

## **SCALING UP NGO IMPACTS FOR ECONOMIC DEVELOPMENT A MANIPUR PERSPECTIVE**

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### **I Introduction**

The genesis of the study came from the intention to explore and obtain the clarity about the problem situation and hence looking for possible solutions in the state. The problem being faced by the state requires active intervention from the social sector organisations, thus the need of the social sector organisations increases day by day because of the unique geo-political conditions of the state. Here we focused mainly on non-governmental organisations (NGOs) and it is also quite common. For our study purpose, not-for-profit organizations (NPO) and NGO are taken to be synonymous.

Not-for-profit organizations are voluntary, organized by citizens on a local, national or international level. Some important features are that: (a) they are supposed to be independent from government (b) their organizations are not meant for profit (c) they are expected to be value based and (d) are set up to serve public/ social purpose. In fact they aim to add quality of life of selected segments of society and are human change agents. Their governance structure must preclude self-interest and private financial gain. They have great flexibility in operations. They are involved in numerous activities.

In a wider perspective, when delegates wondered what positions other countries were likely to take, it was frequently NGOs, through their international collaboration, who were aware of how government delegations from different countries and continents were shifting their perspectives, it was this informational and strategic role that secured their influence. A range of different alliances were formed, and, in an unprecedented step, 14 international women's networks strategized together, producing a 'Women's Declaration on Population Policies' (Germain, 1994) and hosting a preparatory meeting in Rio de Janeiro.

Within this overarching strategy, different NGOs chose to operate at different levels. Other NGOs and NGO networks believed that their activism had won them a space at the negotiating table – through their research, networking and lobbying efforts, had won the respect of many of the players and, moreover, that they had achieved recognition.

In Manipur, there are a few NGO networks to gain more confidence from many actors like united NGO mission Manipur (UNM), NGOs forum Manipur etc. in the regional level like North-East Dialogue Forum etc. As of today, Manipur is the worst case scenario in the north-east as far as militancy is concerned. Apart from the fact that there are more militant groups in the state than anywhere else, the rivalries between these outfits and security forces often leads to greater violence. The distribution of area, scattered population, literacy rate, unemployment, ethnic conflict, health scenario in the state, etc. are the few factors which

leads to a very vibrant state. In such a situation the role played by the NGOs is very significant and also need to be scaling up their impacts.

But many a time authorities underestimate the potentials of this sector in the state and they perceived in just opposite to the reality. Even there is a gap in local resources acknowledged by politicians and government officials, which many NGOs exploited in the state. Manipur is a vibrant state where prevailing conditions are not willingly acceptable by both private investors and the government to undertake new developmental ventures in the remote areas, engaging with this sector will be the best alternative, to exploit local resources with the voluntary participation of community with a sense of owning.

## **II NGOs in Manipur**

Manipur is also one of the states having longstanding politico-military conflict between state and non-state actors. Geographically it is a part of south-east Himalayan region very far from Delhi (national capital) and also clearly depicts poor mineral resources and related activities again indicating a weak industrial base. Due to geo-political reasons the entire region including Manipur has been experiencing dilemmas from the political, social, as well as economic perspectives. In this situation, the need for not-for-profit organisations like non-governmental organisations (NGOs), civil society organizations (CSOs), community-based organisations (CBOs), voluntary associations (VAs) and human rights groups arises. Not all, but few applied knowingly or unknowingly innovative social entrepreneurial practices and techniques regarding fund raising and their participatory decision making as well as implementations. Their developmental works /economic related activities help in bringing emotional integrity among various communities that minimizes social unrest. They have the potential to raise public and political awareness about governments' political actions in the state and also can maintain constructive pressure on government as well as political leaders to follow through on their commitments. These not-for-profit organisations in the state can mobilize support among people and key constituencies and their activities can covered wide ranges of issues including social, political and economical.

Table 1 shows the year wise no. of registered not for profit organizations in various districts of Manipur. There are various variations like population of the districts, educational level and other opportunities available to the entrepreneurs. As can be observed, there are 2512 state level voluntary organisations in the state as upto 2010-2011. At the same time, Imphal West district has highest number of voluntary organisations (4013) in the state and followed by Thoubal, Bishnupur (2015), Churachandpur (1648) and Imphal East (1465) districts respectively.

**Table 1**  
**Registration of Voluntary (Not-for-Profit) Organisations in Manipur**

Types of not-for-profit organizations.	Total no. of Not-for-profit Organisations			
	2007-08	2008-09	2009-10	2010-11.
<b>State level</b>	<b>2327</b>	<b>2466</b>	<b>2466</b>	<b>2512</b>
Imphal west	3904	3892	3975	4013
Imphal east	2674	1405	1405	1465
Thoubal	2607	2629	2660	2682
Bishnupur	1909	1935	1927	2015
Chandel	931	870	926	927
Senapati	586	592	1192	1204
Churachandpur	1563	1554	1645	1648
Ukhrul	880	925	936	947
Tamenglong	810	810	810	842
<b>Total</b>	<b>18191</b>	<b>17168</b>	<b>17942</b>	<b>18255</b>

**Source:** Registrar of Cooperative Societies, Government of Manipur

### III Misconceptions of NGOs in Manipur

NGOs are so common in Manipur and taken for granted that they are almost invisible to the casual observer. As a group they called associations, organizations, foundations, memorial trust and so on everywhere there is. Although volunteers are the backbone of most NGOs, Some of them could not find permanent volunteers for their work and qualified executives. Moreover their impact to the society sometimes cannot measure directly.

Sometimes in the state, in charge of few NGOs like president/secretary/advisors are getting benefits (in terms of salary or extra income) more than highest paid bureaucrats in the state and volunteers are not getting except satisfaction of helping others. Volunteers come from virtually every walk of life, rich and poor, young and old are the lifeblood of NGOs. Volunteers collect donations, tend to help the sick, feed and shelter the homeless, protect animals and the environment, and comfort the elderly. It is a common yet mistaken notion to assume that most of this volunteer activity is carried out by “people with lots of free time”. Most volunteers are busy, fully employed members of the community. Their donated time is precious. Thus, NGO managers are challenged not to waste busy volunteers’ time. Sound management practices- including participative goal setting, adequate training, coaching and feedback, TQM, performance appraisal, and positive reinforcement- are especially important when managing volunteers.

There are rights-oriented NGOs. These frequently find their most ardent opposition in other NGOs, with different ideological perspectives. There is no conventional image/ bottom line for NGOs in the state. However, even from the rights perspective, the decision as to whether or not to engage those in power is a strategic one (although some elevate this to a matter of principle). It is not always appropriate for NGOs to operate as policy activists (in relation to their concern government or international policy).

In the case of militancy prone areas, there may not be the political space for such engagement, and NGOs may focus on human rights violation, welfare or service provision, which seems like active in oppositional politics like it is happening in Manipur. When, however, there is a moment of transition, where that in opposition have forced those in power

to listen to them, NGOs have the opportunity to reassess their strategies and decide whether or not they can facilitate policy change to meet their own goals.

Ironically, in the UN context, that some NGOs chose not to participate made those who had strategized to play an 'insider' role appear more reasonable (Van Rooy, 1997, Vol. 25, No.1) – one of the positive outcomes of NGOs choosing a range of different strategies is for influencing change.

However, at the national level, the extent of government regulation of the NGO terrain differs, with more or less control over NGOs' abilities to access funds from donors, or even to register (Walters, 1993)<sup>47</sup>; and different levels of tolerance for the range of roles that NGOs can take on. How this plays out in different countries varies with the particular political, economic and social contexts, and the specific differences in policy-making processes.

NGOs operating as policy activists are doing so on the basis of their experience as well as their values (Korten, op.cit, p. 149.). It is enhanced by their commitment to ensure that the experiences and concerns of disadvantaged or oppressed constituencies influence the policy agenda, process and outcome. From their side; perhaps the greatest constraint on them pursuing a role as policy activists is the increasingly project-driven approach of international donors, like many human rights organisations in Manipur are pressurizing and lobbying even in the international forum against government actions.

#### **IV Significance of the study**

Many NGOs are primarily concerned with poverty or disaster alleviation, while others focus on local level development, filling gaps government services have not met. A third type of NGO strategy can be described as 'sustainable systems development' (Korten, 1987). It is this type of NGO that is most likely to facilitate change at the level of policy or implementation.

World Bank (1998) said "NGOs comprise a sub-set of civil society – a broader term which encompasses all associational activity outside the orbits of government or the for-profit sector. Other civil society organizations (CSOs) include trade unions, religious institutions, professional associations, and academic bodies." NGOs are not meant for profit, they are expected to be value based is set up to serve public / social purpose.

The perception among Manipuri peoples towards the public sector is often understood to be inefficient and unresponsive to the needs of the common people while the private sector is driven by profit motive. In such circumstances, it is the voluntary sector which can reach the common people, understand their problems, and work together with them in achieving certain desirable targets. In fact, NGOs can be partners in the development process of a region. It is therefore become necessary to study the spread of the NGOs as well as the kind of activities being undertaken by them in Manipur.

The main point of this sector in the state must be, to bring democracy in the state economy and to achieve women empowerment, which in turn reduces the social unrest. Above all, the upcoming popular concept of good governance ensures the importance of social sector organizations in community services to bring balance development. we have a very fertile ground of this sector i.e. strong voluntary spirit already exist amongst the people of Manipur this we can experience from day today life and also no. of registered and unregistered civil

society/ NGOs working successful in the national and even international levels in the most critical issues like human rights, only registered NGOs are more than 18,000.

In the current scenario most of the NGOs in Manipur are affinity towards the degree of commercially viable structure but in practice the degree is still low, they depends heavily/mainly on government or other funding agencies (international donors), or they combine their activities with that of international NGOs, for funding their activities, their programs of self-sustainable are very less in practices/percentage .But unregistered groups does not depends on government funding they have their financial resources like donations etc. they mainly act as pressure groups. The rise in the popularity in the use of the term governance is closely linked with the redefinition of the role of state. In the post-world war II period, state was seen as an engine of growth, but with failures in development performance, it began to be blamed for all that had gone wrong. Ineffective development policies and poor implementation of these policies together with inefficient and incompetent absorption of international aid, triggered the search for alternative frameworks for policy making and alternative institutions for delivering public services(Mathur, 2010).What was advocated was a slim but efficient administrative state, detached from its prior pervasive involvement in economic matters(Leftwich, 1994).

The role of state was redefined in the World Development Report 1992(4-11).More simply put, governance is concerned with network of relationships of three actors- state, market and civil society (NGOs). It is an interactive process where government may like to impose its will but its acceptance will depend on compliance and action of others. One institution depends on another and this is what refers to as power dependence. In this relationships and networks, no one institution can easily dominate; it will depend on particular process of exchange.

The monopoly of political institutions in providing services is diluted; the private sector and institutions of civil society (NGOs) fill in the space previously occupied by these institutions. New forms of institutions emerge and this finds expression in the blurring of boundaries between the public and the private sector. A range of voluntary agencies arise that respond to collective concerns. In short, good governance calls for a long term and synergistic partnership between the government, civil society (NGOs) and the cooperate sector to improve the efficiency of public service and delivery systems.

## **V Difference between organizational scale and scale of impact**

Most organizations focus on organization scale i.e. how to increase organizational budget and number of their staffs to manage their growing organizations. We need to know the difference between organizational scale and scale of impact. We perceived that size of the organization and their impact always go together that means size of an organization is directly proportional to their impact, if size increase their impact will increase if size decrease their impact also will decrease. We have to analyze ourselves from the ground reality or fact that whether is it right or wrong? Our answer of this will be definitely not that means it is wrong, sometimes it happens but not always. Success of a social organization must be based on their scale of impact to the society or their focused group but not on building big organizations; and also is a matter of sustainability of their ideas( idea that can be reinvested or renew or replicate by other institutions, that idea should not be confined or dependent on any one particular institution).

As a microcosm for our study, we can take one NGO actively working in Manipur say Human Rights Alert (HRA) is a very small organization in Manipur only having 5/6 staffs, with compare to other NGOs in the state in terms of income, no. of staffs as well as volunteers it is too small even not having its own office (in present they are working in a small rented building at Imphal). But the NGO outsize impact is far more than most of the other big NGOs in the state, their influence and impact go beyond national boundary. Through their networks or alliances they could move or appeal many big issues and recommendations even to the UNO mainly against state sanctioned torture, one of the most sensitive issues in the state of Manipur. The in charge as well as the staffs of this NGO have become charismatic ambassadors or cynosure for their service, they keep public aware about the human rights conditions of the state.

## **VI Objectives and methodology of the study**

### **i. Objectives**

- a. To determine the role played by the NGOs in the socio economic development of the region.
- b. To identify their activities and achievements.
- c. To scale NGO impacts for economic development of the state

### **ii. Hypothesis**

The study shall try to test the following hypotheses:

**H1=** Not-for-profit organisations in the state depends more on the government funding for their activities.

**H2=** Annual turnover of the NGOs has positive correlation with the number of employment it gives.

### **iii. Research methodology**

#### **a. Population of the study**

The voluntary organisations registered with the Cooperative Department, Govt. of Manipur as on 31<sup>st</sup> March, 2011 under the Manipur Co-operative Societies Act, 1976 (Manipur Act No.14 of 1976) shall be taken as the population of the proposed study.

#### **b. Sample**

Out of the population of voluntary organisations in Manipur, not-for-profit organisations with *income generating activities* has been considered for the proposed study. Four (4) districts of the state viz. Imphal West, Imphal East, Thoubal and Bishnupur districts has been selected and from these districts, not-for-profit organisations with income generating activities had been chosen on simple random sampling method for the proposed study as these districts are found to be having the highest number of not-for-profit organisations.

#### **c. Data analysis**

The study is analytical in nature and descriptive in form. All the groups has been analysed, both individually and collectively. Collected data through various tools has been tabulated

and analysed with suitable statistical tools. The focus will be on building innovative management techniques. The innovative approach shall be the guideline and also a reference point for the analysis. The questions in the survey had included open-ended as well as closed-ended questions, statement for agreement or disagreement and ratings of important topics.

## VII Findings of the study

### a. Area of operation

The majority of the NGOs operating in Manipur (87.5%) out of total 104 NGOs were working as a state level, 1.92% were regional or north east level, 8.65% were national level and 1.92% were working in the international level. Though the format of registering NGOs' areas of work by the authority as district level, state level, etc., can be misleading and sometimes different than actually exists in the field. NGOs registered in Manipur as state level organizations may be working actually as district level or even their operations may be confined to one locality only.

**Table 2: District-wise Area of Scale of Operation of Selected NGOs**

Districts	Count	Area of scale of operation				Total
		State	North-East	National	International	
Imphal West	Count	18	0	2	1	21
	% of Total	17.3%	.0%	1.9%	1.0%	20.2%
Imphal East	Count	24	1	3	1	29
	% of Total	23.1%	1.0%	2.9%	1.0%	27.9%
Thoubal	Count	27	1	4	0	32
	% of Total	26.0%	1.0%	3.8%	.0%	30.8%
Bishnupur	Count	22	0	0	0	22
	% of Total	21.2%	.0%	.0%	.0%	21.2%
Total	Count	91	2	9	2	104
	% of Total	87.5%	1.9%	8.7%	1.9%	100.0%

Source: *Field Survey*

### b. Beneficiary/Target group of the NGO operation

#### c.

The above table shows the district-wise social entrepreneurs with their marital status and main beneficiary group or target group of their activities. Out of total 104 respondents (social entrepreneurs) 85 were married and only 19 were unmarried. Their targeted population or main beneficiary group of their activities were focussed on low income group following children and young people (2<sup>nd</sup>) women (3<sup>rd</sup>) people at risk of crime and conflict (4<sup>th</sup>) learning disabilities (5<sup>th</sup>) elderly (6<sup>th</sup>) artisans and weavers (7<sup>th</sup>) and others. It shows the overall scenario of NGO activities and their target population in Manipur.

**Table 3: District-wise Social Entrepreneurs: Marital Status vs. Main Beneficiary Group**

Marital Status	Main beneficiary group of organisation	Name of Districts				Total	%
		Imphal West	Imphal East	Thoubal	Bishnupur		
Married	Low income group	8	8	11	8	35	41.2
	Children and young people	4	6	1	2	13	15.3
	Women	0	5	3	2	10	11.8
	People at risk of crime and conflict	2	1	0	0	3	3.5
	Learning disabilities	0	0	1	1	2	2.4
	elderly	0	0	1	0	1	1.2
	Artisans and weavers	2	0	5	2	9	10.6
	Others	3	3	3	3	12	14.1
	Total	19	23	25	18	85	100.0
	%	22.4	27.1	29.4	21.2	100.0	
Un-married	Low income group	0	1	3	4	8	42.1
	Children and young people	0	1	1	0	2	10.5
	Women	1	3	2	0	6	31.6
	Elderly	0	0	1	0	1	5.3
	Others	1	1	0	0	2	10.5
	Total	2	6	7	4	19	100.0
	%	10.5	31.6	36.8	21.1	100.0	

Source: field survey

**d. Problems being faced by NGOs in the state**

- 1) Many social activist who wanted to be a professional social worker or social entrepreneur in the nonprofit sector with a true voluntary spirit by establishing institutions with their great ideas but unfortunately they failed to do so, just at the beginning they could not get start up financing from the funders, getting grants or funds is time consuming and as well as large amount of expenditure will be needed particularly for the new comers in the field.
- 2) The authorities of the funding agencies also often take advantage of the existence of NGOs in their areas to satisfy their personal or political motives. This also tarnishes the image of the NGOs as well as it de-motivates many who wanted to be a professional in the field.
- 3) Non-sustainability of NGO activities: sustainability of NGOs activities is very important. The low incomes beneficiaries will be at stake or risk if the project ceases to operate because they were fully depends on the project and expected a lot from that programme. If they wanted to know from the NGOs also there is lack of transparency of NGO officials, they are secretive about their functions especially about funding agencies and amount of grants to be release etc.
- 4) Incapability of the committee: Because of the lack of co-operation among the organizers or due to their inefficiency, many NGOs are not performing well and some of them had even closed down.



- 5) No fixed standard or criteria or parameter for assessing social return on investment: Regarding their impact assessment they face many difficulties it includes how to assess NGO contribution to development; there is no standard of measuring their impact and no fixed criteria to use for assessing their impact etc. and there is also no fixed system for measuring their scale of impact.
- 6) Lack of marketing networks for their products and other infrastructural problems: Because of bad infrastructural conditions like poor road conditions, irregular power supply, lack of information as well as banking facilities were barriers for NGO activities. Even the marketing network also affected by these factors, if there is less demand or marketing facilities then definitely their activities will slow down. So all the NGOs working in the state have to compromise with these conditions and the result also not satisfactory.
- 7) Inadequate mobilization and lack of involvement in partnership: community involvement and close partnership with other community base organizations (CBOs) is not satisfactory sometimes it arises because of mistrust between them.
- 8) Non congenial relationship with the government of Manipur:some government funding agencies have expressed doubts on the sincerity of the NGOs. There is also no separate department for dealing with NGO activities; this is also a great barrier for the growth of NGOs.
- 9) Last but not the least is the commonly face law and order problem: Bandh and blockade, mass protest, ethnic conflict, militancy problems in the state of Manipur were very common. Because of insurgent prone area sometimes government is not willing to sanction fund to the unfamiliar NGOs with them, because of the apprehension that funds given to them may diverted to the insurgent groups and would not be used for the intended purpose. It happens commonly in case of NGOs working on Human rights issues, even for getting foreign funding by them is very difficult because of close scrutiny and reluctant from concerned government. Because of this problems caused by this situation automatically increase the expenditure of the NGOs from various reasons.

### **VIII Key findings**

- 1) Most of the big size NGOs was concentrated in some areas only; there is no equal distribution of NGOs. NGOs working in the state were engaged in a broad range of activities, they have multiple areas of activity, e.g., agriculture and animal husbandry, education and training, environmental, human rights, care and financial, handloom and handicrafts , food processing and other small scale industries etc. Their target group/main beneficiary group were children and young people, low income group, people at risk of crime/conflict, women, artisans and weavers etc. There were homogeneity in the activities and selection of target group of their activities.
- 2) Women participation is very high in Imphal east district out of 29 social entrepreneur respondents 17(58.6%) were males and 12(41.4%) were females. In Imphal west district out of 21 respondents 16(76.2%) were males and 5(23.8%) were females. In Thoubal district out of 32 respondents 26(81.2%) were males and 6(18.8%) were females. In Bishnupur district out of 22 respondents 17(77.3%) were males and 5(22.7%) were females. By targeting marginalized groups especially women, women empowerment could be possible through social recognition and economic freedom,

that's why NGOs should give them a greater opportunity and role to participate in development activities.

- 3) They formed network or alliances with other NGOs in the state or NGOs from outside the state or may be with local clubs or community base organizations (CBOs) in order to scale more impact of their existence. Enthusiasm and other positive effects generated from association e.g., strengthening local leadership, mobilizing local development committees, and capacity building have the potential to spread their activities and impacts more easily and create social economy in the long run. In the state such developments could be seen as United NGOs mission (UNM), North east dialogue forum as well as All Manipur NGO forum etc. there may be some other also.
- 4) Age and socio-economic activities are inter-related. The study shows that majority of the respondents or chief functionary or owner or sometimes social entrepreneurs were belongs to the age group of 40-50 years (40.4%) followed by 30-40 age group with 37.5% followed by 50-60 years of age group with 14.4% followed by 20-30 age group with 4.8%. only 2.9% of the respondents were belongs to more than 60 years category. This may imply that there is less involvement of too younger and much older generations in the NGO activities as a chief functionary. In fact most of them are in the age group of 35-45 years of age.
- 5) From the research survey we found that, NGOs belongs to the category of having 1-10 number of paid staffs were 41.7% followed by the category of 11-20 number of staffs were also 41.7% followed by number of staff category 21-30 were 6.7% followed by 31-40 category were 3.3% followed by category of 41-50 were 5.0% then only 1.7% belongs to the category of NGOs having number of staffs more than 60.
- 6) 35.0% of paid staffs were falls into Salary category of Rs. 3,000-6,000 per month, 51.7% of paid staffs falls into Salary category of Rs.6,000-9,000, 11.7% paid staffs were falls into Salary category of Rs.9,000-12,000 and 1.7% of paid staffs falls into Salary category of Rs.12,000-15,000 per month.
- 7) From the study income group of the owner of the NGOs below Rs. 20,000 per month were 49.0%, then in the category of Rs.20,000-50,000 were 50.0%, Rs.50,000-1,00,000 were 1.0%.
- 8) Here with the help of primary data from the survey results, we can categorize the NGOs based on their annual turnover category. 25.0% of the NGOs were in less than Rs.10,00,000 category, 40.4% were in Rs.10,00,000-20,00,000, 16.3% were in Rs.20,00,000-30,00,000, 7.7% were in Rs.30,00,000-40,00,000, 5.8% were in Rs.40,00,000-50,00,000, and only 4.8% were belongs to the category of above Rs. 50,00,000. We came across during research survey that most of the NGOs were very weak in terms of their fixed assets even though they could get enough funds from the funding sources as well as could generated good amount of money from their own income sources. These organizations what they were doing is just like temporary mode of working, most of the things needed were hired even office building also they were functioning in a rented room. But some organizations were having good infrastructures, good office building, good working women hostels etc. better than state governments' big offices.
- 9) Most of the NGOs in Manipur monitor their organizational objectives as well as financial objectives, according to the survey result 100% were doing objectives evaluation; among them 92.3% were having organizational business plans, 2.9% were not having their organizational business plans, and 4.8% were not giving any comment; again among them 86.5% organizations were having green policy, 2.9%

were not having green policy and 10.6% were lying as missing value or not responded.

- 10) For getting idea about organizations' self-sustainability which have becoming need of the hour in this decade, around 60.6% of the respondents were expressed that their organization need to have plans to make organization self-sustainable. 18.3% were saying no, 13.5% were saying that they already have self-sustainability programs. But unfortunately, 7.7% of respondents or organizations were not decided whether to adopt organizational self-sustainability or not, or may be its beyond their reach or maybe they don't know about the concept.
- 11) Our findings says that, 91.3% of respondents or organizations were saying that they would use a social enterprise support service ( help or assistance from other NGO's/business advisor in the future)and 1.0% responses were negative, and 6.7% were unsure about this action. But only 1.0% respondents were not commented anything about this network or support services. Among the respondents who were giving the positive responses, out of them 59.6% required funding advice, 6.7% required training, 9.6% required volunteers, 3.8% required marketing or publicity, 13.5% required business planning advices, 1.9% required other assistance and 4.8% were not giving any comment.

## **IX Conclusion and suggestion**

Despite their lack of resources, the NGO sector has managed to play a significant role in shaping state policy, national policy and also to some extent internationally make people aware about what is happening etc. Their role in the development process in today's trend is inevitable. Because of its ability to strategize effectively and to win government support for its positions, this begs NGOs need to have a wide range of skills to influence policy effectively. The first, and most essential is strategic competence (Korten, op. cit., pp. 145–159.) of NGO skills and legitimacy. The following suggestions may be put forward for improving the function of NGOs in order to have a positive impact on the economic development of the state:

- 1.) For scaling up of their impact, there is the need to form and strengthen NGO networks, thereby promoting community involvement at all stages, i.e., planning, implementation and monitoring. In fact this can enable bottom–top involvement and capacity building of the communities to ensure sustainability of activities when the NGO completes its life span.
- 2.) The conclusion of the study includes the need to amend or modify the statutory laws which governed the NGO sector in the state in particular. This modification may cover various aspects such as registration of NGOs after every 5 years plan period in order to filter the working NGOs and there need to give different legal status among local clubs and NGOs, they are still in the same legal status and also registered under the same act.
- 3.) Improve accountability and transparency of NGOs to the community they serve.
- 4.) Improve government policies relating to NGO operations at different levels. This would ensure less bureaucracy in any process.

- 5.) Promote effective community participation and involvement at the grassroots level where the NGO operates.
- 6.) This study has highlighted some of the areas of further research beyond this study and help to uncover the community needs versus NGO resources and encourage them adopt the social enterprise model in order to survive and adapt in the long run, and to further refine the possible role of NGOs in development.
- 7.) Because of difficulty to access funding from different bodies the professional NGO leaders need to adopt Social enterprise model in order to survive and also able to adapt in this juncture.
- 8.) There should be a monitoring system of the activities of the NGOs by the government department to distinguish the performing and non performing ones.
- 9.) Last but not least, as a management researcher, it is felt after this study that that there is a need for a “study centre” on the voluntary sector at university/college level as is being done in other countries, based on close observation of the problems being faced by them. This study centres will definitely help to reduce the shortcomings of the NGOs and hence will catalyst to scale up their impacts on the socio-economic front of the society at large.

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**APPENDICES**

Testing of hypothesis 1

Not-for-profit organizations in the state depends more on the government funding for their activities.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly Agreed	16	15.4	15.4	15.4
	Agreed	63	60.6	60.6	76.0
	Neutral	15	14.4	14.4	90.4
	Disagreed	10	9.6	9.6	100.0
	Total	104	100.0	100.0	

ANOVA

Not-for-profit organizations in the state depends more on the government funding for their activities.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.394	7	.628	.954	.469
Within Groups	63.135	96	.658		
Total	67.529	103			

Since the calculated value of F is more than the table value, the hypothesis is accepted. That means, “Not-for-profit organisations in the state depends more on the government funding for their activities”.

Testing of hypothesis 2

Descriptive Statistics

	Mean	Std. Deviation	N
total number of paid staff	15.0159	12.47513	63
organisation's annual turnover	2.0200E6	1.54744E6	104

Correlations

		total number of paid staff	organisation's annual turnover
total number of paid staff	Pearson Correlation	1	.744**
	Sig. (2-tailed)		.000
	N	63	63
organisation's annual turnover	Pearson Correlation	.744**	1
	Sig. (2-tailed)	.000	
	N	63	104

\*\* . Correlation is significant at the 0.01 level (2-tailed).

There is a positive correlation between the organisation’s annual turnover and the total number of staffs they employed which is significant at 0.01 with p value of .000 that means if, organisation’s annual turnover increases then respected total number of staffs they employed also increases.

So, the hypothesis “Annual turnover of the NGOs has positive correlation with the number of employment it gives” is accepted.