

**Whose Public Action?
Analysing Inter-sectoral Collaboration for Service
Delivery**

**Historical Analysis of Relationships between the State
and the Non-Governmental Sector in India**

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ACRONYMS

ANM	Auxiliary Nursing Midwife
ARWSP	Accelerated Rural Water Supply Programme
ASHA	Female health activist
AUWSP	Accelerated Urban water Supply Programme
BOT	Build Operate Transfer
CART	Council for Advancement of Rural Technology
CAPART	Council for Advancement of People's Action and Rural Technology
CBO	Community Based Organisation
CHC	Community Health Centre
CRSP	Centrally Sponsored Rural Sanitation Programme
CSO	Civil Society Organisation
CSWB	Central Social Welfare Board
DPEP	District Primary Education Programme
EBB	Educationally Backward Block
EFA	Education For All
EGS	Education Guarantee Scheme
EGS&AIE	Education Guarantee Scheme and Alternative Innovative Education
ESA	External Support Agency
ESIS	Employees' State Insurance Scheme
ESSE	Early Childhood Care and Education
FCRA	Foreign Currency Regulation Act
FPAI	Family Planning Association of India
GDP	Gross Domestic Product
GoI	Government of India
HDI	Human Development Index
HDR	Human Development Report
ICDS	Integrated Childhood Development Scheme
IEC	Information Education Communication
IMR	Infant Mortality Rate
IMA	Indian Medical Association
ISM&H	Indian System of Medicines and Health
ISP	Intensive Sanitation Programme
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KVIC	Khadi and Village Industries Corporation
MCH	Maternal and Child Health programmes
MDG	Millennium Development Goal
MJP	Maharastra Jeevan Pradhikaran
MLL	Minimum Level of Learning
MPW	Multi Purpose Worker
NDWM	National Drinking Water Mission
NFE	Non-Formal Education
NHDR	National Human Development Report
NHP	National Health Policy
NLM	National Literacy Mission
NPE	National Policy on Education
NPEGEL	National Programme for Girls at Elementary Level

NPO	Non-Profit Organisation
NRHM	National Rural Health Mission
NSP	Non State Providers
OBC	Other Backward Castes
PADI	People's Action for Development in India
PHC	Primary Health Centre
PHED	Public Health Engineering Department
PPP	Public Private Partnership
PRIs	Panchayat Raj Institutions
RCH	Reproductive and Child Health
RGNDWSM	Rajiv Gandhi National Drinking Water and Sanitation Mission
RMP	Rural Medical Practitioners
SC	Schedule Caste
SD	Swajal Dhara
SRP	Sector Reform Programme
SSA	Sarva Shiksha Abhiyan
TSC	Total Sanitation Campaign
U5	Under 5 Mortality Rate
UEE	Universal Elementary Education
ULB	Urban Local Body
VHAI	Voluntary Health Association of India
VO	Voluntary Organisation
ZP	Zilla Parishad

HISTORICAL ANALYSIS OF RELATIONSHIPS BETWEEN THE STATE AND THE NON- GOVERNMENTAL SECTOR IN INDIA

1. Introduction

The purpose of this note is to elaborate on the historical evolution of the relationship between the State and the non-governmental sector from pre-Independence to the present day, especially with reference to its impact on the non-governmental sector as a key player in the delivery of basic services - namely elementary education, primary health care and water and sanitation.

The Scoping Study undertaken earlier (Nair 2004) describes in detail the evolutionary process of non-state service providers, more specifically the voluntary sector, in India and, to some extent the changing relationships between the State and the sector in response to the prevailing socio-political and economic environment. The present note is a revision of the relevant sections of that Study (Section 3 and 4) and an attempt to analyse the influence of historical events in the growth of the voluntary or the NGO sector as well as the relationship between them and the State. Taking a cue from other works (Sen, 1993, 1997; Khan, 1997; Tandon, 2002; Kudva, 2005), this note traces the evolution of the relationship between the State and the non-governmental sector through a broadly delineated five phased historical timeframe.

2. Evolution of the relationship between the state and the non-governmental sector¹

2.1 Ancient India and philanthropy

NGOs, FBOs and CBOs in India have originated from the voluntary sector, which in turn has its roots in religious obligations and philanthropic gestures dating back to the pre-colonial era (15th Century BC). During ancient times, the responsibility for the welfare of the community, especially the poor and downtrodden was largely shared between the State and religion, together with social organisations or voluntary institutions. Philanthropy was an integral part of society and the functions of philanthropic institutions were influenced by social, cultural and religious values. Thus, the spirit of 'voluntarism' in India originally stemmed from religious strictures and cut across all religions to find expression in community welfare activities. In fact the act of giving and charity were closely linked to the process of obtaining salvation. *Dhaan* (giving in charity) and *Dhakshina* (giving to a guru/teacher in return for knowledge) in Hinduism, *Bhiksha* (giving to a monk) in Bhuddism, and *Zakat* and *Sadagah* (obligatory and voluntary sharing of income and wealth) in Islam, all connote various concepts of charity.

During that period, most of the activities of the philanthropic and charitable institutions were related to the field of education, medicine, cultural activities and also to providing support in times of drought and famine, concerns which continue to dominate the Indian NGO sector today. One finds examples of residential *ashrams*,

¹ Includes all development oriented organisations, whatever their source of funding and nature of activity.

pathshalas and *mathas* or cloisters attached to a Hindu temple, all imparting education and religious teachings as the forerunners of today's FBOs. Likewise, Buddhism and Jainism spawned their own brands of voluntary educational and medical services as far back as 600 BC. Years later, the advent of Mughul rule in India brought its own type of voluntarism, focusing on the concept of the better off supporting the needy in terms of food, education, hospitals and shelter. Finally, Christianity, with sanctions from the colonial rulers, introduced the modern formal organisational form of voluntarism in India during the 16th century AD. Thus, the traditional religion-based forms of voluntary organisations flourished throughout these centuries, each reflecting the social and religious values of the time, which in turn were largely derived from the contemporary rulers (PRIA, 2001). As religion and the State interacted closely, the voluntary institutions that were a manifestation of the care and support provided to the poor and down-trodden, generally co-existed in harmony with the State. Although there was no apparently formalised relationship with the State, the rulers and their policies (as well as the religious movements) greatly influenced the profile and activities of the philanthropic organisations.

2.2 Rise of social reformist groups during the colonial period (1810-1947)

The early 19th century to the end of the colonial period (1810 to 1947) was marked by the interventions of church-based organisations and a process of social and religious reform initiated by educated Indians who were influenced by the freedom struggle and the need to defend indigenous culture.

The Charter of 1813 removed all restrictions on Christian Missionaries in India leading to the setting up of several churches and church-based organisations. Although the primary motive of these missionaries is said to have been the propagation of Christianity, what was significant was that they chose to do so by setting up schools and hospitals, especially in remote areas. They also organised rural communities into cooperative credit groups and attempted to empower them in terms of self-reliance.

During the same period a band of Indian reformers, like Raja Ram Mohan Roy, and Babasaheb Ambedkar, also influenced by the work of the missionaries as well as being spurred on by nationalist sentiments, started their own brand of social work. They campaigned against prevailing social evils like child marriage, polygamy, *Sati* (burning of the widow on her husband's pyre) while fighting for women's empowerment, widow re-marriage and the evils of the prevailing caste system. The social reform movements started in West Bengal and gradually spread to Maharashtra and subsequently to other parts of the country. The period thus saw the setting up of several reformist and issue based social groups like the Arya Samaj, Brahmo Samaj, Ramakrishna Mission, Ahmediyas and Aligarh movement, Bombay Presidency Social Reform Association, etc. These focused on mobilisation of the masses for self-rule and self-reliance, on the one hand, and constructive grassroots work related to education, health care and social reforms, on the other. These were the first indigenous and organised non-profit associations in the country. What is significant is that, in spite of being specific to a region or community, they were common in content and manifested a common consciousness (PRIA, 2001) Some of these continue to exist and flourish even today, the Ramakrishna Mission being one of the more prominent ones engaged in contemporary development issues.

The rapidly emerging social and educational organisations led the British Government to enact the Societies Registration Act in 1860 to enable it to control and

oversee their activities. The Act, which continues to govern the status of a majority of the NGOs in the country even today, provided a legal status to many of these institutions. However, it was also a first step in the State regulating the structure and role of these organisations. Besides, several other Acts and rules were promulgated during this period, which allowed the State and its agencies to have oversight and control over non-government agencies. These include the Religious Endowment Act (1863), the Indian Trust Act (1882), the Co-operative Societies Act (1904), the Charitable and Religious Trust Act (1920), and the Trade Union Act (1926), etc.

The advent of Mahatma Gandhi with his concept of Swaraj or self rule in the 1920s was a significant milestone in voluntarism in India during this period. It led to the creation and establishment of the Indian National Congress as a socio-political non-profit organisation. While it was marked by mass participation of people from the rural and urban areas, at the same time women's leadership emerged as a critical force. Linkages between political action and constructive social work were established and a parallel hegemony (through the voluntary organisations) emerged with a value system tinged with nationalism. Emphasising empowerment and transformation of the then existing social inequalities, the Gandhian brand of voluntarism was thus not only hailed as a major shift from the traditional form of voluntarism practiced till then (social and religious based reforms), but also credited to have introduced a clearly political content with nation building as a priority agenda. However, as Tandon (2002) observes, this legacy of voluntarism and mass participation was not carried over into independent India, primarily because those who worked in the non-profit sector subsequently, became part of the government. Interestingly, the Indian Muslim League (1906) and some regional caste-based organisations also emerged in the early years of the 1900 to protect the social and political interests of specific communities.

2.3 Post Independence and State control of NGOs (1947-77)

Post Independence and upto the time of the infamous declaration of a politically motivated internal emergency (1975), the State-NGO relationship went through periods of passive cooperation to active hostility.

The early post-independence period (1950-1960) saw the emergence of a large number of Gandhian voluntary organisations, largely attributed to the initiative taken by the newly independent Indian State to promote non-profit organisations in development work. An unstated but major reason for this initial formalisation of the relationship is said to have been the need to accommodate a number of nationalist leaders who could not be absorbed in the newly formed government (PRIA, 2002). The State therefore supported some Gandhian based voluntary institutions through generous funds, in many cases even taking control of these organisations through their governing bodies. However, in the process, these state-supported voluntary organisations lost a large part of their autonomy and consequently much of their voluntary characteristic and became parastatal agencies.

One of the first steps to ensuring centralised support to voluntary organisations was the setting up of the Central Social Welfare Board (1956) to disburse funds for welfare activities. Since the priority of the new government was to put economic reconstruction on a fast track, social issues like health, literacy, sanitation and social welfare tended to take a back seat in the early days. The voluntary organisations were therefore encouraged to cover these gaps. In drawing a three stage evolutionary picture of State-NGO relations in India, Kudva(2005), aptly describes the first two decades after Independence as a period wherein the State provided a limited safety net while the NGOs were their silent partners in consolidating

development within the Nehruvian framework. Up to the end of the 1960s, the NGOs hence assumed a 'pro-State' position.

The 1970s were a tumultuous period for the State-NGO relationship marked by two significant events – a renewed socialist movement spearheaded by Jayprakash Narayan and the declaration of an internal emergency in 1975. In fact in the 70s a large number of voluntary organisations came into existence for a multiplicity of reasons: a welfare orientation and the need to develop appropriate low cost technologies; recurring famines and floods in different parts of the country; and a growing disillusionment with the prevailing approach to development and the State's failure to reduce poverty and inequality. The State system increasingly came under attack and a large number of movements, ranging from leftists to youth groups opposing and challenging the government's policies and plans emerged. These non-political party forms of developmental organisations were then seen as the answer to the failure of the democratic institutions and of some mass movements fostered by left oriented political parties and were expected to address the needs of the poor and the marginalised. Most of these organisations continued to retain some spirit of voluntarism and the Gandhian concept of welfare and service. They subsequently, provided the base for such movements as 'Chipko' (a group that emerged to protect the forests and environment in the foot hills of the Himalayas). During these years two distinct types of NGO began to emerge, shaped by the needs of the times- one which attempted directly to address the causes of poverty through appropriate technology, better planning and management of interventions, etc. and the other which focused on awareness and empowerment and assumed a confrontational position with the State.

The rumblings of dissent against the policies of the Indira Gandhi government and its repressive approach were quickly quietened when the government declared a state of emergency in the country (1975-77). By then, however, a growing rift between the originally Congress backed Gandhian NGOs and the ruling Congress Party had set in with obvious implications for the formers resource base and autonomy. At the same time the Government (Congress) also enacted the controversial Foreign Currency Regulation Act (1976), which not only allowed the State to control the flow of foreign funds to NGOs but also soon became an opportunity for rent-seeking. While, ostensibly, the Act was promulgated to check funding to NGOs whose activities were a likely threat to the sovereignty and integrity of the country, it was in reality also a check on political parties in the garb of welfare work and NGOs with covert political affiliations. The Act has caused much heart-ache to the NGO sector, which has been constantly lobbying till this day to dilute its reported draconian clauses.

2.4 Post Emergency (1978-90)

The post emergency period and a non- Congress government at the federal level gave a new lease of life to the voluntary sector and laid the foundation for its present profile. The Janata government, which succeeded the Congress for a short period in 1978, introduced tax concessions to commercial companies for voluntary initiatives, leading to the setting up of some innovative ventures and the somewhat 'professionalisation' of the NGO sector. Better salaries, improved space, etc., attracted young professionals into the sector. In fact, for the first time the Sixth Five Year Plan (1980-85), which was formulated during the stewardship of the Janata government, specifically made provisions for the promotion of the voluntary sector. This trend has continued in the subsequent Plans with separate Ministries making dedicated provisions for the participation of the sector.

However, the honeymoon was short lived and when the Congress came back into power in 1980 the tax concessions were predictably withdrawn and the process of voluntary efforts began to get more and more centralised and standardised, with the State taking control. The emergency had increased the chasm between the State and NGOs and the State introduced several laws and regulations to repress the NGOs. It was also a period when the State, by law, ensured that NGOs could not obviously engage with party politics. At the same time, during her second stint as the Prime Minister of India, Indira Gandhi, increasingly began to turn towards the 'Third Sector' as an alternative to State and private initiatives, though continuing to be suspicious about those from the NGO sector who had fought against her earlier repressive regime and going as far as to institute a Commission of Enquiry (the Kudal Commission) against a large number of NGOs, especially Gandhian ones. These seemingly opposed perceptions led to two sets of interventions which had far reaching consequences on the State-NGO relationships as well as on the changing profile of the NGOs:

On the one hand, the federal government tightened regulations and controls through the FCRA and the subsequent Financial Act of 1983, curtailing tax exemptions given to corporate agencies against donations to NGOs and removing tax exemptions from all income generating activities of voluntary agencies. As a corollary to these measures, however, the National Fund For Rural Development was established by the government in an attempt to channel corporate funds. It also proposed National and State Councils for voluntary agencies (1986) with a code of ethics for member NGOs. At the same time the State also passed laws which attempted to separate NGOs from party-based politics

However, the Sixth and subsequent Five Year Plans increasingly started to call for the involvement of the voluntary sector and also increased State allocations through various programmes. While the flow of foreign funds to the sector started to increase in volume towards the end of the seventies, the state also initiated direct support to the sector during the 1980s, initially through PADI (People's Action For Development in India) and CART (Council for Advancement of Rural Technology), which were subsequently merged to form CAPART (Council for Advancement of Peoples' Action and Rural Technology). The NGO had arrived as defined sub-system of civil society and development sector. The 1980s also saw the State veering towards a pro-market stand and taking the first steps towards structural reforms, which led to the NGOs gaining ground.

What is significant is that during these tumultuous years of the late 1970s and 1980s the country witnessed rapid increase as well as diversification of the NGO sector as a response to the national political scenario and the increasing concern about poverty and marginalization. Both welfare and empowerment oriented organisations emerged during this period and development, education, health, livelihood, environment, civil liberties all became the focus of attention. With community participation being introduced as a defined component in a number of social sector projects during the 1970s and 1980s, the NGOs began to be formally recognised as a development partner of the State, with the private sector, the other predominant constituent of the NSP sector, being co-opted much later.

The State-NGO relationship in the 1970s and 80s has been described by Kudva (2005) as "contentious and antagonistic". The NGOs at first actively opposed the State and challenged them to initiate poverty alleviation through political and economic development strategies, and subsequently engaged with the State to deliver services, enhance capacity, and empower the communities to fight for their rights.

2.5 Structural reforms and liberalisation (1990 onwards)

Certain factors had a significant influence on the State-NGO relationships from the 1990s. While, in terms of national politics, the 1990s decade saw the Congress gradually losing ground to religious and regional parties, the policies of decentralisation, liberalisation and globalisation and the growing influence of bilateral and multilateral aid in the development sector, led to a paradigm shift in both economic and social development approaches and strategies. Tremendous pressures - both internal and external - on the State to perform and become more viable and a global emphasis on the development of social capital provided more reasons for bringing NGOs into greater prominence in the 1990s. Over the last decade there has been a growing tendency for the State to bring more and more NGOs into service delivery sectors like elementary education, primary health care, water and sanitation. Studies indicate that reasons for this growing State-NGO partnership are, on one hand, primarily related to the State's own failure to improve the human development index, and on the other to the funding support provided by bilateral and international donor agencies which is often conditional on NGOs and public-private participation (PPP) have become critical. As Kudva (2005) observes the "NGO responses to the state now cover the range from strongly oppositional to closely collaborative, with the majority keeping an uneasy, sometimes reluctant, but pragmatic and often sophisticated partnership with the Indian state in its various forms."

State interest in partnering with NGOs led to attempts to improve relationships, and the 1990s saw the setting up of forums to provide a basis for dialogue. The Planning Commission of India initiated an NGO-State interface through a series of conferences in 1992, 1994, 2000 and 2004. In fact in 2000 the Planning Commission was appointed as the nodal agency for NGO-State interactions and a Voluntary Action Cell was set up to facilitate activities. Besides, in the Eighth Plan (1990-95) the State attempted to facilitate the creation of a nation-wide network of voluntary organisations. This trend continued and, in the Tenth Plan, the voluntary sector graduated to be referred to as the 'NGO sector' with defined roles. Another significant move, in the second half of the 1990s, was the decentralisation of CAPART (eight regional offices were set up) so that envisaged benefits from NGO activities could also spread to the hitherto relatively unexplored and extremely poor areas, especially in the north eastern parts of the country. Even the much criticized FCRA was amended in 2005. Now called the Foreign Contributions (Management and Control) Bill 2005, it is expected "to consolidate the law relating to the acceptance and utilisation of foreign contribution or foreign hospitality by certain individuals or associations or companies and to prohibit acceptance and utilisation of foreign contribution or foreign hospitality for anti-national activities, and for matters connected therewith or incidental thereto." (Foreign Contributions Bill, 2005)

Besides, the early 1990s also saw the country, at least conceptually, setting itself on the path of decentralisation (73rd and 74th Constitutional Amendments) and subsequently of the globally promoted 'good governance'. This gave further impetus to the NGO sector, which not only on its own donned the role of keeper of the State's conscience, but also was considered to have great potential to promote good governance and greater participation of the community. A significant impact of decentralisation was that now the NGOs could in a way legitimately engage with elected representatives at local level, vis à vis the Panchayati Raj Institutions or the rural local bodies, even though there was no legal sanction to do so.

From the 1990s the NGO sector has not only grown at a faster rate but has also taken a different shape. It is now more closely linked to development and activities are spread across a wide variety of areas - from development action, to grassroots interventions, advocacy at various levels and mobilisation of the marginalised to protect their rights. Not only has there been a sudden spurt in NGO activities but, as Sheth and Sethi (1991) have pointed out, the nature of voluntarism itself has changed from being an “organic part of civil society into merely a sector”.

The large amount of external funds as well as State funds for NGOs that began to flow in during this period has had somewhat mixed results. The more committed and visionary NGOs were able to take advantage of the increasingly accessible resources and policy environment to take development to the people and attempt to resolve issues. At the same time, several NGOs emerged merely to appropriate the funds, with unclear agendas and vague strategies, more as a business proposition rather than a proactive social movement. In 2003 the federal government, for reasons that are not very clear, discontinued bilateral aid from all but six donor countries. Although the impact on NGOs and the State-NGO relations is not clear as yet, a significant change seems likely to be a growing focus on networking and lead NGOs, largely for administrative ease in channelling funds.

The diversification of the NGO sector continued in the later half of the 1990s and well into the current decade, as liberalisation, globalisation, structural reforms and decentralisation, together with apparent state withdrawal in service delivery and religious nationalism gained ground. Kudva (2005) observes that an “uneasy partnership” between NGOs and the State seems to be the norm now. In this environment a number of NGOs follow the public service-contractor model (increased state and foreign donor funding being one of the incentives) while others work as intermediaries, with the specific aim of enhancing the bargaining power of their constituents vis à vis the state and other groups in society. Kudva argues that the impact of the NGOs can be best evaluated in the context of parameters set by the State: “the efficacy of NGO-driven, or state-driven but NGO-assisted policies turn on the question of the ability of a strong state to create openings that NGOs can then use to push for change. Strong states allow strong NGOs to flourish.” She also argues that the nature of work of the NGO (i.e. whether the NGO is engaged in advocacy or grassroots interventions or capacity building, etc.) and the issue focus also play a critical role in determining the relationship.

The second half of the 1990s also saw the emergence of new kind of philanthropy which Sidel (2002) terms the ‘new economy philanthropy’ as a result of the fast-growing corporate sector and its renewed sense of corporate social responsibility and apparent search for social innovations. Sidel points out that this philanthropy has emerged from the urban based entrepreneurs who have successfully traversed the path of ‘economic innovation’ and now seek to introduce ‘social innovation’. New economy philanthropists have introduced a process of non-state intervention that is more focused in terms of issues, goals and approach, etc. rather than being ambiguous and unstructured, often in partnership with the State and ignoring intermediary organisations. Most of their activities are focused on a few selected sectors like primary education and infrastructure and civil development. The Azim Premji Foundation and its partnership for learning with the Government of Karnataka, the Nandi Foundation and Dr. Reddy's Foundation for Human and Social Development in Andhra Pradesh are prime examples. These well resourced social institutions work not only to innovate but to achieve scale and hence in close collaboration with the State. In the process they tend to overlook intermediaries and smaller NGOs and largely depend on their own qualified teams. Sidel warns that the new economy philanthropist would tend to question the economic efficiency of small

NGOs, the adequacy of their management skills and the economic and social returns from their interventions. In fact it would challenge the very structure of the Indian NGO sector, which is proliferate with numerous small organisations with no clear vision or goal and managed by inefficient, and often personalised, structure and systems. Needless to say, the model being propagated by the new economy philanthropists has more than a fair chance of succeeding, given their resource and political clout.

3. Changing profile of the non-governmental sector

The origin of the NGO sector in India has been largely influenced by traditions and value systems, on the one hand, and an interface between Indian society and the western world (PRIA, 2001). A study (Comparative Non-profit Sector Study) by PRIA and John Hopkins University (2001 – not in references) has attempted to analyse the evolution of the non- profit sector in India in terms of ‘social evolution theory’. The theory, based on two key dimensions (the extent of State spending on social welfare expenditure and the scale of the non-profit sector) defines the four routes of development of the sector as the liberal route, the social democratic route, the corporatist and the statist.² According to the study, the Indian case, from right after independence to the mid- seventies fits into the social democratic model and thereafter has gradually shifted towards the liberal model. Although the movement towards the liberal model has accelerated in the 1990s, the State’s role is still predominant.

What is important to note is the fact that the profile of NGOs has been changing over the last two decades in response to the overall socio-economic situation as well as the position of the State to such an extent that the use of the term voluntarism in the context of the NGOs in their present context has been questioned. Kamat’s (2003) studies of NGOs in Western India suggests that, as in other developing countries, ‘professionalization and depoliticization’ of NGOs have occurred at the grassroots level leading to a shift in the organisational character and in the nature of their work. She found that a number of community-based NGOs in India have moved away from the task of organising the poor and the deprived to fight against marginalisation and inequality and have instead adopted a “skills training” approach. Although a ‘rights based’ approach has been increasingly the focus in the recent years, the spirit of voluntarism and the concept of a mass movement of the late 19th and early 20th centuries have been greatly diluted.

In addition to the mass movements and voluntarism, ‘localism’ also seems to have become increasingly rare. The process of structural adjustment begun in the early 1990s and the more recent approach of bilateral and international donors to channel funds either directly through the government or through NGO networks and large ‘corporate’ NGOs have somewhat pushed peoples organisations and struggle based NGOs into the background. The danger of this phenomenon is the potential growth of network and corporate NGOs at the cost of grassroots activism and peoples’ movements. Small spontaneous initiatives at the community level, as a response to social and economic exploitations, are no longer the hallmark of the NGO sector because, ironically, both the ‘enabling’ policy environment as well as the some of the

² Liberal Model: low government spending on social welfare and relatively large non- profit sector. Social Democratic Model: extensive state sponsored and state-delivered social welfare, leaving little room for the non-profit sector. Corporatist model: The state makes common cause with non-profit institutions to retain support of social elites. Statist model: The state retains the upper hand in social policies and interventions but with a fair degree of autonomy for the non- profit sector.

restrictive laws have discouraged NGOs from remaining small, local or 'grassroots-based' in their vision and strategy.

Arora (2001), in her study of the reorganisation of institutional space and redefinition of the public domain in the changing socio-political and economic environment, observes that in India many struggle and people based movements and NGOs have been subsumed by the large flow of funds and its inherent capacity to "co-opt or divide". Their perspectives and strategies have been influenced by the dictates of programme-based and funded interventions. In fact, over the years, NGOs are also accused of having 'bureaucratised' people's movements. Influenced by the State's efforts to mainstream NGO involvement, many have been forced to compromise on their focus and hence strategies to bring about a radical socio- political change in society. The post Independence period, especially from the 1980s onwards, has seen the NGO sector shifting from a position of voluntarism to one of a mere development agent and increasingly as an extension of the State machinery. In the process, its ability to bring about transformation in the socio political sphere has been diluted. In fact, so far NGOs have had only limited success in influencing political processes in India. The most recent example of success was when, in the 2004 General Elections, the Congress and the Left parties, co-opted certain demands of the NGOs that saw the subsequent promulgation of the Right to Information Act and the Rural Employment Guarantee Programme.

It is pertinent to note here the status of NGOs in the urban sector. In India this has been a relatively weak area with both the size and profile of urban NGOs being much more limited than the rural ones. While a few larger NGOs have focused on housing and tenurial rights, a majority of them have been involved in supporting small-scale service delivery and community management projects implemented by the State. A study (INTRAC 2000) of NGOs in the city of Ahmedabad (amongst four others in different countries) indicates that NGOs in urban areas have been gradually shifting their focus from service delivery to social development. However, their impact has been relatively limited due to the size and dimensions of urbanisation. Moreover, any collaboration with the State (meaning in most cases the urban local bodies) was largely influenced by the political environment, the context and the status of the NGO. Most NGOs, thus, find themselves spending an inordinate amount of time "cultivating a relationship" with the local bodies with little impact on local policies.

4. A multiple relationship that subordinates the non-governmental sector

Tandon (2002) describes the various roles that the State has played since independence vis à vis its relationship to the voluntary sector in terms of a regulator, funder and a development actor.

As a 'regulator', the State has enacted a variety of mechanisms to regulate social, political and economic spaces. This it does through its organs, agencies and laws and regulations on registration or incorporation, and financial management (Taxation Acts, FCRA). As a 'funder', it has set up several institutions as ways to promote funding of voluntary organisations (Khadi and Village Industries Cooperatives, Central Social Welfare Board, National Wasteland Development Board, People's Action Development India and its revised version CAPART). Tandon notes however, that this relationship has not been without tensions. Voluntary organisations have developed a relationship of dependency with funders, and have tended to become mere implementers of State projects and schemes. Increasing bureaucratisation and

control, he fears, have undermined the autonomy of such organisations. And finally, as a 'development actor', the State is all pervasive and in all fields and regions, leaving little room for voluntary organisations. As such the State promotes its own brand of development and expects the voluntary organisations to work within this framework. In the process it also attempts to monopolize all internal and external resources, in the process increasing its hegemony.

Tandon (2002) concludes that the multiple roles of the State in India impact on its relationship with the voluntary sector in three ways:

- 'Dependent client' wherein the dependency is in terms of ideas, money and resources and is most evident among organisations implementing social service and welfare work.
- 'Adversarial', where the State and voluntary organisation are locked in conflict. This is the case of organisations that challenge the policies of the State and its development paradigms, and take the form of movements or people's organisations or NGO networks.
- 'Cooperation' where healthy co-operation between the state and the voluntary organisation exists and where there is scope for discussing differences, identifying common areas of action on policies and programmes for collaboration. Tandon has identified issues of health, education, micro-finance, environment, drinking water, etc. as common areas for such cooperation, whereas rights and natural resource based issues are the contentious ones. But often in such cases the relationship may turn into one of contractor and sub-contractor. He therefore cautions that it is important to examine each case of co-operation and the extent to which co-operation with the State has reduced the role of the voluntary organisations to that of a mere commercial implementer of programmes. At the same time, he adds that a number of voluntary organisations participate in such programmes with the laudable objective of ensuring that benefits reach the poor and also to influence their direction in some way.

Interestingly, Kamat (2002), in her study of the ways in which grassroots NGOs have been brought into the realm of official development discourse in India, states that over the years the 'non-party left activism' which was earlier the hallmark of voluntarism in India has been compromised by this relationship with the State. She adds that such NGOs (the recipient-donor type) have a corporatist identity and work within the existing political forms of the State and no longer engage in a re-interpretation of a collective identity on a material basis. The State, as well as international donors, has not only found it convenient to support the growth of such NGOs but has also sought a collaborative relationship with them.

Indira (2006) is more optimistic and believes that the State-NGO relationship in India is showing a tendency to move towards what Najam (2000) terms as one of 'complementarity' wherein although goals are similar the strategies are dissimilar. She observes that in recent times there has been a convergence between the goals of the State and NGOs, more specifically in the area of empowering communities, fostering participatory development, strengthening democratic institutions (like the PRIs) and improving access to basic services like health and education. Where they differ, however, is in the uniform and bureaucratic processes adopted by the State as against the NGOs' more flexible response to local needs. The complementarity of the relationship might, however, be 'natural' or 'induced'. The relationship is naturally complementary when the NGO's existing interventions, funded by donors and other sources, provide the basis for various development programmes implemented by the State. This is a situation where the NGO is already implementing a programme and

the State comes in with a similar programme and enters into partnership with the NGO. Indira terms this situation a 'positive social externality', because there is mutual benefit. Induced complementarity, on the other hand, is a relationship in which the State involves NGOs in its own policies and programmes. Indira (2006) concludes that, although there is relatively little flexibility in this relationship, complementarity can be achieved through the different skills and inputs that both the agencies bring into the programme.

Similarly, Sen (1999) examines the applicability of some of the propositions³ found in NGO literature on the State-NGO relationship in India. He concludes that, at the central level, three broad themes characterise the State-NGO relationship and these are linked to the country's socio-political and historical phases. Thus, while the early post independence era was one of co-operation between the State and the NGOs, the 1960s and 70s were marked by a relationship of antagonism between the two, which graduated to increased State control in the 1980s and 90s. Sen attributes the increased control during this phase to the nature of the Indian State, wherein the power to restrict development planning discourse to the State elites allowed it to enforce control over the NGOs. This was further strengthened by the fact that, in Sen's view, unlike other countries of Asia and Africa, external donors did not adopt the position of providing assistance primarily through the NGOs or of setting conditions on the State which required it to involve the NGOs. Given this, the State played a decisive role in development and also managed not only to define the role of the NGOs but also to make them adhere to it. This meant that the NGOs followed the State's development model and also took on the role of 'service delivery' agent, delivering services which the State itself had earlier provided. This tendency increased with the era of structural adjustment and donor conditionality in the 1990s, and is reflected in several policy initiatives: increasing emphasis on inclusion of the poor and marginalized in successive Plan documents, increased funding support and procedural reforms to encourage engagement of NGOs in the development process. The 'encouragements' were in reality accompanied by a lot of requirements, where the NGOs were contracted to deliver according to the State's agenda. The increased attempts to control NGOs were also apparently fostered by the socio-political context of the period. A number of separatist, ethnic and fundamentalist movements not only increased their activities during the 1980s and early 90s, but also found easy accommodation in the NGO sector.

Sen concludes that many of the propositions were applicable to the Indian context: The States' search for a 'shadow state'⁴ increased as is reflected in the many interventions to define and increase the role of NGOs in development and service-delivery. At the same time the proposition related to the government's distrust of NGOs holds true as was observed by the stringent measures imposed on them, especially in relation to political activities. The proposition that the nature of NGO

³ Namely that: the Indian State is in search of a 'shadow state'; the nature of NGO activities and programmes determine the NGO-State relationship; governments are distrustful of NGOs, especially if NGOs adopt a confrontational attitude towards the ruling political regime; the State is likely to be more stringent in scrutinizing NGOs when national security is at stake; and State-NGO relations vary with political regimes. Sen also poses a set of fundamental questions: who were the primary actors in the NGO sector during each phase in history? What were their motivations in associating with the State? And what were their attitudes towards the State? What was the nature of the State at the particular juncture in time? What was its attitude towards the NGOs? And what was the socio-economic context under which these NGOs emerged? He examines the relationship at the level of the central government as well as at the local level in order to understand the diversity in the NGO sector.

⁴ A term coined by Wolch (1990) in her study on the relationship between the non-profit and state sectors in UK and USA.

activities determines their relationship with the state became even more evident as their service provision roles were encouraged by the withdrawal of the State. While NGO activism was curbed, NGOs that were involved in the business of service delivery were encouraged. Sen's findings emphasise the changing relationship between the State and the NGOs and the visible dilution of voluntary characteristics. It is generally characterized by hostility of local politicians, lower level officials, and local elites. He observes that the proposition that leftist governments may not welcome NGOs holds true at this level. However, he argues that the NGO sector is not homogeneous and at the local level there are differences in State-NGO relationships.

The history of the NGO-State relationship in India provides several instances of NGOs that have taken a politically confrontationist stand being oppressed by the State and its agents. However, a recent study (Chhotray, 2005) of an NGO-State relationship in a central Indian state indicates that an NGO can effectively combine the role of a 'political entrepreneur', seeking to bring about socio-political changes, and that of a 'development agent'. Chhotray finds that it is this successful integration which is the key to the NGO's influence and power. The study identifies two critical factors in the power and success of NGOs: the strategy of the NGO to justify its actions within the framework of the existing laws and policies, and its ability to ensure the support of the government. The challenge appears to be to effect a balance between the two roles.

In conclusion, it is pertinent to examine here the factors that influence the sustenance of the State-NGO relationship. Ramnath (2005) describes the relationship within the broad framework of a dynamic 'ecosystem' and concludes that the evolution of the NGO-State relationship is a product of a broader political economy; that NGO-government relations are not static but made up of complex and interdependent struggles and relations that change over time; and NGO's activities are likely to grow in complexity over the course of their lifetime. Although Ramnath's findings are specific to three NGOs working in the area of slum and squatter settlements in Mumbai, the study offers some understanding of how NGO-government interactions emerge and develop over time.

Contrary to the general belief, Ramanath (2005) suggests that each NGO uses different tactics in response to the same macro-level environment. This variation is a function of the internal institutional processes of each NGO and shapes its strategies for cooperation with the State. It is also dependent on the NGO's resources including both finance, the sources of finance that define the NGO's powers of negotiations, and the 'clout' that may have been achieved through other sources, such as the status of the leader. Ramanath's study challenges the evolutionary model which suggests that NGOs travel through a series of set and normative stages - from the simple to the highly evolved, from service delivery to advocacy. Instead the study found that NGO-government interactions are continually fashioned by the strategies and tactics of the NGO itself. *"In efforts to gain and retain legitimacy and relevance, NGOs are found to shift strategies in succession."* In the process they use multiple strategies either sequentially or simultaneously.

This suggests that while broader policy thrusts are, without doubt, key factors determining the nature of NGO-government interaction, they only account for the primary or dominant strategy (of confrontation or cooperation) prevailing between NGOs and government. However, in efforts to respond to the State's requirements as client while at the same time maintaining their relevance, even predominantly confrontational (or cooperative) NGOs deploy manifold strategies, which may sometimes contradict with their dominant strategy. Thus, Ramanath concludes that

NGO-government interactions are, first and foremost, the product of the space created by the State. Instead of presuming a withdrawal of the State, Ramnath echoes other studies when she states that “*the state has come to occupy a more decisive position in the ecosystem of NGO-GO interactions.*” The State has not only “enabled” the housing process for the market and the NGOs; it has also provided the environment for the emergence and the institutionalisation of NGO strategies and helped legitimise the shifts in strategies, through government policies and guidelines that define NGOs’ involvement. NGO-State relations are negotiated through the ideological leanings of the politically parties in power, and become even more complicated when the party at the sub-national level is different from the ruling party at the federal level.

NGOs have been responding to the State’s socio-economic development agenda over the years. Thus when the State shifted its focus from capital oriented growth to anti-poverty programmes, the NGOs made a distinct shift from welfare and service delivery interventions to a direct attack on poverty. Subsequently in the 1990s when the State, partially spurred by global pressures, moved on to macroeconomic and structural reforms the NGOs began to focus on scaling up activities. This led to their working with the State to evolve and scale-up innovative methods and ensure commensurate changes in policy. They moved towards advocacy and lobbying, networking, expanding the range of operations and targeting marginalised groups, amongst others. An indicative outcome of all this was the cooption of NGO representatives onto various State forums at different levels.

5. The sectoral scenario

5.1 Elementary education

Since the formulation of the National Policy on Education, in 1986 the GoI and many of the states have shown increased receptivity to NGOs in education, especially in the area of community mobilisation, local level planning and capacity building and development of innovative and cost effective curricula. The NPE spearheaded an extensive non-formal programme in which, while the overall responsibility for planning and managing this programme was vested in the Central and State governments, the responsibility for running the NFE centres was given to the voluntary and non-profit sector and the PRIs. Eligible agencies were given grants to run NFE centres and to cover the costs involved in supervision and management. The government’s NFE approach of supporting NGOs continued under different programmes until almost the end of the 1990s. Simultaneously, several large state-specific programmes under Universal Elementary Education (UEE) and externally assisted programmes intensified NGO and private sector participation and together formed the basis of DPEP (1994) and the Sarva Siksha Abhiyan (2002). As a result an estimated 20,000 education-focused NGOs are supposed to have emerged around the country over the last 2 decades.

In spite of this, the number of effective NGO-State partnerships is said to be limited in comparison to the size and needs of the country. Nair (2004) cites the PROBE survey (1999) which found that there was an increasing tendency for the State to look to NGOs as ‘crucial institutional resource’ or as ‘low-cost alternatives’ for achieving the goals of UEE. However, the State has largely restricted its contribution to improving classroom pedagogy, teacher training and school management, rather than to developing partnerships in the universalisation of elementary education. Nair also cites Nawani (2002) who has described the government-NGO partnership as

one which constrains the latter's activities within a limited framework of action towards a 'pre-determined goal' leading to under-utilisation of NGOs' potential and fostering of a relationship of 'control' and 'mistrust'. The study cites a report of the World Bank (Jaganathan, 2001) which concluded that "while the NGOs are keen to 'share their models' with the government rather than create islands of excellence, government has still to recognise them as 'full-fledged partners'".

However, as the earlier studies observe (Nair 2004, 2006) there are two distinct patterns of dialogue between the NGOs and the State in the education sector: one where government policies or programmes have directly or indirectly provided space, although with limitations; and another where large NGOs or NGO networks have carved out a space for themselves. For instance, community focused programmes, like the Lok Jumbish, the Kerala SSP, and the District Primary Education Programme, have provided platforms for dialogue and opportunities for NGOs and civil society organisations to influence policy. This is primarily due to the relative autonomy provided by the 'special purpose vehicles' or dedicated implementation structures, set up for specific programmes. However, the study notes that these government-sponsored forums have had limited effect, for the reason that 'participation' of rather than 'partnership' with NGOs has largely been their mode of operation.

The study by Nair (2004) also cites Devi's (2002) observation that in India, civil society initiatives led by NGOs have triggered the formulation of government policies. They have also helped to execute policies on the ground, in collaboration and participation with the government. Devi concludes that "the alternative system of building parallel civil society structures – like the Bangladesh Rural Advancement Committee Informal School System – appears to have limited relevance in India, because in the Indian context, it has been demonstrated that a rights-based approach has made the government work better." Nair suggests that the 93rd Constitutional Amendment on the Right to Education is the most recent and significant example of how this process of 'dialogue' works. It was the outcome of a civil society movement led by NGOs, NGO networks and coalitions both at the national and state levels.

Space for policy dialogue between the government and NGOs has also been provided by the initiation of the decentralisation process in general and its specific manifestations in the education sector. However, in reality the study (Nair, 2004) finds that, apart from intervening for administrative restructuring and capacity building, both the Centre and most of the states have been almost inert in sharing powers as well as resources between the various tiers of governments.

In general, however, governments have been suspicious of NGO involvement in education, questioning NGOs' motives and also considering their work to be sub-standard. Hence the State has generally tended to control them through regulations, while at the same time being happy to allow them to work in the non-formal mode in remote areas (MacKenzie, 2003). However, some state governments are now increasingly recognising the need to link with NGOs, though they are uncertain about how to do so.

5.2 Primary Health

Health policy never seriously addressed the issue of non-state providers until well into the 1980s. The scenario began to change when the National Health Policy, 1982

was formulated. The Policy stated that the states should encourage private practitioners and NGOs, through logistical, technical and financial support, to establish curative centres in order to reduce the government's burden. Thus, during the 1980s and 90s the central government as well as the states have initiated a wide variety of public-private collaborations. Apart from allowing government doctors to undertake private practice, NGOs and the private sector have been increasingly invited to participate in vertical national programmes. Private sector industries have also been encouraged to provide health care to populations living in defined areas; and NGOs have been involved in promoting health insurance schemes like the 'Janarogya' scheme of the government.

The National Population Policy 2000 envisaged an increasing role for NGOs in building up awareness and improving community participation. Large and established NGOs like the Family Planning Association of India (FPAI) and Voluntary Health Association of India (VHAI) were contracted to identify, train, support and monitor smaller, field-level NGOs for specific activities. The concept of Mother NGOs was introduced implying a role of generating awareness and mobilising communities. In 2002, the Department of Family Welfare was funding 97 mother NGOs and through them over 800 smaller NGOs covering 412 districts.

These trends have been captured and articulated in the most recent National Health Policy, 2002. It places emphasis upon the implementation of public health programmes through local self-government institutions and urges the states to decentralise the implementation of the programmes to local bodies. It envisages the enactment of legislation for regulating minimum infrastructure and quality standards in clinical establishments. A social health insurance scheme, funded by the State and with service delivery through the private sector, has been envisaged for poor communities (with a pilot scheme in selected districts). Disease control programmes are to earmark at least 10% of the budget of identified components to be exclusively implemented through NGOs. Public health service outlets may be handed over at any level for management by NGOs and other institutions of civil society, on an 'as-is-where-is' basis, along with the normative funds earmarked for such institutions. The policy also emphasises the need to simplify procedures so as to enhance the involvement of civil society in public health programmes. The Tenth Plan thus proposed to allow NGOs with adequate expertise and experience to participate in service delivery under the Reproductive Health Care (RCH) programme of the government. Besides, efforts were to be made to improve networking between the NGOs, state and district administration as well as PRIs during the Plan period. The Plan also saw an effective role for the corporate sector, especially with regard to its skills in problem-solving, which could improve the operational efficiency of health services.

In 2003-4, the Government of India developed a concept paper outlining the proposed approach to public-private partnerships (PPP) in the RCHII programmes, emphasising its intention to collaborate. It has defined PPP as a "collaborative effort and reciprocal relationship between two parties with clear terms and conditions to achieve mutually understood and agreed upon objectives following certain mechanisms." Types of partnership envisaged include franchising of different types, branded clinics, contracting out, contracting in, social marketing; and partnerships with social clubs and groups, the corporate sector, professional institutions, autonomous institutions, CBOs and NGOs.

In the health sector in India, contracting takes different forms for different health services and the process of contracting varies. Contracting has been attempted in various national programmes. For instance in the AIDS programme the management

of high-risk groups has been handed over to NGOs (AIDS control initiatives in Andhra Pradesh and Kerala). Franchising arrangements with private providers under the revised national tuberculosis control programme attempt to ensure services to under-served areas or targeted groups (e.g. TB treatment/ control through a hospital in Hyderabad). Essential health services like primary health care in remote slums and primary health care centres have been contracted out. States like Karnataka and Andhra Pradesh have shown that contracted out primary health care can result in improved outcomes and reduced expenditure. The model has now been adopted under the NRHM. PHCs in an entire district in Gujarat have been handed over to the Self-employed Women's Association. In Andhra Pradesh and Uttar Pradesh and several other states urban health posts were handed over to NGOs. Non-clinical services have been contracted out in other states like Maharashtra and West Bengal. Public private-partnership contracts have been executed in Madhya Pradesh which has set up Patient Welfare Societies (*Rogi Kalyan Samities*), again incorporated in the National Rural Health Mission (RNHM) launched nationwide in 2005. Social marketing of certain products has also been initiated (Misra, 2003, Murleedharan, et al 2003).

Our earlier study (Nair 2004) concludes that collaboration has had limited success. Although no exhaustive evaluations are available, evidence indicates that state-NGO collaboration has succeeded only where well-defined committed groups were involved and where clear-cut memorandums of understanding existed and were executed. Studies have also shown that, in spite of stated intentions to involve NGOs, their participation has been limited, primarily because of the inadequate capacity in the government to proactively manage the government-NGO relationship. (World Bank, 1995).

5.3 Water and Sanitation

NGO involvement in water was first visible in the early 1960s during the famines in Bihar and Maharashtra, when the state governments contracted them to undertake drilling. However, since the Water and Sanitation Decade, and more specifically from the early 1990s, their involvement has been increasing, primarily as intermediaries between government and communities. NGO involvement was also boosted with the initiation of several external funded programmes. Their major inputs have been in the form of community mobilisation, hygiene promotion and the development of community management.

The Nair (2004) study traces the evolution of non-state providers and the key policies which gave shape to their present status and profile:

- In 1986 the first National Water Policy addressed the growing water crisis and the Accelerated Rural Water Supply Programme was given the status of a 'Mission'. In order to ensure effective technical and management inputs into the sector a Technology Mission was set up and NGOs engagement in relation to the state formally emerged. The Mission was renamed the Rajiv Gandhi National Drinking Water Mission in 1991 and its scope was subsequently expanded to cover also rural sanitation.
- During the same period the Centrally Sponsored Rural Sanitation Programme was also launched (1986) with the primary objective of generating a felt need for toilets and better hygiene practices through awareness creation and health education. NGOs and the PRIs were to play a key role in the process. The

Intensive Sanitation Programme (ISP) of the Ramakrishna Mission Lokashiksha Parishad in Mednipur, West Bengal (supported by UNICEF) and the activities of the Safai Vidhyalay in Ahmedabad, were launched at this time with support from the government. They went on eventually to influence the approach and strategy of the sector, and experimented with providing the community with low cost sanitation technology through accessible production and marketing centres.

- The International Water and Sanitation Decade, with its focus on the introduction of reforms promoting an integrated approach. This included changes in institutional structures, attitudes and behaviour; the participation of the community, especially women, at all levels; community management of services' strengthening of local institutions implementing and sustaining water and sanitation programmes; and sound financial practices for better management. This indicated a large role for the community and hence the NGOs in the sector. Throughout the 1980s and 90s the government sought NGOs' participation in water supply, primarily to encourage community mobilisation and better use and maintenance of facilities, as well as to ensure equitable access to resource, and increasing coverage of sanitation.
- Unsuccessful attempts were also made by some states to transfer hand-pump maintenance to a very unprepared PRI. When the attempt failed maintenance responsibilities were returned to state agencies which felt vindicated in their stand that they alone could do the job. NGOs again activated themselves to train and build capacities of local resource persons and PRIs.
- The PRIs, in turn, received further recognition with the introduction of the decentralisation process in the early 1990s and (again spearheaded by NGOs within state specific donor funded programmes) village level water and sanitation committees emerged as sub-committees of the PRIs. In some states the committees also became service-providers.
- The structural reforms and liberalisation process of the 1990s slowly brought the private for-profit sector into the drinking water sector. Private sector participation was advocated primarily to improve resource and systems management, and to address investment constraints and increasing demands for competition. However, because the central government tried to promote changes without providing clear-cut guidelines or incentives to states and also because of vested interests, only a few large donor-funded private sector water supply projects made an appearance during this period. A new National Water Policy that was drafted in 2002 identified the need for integrated development and increased community involvement, institutional reforms, and private sector involvement for improving performance. However, it failed to provide concrete guidelines for operationalising the approach.
- Realising these shortcomings and because of the urgency to cover the fiscal resource gap, the government initiated a process of reviewing and formulating guidelines to encourage private participation. In the urban areas it focused primarily on reforms of the institutional and policy framework to attract public and private investments. It was thought that a clearly articulated state framework, backed by enabling laws, would pave the way for systematic reform. The central government adopted a consultative process to evolve

guidelines and a wide range of stakeholders including the private and voluntary sectors were consulted.

- Together, the various NGO experiments and the desire to promote private investment (by the for-profit sector) culminated in the evolution of three programmes: Total Sanitation Campaign (TSC) in a campaign mode in the beginning of the current decade; a pilot Sector Reform programme (SRP) which was scaled up to cover the entire country as Swajal Dhara in 2002; this led to the inclusion of drinking water supply and waste management as a priority component in the reform oriented Jawaharlal Nehru National Urban Renewal Programme (JNNURM). In the process, the State is increasingly trying to shift its own role from that of a provider and supplier of services to a facilitator providing financial and technical assistance. These programmes have greatly enhanced the demand for both NGOs and private sector organisations as intermediaries as well as suppliers and managers of provision.⁵

The NSP study (Nair 2004) concluded that the attempts to promote alternative models to the existing centralised supply driven one in water supply and sanitation, have led to certain strategic trends in the sector: “commercialisation to improve cost recovery, privatisation to generate finance, improved technology and enhanced management capacities, and community participation to ensure responsiveness and a sense of ownership.” This has led to the emergence of PPPs and partnerships between the state and NGOs and the state and the community.

Nair 2004 identified key factors that contributed to the success of both the small-scale initiatives and the relatively large ones supported by external donors and international NGOs:

- Because they were largely pilots, greater attention in terms of support and monitoring was provided to partners.
- As only a single agency was involved from the State's side or a special purpose vehicle was set up, an enormous amount of flexibility and effective inter-sectoral co-ordination was possible.
- Individual initiatives of certain key persons within the community and the state structure helped in carrying the process forwards.

However, the study concludes that there has been no long lasting change to encourage non-state participation. This was because these projects could achieve only limited changes within the larger institutional structure and policies related to roles and responsibilities of stakeholders were not well defined. Furthermore, as there is no regulatory mechanism to ensure quality of services provided and equity of access these partnership models could not be effectively scaled up. Moreover, by the very nature of the project, the NGOs themselves were only transitory service providers. Swajal Dhara (SD), Total Sanitation Campaign(TSC) and Jawaharlala Nehru National Urban Renewal Mission (JNNURM), which presumably reflect lessons from these experiences may show better results in terms of long term impact.

⁵ Some innovative ways of local production through self-help groups in Andhra Pradesh and Tamil Nadu and private sector supply chain initiatives in the rural areas of Tamil Nadu and Bihar are being tried out by WaterAid and UNICEF.

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