activities in various fields of the Social sector.

There has been much public debate on the voluntary sector, particularly its governance, accountability and transparency. The voluntary sector should address the issues through suitable self-regulation. In VOs, there should be a proper system of rules and regulations, proper maintenance of balance sheets, FCRA, accounting, taxation and proper utilization of funds. For appropriate internal and external governance in the voluntary organizations there is need for better implementation of HR and personnel policies along with other statutory provisions and proper management, monitoring and reporting systems.

However, it is strongly believed that instead of creating any stringent regulatory framework the Voluntary Organizations could be facilitated to self-regulate within a loose framework which would allow them to explore alternative paradigms of development through innovative programs, with or without the government, to find new ways to combat poverty, deprivation and other social problems.

It is, therefore, crucial that all laws, policies, rules and regulations relating to VOs categorically safeguard their autonomy, while simultaneously ensuring their accountability and transparency.

## **The Role of Civil Society in Good Governance**

The First and Second Administrative Reform Commissions of 1966 and 2005 created little appreciable impact on the quality of governance in respect of the civil society interface though the Second Commission partly chaired by Veerappa Moily, among the 15 reports, dwelt upon right to information, ethics in governance, local governance, social capital and citizen-centric administration in four reports. The emphasis, as being described now, is on facilitating external pressure from citizens on the system to improve through the Right to Information Act, Consumer Protection Act, Citizens Charters, Whistleblower protection, e-governance, Report Cards, Democratic Decentralization, Public Interest Litigation etc.

Governance in the context of the government and civil society organizations may be examined at three levels--internal systems and procedures; cutting edge systems and practices in government vis-a-vis beneficiaries; check-and-balance mechanism within and outside between the government and civil society. The civil society organizations can influence policy and project formulation through membership of committees, submission of memoranda directly or through elected representatives, and interactive rule-making in the implementation of policies, projects and schemes affecting citizens. At level (a) To facilitate that maximum day-to-day interaction between the government and the citizens takes place and the popular image of governance is formed at level (b). Interactions of civil society with level (c), infrequent but important, will be more of an exposure of irregularities rather than steps for improvement in the quality of governance.

Civil society's functional contribution to good governance<sup>3</sup>, among others, could be as:

- Watchdog-against violation of human rights and governing deficiencies.
- Advocate-of the weaker sections' point of view.
- Agitator-on behalf of aggrieved citizens.
- Educator-of citizens on their rights, entitlements and responsibilities and the government about the pulse of the people.
- Service provider -to areas and people not reached by official efforts or as government's agent.
- Mobilizer-of public opinion for or against a programme or policy.

Civil society acts through 'social capital'- the capacity of people to act together willingly in their common long-term interests. Related to this premise, the CSOs of multiple hues that exist and operate in India, in ideal conditions and given the requisite capacity, in varying degrees, they could turn into 'social enterprises'.

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<sup>3</sup> Doraiswamy P.K.- the Role of Civil Society in Good Governance

Civil society, as a whole, is often unable to play its potential role in enforcing good governance in India except when extraordinary leadership overcomes narrow loyalties, or when an issue is of common, major concern to all sections (like natural calamities). Smaller units of governance and decentralization of governance are, therefore, indispensable in India.

Individuals cannot take on the huge political-bureaucratic machine that the government is, nor can the entire civil society act on behalf of every citizen. Society, therefore, has to operate through compact, focused civil society organisations based on strong social capital of vital community.

The Government of India's National Policy on the Voluntary Sector, 2007 was intended to encourage, enable and empower an independent and effective voluntary sector with diversity in form and function in order to contribute to the social, cultural and economic advancement of the people. Recognising at the outset the voluntary organizations' contributions towards innovative solutions to poverty alleviation, deprivation, discrimination and exclusion through awareness & social mobilization, service delivery, training, research and advocacy, the important role of voluntary sector was understood as a non-political link between the people and government. Support for CSOs/NGOs, however, couldn't be merely theoretical unless the real-time collaborations were forged between government, private sector (which could cover the present day corporate in terms of the legal requirements of CSR within the Companies Act 2013 read with 2021 Rules) and the government at the local, provincial and national levels, as clearly envisaged in the National Policy of 2007. Needless to mention, the Government has to assess their suitability, capability and experience, and evaluate their performance continually- which would pre-suppose comparable standards of governance for the three afore-mentioned Sectors of national development.

Efforts are afoot to improve the quality of integrated governance amongst the government officials, NGOs coupled with the CSR support in respect of the social sector related services and programs within various sub-sectors like, health, education, skilling and livelihood, poverty alleviation, environment etc. Similarly, it is fully appreciated at policy levels that capable NGOs are better placed for providing services in the social sub-sectors like, the women, children, disabled, elderly and the socially deviants. Needless to mention, any amount of inspired initiatives are likely to fail if the support, quality and caliber of the political and bureaucratic executive is unsatisfactory and unresponsive at the multiple layers of activities being carried by the NGOs. Civil society, thus, also needs to know and check the deterioration in the quality, integrity and commitment of the elected representatives and the criminalization of politics. Voter education, electoral reforms and periodical highlighting of the performance (or non-performance) of elected representatives are high priority items in civil society's agenda. Democracy is not a spectator sport (though politicians often make a spectacle of themselves!) Parliamentary democracy becomes participative democracy only with civil society's active role.

Voluntary sector<sup>4</sup> has always played an important role in society from times immemorial. The concept and approach in voluntary work have undergone many changes from time to time. From pure charity, relief and welfare oriented approach, this sector has in recent times suitably moulded and equipped itself to meet the developmental needs of the society. There is hardly any field which

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<sup>4</sup> Planning Commission document

is not at least touched by the voluntary sector. Among the strengths of the NGOs/Voluntary agencies the following may be counted upon:

- Dissemination of knowledge regarding local conditions, use of local resources and close communication with the local communities enabling them to assess local needs of the people and motivating them and enlisting their ready participation in the development programmes.
- Flexibility of approach, less rule bound, no rigid guidelines as in the government scheme; which enables them to innovate, do action-based Studies and research and come out with strategies really related to local needs.
- Simpler administrative structure as compared to government departments; bigger organizations, however, tend to become bureaucratic while they emulate the government procedures and practices.
- Much closer to the poorest sections of the society and they interact with this section directly across the table.
- Commitment to achieve local self-sufficiency joining with the programs and activities of the local self government and the grassroots and lowest rung functionaries of the government.
- Majority of genuine CSOs or the community-based organizations emerging from the local communities they have greater trust of the people; hence they can lead and manage them better and also motivate them to participate in the local governance.
- Involvement of women and youth as willing partners in the voluntary agencies programmes assigned by the government or developed through the local and external resources.
- Access to volunteers and supporters through collaborative and free services that benefits them directly, in short and long-term programs

These strengths enable the voluntary agencies to evolve better grass- roots to the local, village, block, district to state level strategies for action and other related programmes. Despite these advantages, there are also certain weaknesses which are inherent to the voluntary sector in particular and, perhaps, in India's development sectors in general. Some of them can be as listed below:

- Most of the so-called voluntary organizations amongst estimated 32 million do not emerge out of the felt-needs of the communities or target groups, hence lack of voluntary spirit, actual knowledge and thus disconnect with the people concerned.

- Their inability to understand the larger picture from the local to national levels and their own limitations in terms of resources despite desire to serve, hence they don't cooperate with each other.
- Their accountability and transparency is often questionable due to the fact that a minuscule percentage of them follow legal, fiscal and operational discipline as laid down within the given statutes.
- Their operations are naturally small in scale due to lack of resources, planning vision and management skills within their domain which may not expand despite the desire and spirit of voluntary work in the given area and segment of population.
- Uncertainty over availability of human and financial resources hampering planning and growth of their activities even in respect of the voluntary organizations in existence having requisite legal and operational processes in place.
- Voluntary Organizations across the country which fall in myriad categories are driven by variety of motivations and they carry out programs accordingly. Somehow, the direct services to the deprived, poor and marginalised in the areas of felt-needs doesn't happen to be priority of some of the leading Organizations in the voluntary sector- thus creating disconnects and deny their existential justification.

Therefore, there is a need to improve the working of the voluntary organisations by scaling up their operations in the well defined areas of social sectors and by making them transparent and accountable.

### **Voluntary Sector in the Five Year Plans**

Right from the First Five Year Plan when the first model of community participation for national development was put into practice, it has been recognized that the right place for any development activity to take place is at the grass roots level. The Third Five Year Plan emphasized that, 'the concept of public cooperation is related to the much larger sphere of voluntary action in which the initiative and organizational responsibility rest completely with the people and does not rely on legal sanctions or the power of the State for achieving its aims'. During the Fourth and Fifth Plans, the thrust on public cooperation and involvement of people's organization was lost due to attack on our territory and recession that followed. In the Sixth Plan, the idea of participation of people's organisations was again recognized. Role of voluntary organisations in development sector got further fillip in the Seventh Plan where it was declared that serious efforts would be made to involve voluntary organisations in various development programmes to supplement the governmental efforts to offer the rural poor choices and alternatives: The emphasis continued till the Ninth and Tenth Plans, wherein efforts are being made to promote people's participatory bodies like Panchayati Raj Institutions, Self -Help Groups and NGOs for development

The 11<sup>th</sup> FYP further focused on the strengthening the CSOs right from the stage when its Approach Paper recognised the need to 'encourage, enable and empower an independent, creative and effective voluntary sector with diversity in form and function, so that it can to the social, cultural and economic advancement f the people of India'. We had the opportunity to participate in the Mid-Term Appraisal of the 11<sup>th</sup> Five Year Plan. The Government had decided to invest in building

sufficient capacities at different tiers of governance. The Plan document emphasized upon the inclusive and accelerated growth so that the benefits of national development could be shared with the common man-‘Aam Admi’. The Planning Commission got engaged with 900 CSOs for the formulation of the 12<sup>th</sup> Five Year Plan (2012-17) and through an intensive process of consultations on various thematic issues, regional, multi-sectoral programs a document called, ‘Approaching Equity: Civil Society inputs for approach Paper to the 12<sup>th</sup> Plan’, was developed through the Steering Committee on Voluntary Sector.

### **Enhancing Civil Society and Governance**

The idea of 'civil society' has achieved prominence in political and developmental discourse over the past three decades. It is widely seen as a critical agent for reducing the socially atomizing and unsettling effects of market forces, enforcing political accountability, and improving the quality and inclusiveness of governance. Reconsideration of the limits of state action has also led to an increased awareness of the potential role of such organizations in service delivery, either separately or in a synergistic relationship with state institutions. As a cross-cutting concern, it has emphasized organization effectiveness and professionalism in the non -profit sector.

The civil society needs to follow the principles of : (a) Good quality human resources are critical for good work; (b) Systems with respect to planning, cost effectiveness and impact assessment go together with a desire to bring about change; (c) Strengthening organisations is a meaningful contribution to the sector; (d) Looking beyond strengthening organisations as a practical means for grant making; and (e) Connecting citizens across levels with a sense of caring and fellowship to create a fair and humane society.

### **Prayas Experience, Organizational Processes and Governance**

In the context of governance and voluntary sector, Prayas JAC Society with its allied Organizations figures as an example of cooperation and collaboration, partnership and participation representing the basic values of governance enshrined for the government particularly police, from School of Social Work and some practicing models of training, livelihood and community work. Set up and registered under the Societies Registration Act 1860 Prayas Juvenile Aid Centre (Society), now a national level voluntary organization (NGO), started functioning in 1988/89 in the sprawling slum-resettlement colony of Jahangirpuri in North Delhi as an extension of Delhi police headed by the humane and thoughtful Commissioner of Police Delhi Vijay Karan and myself- then a Deputy Commissioner of Police (DCP) as the founder General Secretary.

Initially, being the DCP In-Charge of ‘Missing Persons Squad’ (MPS) which had to also take care and provide support to the neglected, missing & found, vagrant, delinquent children and adolescents who came within the Protective care of the Delhi Police, I considered it my duty to set up the so-called Juvenile (including neglected children without family support) Aid Centre of the Delhi Police. These were the most difficult times when as DCP Crime of Delhi Police (1985 to 1990) I was saddled with the most demanding responsibilities of conducting counter-terrorist and counter-drugs investigations and operations, but considering the importance of the adolescent crimes and problems

to be dealt with by the Police I gave it the due attention. I visited Bombay to see the innovative police set up of Juvenile Aid Police Unit (JAPU) which operated as part and parcel of the Bombay Police, unlike the Community-based Partnership Organization we were building up, called Prayas JAC (Juvenile Aid Centre) Society.

Realising soon that a voluntary organization supported by the community, donations and funded projects couldn't be officially run by Delhi Police, it was developed into a collaboration amongst the Delhi Police, Delhi School of Social Work (University of Delhi) and the erstwhile Shramik Vidyapeeth- now Jan Shikshan Sansthan (JSS-earlier under the Ministry of Human Resource Development & now the Ministry of Skill Development & Entrepreneurship, Government of India). The initial Constitution of Prayas, same as the Constitution of another NGO 'Navjyoti Foundation' set up the same year by Kiran Bedi-my senior colleague in the IPS UT Cadre, was hurriedly drafted by some policemen with very little understanding of the voluntary or social sector activities.

As a result, initially 13 of us, including the Delhi Police Commissioner and myself besides 11 junior police officers from the ranks of Asstt. Commissioner and a lady Inspector who looked after the MPS to a junior Lady Constable who appeared keen to work for children, signed the Memorandum of Association (MOA) as the Founder Members. However, during those extraordinary times, I understood very soon that the charter and responsibilities of a community-based voluntary organization working for the delicate and serious problems involving the 'Neglected and Delinquent Children in Need of Care & Protection', was a serious business-which has not been properly attended to until this date nearly 3.5 decade later despite some path-breaking legislations. Alongside the Delhi Police, we associated the well-known Delhi School of Social work (DU) and Shramik Vidyapeeth-an organization started by Indira Gandhi as a part of the Central government way back in 1967, as 'integrated partners' in the governance and management, who joined later the Governing Body through major changes in the Constitution of Prayas JAC Society.

Looking back into the most violent decade of 1980's, National Capital Territory (NCT) of Delhi was in a huge turmoil on account of the terrorism that had completely gripped the city-which had almost become the extension of Punjab, going through the most difficult period of insurgency and other serious problems like, the drugs. Before and after Indira Gandhi assassination on 31<sup>st</sup> October 1984 there were hundreds of cases of bomb blasts, political assassinations, public massacres resulting into the unprecedented law and order upheavals and bloodbath. The decade-old Commissioner of Police System was facing the most difficult challenges which were competently handled by the post-1984 Police Commissioners like Ved Marwah, Vijay Karan and Mukund Behari Kaushal. During 1985 to 1990 while Prayas was taking a shape of an NGO I was Deputy Commissioner of Police Crimes as well as Railways, decidedly this period being replete with numerous crises involving the restless adolescents and youth.

This period also saw the exponential rise in the serious juvenile crimes, drug trafficking-peddling and consumption alongwith the record seizures of heroin-smack, hashish and multiple forms of the narcotic drugs and psychotropic substances. The timely passage and implementation of the NDPS

(Narcotic Drugs & Psychotropic Substances) Act 1986 gave us a powerful instrument to save Delhi from becoming another city like Medellin and the country going down the Colombian way. With our record seizures, cases and 5834 apprehensions in less than 3 years the Delhi Police Crime Record Office conducted a massive 'action-based Study' which clearly indicated that majority of youthful drug peddlers also being 'consumer-addicts' pose for us one of the biggest challenges, which could be partly taken care of by the NGOs like Prayas and Navjyoti. Prayas became one of the pioneering organizations deeply connected to the police, academia, professional social work and livelihood opportunities developing its own path of evolution learning and formulating a model of Public-Private Partnership which created a different kind of social and voluntary sector governance organization with deep community underpinnings and powerful bonds with the government and academia.

During subsequent three decades, Prayas was joined by various governmental, bilateral and multilateral partners, corporate and non-governmental organizations, while remaining deeply committed to the cause of marginalized children, youth and women from underprivileged communities in slums / rural areas. It now operates in ten States/UTs, namely, Delhi, Gujarat, Bihar, Assam, Andaman & Nicobar Islands, Arunachal Pradesh, Rajasthan, Jharkhand, Haryana and Kashmir. It runs over 150 community-based and thematic Centres and Units with an outreach of 40,000 marginalized children, youth and women addressing the multiple issues and programs relating to child protection and juvenile justice, trafficking of children and women, vocational and life skills training, entrepreneurship, child labour and alternative education, leadership in the voluntary sector, corporate social responsibility etc. The organization pursues a holistic, participative and partnership approach to contribute to socio-economic transformation of these marginalized groups.

Like any growing organization, Prayas has followed a culture of periodical introspection, analysis and changes in its governance systems to cope with its growth and find rationality in its existence. As mentioned, after the initial-somewhat un-informed and unplanned beginnings which reflected in the untidy Constitution, Prayas has come a long way responding to the requirements of the hundreds of partnerships and projects implemented during the past 33 years. For several years, as per the original Constitution some of the highly pre-occupied Police Commissioners and others remained in the Governing Body as reluctant or not so suitable Key Functionaries. Following the Recommendations of a Committee approved by the Prayas President-the Police Commissioner, the Constitution was substantially amended to provide for 'an eminent person' even other than the Police Commissioner to become the President. The amended Constitution initially provided for three Vice Presidents, one each from Delhi Police, Delhi School of Social Work and Shramik Vidyapeeth besides other domain experts as Members and Key Functionaries. Consequently, nationally known and respected personalities like Dr. Karan Singh, Singer Jagjeet Singh and the actor-turned political activist Shatrughan Sinha have remained the Presidents. The Organization has taken a full circle, it seems, with a former Police Commissioner-President Mr. MB Kaushal becoming the President on account of his deep understanding and long association with Prayas.

Prayas JAC Governing Body comprises 25 members including eminent experts drawn from the fields of public administration including Police & Civil services, Social Work, Business and

Corporate, Law, Health, Education & Vocational Programs- who participate actively in the functioning of the Organization. They directly contribute from the project grassroots level activities upto national level legislations and policies besides giving highly scrutinised, often being critical, while shaping and giving direction to the Organization. Today's GB of Prayas consists of some top level Social work Professors/academicians and practitioners, IAS-IPS-Labour Ministry retired and serving officers, builders of nationally known health and educational institutions, corporate, CSR and skilling experts. Since the Organization has single GB to oversee multi-sectoral projects operating in far-off and remote areas including the islands, hills and villages, through a methodically organised administrative, operational and financial systems and structure, it functions through highly participative and professionally-oriented executive and service bodies like, the 'Core Group' as the main Executive consisting of the President, Vice President, General Secretary, Joint Secretary, Treasurer and the co-opted members.

At the Central level, there are Administrative & HR, Finance, Resource & Operations, Purchases, Health, Skilling and Livelihood, Women at Workplace and other Committees besides the apex bodies like, Prayas Institute of Juvenile Justice (PIJJ) and Prayas Institute of Economic Empowerment (PIEE) led by the eminent members and advisors besides the key functionaries from the management. The GB has the co-opted member from the senior most managers like, two Directors amongst whom all projects are neatly divided, the Finance Controller who helps the Treasurer and General Secretary alongwith the Team in the management and monitoring besides the legal and financial compliances. The GB alongwith the string of management and functional co-workers who run the Organization is completely free from any corruption, favoritism or nepotism since having no relatives per-se, and they maintain highest standards of probity and ethics befitting CSO governance with 'Zero Tolerance' for any form of abuse, exploitation, malfeasance or misappropriation.

The entire financial management is done through hundred percent completely cashless (except cash deposits while serving disadvantaged groups) banking operations which are operated through nearly 100 Bank Accounts including the main FCRA (Foreign Contribution Registration Act) and Utilization Accounts, each one being transacted by two out of three authorised Signatories, being GB members and senior managers who actually run the projects. Besides the Finance Controller a Chartered Accountant Senior Manager controls the processes of approvals, sanctions and expenditures with strict adherence the financial norms including the government's FR (Financial Rules) and GFR (General Financial Rules) and project-appropriate Agreements and MOUs besides the project based national, corporate and international norms-which broadly appear to be similar. The variety of Projects that run across a wide-range of activities defines the intricate financial-operational management of Prayas, particularly during the recent times in the midst of fast-changing amended regimes and compliances within the Income Tax, FCRA, CSR, Labour laws etc. Prayas homes, shelters, helplines, Primary Health Centres etc within the central & state governments alongside the internationally-funded projects, being supplemented by our own resources and donations, create huge legal and governance related responsibilities-which call for deep knowledge and close monitoring on day to day basis.

Further, there are Steering Committees and Project level Committees alongwith the mangers and the co-workers almost entirely drawn from the areas and people they serve as they operate in different parts of the country which are fully responsible for specific projects to set governance and decision making standards, resource mobilization and overseeing the participative functions. There are 'Prayas Samudai Samiti' (Prayas Community Committees) at the community level for participatory planning and implementation of informed decisions and 'Bal Sabhas' (Children's meetings & Children's Councils) to promote child participation ( We fully adhere to the UNCRC (United Nations Convention for Rights of Children) Rights concerning Survival, Protection, Development & Participation)

The organization ensures a culture of collective ownership through these decentralized structures with delegation and devolution of power and authorities. Its Governing Body authorizes the General Secretary who coordinates policy formulation, decision making, guidelines and a management team led by the Directors Projects and Special Projects and Directors of the connected organizations like, the Prayas Jan Shikshan Sansthan (JSSs) and Sanchay Prayas Swavalamban Sansthan( SPSS- a Section-8 non-profit Coy). Our experience in the governance and sustainability of the projects and activities has given us to understand that it is extremely difficult for the 'purely charitable' service-delivery organizations like us to be financially self-reliant. The changing FCRA, CSR and IT regulations have further made it impossible for us to become 'Social Entrepreneurs' or to develop our capacities through earnings and corpus- though as an Organization we have attempted to develop such programs.

As the 'Mother Organization', during the past 33 Years, depending on the changing requirements and integrated growth opportunities, Prayas JAC Society has developed hundreds of small and bigger initiatives at the instance of the Union or/and State/UT governments. For instance, as required by the Ministry of HRD (now Ministry of Education) and Ministry of Skill Development and Entrepreneurship (MSDE), Government of India, during the past two decades, we have created (Shramik Vidyapeeth-turned) JSSs in North Delhi and Samastipur district of Bihar with full- fledged 16-Member BOMs ( Boards of Management) with nearly half of the legal entity constituted by the government officials including the representatives of the Distt. Magistrates. Highly appreciating the governance structure of Prayas as a whole and its performance in professionally running the two JSSs, the MSDE have decided to allocate three more JSSs to Prayas JAC Society in the districts of Jamui in Bihar, Ramgarh in Jharkhand and at Port Blair in Andamans.

Prayas recognizes this primacy as the governance of the organization, autonomy within the organizational structure and guidelines, the delegation of power to the managers and the programme participants in the communities. The organization through Core Group and Governing Body meetings and introspective exercises identify the de-merits of hierarchal functioning and has evolved a system of consultations from the grassroots and Units level centres divided amongst Projects to the Governing Body level by adhering to the evolving appropriate governance structures operating the teams. The underpinning that transcends across the organization and its people is the real value that it supports the most marginalized people, the children, youth and the community. The functionaries who actually carry out this work are the Directors, Senior Managers, Project Managers and Coordinators , the Field Staff and the Volunteers- hundreds of them, local to

international. Hence, their roles and appraisal-based recognitions receive the first place in the governance structure and processes.

### **Organizational & Governance Structure and practices of Prayas JAC Society: In Nutshell**

**We have already discussed in detail in the foregoing narratives the actual governance structures of Prayas JAC Society and the connected legal and functional entities which give it all a shape and form of a ‘Group’ which may be addressed as a Conglomerate in corporate terms defining the functioning of the various connected organizations together. Briefly stated, we could re-cap the governance structure as under:**

- **Governing or General Body (GB):** The highest constitutional body in Prayas JAC Society responsible for laying down policy and imparting vision. It also approves all the important project level activities carried out during the intervening periods of the two meetings-which must be held at least twice in the year. Being the governing cum general body of the Organization it approves annually the election-process selecting the Office bearers and Key Functionaries. The annual Audited report is also placed before the GB for approval of the final accounts of the organization. The banking operations including resolutions for designating the Signatories and the financial powers are also approved by the GB, as per the requirements and as proposed by the General Secretary who functions as the CEO or the Chief Functionary within the Constitution.
- **Core Group (Executive Committee)** It consists of the President, Vice President, General Secretary, Joint Secretary and Treasurer as the directly responsible key functionaries, as elected or approved by the GB. It also includes the Directors amongst whom all the project related authorities alongwith financial and operational powers and activities are divided. Among Special Invitees are the Directors and senior officials of the Prayas connected entities like JSSs. Finance Controller and Senior Manager Finance alongwith the string of duly authorised Senior Managers, Managers, and Coordinators. The Directors, Senior Managers, Finance Controller, Project & Centres-In-Charges are all financially and operationally authorised by the General Secretary Prayas of the Organization within the Constitution-being fully accountable to the GB and Core Group. During the GB meetings, it has been a practice to introduce the incoming and outgoing functionaries; and, as defined within the Constitution the periodical reporting to the President and Vice President by the General Secretary are fully adhered to.
- **Modality:** Regular meetings (monthly or quarterly) of the Core Group are held for decision making, important policy implementations and the review of the entire activities of the organization in minute details. Although, the key functionaries representing the GB and Core Group are fully accountable for the entire financial and operational management, the meetings of the Core Group is attended by most of the concerned Supervisory functionaries-who could be between 30 to 50 members. Prayas Executive Body is a unique institution that includes all the Project managers and other senior level functionaries in the decision making

process alongside the project implementation. Monthly and quarterly meetings are organized for the formal review that becomes the basis for growth and consolidation. Broad policies laid down by the Governing Body are actually formulated, fine-tuned and implemented by the Core Group members.

- **Approach:** A well-organized ‘bottom to top approach’ is adopted for better functioning of the organization. There are different Administrative & HR, Finance & Resource departments in Prayas for organizing and delivering services and to create accountability standards. Within the aegis of the Organization, in the Head Office there are apex units like Prayas Institutes for Juvenile Justice and Economic Empowerment (PIJJ&PIEE) which connect all the thematic and service delivery projects with the policies and regulations while also functioning as ‘think-tank’. Annually, an Official Order is issued giving the broad structure, hierarchy, authorities and accountability template to make the functions well-defined and smooth. Prayas has set up an evolving ‘Administrative and Financial Code’ that lays down the Standard Operating Procedures (SOPs) for the entire organization. Some of the areas that hold the priority in the monthly, quarterly and annual reviews include-Budgeting within extremely limited and uncertain funding; Planning & implementing the projects with their approvals at appropriate levels and stages emanating from the Project level managers & coordinators; Better utilization of limited funds and resources; Monitoring processes and systems in continuum ; Regular internal and external financial and social auditing connecting the grassroots and field-based projects to the Prayas Central Office under the close monitoring of the Prayas GB and the Boards of the related organizations.