

Impact of non-governmental organisations (ngos) in india



THE IMPACT OF NON-
GOVERNMENTAL
ORGANISATIONS ON
BUSINESS,
GOVERNMENT AND
SOCIETY IN INDIA

Abstract

NGO's have grown in number over the past years in India and has been an important factor that has an impact on business, government and society. NGO's work directly or indirectly with companies to ensure proper corporate behaviour especially when it has an impact on the society and environment. NGO's have become an important stakeholder in business activities, government decisions by playing an important role in pointing out the shortcomings of government and Multi national corporations. The visibility of NGO's has increased throughout the years. Many corporations are partnering with NGO's to carry out their Corporate social responsibility related activities. So this paper aims at measuring the impact of NGO's on Business, government and society through certain indicators and case study .

Literature Review

Hansen and Spitzack. H (2010) in their paper " Stakeholder governance: An analysis of BITC Corporate responsibility index " have found that over the years NGO's have become an integral stakeholder of a multinational corporation. Companies are partnering with NGO's in order to address social and community needs . LaFrance and Lehmann(2005) in their paper "

Corporate-Awakening why some corporations engage in Public –Private partnership” have found that the important factors why companies engage in CSR activities are to improve the community as a whole and companies provide the necessary finance , the NGO’s ensure that the right amount reaches the right people. Hess and Warren (2008) in their paper have indicated that it is important that both the company and the society benefits from CSR activities. This is on the impact of NGO’S on the business and society front.

The impact of NGO’s on the functioning of the government has also increased over the years. Inger Ull in his paper “ The role and impact of NGO’S in capacity development “ found that NGOs have become the main service providers in functions where government lacks efficiency and over the years NGO’s have moved a step ahead from a mere “ gap filling “ role to a capacity building role. So this paper aims at answering the research question “ In India are the NGO’s able to play a significant role in CSR activities of a company and inturn help in the transformation of the society “ and “ Is the government in India shunting the role of NGO’s in improving the society ?”.

Method

The research methodology is a case study based approach in which Procter and Gamble’s Shiksha program is taken to study how NGO’s and companies can work in a collaborative manner to bring about a change in the society. The case of Karnataka is taken to discuss the relationship between NGO’S and the government .

Case Discussion

CSR ACTIVITIES IN INDIA

A 2011 KPMG report showed that of 100 earning companies in India only 16% of the companies have a proper CSR strategy . Even after the 2009 rule that all companies must set aside atleast 2% for CSR activities many companies struggle in putting that to use. This is mainly because companies often lack expertise on how to manage these funds. This brings a wide range of opportunities for NGO's to step in . Major companies are relying on NGO's to manage the CSR activities. One of the companies that has successful CSR activity in collaboration with NGO's is Procter and Gamble through their Shiksha program

P&G's CORPORATE SOCIAL RESPONSIBILITY PROGRAM IN INDIA

P&G's flagship CSR program is the shiksha program which was started in 2005 when P&G found that education is the sector in which consumers were willing to contribute in their own little way. Shiksha enable consumers to contribute for education of under-privileged children through simple brand choices. Since inception Shiksha has gathered close to around 22 crores for helping children for a better education. The major pillars that help P&G in this endeavor are the consumers and the NGO's with which P&G has partnered with. It has partnered with NGO's like Save the children India, Army wives welfare association, Round Table India etc where these NGO's help in building infrastructure, lay emphasis on education of girl child and differently abled children . Through this program P&G along with the NGO's have built SHIKSHA schools which gives children proper health and hygiene <https://assignbuster.com/impact-of-non-governmental-organisations-ngos-in-india/>

facilities at schools such as clean drinking water, advanced educational aids for children such as libraries and computer centres. Shiksha has also evolved into a national consumer movement with support from media, employees, consumers and celebrities.

IMPACT ON THE SOCIETY

The shiksha program now reaches around 385,000 children in across 200 schools in India. It has provided children with various facilities like digital library and schemes like mid-day meal and parivartan. In 2012 P&G's initiative brought about distance learning program at Government High schools through which children had access to listen to experts from various parts of the country. P&G also partnered with IBTADA an NGO to adopt a girls high school in Rajasthan to encourage education of girl child. P&G's key partner a NGO called Round Table India, takes care of the maintenance and running of the RTI Shiksha schools. With the Motto of "Padhega India Toh Badhega India" P&G believes that secret of brighter India lies in the future generation attaining good quality education. Through this program P&G commits a minimum donation of 1 Crore every year.

IMPACT ON BUSINESS

CSR activities at P&G had not only benefited the society, it has benefited the business activities of P&G too. The shiksha program became a huge movement which was endorsed by top notch celebrities. This has increased the brand image of P&G products among consumers. Moreover by making the consumers also contributors to their CSR program, P&G has made the consumers also their major partners in the CSR activities and gives them the <https://assignbuster.com/impact-of-non-governmental-organisations-ngos-in-india/>

sense of giving back to the society by buying P&G products. All this wouldn't have been possible without proper partners who can make use of the funds appropriately and ensure that the money reaches the right hands. So major credit for the success of this program is owed to the NGO's who ensure that all activities take place in a smooth manner. Therefore NGO's indirectly contribute to the growth of a company by helping companies manage the CSR activities.

Therefore from the above example of P&G we can conclude that a collaboration between a company and NGO can have a significant impact on the business and society.

IMPACT OF NGO'S ON GOVERNMENT

Over the years NGO's have become an integral part of the society they have become the main service providers in areas where government fails to achieve. They not only play the role of gap filling but they also help in capacity building . Unless government and NGO's partner with each other capacity building initiatives will not be successful. But does the government in India really support NGO activities is a big question mark. Inorder to answer the question the case of relationship between government and NGO's in Karnataka is taken.

IMPACT OF NGO IN KARNATAKA

In India there can be observed a pattern in the relationship between state and NGO's pre independence NGO's where silent partners . Post independence the relationship became antagonistic. The state sought to

control the NGO's by posing many restrictions and regulations. But in the present India most of the states work in a collaborative manner with NGO's and the NGO's have also become highly professionalized. Karnataka was one of the states which has an active collaboration with NGO's. Karnataka has a fair amount of voluntary groups and they are majorly rural oriented NGO's. One major factor for NGO development in Karnataka is the devolution of powers within the panchayathi raj. Decentralization of power makes the relationship between the government and NGO's easier. The NGO's in Karnataka are mostly rural oriented NGO's but apart from these there are NGO's who emphasize on growing importance on the alliance between the state and NGO's . In 1990 when Infrastructure was lacking in bangalore CIVIC was started to address the issue of rapidly decaying infrastructure in Bangalore and to pressurize the government in taking necessary steps. Today Bangalore is one of the cities that has best infrastructure.

Karnataka also has a strong formal networks which helps NGO's to express solidarity, share experiences and help in identifying developmental problems. Another important factor that has helped in the collaboration of NGO's and the state is the establishment of point of contacts. The government of Karnataka regulates and funds NGO's . The government has also taken initiatives in setting up NGO's or supporting existing NGO's . An example of this is the establishment of MYRADA in order to resettle Tibetan stay homes. The government of Karnataka has also attempted to establish institutional channels for communication with the NGO's. In 1984 it set up a forum that consisted of NGO representatives and government heads and it was chaired by the development commissioner . This forum meets atleast

twice a year in order to discuss developmental problems and to resolve the procedural problems between the government and NGO's . This has facilitated a better relationship between the two parties. Today Karnataka is one of the states that has active voluntary groups and the number has increased year on year.

From the above case we can conclude that if NGO's work in collaboration with the government they can have a huge impact on the government and the society

Conclusion

The number of NGOs in India has increased over years and they play an important role in the society. NGO's can also have a huge impact on business and government. Through CSR activities NGO's help companies in managing their funds and ensure that the money allocated for CSR purpose reaches the right hands. With proper collaboration with governments NGOs not only do the role of gap filling but they also help in capacity building. Therefore NGO's have a significant impact on business, government and society.

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