MODULE 1   FUNDAMENTALS OF TELECENTRES

UNIT 3   STAKEHOLDERS IN COMMUNITY DEVELOPMENT

Structure of the Topic

3.0   LEARNING OUTCOMES

By the end of this topic, you should be able to:

- Explain the Panchayat Raj System
- Define the private sector
- Tell the difference between NGOs, CSOs and CBOs
- Explain the value of cross sector collaboration and partnerships

3.1   INTRODUCTION

Welcome to Unit 3. In the last Unit you were introduced to the concept of community development – its link to telecentres, how to carry out a community needs assessment, and the needs of marginalised and underprivileged sections of the community. You were introduced to the idea of major stakeholders involved in community development.

In this Unit you will learn in more detail about the various stakeholders in community development – the Panchayati Raj System, the private sector and NGOs, CSOs and CBOs - how they have and can form cross sector collaboration and partnerships. These stakeholders will be very valuable to you as you start or develop your telecentre.

3.2   LOCAL GOVERNACE: THE PANCHAYAT RAJ SYSTEM,

Do you live in a community where there is a Panchayat? Have you had any dealings with the Panchayat? Are you or any members of your family elected officers in the Panchayat system?

What is the Panchayati Raj system?

The Panchayati Raj system is governance at the local levels in the villages of India.

In Unit 1 you were introduced to the importance of governance and good governance. The history of the Panchayati Raj system is interesting and valuable, and linked to the concept of good governance.

In 2008, at the Fifteenth Anniversary Charter on Panchayati Raj titled *"Inclusive Growth through Inclusive Governance"* the following resolution was passed:

"On this historic occasion of the fifteenth anniversary of the Seventy Third amendment, which gave Constitutional sanction, sanctity and status to Panchayati Raj, we, the elected representatives of over 80 crores of our rural brothers and sisters, rededicate ourselves to the cause of grassroots development through grassroots democracy and pledge to work tirelessly with compassion, social justice and equity for all, for **inclusive growth** through inclusive governance."

Mahatma Gandhi believed that democratic freedoms needed to be based in institutions of self government in the villages of India. He called Panchayats 'village republics' and saw genuine peoples' participation in their environment and through elected Panchayats.

Dr Bhimrao Ambedkar, the father of the Indian Constitution, provided for Village Panchayats in the State List of the Seventh Schedule, and stressed the need to incorporate reservations for marginalised sections of society in the structure of Panchayati Raj.

Rajiv Gandhi ensured this by added reservations for women of all said categories in Panchayats. His declared objective was 'Power to the People' through Panchayats, thus making India the world's most representative democracy.

Did you know?

In 2008, more than 26 lakh representatives have been elected to the three levels of Panchayats.

Of these, over 10 lakh are women, 5.2 lakh belong to the Scheduled Castes and 3.3 lakh to the Scheduled Tribes.

Since 1993, Panchayati Raj has been able to empower marginalised groups who have gained political representation and valuable experience. Many of them have successfully taken on the challenge of governance and brought about enduring social change through their close links with the community. This has also come about due to a lot of hard work on the part of many partners – the government, NGOs, the corporate sector and individuals.

How does the Panchayat system work?

The *Gram Panchayat* is the foundation of the [Panchayat System](). It can be set up in villages with minimum population of 500. Sometimes two or more villages are clubbed together to form *group-gram Panchayat* when the population of the individual villages is less than 500.

Members of the *Gram Panchayat* or *Gram Nyayalaya* are elected directly by the village people on the basis of voting, for a term of five years. A candidate contesting in this election must be 21 years old. The minimum number of members elected is 7 and the maximum is 17. Some seats are reserved for women and people from [Scheduled Castes]() and [Scheduled Tribes]().

The *[Sarpanch]()* is the head of the Gram Panchayat. The elected members of the Gram Panchayat elect from among themselves a Sarpanch and a *Deputy Sarpanch* for a term of five years. In some places the Panchayat president is directly elected by village people. The *Sarpanch* presides over the meetings of the Gram Panchayat and supervises its work. They implement the development schemes of the village. The Deputy Sarpanch, who has the power to make decisions, assists the Sarpanch in the work of the Panchayat.

The *Sarpanch* is responsible for:

1. Looking after street lights, construction and repair work of the roads in the villages and also the village markets, fairs, festivals and celebrations.

2. Keeping a record of births, deaths and marriages in the village.

3. Looking after public health and hygiene by providing facilities for [sanitation]() and drinking water.

4. Providing for education.

5. Implementing development schemes for [agriculture]() and [animal husbandry]().

The main source of income of the *Gram Panchayat* is the property tax levied on the buildings and the open spaces within the village. Other sources of income include professional tax, taxes on pilgrimage, animal trade, grant received from the State Government in proportion of land revenue and the grants received from the *[Zilla Parishad]()*.

All men and women in the village who are above 18 years of age form the *Gram Sabha.* The Gram Sabha meets twice a year to ensure the development of the people through their participation and mutual co-operation. The annual budget and the development schemes for the village are placed before the *Gram Sabha* for consideration and approval. The *Sarpanch* and assistants answer the questions put by the people. The different problems and difficulties of the people are also discussed in the *Gram Sabha.*

At an operational level, the largest inflow of resources to State Governments is through the Centrally Sponsored Schemes (CSSs). These CSSs largely cover sectors (like primary education, public health, drinking water, sanitation) identified in the Eleventh Schedule for devolution to Panchayats.

At the 2008 Panchayati Raj meeting it was felt that the design and implementation of the CSSs needed to be compatible in letter and spirit with the 73rd Constitutional Amendment. Various Ministries implementing CSCs were advised to review their schemes in the light of Article 243 G read with the Eleventh Schedule of the Constitution of India.

It was also decided that the Ministry of Panchayati Raj would be consulted and its views incorporated in the Cabinet Notes in all cases relating to new programmes or schemes that have a bearing on decentralisation. Since then, several important CSSs and new schemes have been examined with a view to ensuring the centrality of Panchayats in planning and implementation. This has emerged as a major focus area for the Ministry since it directly impinges on the financial condition and the authority of the Panchayati Raj Institutions.

As you go about preparing to create, operate and manage your telecentre, you will benefit from seeing the Panchayat system as a support system to you. It is an important part of community development and a vital stakeholder in moving the community forward.

Besides the Panchayats and other examples of local governance in various countries, there are institutions and services created and managed by the government. These include schools, health care centres and agricultural extensions systems that assist in bringing modern developments to agriculture. In a country like India and other countries where most of the people are dependent on the agriculture sector, it is but natural that telecentres mangers will want to be connected to them.

Check Your Progress 1

Note:

a) Please use the space given below each question for your answer

b) Compare your answer with the one given at the end of this Unit

2. How did Mahatma Gandhi's define Panchayats?

_____

_____

_____

_____

3. What provision did Dr Bhimrao Ambedkar make to the Constitution regarding Panchayati Raj?

_____

_____

_____

_____

4. What was Rajiv Gandhi's contribution to the Panchayat System?

_____

_____

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5. In 2008, how many representatives were in the three levels of Panchayats?

_____

6. Of these, how many were:

    1. Women _____
    2. Scheduled Castes _____
    3. Scheduled Tribes _____

3.3   THE PRIVATE SECTOR

The **private sector**, as you may recall from Unit 1, is the sector that is not the government. Government enterprises are known as the public sector.

The private sector (also known as the corporate sector) is made up of companies and businesses that are not under government control. They provide services and products. For example, these include many day to day products you and your family use – soap, cooking oil, matches, gas, etc. The services they offer are also ones that you may be using – such as banking, education, insurance.

There has been a phenomenal growth of private sector companies in India, especially since 1990. This is because of political will, financial reforms, introduction and use of technology, the higher number of youth and more English speaking people.

With 7-8 % of Annual GDP growth rate India is the one of the fastest growing economies. Over the last 15years, the rise of the major private companies of India has propelled India's economic growth.

Major private companies of India have made an effort to cater to customer's need and offer speedy service. This has encouraged competition among the companies and the healthy competition has benefited the end consumers – such as you and people in your community - as of the things competition does is lower the cost of service or products.

Some of the **major private sector companies** of India are:

- ACC
- Tata
- Wipro

- Infosys
- Hindustan Lever
- Reliance Industries
- Torrent Pharmaceutical
- Godrej

How involved are private companies in community development?

In India, the **religious tradition of philanthropy (charity) has influenced corporate giving for community development**. As far back as 1893 many large corporate groups were organising social development activities and providing corporate care for community directly through their own foundations and trusts.

Some corporate groups practiced 'book charity' or giving funds to the wife of the head of the company's' charity for community development or donating material resources to various development organisations from time to time.

There are **internal and external reasons** why the corporate sector is socially responsible to society.

The **internal reasons** are

- employee morale
- customer satisfaction
- shareholder satisfaction

The **external reasons** include:

- satisfying local communities
- publicity
- tax benefits and
- enlightened self-interest

What is the history of corporate giving in India?

In India, the **TATA** family has been leading corporate giving since 1893, and other companies have followed. Jamsetji Tata set up an endowment scheme for higher education and his heirs Ratan Tata and Dorab Tata carried on the tradition of the Tata culture of corporate social responsibility.

Now, the Tata Group companies are engaged in the welfare of the communities in which they operate. This is managed by, and channelled through organisations working on development.

Agro retailing and Micro finance

In addition to CSR, many private sector companies have stepped into offer services that were primarily the jurisdiction of the government. In agriculture sector information about seeds, pesticides, fertilisers were offered by the government extension systems. However, with growing demand, the private sector stepped in to provide these and others services. Retailing is the sale of commodities in small quantities to customers. Agro retailing is retailing linked to agriculture products.

Microfinance gives small-scale financial services such as loans, savings, insurance and money transfer to poor customers who would otherwise not have access to banking services. Microcredit, an important component of microfinance, involves offering very small loans to poor clients without any collateral and often without any written contract.

First championed by the Nobel laureate Muhammad Yunus in Bangladesh, microfinance has gained a reputation for near-zero default rates and a stable rate of return over the long term for investors. These returns are estimated at about 6% a year, with the best-performing funds returning three or four times that amount.

Microfinance is a unique system of cooperation between private banks and community development groups.

Check Your Progress 2

Note:

a) Please use the space given below each question for your answer

b) Compare your answer with the one given at the end of this Unit

1. Define the private sector (in 25 words or less)

_____

_____

2. Name 3 major private sector companies.

  i. _____

 ii. _____

iii. _____

3. Name one tradition that has influenced corporate giving in India?

_____

4. Give three reasons as to why the corporate sector is responsible to society:

a) Internal reasons

    i.   _____

    ii.   _____

    iii.   _____

b) External reasons

    i.   _____

    ii.   _____

    iii.   _____

5. Define corporate social responsibility (in 25 words or less) You can also see the Definition Section at the end of this unit.

_____

_____

3.4.1 Cross-sector collaboration

Do you think that there are some needs in your community that are not being met?

If more corporations in India were involved in cross-sector collaboration with NGOs - through development efforts in and around the place where the companies or industries are located – many of the community needs could be fulfilled.

Corporate giving to NGOs in India can and needs to become a part of every corporate strategy for it yields benefits to the company in four important areas:

- strategy management

- human resource management

- culture building, and

- business generation

For example, Citicorp, a global financial services corporation has included community service an integral part of its new worldwide corporate strategy and one of six key indicators to measure the company's performance.

Citicorp's management describes the reason for this strategic engagement in this way:

"We do this because it is the right thing to do and can offer profitable business opportunities. We also do this because we want a positive image with customers, potential customers, regulators, legislators, and community groups all of which supports our global image as a trusted brand name. We are talking here about how we run our business, not just about contributions, volunteerism and public relations…It has moved from 'nice to do' to **'need to do'** as part of our business strategy'.

Corporate sectors in India need to work in alliance with NGOs on a long-term basis in the delivering the community services such as:

1. Strengthening primary education especially in rural areas

2. Primary health care initiatives

3. Micro-enterprise lending programmes for the poor

4. Provision of drinking water

5. Environmental awareness and sustainable development programmes

6. Promoting children's rights

7. Preventive health education for adults on alcoholism and drug abuse, HIV/AIDS

8. Promoting peace and communal harmony in the community.

As the world moves towards a 'global society', NGOs and businesses have their social responsibility.

Peter Drucker, an American management guru, says:

'Too few in our society truly understand the concept of partnership or the nature of the social sector. With government and business, the social sector is one of the three pillars on which modern society is based, and by far the most diverse… But no one sector can do its jobs alone; business cannot thrive in a sick society. All three must work together. We must establish the independence and the interdependence of each sector."

The Drucker Foundation believes: 'a healthy society requires three vital sectors:

- A public sector of effective governments;

- A private sector of effective businesses; and

- A social sector of effective community organisations'.

Check Your Progress 3
Note:
a) Please use the space given below each question for your answer

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b) Compare your answer with the one given at the end of this Unit

1. Name four areas in which corporate giving to NGOs yields results.

   i.   _____

   ii.   _____

   iii.   _____

   iv.   _____

2. Name four community service areas that corporate sectors need to work in alliance with NGOs on a long-term basis.

   i.   _____

   ii.   _____

   iii.   _____

   iv.   _____

3. The Drucker Foundation believes: 'a healthy society requires three vital sectors'. What are these sectors?

   i.   _____

   ii.   _____

   iii.   _____

3.4   NGOS, CSOS, AND CBOS

What is an NGO?

A non-governmental organisation (NGO) is a legally constituted organisation created by natural or legal persons with no participation or representation of any government.

When NGOs are funded totally or partially by governments, the NGO maintains its non-governmental status insofar as it excludes government representatives from membership in the organisation.

In 2007, it was estimated that in India there were between 1 million and 2 million NGOs.

Organisations that work at the community level have various names: NGOs (nongovernmental organisations, CBOs: Community Based organisations; CSOs: Civil Society organisations. Whatever their name, their main goal is to meet the needs of the community and develop the community.

Nongovernmental organisations (NGOS) can be local, working at the village level. Others could be at the block and district level; still others at the state and national level. And then, others can be working at the regional and international level.

Do you know of any NGOs in your community?

NGOs can and have made a great contribution to community development. As a matter of fact, there is a good chance that the telecentre operating in your area and some other area you may know, has the support of an NGO.

Just like the public sector and the private sector, not everything NGOs do is good. Sometimes, like the government and the private sector, there is lack of clarity, transparency and accountability.

Civil Society Organisations (CSOs) is a relatively new term and is a little broader than NGOs. Civil society is composed of all voluntary civic and social organizations and institutions that form the basis of a functioning society. This does not include the government or the private sector.

Community based organizations (CBOs) are based in a community and the work they take on usually is very important and urgent to that community.

NGOs can be an important source of development in your community. They can also be an important support for your telecentre.

NGOs often have information, contacts, are connected to networks in the community and at the block, district or state level. They can assist with capacity building and training as well as fund raising or monitoring and evaluation.

Check Your Progress 4

Note:

a) Please use the space given below each question for your answer

b) Compare your answer with the one given at the end of this Unit

1. Define an NGO (in 25 words or less)

_____

_____

2. Define a CSO (in 25 words or less)

_____

_____

3. Define a CBO (in 25 words or less)

_____

_____

3.5	CROSS SECTOR COLLABORATION AND PARTNERSHIP

As you have seen from the above sections, the government, private sector and the civil society sector all play an important role in the development of a community. Initially, between 1950-1970, the sectors normally worked separately. While they were aware of each other, there was not too much trust between them.

Gradually, as they all worked in the development sector and in communities, they began to see the benefits of collaboration.

Sectoral approach vs. cross-sectoral

In many cases, each government department, such as the departments for health, education, finance, telecommunications, broadcasting and information, trade and commerce, social affairs, and foreign affairs, are developing policies for their own sector in isolation.

However, these issues have been and are becoming cross-sectoral and require partnership and collaboration.

One example of this is information and communication (IC) policies and regulations – a sector closely linked to telecentres - which involves virtually all sectors. Some examples of issues that must be addressed in this case are policies and regulations regarding:

- Publication of – and access to – Information (data security, copyright, protection privacy and individual integrity, protection against undesired content, freedom of speech and expression, etc.);

- Telecommunications (monopoly vs. liberalized markets, tariffs, coverage, competition, spectrum management, trade in services and equipment, Internet, etc.);

- Access to information and communication technologies – ICT (trade in IT equipment, import duty tariffs, subsidies for the poor, etc.);

- Capacity building (role of ICT in general education programs, other means of capacity building for those above school age);

- E-learning (access to distance education, certification, etc.)

- E-government (access to public information, means of communicating with political instances, public departments and institutions, etc.)

- E-commerce (secure payments, delivery, taxes, etc.);

- E-healthcare (data protection, liability in case of medical malpractices or mistakes, sharing of charges, etc.)

This is within the government sector. Between the government, academia, private sector and the civil society sector there are also partnerships being formed.

Once again, the telecentre movement is one great example. In the putting together of this curriculum the following sectors are involved:

- Several academic institutions and Universities

- Research and development organisations

- UN agencies

- Private sector organisations

- NGOs, CSOs and CBOs

3.6   SUMMING UP

In this Unit we have learned about the role of various stakeholders in community development. The main points are:

- The public sector or the government, the private or corporate sector and the nongovernmental sector (civil society organisations and community based organisations) are the main stakeholders in community development.

- The government (central and state) has the maximum number of schemes and programmes on community development.

- The Panchayat Raj system is the form of local governance in India and plays a major role in community development.

- The corporate sector can play an important role in community development. It can

work by itself or with other stakeholders, including telecentres.

- Cross sector partnerships and collaboration are very important.

3.7   CHECK YOU PROGRESS: MODEL ANSWERS

CYP 1

1. Define the Panchayat Raj system (in 25 words or less).

The Panchayati Raj system is governance at the local levels in the villages of India.

2. How did Mahatma Gandhi's define Panchayats?

Mahatma Gandhi called Panchayats 'village republics' and saw genuine peoples' participation in their environment and through elected Panchayats.

3. What provision did Dr Bhimrao Ambedkar make to the Constitution regarding Panchayati Raj?

Dr Bhimrao Ambedkar, the father of the Indian Constitution, provided for Village Panchayats in the State List of the Seventh Schedule, and stressed the need to incorporate reservations for marginalised sections of society in the structure of Panchayati Raj.

4. What was Rajiv Gandhi's contribution to the Panchayat System?

Rajiv Gandhi added reservations for women in all categories in Panchayats. His declared objective was 'Power to the People' through Panchayats, thus making India the world's most representative democracy.

5. In 2008, how many representatives were in the three levels of Panchayats?

In 2008, more than 26 lakh representatives have been elected to the three levels of Panchayats.

6. Of these:

  1. Women: Over 10 lakh
  2. Scheduled Castes: 5.2 lakhs
  3. Scheduled Tribes: 3.3 lakhs

CYP 2

1. Define the private sector (in 25 words or less)

The private sector is the sector that is not the government. It is made up of companies and

businesses that provide services and products (soap, insurance, pesticides, etc).

2. Name 3 major private sector companies.

- Tata

- Reliance

- Eicher Motors

   Or any other companies listed on pages 5-6.

3. Name one tradition that has influenced corporate giving in India?

In India, the religious tradition of philanthropy (charity) has influenced corporate giving for community development.

4. Give three reasons (for both internal and external) as to why the corporate sector is responsible to society:

a) Internal reasons

- employee morale

- customer satisfaction

- shareholder satisfaction

b) External reasons

- satisfying local communities

- publicity

- tax benefits and

- enlightened self-interest

6. Define corporate social responsibility (in 25 words or less)

Corporate social responsibility is a concept where organisations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment.

CYP 3

1. Name four areas in which corporate giving to NGOs yields results.

- strategy management

- human resource management

- culture building, and

- business generation

2. Name four community service areas that corporate sectors need to work in alliance with NGOs on a long-term basis.

- Strengthening primary education especially in rural areas

- Primary health care initiatives

- Micro-enterprise lending programmes for the poor

- Provision of drinking water

3. The Drucker Foundation believes: 'a healthy society requires three vital sectors'. What are these sectors?

- a public sector of effective governments;

- a private sector of effective businesses; and

- a social sector of effective community organisations

CYP 4

1. Define an NGO (in 25 words or less)

An NGO is a legally constituted organisation. It can work at various levels: local, block and district level; state, national, regional and international level.

2. Define a CSO (in 25 words or less)

A CSO is a relatively new term and is a little broader than NGOs. Civil society is composed of all voluntary civic and social organisations and institutions that form the basis of a functioning society. This does not include the government or the private sector.

3. Define a CBO (in 25 words or less)

A CBO is based in a community and the work they take on usually is very important and urgent to that community.

3.8 DEFINITIONS

1. Corporate responsibility (CSR)

Corporate social responsibility (CSR, also called corporate responsibility, corporate citizenship, responsible business and corporate social opportunity) is a concept where organisations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment.

This obligation is seen to extend beyond the statutory obligation to comply with legislation and sees organisations voluntarily taking further steps to improve the quality of life for employees and their families as well as for the local community and society at large.

The practice of CSR is subject to much debate and criticism. Those for it argue that there is a strong business case for CSR, in that corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate, short-term profits.

Critics argue that CSR distracts from the fundamental economic role of businesses; others argue that it is nothing more than superficial window-dressing; still others argue that it is an attempt to preempt the role of governments as a watchdog over powerful multinational corporations.

2. Cross sector partnerships

This is partnerships between various sectors. For example, this curriculum on Telecentre Management is a result of partnerships between the government, NGOs, the corporate sector, research organisations and international development organisations.

3.9 ASSIGNMENT

Do two of the following assignments:

1. Locate a private sector company in your community and write about how they contribute to community development.

2. Locate an NGO, CSO or CBO in your community and do a profile of them (which covers what they do and how effective it is for community development).

3. Locate and profile a project based in your community in which several stakeholders have come together for community development.

You could present these assignments in several ways:

1. A paper (1000 words)
2. A video or audio recording (5-7 minutes)
3. A collage with still photos
3. A poem, a song or a drama

3.10 GLOSSARY AND REFERENCES

www.wikipedia.org: Definitions and background material

www.panchayat.nic.in: Panchayati Raj

www.indexmundi.com/india: India Country Profile 2008

www.delhi.ngosindia.com: Web portal for NGOs of India

www.microfinanceinsights.com/articles_new.asp: Microfinance

www.retail.about.com/od/glossary/g/retailing: Retailing