DEFINING THE SECTOR IN INDIA

Voluntary, Civil or Non-profit

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PREFACE

Even though the history of social institutions operative outside the confines of market and the state is rather old in India, the number of such institutions and the range of activities they cover have steeply increased during the past three to four decades. A similar phenomenon is also being witnessed throughout the world. There are innumerable instances of success stories of these institutions in areas of their concern and originating from countries round the globe. In this background, several countries of the world including India have voiced their fond hope that such social institutions can effectively share some of the activities under the domain of the state. However, despite their growing numbers and importance, these organizations remain dimly understood, making it difficult to determine what their capabilities actually are and how exactly can they share the output of the major players in an economy. Even the nomenclature used to identify this set of institutions varies considerably they are known variously as "non-governmental organizations", "voluntary organizations", “third sector”, “non-profit sector”, “independent sector”, “civil society”, etc.

In response to the above concerns, the Johns Hopkins University launched, in May 1990, a Comparative Non-profit Sector Project designed to delineate the definitional boundaries of the sector and to develop systematically as much of the information base as was feasible about the sector with an ultimate view to better understanding the role these organizations play in social and economic development processes of various countries. During phase I of the project (1990-1995), eight countries were studied in the first instance. These countries are France, Germany, Hungary, Italy, Japan, Sweden, UK and USA. Subsequently, during this phase itself, the study was extended to another fourteen countries, bringing a total of 22 countries within the ambit of the project. There were a few other countries e.g. India, Brazil, Ghana and Thailand which had intended to join the group of Phase I countries, but could undertake only a preliminary exploration. However, majority of countries studied during Phase I were developed countries. Thus, the project could at best depict only part of the picture of the non-profit Sector at the global level. This gave rise to the felt need for generating similar data and information
from developing countries as well, particularly from Asia-Africa. During Phase II (1996-2000), the JHU mounted efforts to identify countries from the two continents which would be willing to initiate similar studies. India joined the project in July 1998. The total project, in India, is envisaged to be completed in a period of three years ending August 2001.

Objectives of the project are:

1. To document the size, scope, internal structure, finances, and legal position of the non-profit sector in the country using a common framework and approach developed by the Core Research Team at the Johns Hopkins University;
2. To gain a clearer understanding of the history and evolving role of the non-profit institutions in the country and to determine the factors that seem to encourage or retard the sector's development;
3. To examine the relations between the voluntary/non-profit sector and the government, the corporate sector, and the international organizations and to identify ways in which this relationship can be improved;
4. To improve public awareness of the sector and to provide a more reliable basis for designing policies for it;
5. To help promote the development of local capacity to chart the health of the sector into the future.

The Study is first of its kind in this country. Thus, the work under the project will be truly pioneering. During the course of past one and a half years, from July 1998 to December 1999, PRIA research team working under the overall direction of Dr. Rajesh Tandon and an Advisory Committee, undertook a rather detailed exercise of literature review and a gigantic task of collecting and sifting voluminous data from secondary sources, mainly from official statistical system. A number of working papers, as envisaged in JHU guidelines, have been prepared and discussed in the meetings of the Advisory Committee.
The present paper focuses on ‘Definitions and Classification’ of NPOs in India. It is the first in a series of papers planned to be released with a view to setting a backdrop to the Comparative Non Profit Sector Study in India. It is hoped that wider dissemination of the project output will generate a debate, which will ultimately help inform public opinion and influence policy-makers.

We are grateful to the Institute for Policy Studies, Johns Hopkins University in Baltimore, for inviting PRIA to undertake the Study in India, enabling us to have a good look at an important but unexplored area of community involvement in social and economic development processes. We gratefully acknowledge continuous guidance of the core project team at the JHU and of the Indian Advisory Committee.

The overall leadership to the study has been ably provided by Dr. S.S.Srivastava, Principal Researcher.

The first draft of the document was prepared by Dr. K. Amarendra Singh and Dr. S. S.Srivastava. It was subsequently edited by the undersigned, the Core Research team of the JHU and by Dr. Srivastava.

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Dr. Rajesh Tandon
President, PRIA

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I. **Context**

The spirit of voluntary action has a long history in the Indian context (Sen, 1993). India has been the birthplace of various religious persuasions. Many other religions also have been nurtured and supported on the soil of India throughout history. All major religions have asked people to work for the well-being of others and contribute their resources to the same. All religious scriptures provide guidelines, prescriptions and suggestions for individuals to contribute to the well-being of society as a part of their religious deeds (Dadrawala, 1991). The concept of Dharma in the Hindu religion constitutes one of the most important pillars of the Hindu philosophy of thought, embodying the eternal law of cosmos viz. that of moral and social behaviour, included in which is the honest and meaningful concern of human beings towards all other beings. Therefore, various forms of voluntary initiatives have gained ascendancy during different periods of history in India. The forms may change over time, but the persuasion has continued uninterrupted throughout human history in the Indian sub-continent.

Various phrases are used to describe such initiatives in India today e.g. ‘Voluntary action’, ‘voluntary organisations’, ‘voluntary associations’, ‘voluntary initiatives’. The term ‘non-governmental organisation’ (NGO) has also gained currency in recent decades and captures a wide variety of initiatives with different purposes, structures and outcomes. Social movements, people’s organisations and movements, grass-roots citizens’ initiatives are other ways of describing some part of this vast array of voluntary initiatives in the country today. The term ‘non-profit organisation’ (NPO) popular in the USA and increasingly internationally, is not well recognised in the Indian context so far, though its use is beginning to gain currency. India has also been the site for growth of co-operatives and trade unions in the nineteenth century. Thus associational life in India is diverse, rich and comprehensive.

However, Indian society today represents a mosaic of contradictions. It simultaneously exists in the 21st century as well as in the 17th century (Tandon, 1993). This
contradictory nature of Indian society is also reflected in the co-habitation of a wide array of voluntary initiatives. Traditional associations co-exist with modern associations. Many traditional associations take the form of caste associations, ethnic associations, and kinship associations as well. Among tribal and indigenous populations of India, traditional associations in tribal society continue to exist even today for a wide array of social and cultural purposes. Likewise, modern associations have also sprung up in the 20th century. These include professional associations of lawyers, doctors, engineers, nurses, etc. They also include development organisations which provide services to the needy and the poor. Besides, public advocacy, research and support organisations exist in their myriad forms and manifestations in India today. There is no field of human endeavour where associational activity is not present in India today.

Despite this vast array of voluntary initiatives and associations, India does not have a sense of a voluntary or non-profit sector as yet. The identity of a sector is yet to emerge. Different components of the sector, and different sub-sectors do not relate with each other or see themselves as a part of the whole. Therefore, any attempt to provide singular and comprehensive definition of the meaning and characteristics of the voluntary and associational sector in India is fraught with a variety of complexities and ambiguities. In this context, attempting to provide meaningful terminology to define `the sector’ is likely to be difficult as well as inherently contradictory at times.

This paper is an attempt to examine the wide array of terminology and their meanings in order to focus our attention on the sector as a whole. The paper examines the prevalent terminologies and their meanings as well as critically evaluates the structural operational definition offered by the Comparative Non-profit Sector Study initiated and led by the Johns Hopkins University’s Centre for Civil Society Studies. The paper also examines the systems of classification available in India and their comparative reference to internationally prevalent systems of classification. It is hoped that this analysis will generate clarity on issues of commonality as well as ambiguities in a comprehensive definition of the `voluntary non-profit sector’ in India today.
II. Prevalent Terminology

The current terminology describing activities and associations of this sector have several themes. In the Indian context, most prevalent term used to describe initiatives of this kind as noted above is voluntary. ‘Voluntary initiatives’, ‘voluntary associations’, ‘voluntary agencies’, ‘voluntary organisations’, etc. describe a wide array of voluntary action (which has the most prevalent usage in the Indian context). Predominantly, this usage describes grass-root level initiatives. It includes community based organisations (CBOs) and people’s organisations (POs) which may be very micro and local in their actions. It also includes individual initiatives which may not mature into an organised entity. Individual voluntary action is a significant part of the Indian terrain and has been so throughout history. A major impetus for the use of this terminology derives from the inspiration of Mahatma Gandhi. His call for constructive social work as a part of struggle for independence from British colonial role had a major impact in catalysing voluntary action in India, particularly in the early part of the 20th century.

India has a vast array of community based organisations, many of whom have emerged on their own by the aspirations of local communities and families. Community based organisations (CBOs) are also those which have been motivated by the work of other development agencies, in particular social development programmes of the government and other intermediary level voluntary organisations. In the 1970’s and 1980’s, many government programmes were the catalyst for village based groups around issues of health, education, drinking water, forestry, women’s development, etc. Likewise, voluntary organisations promoted Mahila Mandals (women’s groups), youth groups, farmers’ group, sanghas and sanghatanas (unions and organisations) of the poor in rural and urban areas (Fernandes, 1981).

Another common phrase used in describing such activities is charity. Derived from its British colonial roots, a charity is an organisation which seems to imply ‘doing good for
the poor and the needy’. Charitable initiatives include provision of welfare and social services; health, education, drinking water, fodder, etc. are more common. Charity also includes provision of institutionalised care - for orphans, street-children, destitute women, elderly, and other neglected segments of Indian society. The work of rich individuals and philanthropic minded industrialists for the benefit of some needy, poor sections of Indian society has also been subsumed under the title of ‘charity’.

A more common definition today, one that has gained ascendancy in the past three decades is ‘non-governmental organisation’ (NGO). While the usage of NGO was first made in the context of the United Nation system, its usage, both internationally and in India, has changed over time (Salamon and Anheier, 1992). In the Indian context, NGO includes a wide array of institutions which are outside the government and may include voluntary grassroots organisations, community based organisation, intermediary voluntary development organisations, private consultancy and research groups, academic institutions, parts of the media, and even some institutions from the private for-profit business sector. This is a negative term, which does not help explain the sector and confuses the definition and identity of the sector by including all types of organisations.

Some other terms or labels have been evolving which are unique to the Indian context. The examples that follow seem to describe important sub-components of the wider array of entities described by voluntary and NGO. In the late 1970’s and early 1980’s, during the rise and fall of the Janata regime after political emergency, “non-party political formation” gained currency as a label to describe people’s organisations and social movements (Sethi and Kothari, 1984). The struggles and debates surrounding the process of enforcement of a common `code of conduct’ by the Government of India in 1986 generated several labels like GONGO (Government NGOs), BiNGOs (Big NGOs), statist NGOs, Action Groups, VOLAGS, etc. Many writings of this period capture the essence of this debate, particularly in relation to the autonomy of the sector vis-à-vis the state (Jain, 1986; Tandon, 1986; Fernandes, 1986; Tandon, 1988; Volken, 1985;).
III Limitations

All these labels and terms, referred to so far, apply to a limited category of associations. Many other associations seem to be left out of the purview of such a terminology. For example, traditional associations, which have existed in Indian communities for centuries, do not get adequately covered under this. Caste associations, tribal associations, etc. are not normally included in any of these terms.

Similarly, some types of modern associations also do not seem to be reflected in this prevalent terminology. A typical case would be residents’ welfare associations in many urban areas of the country. While many hospitals and health care programmes, schools at different levels of education are also covered within the ambit of the voluntary non-profit sector as defined internationally, they are typically not implied in the indigenous terminology. The nearest it comes to is in case of those hospitals or schools which are specially designated for service delivery to a specific needy, poor community. There, the term charity is far more applicable. There are many other schools and educational institutions, hospitals and health care service providing organisations which are not typically seen as a charity as their clientele is much wider than a particular group of the poor and the needy. Many such institutions have been set up by religious persuasions like Christianity, Islam, Hinduism. They do not limit themselves to providing health and educational services only to a particular poor or needy community belonging to their own faith and are open to a broad spectrum of Indian population. As a result, they are typically not identified as a charity.

In some respects, the terminology can also be seen as somewhat internally contradictory. For example, many social movements and people’s organisations do not fit into any of these, though a general description of voluntary action or voluntary association could be adequately applied to them. Many of such movements and people’s organisations reject the terminology NGO and charity since they see themselves as
locally and ideologically motivated initiatives (Seth, 1982). Such initiatives do not view themselves as a category to be defined without reference to their long-term, fairly political purposes.

In the above terminology, a vast array of associations are not even readily accommodated. For example, sports and leisure associations and clubs are widespread in India ---- from local youth clubs and sports groups in the villages and towns to bigger sports federations and associations and clubs. There is no reference to these types in the above terminology. Another category of non-profit associations relates to those entities that operate in the field of art and culture. These are groups engaged in folk form of culture in rural areas as well as more modern theatres and urban cultural institutions. Other examples can be found in the emerging areas of financial services and consumer protection movement and consumer groups, where the above terminology is typically not applicable. This is despite the fact that there has been a growth of micro-credit and micro-finance institution in the country serving the needs of the poor. These are typically included in the category of voluntary organisations or voluntary development organisations. In the Indian context, trade unions have a distinct identity they also have a separate form of incorporation and separate treatment under various laws of the land. Likewise, co-operatives have a separate form of incorporation and separate treatment under the Indian legislative framework. This highlights the weakness of definitions based on a legal framework.

Another term commonly used in the Indian context is a Public Charitable Trust. Derived from its British colonial legacy in the mid 19th century, a Trust is a legal mechanism for helping others through the contributions of resources from wealthy sections of society. While a private Trust could serve a private purpose, Public Trusts are expected to serve the broad purpose of `public charity and public good'. Most philanthropic organisations, grant making institutions, operating foundations of business houses and funding mechanisms created in the Indian context are treated under the concept of the public charitable trust (Dadrawala, 1996).
Yet another category of associations which are excluded from the above definitions are trade or industry groups. Many business and trade associations are incorporated as a trade union under the Indian law. Professional associations are membership organisations of a particular profession and typically are not seen as a part of the above terminology, though their incorporation may be very similar.

The concept of civil society is yet to gain currency in the Indian context. Its usage began in the 1990’s, largely influenced by its international manifestation in post-Soviet Union political context (Tandon, 1991). Some critique of this concept has also emerged which suggests that the concept is seen more as an externally imposed framework than a home-grown one (Acharya, 1997). This is particularly relevant in the Indian situation where voluntary associations and voluntary initiatives are seen as indigenous concepts and practices in this field. In recent years, there have been attempts to describe as well as explain the relevance of the concept of civil society in the Indian context (Tandon and Mohanty, 2000, forthcoming). The framework of trinity - state, market and civil society - has also been used to explain the institutional space which is neither captured by the state nor the market. A relevant definition in the Indian context is, however, to view civil society as individual and collective initiatives in common public good. Such a definition includes informal individual initiatives as well as more formally structured organisations. It also accommodates a wide array of purposes because public good could be interpreted in different ways by different groups and initiatives.

There is now, therefore, a contentious debate on this concept which is yet to be seen as describing a sectoral identity of voluntary initiatives in the country. The debate centres around the notion of civil society and its relevance in traditional and modern Indian context, on the one hand, as well as its operational manifestation, on the other. Some would consider civil society as a space while others would look at it as an organised effort. Some would include more developmental and philanthropic connotation to civil society while others would give it a more political meaning. In some recent studies, the
elaboration of this concept has helped to provide a more comprehensive meaning to the phrase ‘civil society’, its linkages to the concept of the citizen and citizenship as well as its roots in the primary initiatives of ordinary people beyond the domains of the family (Tandon, 1999). This has established a foundation for the concept in the Indian context (Mahajan, 1999). However, in the absence of a singular sectoral identity, civil society is yet to embrace the totality of the meaning of voluntary initiatives in the country. Likewise, the voluntary community is yet to embrace the concept of civil society. Obviously its growing usage by international organisations and donor community is likely to make it more current; however, its meaning and its manifestation has to gain roots in the Indian soil before it can legitimately describe the sector in India.

IV Categories

In the context of the current prevalent terminology, as has been referred to earlier, there are various sub-sectors or sub-divisions which are typically identifiable. Within the broad spectrum of voluntary initiatives, there is a polarization between more individual, small group and informal initiatives and those which are more organised. The organised voluntary associations could also be further sub-divided into many categories. Grassroots organisations or community based organisations (CBOs) are essentially local in a village or a neighbourhood and include the aspirations of a homogenous group which comes together on the basis of voluntary membership. Rules and procedures for membership are not formalised and it maintains the character of an informal association. When such initiatives are spread on a broader spectrum and cover greater geographical terrain, they seem to be treated as people’s organisations or people’s movement. Typically, in the Indian context, such organisations and movements also have individuals drawn from sections of society other than those whose issues and agenda the movement or the organisation champions. These are seen as middle class, well-connected, committed and professional individuals who lend their support to the causes espoused by people’s organisation/movement (Seth, 1982).
Another classification can be identified for organisations primarily engaged in developmental activities. One such classification has been developed based on research carried out in recent years (PRIA, 1991). This classification describes voluntary development organisations as a distinct class of actors which are engaged in providing developmental support to the needy communities or emerging issues. These are essentially intermediary formations set up to address a particular problem, provide service to a particular community or to engage in wider set of public education and policy advocacy activities. Such organisations can be seen as voluntary development organisations whose intermediary character takes several forms depending on the nature of their functioning and the purpose for which they are established. Another way of classifying voluntary development organisations is to look at three facets: the source of inspiration of the founders and their commitment to the larger public causes; the rationale for the functioning of the organisations in terms of the methodology used; as well as its size. PRIA study, referred to above, has argued that most voluntary development organisations could be classified on these three facets and adequately explained in terms of the challenges they face.

In another recent classification of voluntary organisation pursuing developmental goals and agenda in the Indian context, Mahajan (1999) has offered a classification based on five types of role or function. The first is defined as a public service contractor, which is engaged in service provision. The second is defined as a collaborator, which works with the government to generate the desired development outcomes. The third is that of social innovator which incubates new ideas, models and practices which address a particular developmental problem. Fourth role is that of policy advocates and social critics who focus on providing an analysis of emerging social, political, economic and environmental issues as well as the policies and practices of government and international agencies. The fifth role is that of building civil society institutions which could be the basis for providing access, voice and representation to the hitherto excluded and marginalised citizenship. Mahajan’s classification closely relates to the roles attributed to non profit organisations that are used in the impact assessment.
component of the Johns Hopkins University Comparative Non profit Sector Project (Salamon, Hems and Chinnock, 2000). Tandon (1998) has presented another classification of voluntary non-profit development sector. It comprises of field programme based (welfare, empowerment and innovation), support (capacity building and information), umbrella or network (federations and associations), research and advocacy, philanthropic (grant-making), and foreign organisations.

Whichever way this classification task has been tackled by each of these efforts, they address only a small section of the totality of the voluntary non-profit community in India.

V. Legal Treatment

The voluntary non-profit sector in India encounters a maze of legal provisions which relate to the sector in several different ways. Each law has its own interpretation which does not necessarily match with the conceptual terminology and definitions referred to in the previous section. An elaboration of the legal framework and its treatment to the sector is presented here (drawn from PRIA 1987, 1989, 1990, 1991; Kochar and Jain 1987; Kandasami, 1994; Malik, 1985; Mathew, 1994; Dadrawala, 1991 and 1996).

Incorporation

In the India context, incorporation of a non-profit entity can be carried out in the following five ways:

- The Societies Registration Act, 1860
- The Indian Trusts Act, 1882
- The Co-operative Societies Act, 1904
- The Trade Union Act, 1926, and
- Section 25 of the Indian Companies Act, 1956.
Clearly, there is a distinction being made in this for co-operatives and trade unions which have separate legislation for incorporation and a somewhat more specific definition of what constitutes a co-operative and what constitutes a trade union. In terms of the common practice, bulk of the organisations in the sector are registered either a Society or a Trust. While a detailed treatment of the legal framework and status is available in another occasional paper (PRIA, 2000), this section attempts to provide an interpretation of how laws define non-profit organisations in the Indian context.

The Society Registration Act, 1860 sets up a basic statement of the activities that such organisations can undertake. As per the provisions of the aforesaid Act, non-profit societies are those which are engaged in promotion of literature, science, fine arts, diffusion of knowledge, political education or other charitable purposes. Once again, it is its last ‘catch all’ phrase (other charitable purposes) which remains ambiguous and includes a vast array of such organisations.

The second most common form of legal incorporation is a Trust. In the Indian context, a Trust is essentially private, though it can have public purposes. The guiding legislation is the Indian Trust Act, 1882. In the case of some provinces, there is a separate Act which applies to public trusts. For example, the Bombay Public Trust Act, 1950 covers the states of Maharashtra and Gujarat; and the Rajasthan Public Trust Act 1959 includes organisations incorporated in the state of Rajasthan. Besides these two examples of province specific legislation, all other non-profit organisations with a public charitable purpose registered under the Indian Trust Act 1882 have to define a public purpose. As per the interpretation provided in the law, it implies that the benefits of the Trust would be available to a large body of people, without particular restrictions to a community.

A third provision, though very rarely exercised in the past and only beginning to be explored now, is incorporation of a non-profit organisation as a company. Section 25 of the Indian Company Act 1956 has a provision of not-for-profit distributing companies where the promoters, directors or trustees of the company can not accept a share in the
profit generated by the activities of the company. Besides this restriction, there is no other way that the purpose or classification of non-profit activity is provided by this law. This is akin to the widely recognised Company Limited by Guarantee (CLG) legal form especially prominent in legal systems influenced by the British legal system.

VI Tax-exemptions

Despite legal incorporation in one of these above mentioned legislations, an organisation has to fulfil other criteria, imposed by fiscal legislations, in order to be exempted from tax and thereby claim a non-profit status. The Indian Income Tax Act 1961 sets the framework for this recognition of tax-exempt status. While various finance bills every year have made enormous modifications to the different provisions of the Income Tax Act 1961, the essential features related to this class of organisations remain more or less stable over a period of time. The detailed treatment of this is available in another occasional paper on the legal framework. In this section, we are looking at the manner in which the Income Tax Act 1961 assigns tax-exempt status to non-profit organisations.

The first category of non-profit organisations whose income is deemed to be exempted from tax obligations and thereby automatically declared as non-profit are those which are specifically referred to in the Income Tax Act. The following categories of institutions are automatically exempted under section 10 of the Income Tax Act:

i. A University or other educational institution existing for educational purposes (Section 10-22).

ii. A hospital or other such institution for treatment of illnesses including mental illness and rehabilitation existing only for philanthropic purposes (Section 10-22 A).

iii. An income of an association notified by the government in the field of sports and games (Section 10-23).
iv. Income of a professional association like law, medicine, accountancy, engineering, architecture or that specified by the government (Section 10-23-A).

v. An institution registered with Khadi and Village Industries Commission (KVIC) promoting khadi and village industries and registered under Societies Act (Section 10-23-B).

vi. An institution registered for the purposes of religious Trust (Section 10-23-BBA).

vii. Income of a housing association (Section 20 A).

viii. A scientific research association as notified by government (Section 21).

ix. A mutual fund or public financial institution (Section 23 B).

x. Trade unions (Section 24).

xi. A provident fund or pension fund appropriately set up (Section 25).

Section 13 A refers to tax-exempt status of political parties.

In essence, therefore, the broad categories of organisations mentioned above are automatically tax exempt by the nature of their incorporation and purpose. They do not have to file annual income tax return in order to ascertain the tax-exempt nature of the organisation. All other types of voluntary non-profit organisations have to adhere to the provisions of section 11 and 12 of the Indian Income Tax, 1961 in order to secure a tax-exempt status. In practice, it implies filing an annual return after due registration with the income tax authorities, and being assessed as charitable non-profit on an annual basis. The basic criteria for assessment are two fold: firstly, that the purpose to which the activities and resources of the organisation are applied remain charitable as described in its own memorandum and approved by the income tax authorities; secondly, that no part of the profit or benefit accrues to those who are in the governing/founding mechanism of the organisation.

In addition, the Act provides for exemption under section 80 G to a non-profit organisation which enables the contributions of the donors to be tax exempt under
certain conditions. In order to secure such exemption, the organisation has to apply regularly to the appropriate authority.

In its broad definition of a charitable purpose, the Income Tax Act essentially includes the following provisions:

- relief of poor
- education,
- medical relief and
- advancement of any other object of public utility.

As can be seen from the above definition, activities focused on health, education and poverty are explicitly seen as charitable. But everything else is clubbed together in the broad phrase `advancement of any other object of public utility’.

VII Implications

The above analysis begins to highlight the complexities of securing a reasonable definition of the organisations in the voluntary non-profit sector in India. From the point of view of legal incorporation, Society and Trust seem to be the most commonly practised forms of legal incorporation. The former provides a series of purposes but the latter is silent on the same. By excluding co-operatives, trade unions, political parties, universities, schools, colleges, hospitals and medical centres from the provision of income tax, the law gives them a `suo moto’ non-profit status. A vast majority of other organisations have to secure a tax exempt status on the basis of established procedures and annual returns.

This brings in a certain amount of contradiction. Professional colleges and universities, modern hospitals and health centres, sports associations and professional associations are `suo-moto’ tax exempt. On the other hand, small, non-formal education and literacy programmes, primary health care and health education projects and folk culture centres
and local sports clubs, youth groups, self-help groups, women’s organisations, etc. all have to secure a non-profit status on an annual basis. In this sense, the legislative framework tends to favour more formal, more national, more modern and elite-oriented institutions than more grassroots, more local, more rural, and less formal organisations, even if they are engaged in broadly similar activities but with different processes and different clientele. The law also clubs together religious and charitable purposes and does not insist in separating various types of charitable purposes.

Clearly this legal framework is both inadequate and somewhat incomplete in its attention to the vast array of diverse organisations involved in some form of non-profit activity in the country today. Many operational intermediary voluntary development organisations have utilised Society incorporation which was essentially meant for a membership based organisation. Likewise use of Trust as a form of legal incorporation for intermediary voluntary organisations or grassroots community based organisations is a rather distant extension of the original meaning and purpose of the Act.

The law is also somewhat silent on the kinds of special benefits that could accrue to a non-profit organisation. If it is treated as non-profit, it is exempt from income tax on its surplus, revenues and incomes. But the Act lays down strict provisions on how it has to be invested and what proportion of these must be clearly applied towards the stated charitable purposes of the organisations. A detailed treatment of this is available in the accompanying occasional paper on the legal framework.

The provisions of law to enable and encourage philanthropic giving and donor contributions are rather weak and inadequate. There is a provision under section 35 of the Indian Income Tax Act which has been recently enacted to enable donors to contribute to broadly charitable developmental activities. But the essential catch in this provision is that each of these organisations and projects to which donations are to be received, must be specifically approved and certified by the government. Many funds and charitable endowments created by the government from time to time like the Prime
Minister’s Relief Fund or disaster relief fund become automatically tax exempt because the government is the main sponsor and beneficiary of those donations. The use of section 80 G has been declining in recent years and its benefits to the donor are limited to a reduction in taxable income by 50% of the donation given. As a result, these legislative frameworks do not encourage any significant increase in the flow of resources to the non-profit sector in India.

VIII Overlaps

In this section, ambiguities, overlaps and blurring of distinctions in the classification of voluntary non-profit organisation are analysed. Non-profit organisations overlap with for-profit as well as public institution.

In the Indian context, the form for legal incorporation does not necessarily determine the non-profit character of an organisation. There are, therefore, many situations of overlap between the non-profit character of an organisation and its for-profit activities. An example here is the creation of a Trust. There is a widespread opinion, partly supported by the experiences of income tax authorities in the country, that many ‘private’ Trusts have been set up as a conduit for siphoning off profits from a company. The assets and resources of such Trusts are applied for private gain and not for public purpose.

The ambiguity in the Indian Trust Act which does not separate private or public purpose has been responsible for this tendency. In the period of high taxation rate in the first three decades of the independence in the country, many wealthy individuals, families and profit making organisations are alleged to have set up such Trusts. While no systematic survey of the prevalence of such a practice exists, the strictures passed in a series of cases in the income tax department seem to indicate that this indeed has been a significant practice. It is the prevalence of this practice which has been partly the reason for strict conditionalities in the Income Tax Act for the use of resources of a charitable
organisation/trust in terms of investments as well as its access to the members of the
governing board or founders. Use of the Trust form for private purposes is acceptable in
terms of incorporation, but abuse in terms of gaining tax-exempt status to achieve
private gain is not acceptable in terms of income tax legislation. Given that this legal
form is common for nonprofits, it may be difficult for nonprofits to avoid being
tarnished by the fraudulent behaviour of the private trusts.

Another dimension of overlap between non-profit and for-profit organisations has to be
seen in the case of a recent trend where research and consultancy organisations have
been set up as a Society with an ostensible non-profit purpose. These limited
membership organisations are incorporated under Societies Registration Act partly to
access funds from development organisations nationally and internationally. These are
also used to create `self-managing’ organisations with limited public accountability and
easy process of incorporation. Legal incorporation of a Trust or a Society is
substantially easier and much less under public scrutiny than a private company or
partnership.

A third area of overlap in this regard is where associations of employers of industries
get together primarily as an interest group to advance their industry specific interests.
These associations have been variously incorporated as a Society or even a Trade Union.
The Indian Trade Union Act 1926 allows employers’ association to be incorporated as a
trade union as well. Most of the self-help groups and financial service providing
intermediaries are also utilising the form of incorporation available through a Society.
This is largely because other more appropriate forms of incorporation are not available.
Co-operatives continue to be under strong and direct control of government
departments and agencies and, as a result, this form of incorporation, while conceptually
appropriate has not been made use of in the case of self-help groups or mutual benefit
associations or producers’ and sellers’ associations.
Another category of overlap arises when formal organisations like trade unions, co-operatives and political parties undertake activities of broader public good. Examples exist of trade unions running educational and health programmes not only for their members and their families, but also for the community. This may not be separately legally incorporated activity but clearly falls in the broad definition of `public charity’. Likewise, many co-operatives provide social welfare and social service support to their members and their families’. This may be a part of their co-operative activity, but clearly falls within the jurisdiction of a non-profit nature. These are examples of ‘market related’ activities being undertaken as nonprofit activities, i.e., there is some mutual / associational benefit for either individuals or organisations that is undertaken without the pursuit of profit.

While most political parties are incorporated for a direct political purpose, it is not uncommon to come across situations where parties have sponsored social welfare organisations. Such organisations are incorporated independently in some cases; in other cases, they remain an extension of the party organisation itself. Mobilisation of resources for national causes, calamities, relief and welfare by political parties is not uncommon in the country. This is another grey area of overlap that cannot be adequately addressed within the existing legal framework.

In the second category of overlap between public and private organisations, there are many instances of hybrid or ambiguous situations. The first and increasingly common situation is where the government, at the national or provincial levels, sets up an organisation under incorporation in Societies Registration Act. Major nationally recognised institutions of the government are incorporated as a Society. National Dairy Development Board (NDDB) and National Labour Institute are stellar examples. Even CAPART is incorporated as a Society though the Minister concerned is ex-officio chairperson. This is particularly being done for those programmes which require international assistance Development programmes in the areas of health, micro-finance, family welfare, education, etc. are all increasingly getting managed through semi-
autonomous legally incorporated Societies. Therefore, by looking at their legal incorporation, one may conclude their non-profit status but in reality they are a subsidiary of a government department or ministry at the national or provincial level. This raises huge implications for the structural operational definition.

The other type of situation in this regard arises when a non-profit organisation is entirely dependent on one source of funding from the government. This is particularly the case for institutions funded by KVIC or Centre Social Welfare Board (CSWB). In the latter case, these are, in many instances, organisations providing institutionalised care - orphanages, homes of the elderly, homes for destitute women, etc. In their functioning, in their culture, in their rules, systems and procedures and even in their staffing, they are just like a department of the government. Therefore, their non-profit, private character gets undermined with overwhelming government control and manifestation.

A third situation arises where a government department or Ministry sets up collaborative venture with a non-profit organisation. The institutional arrangement may be a Society or a Trust but it has nominees of the government on the board in their ex-officio capacity. A recent example is Aravali in Rajasthan which has been set up as an independent organisation to promote natural resource redevelopment of Aravali region of Rajasthan. But in its legal identity, it is a Society with substantial representation from the government; and it can raise its own resources, besides the funds it receives from the Government. Likewise, PRATHAM a primary education initiative in the municipal schools of Mumbai is another example of similar overlap in public and private ownership.

In addressing the border-line overlapping cases, the case of religious organisations engaged in social welfare functions needs to be kept in mind. This has been already discussed at length earlier. In the Indian context, all religious organisations belonging to all different religious persuasions have not only religious institutions but also charitable institutions. Various streams of Hinduism, Christianity, Islam, Sikhism, Buddhism,
Jainism, have their own temples, mosques, churches and gurudwaras as principally religious institutions. These are treated as such in the Indian legal framework. There is a separate legal arrangement for them under the Religious Endowment Act 1863. For religious institutions and properties largely belonging to the institutions of Islamic faith, there are also separate legislations like Wakf Act 1954. However, most religious institutions have a social service wing engaged in a number of practical programmes in the field. These include education, health care, drinking water, fodder for cattle, sanitation and hygiene, etc.

In many cases, these social service programmes are operated from the same legal incorporation in which the religious organisation exists. This implies that such organisations, which are primarily set up for religious sacramental purposes, are also involved in other social service functions and thereby are very much a part of the non-profit sector. But the nature of the legal incorporation may seem to indicate that they are primarily a religious organisation.

In fact, the legal framework in India treats `religious and charitable’ as if it was a single phrase and does not distinguish between them when it comes to the matter of tax exempt status. However, since independence, with a secular constitution, there has been separation and a significant distinction between public governmental institutions, on the one hand, and organised religion, on the other. Though there have been some tendencies in recent years to utilise public offices and institutions for advancing majority Hindu cause, this continue to be resisted, both constitutionally and by people at large. What it does present, however, is a broader line situation where organisations set up to advance a religious purpose may be engaged in socio-political endeavour.

Recent debates on the role of Rashtriya Swayamsevak Sangh (RSS) and Vishva Hindu Parishad (VHP) on the one hand, and Islamic and Christian organisations alleged to be advancing the cause of their religions and religious conversion, on the other, have posed this question whether we can include such formations within the broad ambit of the non-
As a legally incorporated Society or Trust, their purpose may not be entirely in the interest of the society at large or what could be called a ‘general public utility’, but may appear to be much more focused on advancing the interest of one particular religious community against others. The particularistic nature of some nonprofit organisations is not a reason to exclude them, they are in effect mutual nonprofit organisations. However, this is a significant vulnerability of the nonprofit sector and justifies the recognition of particularism as one of the drawbacks of the nonprofit sector included in the Impact Assessment component of the Hopkins project.

The foregoing analysis of terminology and definitions of this complex and diverse terrain of organisations involved in voluntary non-profit action in India today raises many questions. The legal framework for incorporation creates more ambiguity than it resolves and its historical antecedents make extrapolation to contemporary context somewhat problematic. Likewise, the laws for tax treatment of organisations in this sector perpetuate confusions and ambiguity, as opposed to clarifying the same. However, the foregoing analysis has been useful in identifying challenges facing such organisations. These challenges are pertinent in elaborating a common terminology and perhaps a unified definition of the diversity of actors in the voluntary non-profit sector in India today, and also for the purposes of international comparative research.

IX Structural-operational Definition in the Comparative Non Profit Sector Study

As a part of its international comparative research on the non-profit sector, the Johns Hopkins University Center for Civil Society has developed a structural-operational definition. This definition comprises five characteristics which are elaborated in the box. The study has utilised this definition both in countries of the North and the South over the past decade. In the following section, we analyse the applicability of this definition for the Indian context. This section also identifies the areas of inclusion and exclusion and the implications derived from the same for the study in India.
a) Organised:

The primary thrust of this component of the definition is to include those actors which have a reasonable degree of institutional reality. In a particular sense, this will include organisations which have acquired a legal identity by incorporation under one of the several laws mentioned in the previous section as well as those which, though have not acquired legal identity, but can demonstrate institutional structure. Institutional reality can be demonstrated in several ways such as some form of internal organisational structure; relative persistence of goals, structure and activities; and meaningful organisational boundaries. Therefore, the universe of non-profit sector organisations included through this component of the definition would be much broader than those which are legally incorporated in one form or the other.

In the Indian context, there are a wide spectrum of initiatives which are not legally incorporated, but must be included for consideration. Many grassroots groups, local youth groups, self help groups, women’s groups, residents’ welfare associations, etc. are not legally incorporated in the sense prescribed by the laws of the land.

Another category of initiatives which are not legally incorporated are those which have a more cultural thrust. In different parts of the country, cultural associations spring about at the time of appropriate festivals. Ram Lila Committees in the north of India, Pooja Committees in the east, Ganesh Chathurthi Committees in the west and Christmas Committees in the South are very common associations which mobilise resources from ordinary citizens to undertake a cultural religious event. While some of these committees are legally incorporated and have a long standing continuity, by and large, small ‘mohalla’ (neighbourhood) committees in the rural and urban areas are temporary associations. They may not be legally incorporated but they are reasonably well organised and mobilise human, financial and physical resources to a great extent.
A third category of voluntary initiatives which may get excluded from a legally incorporated approach to this definition are what could be called local sports groups. Carom-board groups in West Bengal, soccer groups in Tamil Nadu and Cricket groups all over the country are reasonably organised voluntary initiatives. They are predominantly local mohalla (neighbourhood) based; they mobilise resources from among the members and from others; and they have structured activities over a period of time.

A fourth category of organisations and initiatives in the voluntary sector in India which are not legally incorporated are those which could be differently called as Fan Clubs or Support Groups. India has the world’s largest film industry. ‘Bollywood’ is bigger than Hollywood. Many of our actors and actresses in the cinema world have enormous social following throughout the country. Particularly in the South, in Tamil Nadu and Andhra Pradesh, fan clubs of favourite matinee idols abound. These are not limited to film personalities but also include other social, cultural-religious and political leaders in the country. They bring together individuals to pursue the ideals or aspirations of their hero or heroin and perform a wide spectrum of socio-cultural and political functions.

Another category of initiatives which do not have a legally incorporated identity are what are variously called social movements or people’s organisations in different parts of this country. Various kinds of movements exist on issues of human rights, gender justice, environmental protection, etc. Prominent among these are those which protect the livelihoods and assets of the marginalised and the excluded. Occasionally, such initiatives are also called people’s organisations. Such movements are essentially a form of coalition or alliance which brings together a wide range of individuals and formal organisations under a common umbrella. The activities of the movement, its resources and contributions are more than the sum of the organised members because typically they have a large number of individuals involved as well. These movements mobilise human and financial resources to pursue a cause. Some times they exist over long periods of time, like Narmada Bachao Andolan. Sometimes, they are temporary
and transient. But as a movement, they do not have a legal identity, even though they have legitimacy.

Finally, many traditional forms of associations are normally not legally incorporated under the laws mentioned above. As has been mentioned earlier, these include caste, ethnic or kinship associations. Practically every caste and sub-caste group in India has a local committee and regional association. While regional associations may be incorporated, the local committees remain largely informally organised. However, they mobilise resources and undertake socio-cultural programmes which are fairly consistent over a period of time. In recent years, various castes and sub-castes have also been politically mobilised to secure, protect or advance their political interests in India’s democracy.

Another very prevalent form of traditional associations abound in areas where tribal communities exist. These indigenous people had long had elaborate forms of self-governance and self-managing associations. They have associations which protect trees, forests and water. They have associations which have cultural relevance. “Hool-ghar” in Santhal Pargana region of Bihar is one such example. It brings together young women, it is a place of meeting, it is a place of encounter and it is a place of undertaking joint activities, but it is not legally incorporated. Many such associations abound in tribal dominated areas of the country in the North East, in the centre of the country and in the hilly terrains of the north.

Therefore, “organised” associations in the voluntary non-profit sector in India would also have to include those not legally incorporated. This criterion, of course, will exclude a wide variety of individual initiatives that also characterise voluntary action in India.

b) **Private:**
The essential thrust of this component of the definition is that such organisations should be independent of the government apparatus. Since government is equated with the ‘public sector’, such initiatives are in the realm of ‘private’. By and large, most voluntary non-profit organisations in India are within the realm of private initiative. However, the nature of these initiatives may vary considerably. For some, private initiative may be for private purposes as has been referred to earlier. When it is a private initiative for public purposes, then it needs to be a part of the non-profit sector. This is an important distinction to be made in the Indian context. It is important to note that private initiatives will also include initiatives taken by the self-help groups and even by such co-operative societies which are involved in activities intended for wider community benefit.

The second issue in this context is who the private actor is. In the case of Society and Trust, typically, individuals come together to pursue a public purpose and create an organised voluntary effort. However, as we have seen earlier, the initiator could also be another organisation. In the Indian context, business organisations have also set up a large number of non-profit organisations. While they serve a public purpose, the source of incorporation is a private for-profit organisation. Rural development foundations of many business houses like Tata, Muffatlal, Sarabhai, Chettiar, Reddy, etc. are typical examples of such organisations.

A third consideration is where a government department or a Ministry at the national or provincial level creates an organisation incorporated as a Society. Some of these are even created by an Act of parliament, like National Diary Development Board, CAPART, Indian Statistical Institute, etc. As has been mentioned earlier, many development programmes in the areas of health and family welfare, micro-finance, joint forest management, drinking water and sanitation are increasingly being conducted through Societies legally incorporated by relevant government departments or ministries. These will have to be clearly excluded from
consideration as part of the voluntary non-profit sector, if this construct of the definition is to be applied rigorously.

There is another somewhat new trend noticed in recent years. This is a trend where government officials, politicians, and ministers are creating voluntary organisations and mobilising resources for them. In a sense, these are private individuals and therefore, the definition could still include them; in another sense, these organisations are created by virtue of the official public position of such individuals and acquire resources for programs by virtue of the same; hence, they shall be excluded. While it may be difficult to summarily exclude such organisations in such a definition, it is important to recognise this aberration. If these nonprofits are being used as a vehicle for promoting a political / electoral candidate(s), they have to be excluded anyway.

The bulk of the actors in the voluntary non-profit sector in India would conform to this characteristic of the definition. However, it is important to keep in mind that private-public dichotomy in the Indian context is not fully understood, nor is area of black and white. Public institutions indulge in huge amount of private gain in this country. Private initiatives for public good is what we are referring to in this characteristic of voluntary non-profit organisations in India.

In operationalising this characteristic, private should be seen as an entity having an institutional identity separate from that of the state and that does not exercise any governmental authority. This elaboration will clarify the separation between publicly constituted governmental organisations from private initiatives.

c) Self-governing

The characteristic of self-governing is essentially to highlight the autonomous nature of such organisations. Some organisations that are private and nongovernmental may nevertheless be so tightly controlled either by
governmental agencies or private businesses that they essentially function as parts of these other institutions even though they are structurally separate. To eliminate such situations, we add the further criterion that non profit organisations must be self-governing. To meet this criterion, organisations must be in a position to control their own activities to a significant extent. This implies that they must have their own internal governance procedures and enjoy a meaningful degree of autonomy.

Under the various legal provisions available for non-profit organisations in India today, there is a mechanism of governance prescribed. This mechanism is intended to assure the autonomous nature of the organisation. By applying such a criteria to legally incorporated entities, it may appear that co-operative societies registered under the legal framework may have to be excluded. The control over the co-operative societies by government departments and regulatory authorities is fairly tight (Reddy, 1986). They even have the power to supersede them. However, there has emerged in Andhra Pradesh a new form of co-operatives called Mutually Aided Co-operative Societies (MACS) which are intended to be autonomous of government control. Such co-operatives could be included in the definition in this criteria.

Likewise, many trade unions in the country are labour wings of established national political parties. INTUC, AITUC, CITU, BMS, HMS, are clear examples of the same. The trade unions affiliated to these national trade union centres are controlled by their parent political parties. However, there are many local (plant or work place) level trade unions which are independent of a national trade union centre. They are set up by the members themselves and have a reasonably self-governing mechanism.

Another consideration in this regard will be the nature of funding available to an entity. As has been mentioned earlier, many entities are entirely funded by a single government agency like KVIC,CSWB, CAPART, etc. Such entities are significantly controlled by their source of funding in terms of the kinds of programmes and
activities they undertake. However, their direct control over the governance mechanism is not so clearly established.

In the case of Societies, by and large, the self-governing nature is assigned in the legal framework itself. However, in some provinces, amendments to the parent Act have been made in such a way that controls and limits the self-governing nature. For example, in U.P. a legally incorporated Society needs to renew its registration every five years. This has been a cause of significant government interference in recent years. In Tamil Nadu, there is a recent amendment which requires that no member of the governing body of a Society can serve for more than six years, thereby limiting the self-governing character of such organisations in Tamil Nadu. The Foreign Contribution Regulation Act (1976) has been amended recently to bring about another restriction on the self-governing nature. It implies that any change in the name or objects or registered office or even more than one third of its governing board membership requires fresh approval by FCRA registration authorities in the Ministry of Home Affairs, Government of India. This restriction has been quite irritating to the freedom of action by many such entities which are receiving foreign contributions under the definition of this Act.

Despite these grey areas, by and large, the legal framework enables self-governing nature of organisations in the non-profit sector. However, there is an increasing concern about the nature and functioning of the governing mechanism of these organisations. Accountable and transparent governance of these organisations has become a matter of great debate in recent years (Tandon, 1993). Effective governance of these organisations is yet to be established. There are many examples where a single person, typically a founder, controls the organisation without systematic public accountability and broad-based governance mechanism in place. Therefore, the elaboration of this criterion in the definition of the entities of the non-profit sector must contend with the quality of governance, or its absence, in the contemporary Indian context.
d) Non-profit distributing

Non profit organizations may accumulate profits in a given year, but the profits must be plowed back into the basic mission of the agency, not distributed to the organizations’ owners, members, founders or governing board. The fundamental question is: how does the organization handle profits? If profits are not distributed as income, what happens to them? If they are reinvested or otherwise applied to the stated purpose of the organization, the organization would qualify as a nonprofit institution. In this sense, nonprofit organizations are private organizations that do not exist primarily to generate profits, either directly or indirectly, and that are not primarily guided by commercial goals and considerations. This differentiates nonprofit organizations from the other component of the private sector-- private businesses. By and large, the rigorous Income Tax Act provisions ensure that most legally incorporated Societies and Trusts have to ensure that no profit or surplus is distributed to any of the founders or the members of the governing body or its office-bearers. To that extent, this criterion could be applied reasonably gregariously. However, there are some grey areas as well. There are a number of Societies and Trusts formed for the purpose of formal education or modern health care which are getting tax exemption but generate enormous resources through the provision of services which are paid for. There have been instances where such organisations have come under serious governmental scrutiny for violating certain provisions of the Income Tax Act in this regard.

Such a definition would also imply that self help groups and co-operatives, non-banking finance companies, micro-finance companies or organisations would have to be excluded because their members gain from the profits generated in this regard. This criterion, however, would not exclude trade unions because they do not have the provision of payments to their office-bearers. The only variation in all these cases that has to be kept in mind is that, in many cases, governing board members or office-bearers also work full time (or part time) in their professional capacity on the programs and
projects of the organisation. They get compensated for the same, as a reasonable contribution towards their time and effort in a professional capacity. But this does not imply sharing of the profits or surplus generated by the organisation.

e) Voluntary

To be included within the non profit sector, organisations must embody the concept of voluntarism to a meaningful extent. This criterion in the structural operational definition is perhaps the most contentious in the Indian context today. As has been mentioned earlier, the broad terminology associated with such initiatives in India has been voluntary action, voluntary association or voluntary organisations. In that sense, historically, voluntary meant some contribution of time, effort and resources without any compensation. However, many intermediary organisations employ paid staff, many service providing institutions in the sector have a large number of professionals as paid employees.

The nature of voluntary here is to be understood in a different sense. In the first sense, many organisations do have volunteers. This is particularly so for grass root associations, social movements, trade unions, sports and cultural bodies, etc. These volunteers are also part of the board of directors or governance mechanism of many such entities. Members of the board give their time free of cost to that organisation. Some organisations have a voluntary `circle of friends or supporters’ as well. However, with increasing professional capacities needed in the management of the programmes of such organisations, there has been a criticism that such organisations are no longer voluntary in the Indian context.

Voluntary is meant to be associated with `self choice’ or autonomous initiative as opposed to compulsory action or coercion to act. This approach will include a vast array of entities in the non-profit sector in India including professional associations and Associations of Chambers of Commerce and Industry. Lions and Rotary Clubs in India
are also illustrations of such voluntary groups. Therefore, the voluntary nature of such entities cuts across different types of entities in the country today.

But even this definition of voluntary initiative as a `self choice' initiative does seem to get violated where organisations have been set up by other entities. This is particularly so in the case of GONGOs or government sponsored NGOs or corporate business sponsored NGOs and foundations. Setting up of such organisations may not be truly voluntary in the same fashion as has been elaborated above. Therefore, their inclusion in the sector under this criterion may be problematic.

The more central issue here is the ambiguity and confusion surrounding the word voluntary in the India context. Some recent clarifications have helped to separate the multiple meanings that the phrase may connote Mahajan (1999) has talked about `volunteerism to professional voluntarism' as a way of separating the meaning. Professionalisation need not be in contradiction to voluntary initiatives. In many respects, social service organisations and other professional research and training institutions in the non-profit sector in India may be professional organisations similar to their counterparts in the private or government sector. But the spirit of autonomy, freedom, `self choice’ that guides their formation, functioning and governance of such organisations needs to be taken into account in this regard.

X Application of the Structural Operational Definition in India

The analysis of the sector in the Indian context in light of the structural-operational definition provided above excludes a major arena of ambiguity. The bulk of voluntary action in Indian context is driven by a purpose which is either spiritually or ideologically constructed. The purpose of the organisation as an elaboration of `public good’ is seen as central to the characteristic of voluntary non-profit organisation. Unless that `public utility or public good’ is socially legitimised and accepted as a purpose meaningful to the challenges of the society, it may be difficult
to construe it as voluntary non-profit organisation in the Indian context today. This may imply that educational and health institutions set up to service the middle class and the elite may not be seen as a part of the sector. Thus, within the wider recognition of a non profit sector, there is a distinctive component that is commonly recognised - the voluntary non-profit sector.

Likewise, associations involved in pursuing a political agenda not seen as constitutionally or socially legitimate could also be construed as outside the purview of the voluntary non-profit sector. In recent years, the Hindu associations like RSS and Vishwa Hindu Parishad and their Islamic and Christian counterparts may be seen as pursuing a purpose not commensurate with the ideals of the society and the constitution of India today. Further extension of this argument could be applied to the ‘semi separatist’ movements like Khalistan, ULFA and PWG which are engaged in an armed struggle against the state and its jurisdiction. In common parlance, such entities will be seen as pursuing purposes not legitimate to be included as a voluntary non-profit entity. The Hurriyat in Kashmir today is facing a similar challenge.

Since the legal framework in India, both of incorporation and that of tax-exempt status, looks at these purposes as central to defining the identity, it may appear that a structural operational definition of voluntary non-profit sector in India could exclude the criterion of purpose. However, there is a debate in establishing the legitimacy of a purpose: in whose eyes is it legitimate? Assuming that the entity follows the laws of land and operates within the constitutional framework, it could pursue a wide array of purposes which different segments of society may consider as legitimate or illegitimate, acceptable or unacceptable. This is an unresolved issue which may require consideration when defining the identity of the voluntary non-profit civil sector in India in future.

**XI Measuring economic activity in India**
The discussions so far in the paper bring out, on the one hand, the immense diversity of activities falling in the ambit of the non-profit sector in India and, on the other, the fact that identifying major attributes (components) of the structural operational definition adopted by the CNPS project for delineating the boundaries of the sector will be a formidable exercise, because of inherent possibilities of interpreting each component in widely differing ways. A central premise of the CNPS project is that far more data exist on some of the key dimensions of the non-profit sector in any country than is commonly believed. Therefore, it would be useful to examine, in the first instance, the secondary sources of data (mainly government generated) for determining their usefulness in throwing up the required information. Secondly, the question of dealing with the possible grey areas in various attributes defining the sector, it is necessary to understand as to how different types of non-profit organisations are actually captured by the country's economic classification systems.

Important macro-economic data series of relevance to the project, generated by the Official Statistics System of India, comprise national accounts statistics, socio-economic data thrown up by the annual surveys of the National Sample Survey Organisation (NSSO), Economic Census undertaken periodically by the Central Statistical Organisation (CSO), enterprise/establishment surveys conducted using frames from the Economic Census, Population Censuses, and Budget papers. Besides, administrative records created as a by-product of activities such as (i) registration of institutions under different Acts, (ii) invoking income tax provisions for declaration of institutions as non-profit institutions, and (iii) seeking government’s permission for receiving foreign grants, and donations, etc. may also provide helpful clue to the key dimensions of the non-profit sector in India.

Amongst the major initiatives taken by the Government of India, immediately after independence of the country, was to establish a permanent machinery for conducting scientifically designed country-wide sample surveys on regular basis covering various socio-economic aspects of the Indian masses and more importantly to generate data.
necessary data for national accounting purposes. The National Sample Survey Organisation was set up in the year 1950. It is the largest organisation anywhere in the world deploying some 6000 personnel spread throughout the length and breadth of the country in some 170 locations. The Organisation conducts, amongst other surveys, household surveys on varied socio-economic topics in the form of `rounds’ most of which are annual although some of them can be of shorter duration, usually six months and sometimes nine months. The NSSO was reorganised in the year 1972, when the organisation evolved and implemented a 10 year programme cycle of survey topics. According to the accepted programme cycle, detailed surveys were conducted in the 27th round (Oct. 1972-Sept.73), the 32nd round (July 1977-June 1978), the 38th round (Jan-Dec. 1983), the 43rd round (July 1987 - June 1988), and the 50th round (July 1993-June 1994).

The important variables on which information (of possible use to this study) has been generated or can be generated by re-tabulation of basic records are (i) labour force, (ii) total employment, (iii) total number unemployed, and (iv) population not in labour force. Further, the total employment can be broken down by one digit classification of the National Industrial Classification (NIC) which, at one digit level, is the same as the International Standard Industrial Classification (ISIC) developed by the United Nations. Further, for each NIC category, one can also obtain a break down of rural employment into `self-employed in agriculture’, `self-employed in non-agriculture’, `agriculture labour’, and `other labour’. Likewise, urban employment in each NIC category can be broken down into `self-employed’, `regular/wage earners’, `casual labourers’, and `others’

The Central Statistical Organisation (CSO) of the Government of India has been commissioning country-wide economic censuses periodically with a view to listing all individual enterprises and establishments in all the sectors of the economy except crop production and plantation. The ultimate objective of the exercise is to make available frames for conducting sample surveys in different segments of the non-agricultural
unorganised sectors of the economy. Four such censuses have been conducted so far in
the years 1977, 1980, 1990, and on 1998. Out of these, the results of the third
Economic Census conducted in all the States and Union Territories except Jammu and
Kashmir during the period April to September 1990 (latest for which data are available)
have been analysed in this paper.

The format of the schedule for listing enterprises used in the third Economic Census has
been appended at Annex I. It would be seen that the main information in the schedule
relates to identification of enterprises/establishments (institutions) engaged in
“economic activities” which are classified into various National Industrial Classification
(NIC) categories. (This Classification was developed and adopted in the year 1987 and
is, therefore, referred to as NIC 87 in the official statistics of India. In this paper, it is
referred as simply NIC.) Further, the information collected permits classification of
enterprises into “agricultural or non-agricultural”, and the ownership status of each
enterprise into “public or co-operative or private”. All information has been collected
for rural and urban areas. Finally, the schedule also contains information on the total
number of workers including hired workers engaged in each enterprise.

In the present exercise, the total enterprise list of the third economic census has been
scanned, in the first instance, to obtain the subset of those enterprises which are non-
agricultural. From the list of non-agricultural enterprises, those owned by public sector
and co-operatives have, then, been taken out to obtain the list of units in the private
sector alone. At this stage, the NIC-1987 categories which are likely to encompass non-
profit institutions were identified. The list is given in Annex II. It was found that private
sector institutions, in the NIC categories presumed to be accounting for major non
profit activities, numbered, in 1990, 4.76 lakhs (or 0.48 million) with an associated
employment of 27.39 lakhs (or 2.74 millions). These institutions are most probably
self-governing and having institutional structure. However, one can not say as what
proportion of these satisfy the other two laid down criteria viz. non profit distributing
and voluntary.
The important point emerging from the above analysis is that the Indian Official statistics system has so far never attempted to collect direct information on any one of the parameters of relevance to the non profit sector. The NPOs themselves do not seem to have given thought to the issue of documenting size, scope, areas of work or employment generated by the sector in India. Thus, estimates built up from an analysis of secondary data are bound to have varying margins of error, depending upon the methodology used.

XII Classification and NIC-ICNPO Correspondence

As mentioned earlier, the economic series in India are presented using the National Industrial Classification (NIC) framework. The NIC categories, presumed to be NPS dominated, have been taken into consideration for analyses of secondary data in the project. The list of such categories contains, for the present, 32 (economic) activities and is given at Annex II. In this Annex, ICNPO description of the ICNPO Groups/Sub-groups corresponding to the identified NIC categories have also been brought out. It may first be noted that NIC is a four tied hierarchical classification system. All economic activities are divided, in the first tier, into 10 sections numbered 0,1,2,......9. An additional Section “X” for classifying activities not adequately defined in sections 0 to 9 has also been provided. These 10 sections (with 1-digit codes) may be construed as broad or major groups and are parallel to the major groups of the ICNPO. Each Section, in the second tier, has been divided into a number of 2-digit level “divisions”. For example, the major group 8 (Financing, Insurance, Real Estate and Business Services), 81 (Provident and Insurance Services), 822 (Real Estate Activities), 83 (Legal Services), 84 (Operation of Lotteries), 85 (renting and Leasing, excluding Financial Leasing), and 89 (Business Services Not Elsewhere Classified). There are 72 “divisions” in all in the NIC. Finally, these 72 divisions have been split, in third and fourth tiers with 3-digit and 4-digit codes respectively, in sub-divisions with a view to distinguishing better between product specialisation or the scale of operation or the technology used, etc. The
information in Annex II has been tabulated in another way and presented in Annex III. In this Annex, various NIC categories have been allocated to ICNPO Groups and Sub-groups. Annex III, hopefully, brings out more clearly as to which ICNPO Groups or Sub-groups can be estimated well using NIC coding scheme. Perusal of the correspondence between NIC and ICNPO given in Annexes II and III reveals the following scenario:

i. There appears to be a fair amount of agreement in the descriptions and actual content of the two classifications, if the comparisons are made at the major group level.

ii. There are a few NIC categories which encompass activities under two or more ICNPO sub-groups. The best and most important example of this phenomenon can be seen in the description of NIC 930 which covers “Health and medical services by organisations and individuals such as hospitals, dispensaries, sanatoria, nursing homes, maternal and child welfare clinics, etc.” Obviously, the activities classified under ICNPO sub-groups 3100, 3200, 3300, and 3400 have all been clubbed together in one sub-division of NIC and, therefore, segregated information for individual ICNPO sub-groups can not be estimated, except through sample surveys.

iii. Likewise, there is an opposite phenomenon as well viz. several NIC sub-divisions could be combined to obtain one ICNPO sub-group. For example, activities in ICNPO sub-group 1100 i.e. Arts & Culture is an agglomeration of activities in a number of NIC sub-divisions. However, this case does not pose any problem, since the relevant ICNPO sub-group gets estimated.

iv. Of-course, there is a need for experts in the field to thoroughly examine the correspondence between ICNPO and NIC developed here, since there is a likelihood of having mis-classified certain activities. To illustrate the point, one can not be certain as to whether NIC sub-division 910 (Sanitary services connected with public health) ought to be classified under ICNPO Group 11, as has been done or whether it should go under ICNPO Group 3.

To sum up, some ICNPO Groups can be measured at major group level, but not at the sub-group level. Secondly, certain activities defined in ICNPO do not seem to be
finding a place in NIC. These are 4200 (Emergency Relief), 4300 (Income Support and maintenance), 6100 (Economic, Social and Community Development), 6300 (Employment and Training), 7300 (Political Organisation), and Group 8 (Philanthropic Intermediaries and Voluntarism Promotion).

There is compelling evidence to suggest that NPOs may be operating in a few other NIC categories not considered yet. Particular mention is made in this regard of NIC Section 8 (Financing, Insurance, Real Estate and Business services) and it’s divisions, and NIC division 96 (Personal Services).
### Annex-I
**CENSUS OF INDIA 1991**
**(ECONOMIC CENSUS)**

#### ENTERPRISE LIST

1. State/Union/Territory ........................................Code No. ...........................
2. District ........................................................................Code No. ...........................
3(i) Tehsil/Taluke/F.S/Dev.Block/Circle.,..Code No. ...........
3(ii) Development Block ....................................................Number ..........
4. Village/Town..........................................................Code No. ...........................
5. Name or No. of Ward/Mohalla/Hamlet .........Code No. ....
6. Enumerator’s Block No..........................................................................................
7. Rural/Urban ...............................................................Code No. ...........................

<table>
<thead>
<tr>
<th>Line number of houseli st (Col.1 of HL)</th>
<th>Census house No. (Col.3 of HL)</th>
<th>Sl No. of enterprise (Col. 8 of HL)</th>
<th>Description of activity of enterprise (Col.9 of HL)</th>
<th>Classification of enterprises (agri-1, seasonal - 2) Code</th>
<th>Name of operation (perennial -1, seasonal -2)</th>
<th>Type of ownership</th>
<th>Social group of owner (SC-1, ST-2, Others -3)</th>
<th>Power/fuel used for activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1 (i)</td>
<td>2</td>
<td>3</td>
<td>4(i)</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>18</td>
<td>6 (1)</td>
<td>---</td>
<td>6 Vegetable Selling</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>19</td>
<td>6(1)</td>
<td>---</td>
<td>7 Bangles Selling</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>20</td>
<td>6 (1)</td>
<td>8</td>
<td>----</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

(a) Count number of entries and give total

*Type of ownership : Private - 1, Cooperative -2, Public - 3

(b) Count number of entries with come 1 and give total

**Power/fuel used : Without power -1, Electricity -2, Coal/soft coke -3

(c) Count number of entries & give total in bracket

: Petrol/diesel -4, Gas -5, Firewood-6

: Bio-gas-7, Kerosene -8, Animal Power -9, Others - 0
## Annex II

### NIC Categories Used & Corresponding ICNPO Codes

<table>
<thead>
<tr>
<th>SL. NO.</th>
<th>3 Digit NIC Code</th>
<th>Description</th>
<th>ICNPO Code &amp; Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 **</td>
<td>830</td>
<td>Legal services : such as those rendered by advocates, barristers, solicitors, pleaders, muktaars, etc.</td>
<td>7.100 : Civic &amp; Advocacy organisations 7.200 : Law &amp; Legal Services</td>
</tr>
<tr>
<td>2</td>
<td>893</td>
<td>Business and management consultancy activities</td>
<td>Group 11 : Business and Professional associations, unions.</td>
</tr>
<tr>
<td>3 *</td>
<td>910</td>
<td>Sanitary services: Sanitation &amp; similar services e.g. garbage disposal, operation of drainage systems &amp; other work connected with public health &amp; sanitation</td>
<td>5100 : Environment</td>
</tr>
<tr>
<td>4 **</td>
<td>920</td>
<td>Educational services rendered by technical or vocational colleges, schools &amp; other institutions</td>
<td>2100 : Primary &amp; Secondary Education 2200 : Higher Education 2300 : Other Education</td>
</tr>
<tr>
<td>5 **</td>
<td>921</td>
<td>Educational services rendered by non-technical colleges, schools, universities &amp; other</td>
<td>2100 : Primary &amp; Secondary Education 2200 : Higher Education</td>
</tr>
<tr>
<td>Group</td>
<td>Series</td>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>-------</td>
<td>--------</td>
<td>------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>6</td>
<td>922</td>
<td>2300</td>
<td>Research &amp; scientific services not classified elsewhere such as those rendered by institutions and laboratories engaged in research in the biological, physical and social sciences, meteorological institutes &amp; medical research organisations etc.</td>
</tr>
<tr>
<td>7</td>
<td><strong>930</strong></td>
<td>2.400</td>
<td>Research 7 930 Health and medical services rendered by organisations and individuals such as hospitals, dispensaries, sanatoria, nursing homes, maternal and child welfare clinics, by allopathic/ayurvedic, unani, homeopathic, etc. practitioners</td>
</tr>
<tr>
<td>8</td>
<td>931</td>
<td>3.100</td>
<td>Veterinary services</td>
</tr>
<tr>
<td>9</td>
<td>940</td>
<td>5200</td>
<td>Religious services rendered by organisations or individuals</td>
</tr>
<tr>
<td>10</td>
<td>941</td>
<td>4.100</td>
<td>Welfare services rendered by organisations on a no-profit basis for the promotion of</td>
</tr>
</tbody>
</table>

45
welfare of the community such as relief societies, crèches, homes for the aged, and physically handicapped, etc.

<table>
<thead>
<tr>
<th>Group</th>
<th>Code</th>
<th>Description</th>
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</thead>
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<tr>
<td>11</td>
<td>942</td>
<td>Services rendered by business, professional and labour organisations n.e.c.</td>
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<td></td>
<td></td>
<td>Group 11 : Business and professional associations, unions</td>
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<td>12</td>
<td>943</td>
<td>Services rendered by co-operative societies n.e.c.</td>
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<td></td>
<td></td>
<td>4100 : Social Services</td>
</tr>
<tr>
<td>13</td>
<td>949</td>
<td>Community services n.e.c.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4100 : Social Services</td>
</tr>
<tr>
<td>14</td>
<td>950</td>
<td>Motion pictures &amp; video film production</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.100 : Culture &amp; Arts</td>
</tr>
<tr>
<td>15</td>
<td>951</td>
<td>Motion picture distribution &amp; projection services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1100 : Culture &amp; Arts</td>
</tr>
<tr>
<td>16</td>
<td>952</td>
<td>Stage production and related services</td>
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<tr>
<td></td>
<td></td>
<td>1.100 : Culture &amp; Arts</td>
</tr>
<tr>
<td>17</td>
<td>953</td>
<td>Authors, music composers, singers, dancers, magicians, and other independent artistes n.e.c.</td>
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<tr>
<td></td>
<td></td>
<td>1.100 : Culture &amp; Arts</td>
</tr>
<tr>
<td>18</td>
<td>954</td>
<td>Radio and television broadcasting and related services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1100 : Culture &amp; Arts</td>
</tr>
<tr>
<td>Code</td>
<td>Service Description</td>
<td>Group</td>
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<td>-------</td>
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<tr>
<td>19</td>
<td>955 Operation of circuses and race tracks</td>
<td>1200 : Sports</td>
</tr>
<tr>
<td>20</td>
<td>956.1 Libraries and Information Centres</td>
<td>1100 : Culture &amp; Arts</td>
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<tr>
<td>21</td>
<td>956.2 Museums</td>
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<tr>
<td>22</td>
<td>956.3 Botanical and zoological gardens</td>
<td>--do--</td>
</tr>
<tr>
<td>23</td>
<td>956.4 Zoos</td>
<td>--do--</td>
</tr>
<tr>
<td>24</td>
<td>956.5 Game sanctuaries</td>
<td>--do--</td>
</tr>
<tr>
<td>25</td>
<td>956.6 Planetoria</td>
<td>1300 : Other Recreation</td>
</tr>
<tr>
<td>26</td>
<td>956.7 Running of crocodile, turtle, etc. farms for preservation of species</td>
<td>1300 : Other recreation</td>
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<tr>
<td>27</td>
<td>957 Audio &amp; video cassette libraries</td>
<td>1.100 : Culture &amp; Arts</td>
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<tr>
<td>28</td>
<td>958 Video parlours, electronic games, and other amusement n.e.c.</td>
<td>1300 : Other recreation</td>
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<tr>
<td>29</td>
<td>959.1 Gymnasia</td>
<td>1.200 : Sports</td>
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<tr>
<td>30</td>
<td>959.9 Other recreational services n.e.c.</td>
<td>1100 : Culture &amp; Arts</td>
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<tr>
<td>31</td>
<td>980 International and other extra territorial bodies</td>
<td>Group 9 : International organisations</td>
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<tr>
<td>32</td>
<td>99 Services not elsewhere classified</td>
<td>Gr. 12 : NOT ELSEWHERE CLASSIFIED</td>
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</table>
* Not sure of the matching

** NIC does not distinguish between different ICNPO categories of the corresponding Group i.e. two or more ICNPO categories encompass activities included in one NIC category.

*** Several NIC categories encompass activities included in one ICNPO Group/ Sub-group
ICNPO Groups/Sub-Groups and Corresponding NIC Code Descriptions

<table>
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<tr>
<th>ICNPO Group/Sub-group</th>
<th>NIC Group</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>CULTURE &amp; RECREATION</strong></td>
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<td>1100 : Arts &amp; Culture</td>
<td>950</td>
<td>Motion Picture &amp; Audio Film Production</td>
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<td></td>
<td>951</td>
<td>Motion Picture Distribution &amp; Projection Services</td>
</tr>
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<td></td>
<td>952</td>
<td>Stage Production &amp; Related Services</td>
</tr>
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<td></td>
<td>953</td>
<td>Authors, Music Composers, Singers</td>
</tr>
<tr>
<td></td>
<td>954</td>
<td>Dancers, Magicians, &amp; Other Independent Artist n.e.c.</td>
</tr>
<tr>
<td></td>
<td>956.1-956.5</td>
<td>Radio and Television Broadcasting &amp; Related Services</td>
</tr>
<tr>
<td></td>
<td>957</td>
<td>Libraries, Museums, Botanical &amp; Zoological Gardens, Zoos, etc.</td>
</tr>
<tr>
<td></td>
<td>959.9</td>
<td>Audio &amp; Video Cassette Libraries Other Recreational Services n.e.c.</td>
</tr>
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<td>1200 : Sports</td>
<td>955</td>
<td>Operation of Circuses and Race Tracks</td>
</tr>
<tr>
<td></td>
<td>959.1</td>
<td>Gymnasia</td>
</tr>
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<td>1300 : Other Recreation</td>
<td>956.6</td>
<td>Planetoria</td>
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<td>956.7</td>
<td>Other Recreation</td>
</tr>
<tr>
<td></td>
<td>958</td>
<td>Other Recreation</td>
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<tr>
<td>EDUCATION &amp; RESEARCH</td>
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<tr>
<td>----------------------</td>
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<tr>
<td>2100 : Primary &amp; Secondary</td>
<td>920(a)</td>
<td>Educational Services Rendered by Technical or Vocational Colleges, Schools &amp; Other Institutions</td>
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<td>921(a)</td>
<td>Educational Services Rendered by Non-technical Colleges, Schools, Universities &amp; Other Institutions</td>
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<td>2200 : Higher Education</td>
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<tr>
<td>2300 : Other Education</td>
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<td>2400 : RESEARCH</td>
<td>922</td>
<td>Research &amp; scientific services not classified elsewhere such as those rendered by institutions and laboratories engaged in research in the biological, physical and social sciences, meteorological institutes &amp; medical research organizations etc.</td>
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<td>HEALTH</td>
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<td>3100 : Hospitals &amp; Rehabilitation</td>
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<td>Health &amp; medical services rendered by organisations &amp; individuals such as hospitals, dispensaries, sanatoria, nursing homes, maternal &amp; child welfare clinics, by allopathic/ayurvedic, unani,</td>
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<td>Code</td>
<td>Description</td>
<td>Notes</td>
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<td>-------</td>
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<td>--------------------------------------------</td>
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<tr>
<td>3200</td>
<td>Nursing Homes</td>
<td>X</td>
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<tr>
<td>3300</td>
<td>Mental Health</td>
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<td>3400</td>
<td>Other Health</td>
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**SOCIAL SERVICES**

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<th>Notes</th>
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<tr>
<td>4100</td>
<td>Social Services</td>
<td>941 Welfare services rendered by organisations operating on a no-profit basis for the promotion of welfare of the community, such as relief societies, creches, homes for the aged, and physically handicapped, etc</td>
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<td>943 (Welfare) Services Rendered by Co-operative Societies</td>
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<td>949 Community Services Not Elsewhere Classified</td>
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<td>4200</td>
<td>Emergency &amp; Relief</td>
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<td>4300</td>
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**ENVIRONMENT**

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<tr>
<td>5100</td>
<td>Environment</td>
<td>910 (c) Sanitation &amp; similar Services e.g.</td>
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<td>Code</td>
<td>Description</td>
<td>Details</td>
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<tr>
<td>52</td>
<td>garbage disposal, operation of drainage systems &amp; other work connected with public health &amp; sanitation</td>
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<td>5200</td>
<td>Animal Hospitals &amp; Services providing care</td>
<td>931 Veterinary Services</td>
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<tr>
<td>6100</td>
<td>Economic, Social &amp; Community</td>
<td>Y</td>
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<td>6200</td>
<td>Housing</td>
<td>5001 Construction of residential buildings</td>
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<td>5003 Establishments Engaged in Repair and Maintenance</td>
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<tr>
<td>6300</td>
<td>Employment &amp; Training</td>
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</tr>
<tr>
<td>7100</td>
<td>Civic &amp; Advocacy</td>
<td>X</td>
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<td>7200</td>
<td>Law &amp; Legal Services</td>
<td>830 Legal services such as those rendered by advocates, barristers, solicitors, pleaders, mukataars, etc</td>
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<td>7300</td>
<td>Political Parties</td>
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**DEVELOPMENT & HOUSING**

**ADVOCACY**

**PHILANTHROPIC**
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<th>Category</th>
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<tr>
<td>INTERMEDIARIES AND VOLUNTARISM PROMOTION</td>
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<td>INTERNATIONAL</td>
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<tr>
<td>9100 : International Activities</td>
<td>980</td>
<td>International &amp; Other Extra Territorial Bodies</td>
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<tr>
<td>RELIGION</td>
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<tr>
<td>10100 : Religious Congregations &amp; Associations</td>
<td>940</td>
<td>Religious Services Rendered by Organizations or Individuals</td>
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<tr>
<td>BUSINESS AND PROFESSIONAL ASSOCIATIONS, UNIONS</td>
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<tr>
<td>11100 : Business, &amp; Professional Associations, unions</td>
<td>893</td>
<td>Business and Management Consultancy Services. Services Rendered by Business, Professional &amp; Labour Organizations n.e.c.</td>
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<tr>
<td>NOT ELSEWHERE CLASSIFIED</td>
<td>99</td>
<td>Services Not Elsewhere Classified</td>
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</tbody>
</table>
X : Not separately classified in NIC

Y : Not available in NIC at all; Further investigations needed.

(a) : Significant mismatch. NIC Codes 920 & 921 also include Higher Education & Other Education. In other words, ICNPO 2100 + 2200 + 2300 = NIC 920 + 921

(b) : Significant mismatch. NIC 930 includes ICNPO 3200, 3300, & 3400.

(c) : Not certain about ICNPO-NIC correspondence

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<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Title</th>
<th>Publisher/Location</th>
<th>Year</th>
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<tbody>
<tr>
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<td></td>
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<tr>
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<td></td>
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<td>New Delhi, 1987</td>
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<td>PRIA</td>
<td>Management of Voluntary Organisations</td>
<td>New Delhi, 1989</td>
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<td>PRIA</td>
<td>Manual on Finance Management and account’s Keeping</td>
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<td>Voluntary Development Organisations in India: A Study of History, Roles, and Future Challenges and NGOs in India - A critical Study</td>
<td>New Delhi, 1991</td>
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</tr>
<tr>
<td>PRIA</td>
<td>Legal Framework, 2000 (Forthcoming).</td>
<td></td>
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</table>
**Seth, D.L.**


---

**Sethi, Harsh and Smithu Kothari**


---

**Siddartha, Sen**


---

**Tandon, Rajesh**


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**Tandon, Rajesh**


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**Tandon, Rajesh**


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---

**Volken, Henry**

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