

## AN ANALYTICAL STUDY ON THE ROLE OF NGOs IN THE POVERTY REDUCTION OF INDIA

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### ABSTRACT

Poverty reduction has been declared as the most important Millennium Development Goal (MDG) by the Government of India (GOI). It has been one of the major objectives of planned development in India. And since Independence the GOI formulated many economic strategies for planned economic growth with two objectives viz., ensuring economic growth with equity and social justice. Non Government Organisations (NGOs) are non-profit organisations constituted with an aim to uplift the poor, marginalized, unprivileged, underprivileged, impoverished, downtrodden groups. NGOs participate actively in various political, economical and social matters and work on their own, in conjunction with individual governments or with international organizations. These groups were expected to show how village and indigenous resources could be used and how human resources, rural skills and local knowledge, grossly underutilized at present could be used for their own development. Over the last two decades NGOs are working basically to eradicate poverty and for women empowerment. In the recent years they have designed their programs to address the strategic needs of poor with a view to providing basic social services as well as fulfilling practical needs. They are playing very significant role in uplifting the poor with their innovative programmes. On this backdrop, the present study explores the role and their performance of NGOs in poverty eradication.

**Keywords:** Poverty, NGOs, Poverty alleviation/eradication, upliftment, empowerment.

## INTRODUCTION:

Poverty is widespread in India, with the nation estimated to have a third of the world's poor. The World Bank (2005) estimated that 41.6 percent of the total Indian population lived under the international poverty line of US \$1.25 per day (PPP). Major determinants of poverty are lack of income and purchasing power attributable to lack of productive employment and considerable underemployment, inadequacy of infrastructure, affecting the quality of life and employability etc. NGOs have a significant role in assisting the rural poor to break out of the vicious circle of poverty. A major source of the strength of NGOs comes from their idealism and values, which include a strong spirit of volunteerism and independence. Most NGOs consider empowerment of the poor as their major goal and objective. The empowerment can be as basic as enabling groups to improve their conditions through socio-economic development programmes or projects.

"Empowerment is the ownership of the development process by the people themselves. All development stakeholders – government, private sector, banks, NGOs and other members of civil society – must recognize the capacity of the poor to develop themselves as free, responsible and self-reliant groups and communities and create the environment for individuals to come together and organize themselves." Report on 10<sup>th</sup> IFAD/NGO Consultation, Pune, India, 2000.

- NGOs are tremendously working, and helping government, institutions, and the rural poor in the fight against poverty. They have played an increasingly prominent role in the development sector as innovative and Grassroots Driven Organisations with the desire and capacity to pursue participatory and people centred forms of development and to fill gaps left by the failure of the government in meeting the needs of their poorest citizens. NGOs because of their situation and interaction with local people can be very effective in bringing change since they are able to address issues that governments are often not able to comprehend. That is, because these organizations work at the grass roots level they are able to sense the urgency of issues and prioritize into the problem solving mode at a quicker pace.
- The empowerment of the rural poor and community mobilization are the keys to sustainability, and these processes can take extensive periods of time to be assimilated. In order to reap the distinct advantages of empowerment, the IFAD and NGOs are collaborated. From a practical point of view, NGOs have a number of distinct features that build upon the foundation for effective collaboration:
- NGOs are often able to reach segments of rural populations that governments neglect or do not target as priority. They often find their way into remote rural areas to identify the poorest segments of communities, deliberately seeking out those who are normally excluded from development processes because of their isolation, their lack of assets and their vulnerability.
- NGOs engage the poor in capacity-building activities as a major component in their programmes and projects. Whether literacy programmes or agricultural extension or handling of credit, these activities lay the foundation for creating local groups and organizations that can then link with other groups having common interests through federations, coalitions, networks, etc.
- NGOs are recognized for their role in developing new initiatives, new programmes or components of programmes, new approaches, new mechanisms, etc., to address development problems and issues. Many NGOs, with their generally flexible organizational structure and characteristics, which include organizational independence, and participatory structures are able to experiment on new institutional mechanisms and on different approaches that add value to projects. The criterion of innovativeness of a project is now generally a requirement of most donor agencies in formulating and appraising NGO projects.
- NGOs possess extensive knowledge of local conditions. NGOs with long-term experience in the target area can help provide baseline data and information on the local economy and infrastructure, the existence (or absence) of self-help organizations, and the major obstacles to development.
- NGOs deem active participation by the poor in their development process as an essential precondition to their empowerment – participation not only in the implementation of programmes or projects but also in their conceptualization, design, monitoring and evaluation. Many of these participatory tools and methodologies have gone on to be adopted by official development agencies and, in some instances, even by government.

## REVIEW OF LITERATURE:

In India and abroad, several studies have been made on Non Government organizations working in urban as well as rural areas. Much of the literature on these organizations in Indian settings has come from traditional social work.

According to Sachs (2005), a 'poverty trap' must first be solved in combating poverty. Although the poor have willingness to overcome their ill-being, they are not able to do it by using their own resources. There are so many factors that trap the poor until they are in powerless conditions, such as diseases, climate stress, environmental degradation, physical isolation, and also extreme poverty itself. Essentially, the poor must be helped to exit from the poverty trap. If it can be reached, there will be an opportunity to get a first foothold on the ladder of development. In helping the poor to climb out of poverty, NGOs use two approaches: supply-side and demand-side (Clark, 1995). Fowler (1997) identifies two types of NGO tasks: micro-tasks and macro-tasks. From the *supply-side or micro-tasks approach*, NGOs provide various basic public services to the poor. It is argued that especially in countries where government lack public services, NGOs play a significant role in the direct provision of social and economic services. In general, NGOs emerge and play the roles as service providers.

NGOs or Voluntary Organizations are not a new phenomenon and the concept of voluntary action is very ancient. According to Inamdar (1987), "During ancient and medieval times, voluntarism operated freely and exclusively in the fields of education, medicine, cultural promotion and even acted as succour in crises like droughts, floods, epidemics and foreign invasions". Michael Banton's essay (1957) viewed that "Voluntary Associations become more common and significant as societies advance in technology, complexity and scale and these associations function as a means of organizing people in order to achieve new ends, such as the raising of capital, the regulation of prices and the provision of extra labour" (Stefanovic et al., 2010). Shalini Mehta (1980) has found that these organizations working more effectively in the field of education rather than the Government department, where as in the case of health, both Voluntary and Government Organizations failed. K.A. Suresh's (1990) found that NGOs are not working as participatory organizations to the extent desired. The rates of participation of beneficiaries and institutional arrangements for participation are found to be very low. The beneficiaries are also found to be not keen in getting represented in decision making bodies and planning process. Vanitha Vishwanath's (1993) evaluates and compares the role of two NGOs i.e., Integrated Development Service and Gram Vikas in promoting women development. She found that Gram Vikas is working more effectively than Integrated Development Service. This is because that Gram Vikas programmes are designed in such a way that they yield quick results and are sensitive to the immediate needs of the people. Vijay Mahajan (1994) made an attempt to examine the role of NGOs and training institutions in DW CRA programme. His study emphasizes that there is a need for the NGOs and training institutions to make DW CRA programme more effective.

Roger C. Riddell and Mark Robinson (1995) found that NGO projects were successful and effective in improving the social status of the poor; however, not all the projects were successful in reaching the poor. S. Mohanan (2000) points out that NGOs have been playing a very important role in the country over the last quarter of the century in the sphere of social development. He opines that NGOs are a powerful tool in poverty alleviation and development. He considers that "The role of NGOs is more significant and pronounced in the sphere of micro credit. The rich experience of NGOs in the sphere of credit union and their grass root level involvement with the poor and their problems is a potential factor that affirms their elevated role in the sphere of micro credit" (ibid : 22-23). He believes that "NGOs will have a more elevated role in micro credit and through it the empowerment of women in days to come" (ibid: 28). D.K. Gosh (2001) opines that attacking poverty and its reduction to an appreciable extent seems to be not manageable only by the Government sector. He considers Government Organizations need collaboration and co-operation from other than Government institutions for creating opportunities, facilitating empowerment and providing security for the poor. He prefers NGOs because they have greater accountability to the poor, as they work among the poor, while the official system is yet to be totally pro-poor. Desai (2005) has mentioned that NGOs have an important role to play in supporting women, men and households, community groups, civil society groups and expected that they can meet the welfare.

M. Gurulingaiah (2002) observed that the NGO has been organizing the women to form SHGs to meet their felt needs and enable them to participate in planning and implementation of their own developmental programmes. Besides, it has been conducting social and health awareness campaigns to eliminate superstitious customs, attitude and thinking related to poverty and child birth which are blocking the progress of tribal women. M. Ramesh Singh (2004) concluded that NGOs are playing active role in development activities in the fields of education, health and sanitation, women and children to improve the quality of life. Pradeep Kumar (2005) noticed that there is an urgent need that Government Organizations and NGOs act in collaboration for rural development. F.A Kuponiyi and A. A. Ladele (2007) explored that NGOs are very reliable in effective adaptation and transfer of technology to farmers,

delivery of agricultural support services and effective vehicles for alleviating rural poverty. He concluded that the NGOs need more donor assistance to enable them expand the scope of their operations. Nair (2011) highlights the potential for collaboration when NGOs remain in predefined roles of service provision, but the generation of conflict when NGOs step outside these to question government policies. While collaboration and strong linkages with national governments assists programme sustainability (Barr et al 2005; Rosenberg et al 2008), where interests of the state and NGOs increasingly coincide, this runs the risk of pushing out the interests of those they are both responsible to, the poor (White 1999).

### **METHODOLOGY:**

Non-Government Organizations have become an irresistible global force today. The non-governmental sector is growing in relation to its presence in developmental activities. Its role in the sphere of human development is now widely recognized and accepted in most parts of the universe. As former UN Secretary-General Boutros-Ghali and other UN officials have noted, the involvement of NGOs in making decisions on the environment, sustainable development, human rights and women have increased the legitimacy and transparency of intergovernmental deliberations. NGOs come in all sizes, shapes, ideologies, nationalities, organizing structures and styles. NGOs encompass everything from charities and relief agencies to political parties; think tanks and academic centers to community organizations; cultural associations to continent wide farmers' networks; women's groups to environmental federations; social movements to human rights and religious groups. The need to analyze the role of NGOs in poverty alleviation arises because of the recent considerable importance that the GOI has placed to these organisations. The study analyzed the role of NGOs by evaluating their performance strategies in empowering poor and women in India. The relevant literature formed the data source for our content analysis concerning the current position of NGOs in India. The general objective of this study is to empirically test the NGOs performance for development of poor which ultimately leads to the overall development of the country.

### **OBJECTIVES OF THE STUDY:**

Despite certain attempts made to study different aspects of NGOs, there remain certain very pertinent gaps. In order to fill the gaps, the present study was undertaken. With this background the present study "AN ANALYTICAL STUDY ON THE ROLE OF NGOs IN THE POVERTY REDUCTION OF INDIA" has been formulated with the following objectives:

- To analyze the magnitude and severity of poverty
- To analyze the strategies adopted by the poor in overcoming poverty
- To discuss the nature of voluntary organisations.
- To study the present scenario of NGOs in India
- To analyze the need of NGOs related to various sectors/ areas or groups.
- Examining the efforts made by the NGOs in alleviating poverty
- To analyze the impact of the reforms undertaken by NGOs.
- To assess the impact on economic and social empowerment of poor and women.
- To review the challenges faced by NGOs.
- To evaluate the role in the overall development of the economy.

For accomplishing the objectives of the study, both secondary and primary data have been utilized. To evaluate the overall position of the NGOs in India, secondary data has been collected from various published sources and websites. Secondary data is the data collected by different agencies for other than the present purposes have also been used. Interpretation of the data is more on qualitative terms than on quantitative terms. This data has been collected from various publications and other scholarly works which includes academic journals, newspapers, Govt. and non-govt. publications, and various web sites etc. Primary Data is the first hand information and the analysis of the present study largely based on this data which has been collected through direct interview method. Interpretation for data is based on rigorous exercises aiming at the achievement of the study objectives and findings of the existing studies.

### **SIGNIFICANCE OF THE STUDY:**

The present study is a significant attempt to examine the role of NGOs in poverty reduction which will prove helpful to analyze lacunae in the developing economy like India. Further, it can helpful to explore some

untapped areas where potential for development exists and rectification of the flaws in the present system. The study will also prove helpful in empowering the poor by generating employment avenues and making the country self-reliant. The study may also be equally important for all those interested in undertaking similar studies in the context of other aspects of NGOs because certain methods and approaches evolved and employed should be helpful in carrying out further studies of similar nature.

**ANALYSIS:**

India is a developing economy with 22 percent of the world’s poor. Poverty is a global dialog and poverty eradication is considered integral to humanity’s mission for sustainable development. Thus, reduction of poverty in India is vital for the attainment of international goals. The philosophy underlying the poverty alleviation programs is to tackle the rural poverty by endowing the poor with productive assets and training for raising their skills so that they are assured of a regular stream of employment and income in raising themselves above the poverty line. Poverty in India has been a persistent problem and according to World Bank figures, India has around 433 million people living on less than US \$1 a day, twice the number of poor in sub-Saharan Africa, and 36 percent of the total number of poor in the world. Poverty remains an enormous problem with rapid population growth.

**Table 1: Poverty Indicators**

Number of rural poor (million, approximate) (2010)	231,631,442.3
Poverty headcount ratio at rural poverty line (% of rural population) (2005)	28.3
Poverty headcount ratio at national poverty line (% of population) (2005)	27.5
Income share held by lowest 20 percent (2005)	8.1

**Source:** Economic Survey (2010)

According to the Tendulkar Committee Report, 37 percent of people in India live below the Poverty Line (BPL). The Arjun sengupta Report states that 77 percent of Indians live on less than ₹ 20 a day (about \$0.50 per day). Basing on calorific intake, the N.C. Saxena Committee report states that 50 percent of Indians live below the poverty line. A study by the Oxford Poverty and Human Development Initiative using a Multi-Dimensional Poverty Index (MPI) found that there were 650 million people (53.7 percent) living in poverty in India, of which 340 million people (28.6 percent) were living in severe poverty, and that a further 198 million people (16.4 percent) were vulnerable to poverty. It is also found that 421 millions of poor are concentrated in Eight North Indian and East Indian states of Bihar, Chattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal.

National Council of Applied Economic Research (NCAER) estimated that 48 percent of the Indian households earn more than ₹90,000 annually. According to it, in 2009, of the 222 million households in India, the absolutely poor households (annual incomes below ₹ 45,000) accounted for only 15.6 percent of them or about 35 million (about 200 million Indians). Another 80 million households are in income levels of ₹ 45,000– 90,000 per year. According to a new Poverty Development Goals Report, about 320 million people in India are expected to come out of extreme poverty in the next four years, projecting a decline of 22 percent in 2015.

Since Independence, the GOI and NGOs have initiated several programs to alleviate poverty, including subsidizing food and other necessities, increased access to loans, improving agricultural techniques and price supports, and promoting education and family planning. These measures enabled to eliminate famines, cut absolute poverty levels by more than half, and reduced illiteracy and malnutrition.

**Table 2: Rural Poverty In India (1983 To 2005-05) Including Revised Estimates By Tendulkar Committee**

S.No.	NSS Round	38 <sup>th</sup>	50 <sup>th</sup>	61 <sup>st</sup>
		1983	1993-94	2004-05
1	Direct Poverty Line (DPL)Rs. < 2400 Kcal	120	326	800
2	Direct Poverty Ratio(DPR), %	70	74.5	86.7
3 (a)	Official Poverty Line (OPL)	89.5	206	356
(b)	Revised OPLTend.Com.	NA	237*	415*
	(ROPL)	NA	255*(MRP)	446.7(MRP)
4(a)	Official Poverty Ratio (OPR),%	45.6	37.2	28.3

(b)	Revised Official Poverty Ratio (ROPR),%	NA	50.1	41.8
5(a)	Calorie Intake @ OPL	2060	1980	1820
(b)	Calorie Intake @ ROPL	NA	2100	1930
6(a)	Deficit Calorie Intake @ OPL	-340	-420	-580
(b)	Deficit Calorie Intake @ ROPL	NA	-300	-470

Source: Economic Survey (2004-04), Tendulkar Report

**Table 3: Urban Poverty In India 1973-74 To 2004-05**

S. No.	Round No.	38	50	61
		1983	1993-94	2004-05
1	Direct Poverty Line DPL < 2100 calories	147	398	1000
2	Direct Poverty Ratio DPR, %	58.5	57.0	64.5
3	Official Poverty Line OPL, %	117.6	285	538.6
4	Official Poverty Ratio OPR, %	42.2	32.6	25.7
5	Calorie Intake @ OPL	1905	1885	1795
6	Deficit from norm 2100 Kcal	-195	-215	-305
	Ratio of DPL to OPL	1.25	1.40	1.86

Source: Economic Survey (2004-04), Tendulkar Report

Non-government organizations have existed in India since Independence in 1947. These have worked for rehabilitation and social welfare and to serve the poor and marginalized. The number of NGOs had remained static for some 30 years, but has mushroomed in the 1980's and 1990's (ADB report on NGOs in India, 2003). Different categories of NGOs are involved in different types of services, like some are working for gender development, some for human rights and some for micro credit etc. The prime objective of all of NGOs is the upliftment of poor, especially women. They are closer and accessible to the target groups, flexible in administration, quicker in decision making, timely in action and facilitating the people towards self reliance ensuring their fullest participation in the whole process of development.

**MISSIONS OF NGOS:**

Non Governmental Organizations (NGOs) are launched with various purposes. Based on the region or local demand and problems, divergence in each NGO targets and objectives can be observed. But everywhere the main purpose of NGOs is the much-desired development of poverty strike deprived people. The missions and goals with which the NGOs are established and conducting their operations in India are:

- Assisting the poor and suffering people as well as exercising self-control through utilization of own resources.
- Identifying native assets, local leadership and ensuring effective utilization of these for welfare and development.
- Coordinating the poor and deprived ones through formation of co-operatives and thus facilitate the socio-economic progress.
- Health and Nutrition development.
- Acting as the associate of the government and no as competitor.
- Generating alternatives to overcome special social problems and hurdles besides taking necessary steps to aware the general population.
- Creating positive attitude of the society, annihilation of superstition and belief against development and bringing in the deprived ones in the main stream of development.
- Giving priority to women in loan scheme by involving them directly in production process and thus creating scope of additional income in the family, which gradually leads to self-sufficiency.
- Continuing the assistance towards poor so that they can create own investment by saving at a growing rate from upward income.
- Creating awareness and developing leadership for the landless and relatively less facilitated ones.
- Helping out people in coping with the changing societal environment.

Vast country, like India with huge population and with poverty as the biggest problem, the Government cannot put up a fight against substance abuse alone. It is at this juncture that the role of NGOs becomes vital. The main

role of any NGO is to lend a helping hand to the Government in its fight against any social evil and its endeavor to work for social upliftment. NGOs were intended to fill a gap in government services, but in countries like India, NGOs are gaining a powerful stronghold in decision making. In the interest of sustainability, most donors require that NGOs demonstrate a relationship with governments. State Governments themselves are vulnerable because they lack strategic planning and vision. They are therefore sometimes tightly bound by a nexus of NGOs, political bodies, commercial organizations and major donors/funders, making decisions that have short term outputs but no long term affect. NGOs in India are under regulated, political, and recipients of large government and international donor funds. NGOs often take up responsibilities outside their skill ambit. Governments have no access to the number of projects or amount of funding received by these NGOs. There is a pressing need to regulate this group while not curtailing their unique role as a supplement to government services.

**TYPES OF NGOS: NGOS CAN BE CLASSIFIED BY ORIENTATION AND LEVEL OF CO-OPERATION:**

***By Orientation:***

- Professional association
- Empowering orientation;

***By level of Co-operation:***

- Community-based organization
- City-wide organization
- National NGOs
- International NGOs

Apart from "NGO", there are many alternative or overlapping terms in use such as: Third Sector Organization (TSO), Non-Profit Organization (NPO), Voluntary Organization (VO), Civil Society Organization (CSO), Grassroots Organization (GO), Social Movement Organization (SMO), Private Voluntary Organization (PVO), Self-Help Organization (SHO) and Non-State Actors (NSAs). Non-governmental organizations are heterogeneous groups which include:

- BINGO – Business-friendly International NGO/ Big International NGO
- TANGO - Technical Assistance NGO
- TSO - Third Sector Organization
- GONGO – Government Operated NGOs
- DONGO - Donor Organized NGO
- INGO - International NGO;
- QUANGOs - Quasi-Autonomous NGOs
- National NGO
- CSO - Civil Society Organization
- ENGO - Environmental NGO
- NNGO - Northern NGO
- SNGO - Southern NGO
- SCO - Social Change Organizations'
- TNGO- Transnational NGO
- GSO - Grassroots Support Organization
- MANGO - Market Advocacy NGO
- NGDO - Non-Governmental Development Organization

***NGOs perform many duties such as:***

- Community health promotion and education (such as hygiene and waste disposal).
- Managing emerging health crises (HIV/AIDS, Hepatitis B).
- Community social problems (juvenile crimes, run-away, street children, prostitution).
- Environmental (sustainable water and energy resources).
- Economic (micro loans, skills training, financial education and consulting).
- Development (school and infrastructure construction).

- Women's issues (women's and children's rights, counseling, literacy issues).

#### **NGO ACTIVITIES TO ERADICATE POVERTY:**

The NGO have taken some significant initiatives to handle the poverty situation considering certain aspects stated below:

- a) Speedier economic growth achievement process
- b) Human Resource development
- c) Specific target setting for poor

Hence, a combined strategy considering all three stated aspects is necessary to undertake. As a part of these combined strategies, NGOs have undertaken some key activities which are as follows:

#### **HUMANITARIAN AND STRUCTURAL DEVELOPMENT OF ORGANIZATIONS FOR POOR:**

NGOs are playing essential role for humanitarian development through joint analysis and seeking solution through different seminars and workshop, joint social activities, and application of socio-economic projects. Besides, they have introduced certain essential concepts like developing small groups, credit based cooperatives, mother welfare society and cooperatives etc. for homeless/ landless etc. and thus have strengthened the root of organizational structure for rural poverty.

#### **EMPLOYMENT GENERATION:**

In order to encourage the rural poor to participate in different economic activities and to increase their income through employment generation, several policies, methods and strategies of the NGOs have attracted the attention of some foreign development experts. NGOs usually create employment in two ways. First of all, they provide employment in their own organization and secondly, they provide loans and management assistance to individuals, which create new employment opportunity. Besides they are providing inputs, technical and skill training and development facilities to poor men and women in order to get self-employment. Thus they are significantly contributing in eradication of poverty by providing the above-mentioned essentials.

#### **ORGANIZING GROUPS AND PARTICIPATION OF THE BENEFICIARIES:**

One very important and effective innovation by NGOs is the strategy of organizing group wise meeting. As a result, participation of the true beneficiaries and direct objective setup is possible to achieve economic target. Besides, It is an effective element in making the loan scheme (to economically empower the poor) successful. This type of meeting keeps up for the poor the trend of empowerment and awareness along with raise in their entitlement.

#### **MICRO CREDIT:**

Overall economic development is essential for poverty eradication at both urban and rural levels. Besides employment generation, per head income and scheme to increase savings is required so that a sustainable development and poverty reduction can be seen for the poor. Microfinance is another important sector that NGO's have fully utilized in reaching out to the poor. Their roles in this sector, has immensely contributed to alleviating poverty among the poor. The purpose of using microfinance to alleviate poverty is as a result of what role microfinance can play and what impact it created on the beneficiaries. Microfinance has a very important role to play in development according to proponents of microfinance.

*Lending methodologies of different NGOs:* Different NGOs have adopted different lending methods for their micro-credit schemes such as:

- Group-based lending or Grameen Approach (lending to groups of 5-15 members)
- Individual lending or financial intermediation (lending to individuals)

#### **INITIATING CAPACITY BUILDING:**

Capacity building is another NGO's strategy and role that helps to bridge a gap between the haves and have not in society. Capacity building is an approach to development that builds independence.

**SELF RELIANCE AND SUSTAINABLE COMMUNITY DEVELOPMENT:**

Self-reliance is another strategy that affects sustainable community development. Effective community development sits on the foundation of self-reliance. The concept of self-reliance is strategically situated within the essence of community development and is related to other concepts like mutual-help, self-help, participation of the indigenous people and rural progress. Self-reliance encourages the necessity for people to use local initiatives, their abilities and their own possessions to improve their condition.

**RELIEF SERVICES:**

The provision of food and non-food items during emergency periods and war time and other disasters periods, often see NGOs functions as important one. The provision of these items is short run but very significance in alleviating poverty.

**PEACE BUILDING PROJECTS:**

NGO's roles are extended to peace building in India. The crucial role played by NGO's in the restoration of peace in war affected zones is worth noticeable. The presence of NGO's led to the restoration of fair peace as their propagation of the human rights law, and their involvement in the disarmament, demobilization and reintegration programmes, is fostering cooperation among the warlords.

Through the functions of providing microfinance, initiating capacity building and self-reliance, peace building projects, relief services during emergencies, NGOs could bridge the gap of poverty in India.

**PROBLEMS OF NGOS:**

It is found that while NGO projects reach the poor people, they tend not to reach down to the very poorest. NGO projects also tend to be small scale. The total numbers assisted are also small. Furthermore, it is also rare for NGO projects to be financially self sufficient. Finally, although NGOs execute a number of very imaginative projects, many of them appear to be unwilling to innovate in certain areas or activities. Therefore, because of these limitations, the roles of NGOs in alleviating poverty cannot be exaggerated.

**CONCLUSION:**

The literature established the important roles played by of NGOs in the fight against poverty through micro-finance, capacity building, self-reliance, peace building, sustainable community development, and empowerment especially women's empowerment all aiming at poverty alleviation. NGOs through the micro-finance help members of community to access jobs, income-generation and improve economic situation there by alleviating poverty from the poor. And then they would become empowered economically. NGO's developed the capacities of community such as skills, abilities, knowledge, assets and motivates the community to participate in the project to improve the quality of their lives. NGOs act as capacity builders that help the community to achieve the empowerment particularly individual empowerment.

Since the philosophy of community development is independent from any outside agents, thus the community must rely on their own resources. NGO's do assist the community to discover their potentials and also mobilize community to be self-reliant. Therefore, the final outcome of community development is the independence of the community from external agents in formulating its agenda and managing its affairs. This process involves capacity building, where people get involved in human capital training, transferring of authority from donor to recipient and receive supports from stakeholders (World Bank group 1999). When people become fully empowered, they are able to contribute toward sustainable development (Lyons et al. 2001). Therefore, NGOs through some programs and functions, such as microfinance, capacity building and self-reliance help community to be empowered, and finally contribute towards sustainable community development.

This study revealed that NGOs are functioning for the betterment of the destitute and the helpless, the untended population of the society. It was proven that the active presences of NGOs are a boon for the overall and social development of the country. They are omnipresent in India's socio-economic, cultural, geographic, family planning, education, health etc. The NGOs have proven themselves as the true associates/partner of the government in poverty eradication and socio-cultural development. In many cases (i.e. micro-credit) NGOs are more successful in some aspects of development where the government is playing a secondary role. In this country expansion of loan amount, loan activities, and success are needed for poverty eradication. Moreover it is essential to establish a warm and dependable relationship by setting aside different obstacles between

Government and NGOs.

However, some limitations was observed in the NGO effort to poverty eradication for i.e. leaving out the ultra poor, partial and sub-divided working periphery, area based differences in activities/projects, differentiating outside target people and weak relationship, participating in commercial activities, supporting political parties etc. If NGOs can overcome these limitations, then it can surely be hoped that they continue playing the role of savior of poverty eradication and social development in India and lead the country to sustainable economic growth and development. It can be concluded that the involvement of NGOs in alleviating poverty has changed the life of the poor in India. By designing and implementing innovative program interventions, they have enhanced the quality of life of the poor. They have facilitated the poor to reach a first foothold on the development ladder. In spite of the constraints faced by the NGOs, it is clear from the study that NGOs are playing very significant and crucial role in the empowerment of vulnerable groups and development of the economy as a whole.

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