

THIRD SECTOR AND SOCIO-ECONOMIC DEVELOPMENT

(A study with reference to religious philanthropy in Coastal Kerala and Karnataka)

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Introduction

Economies are considered to have three sectors. First, the Public Sector which is owned by the State and provides services in the Public interest. The Second, the Private Business Sector which is privately owned and profit motivated and the last one is the third Sector that embraces a wide range of community, voluntary and not-for-profit activities. Third Sector organizations are created by groups or individuals to meet a shared need. People have made an effort to form these organizations to provide a service to advocate a cause for them where the business and government sectors failed.

Scope and significance of the study

Third sector being very important and leading development partners of the government have been striving through implementation of various socio-economic programs for economic and socio-cultural empowerment of ill-fated rural people of the country. Third sector broadly refers to and includes those people-centred initiatives that fall in-between the spheres of the state and the market. Today we see various kinds of engagements world over with the idea and practice of third sector. Against this background, it is imperative to engage with issues concerning the third sector and the socio-economic development. No major attempt has been made so far in this direction. Research on third sector organizations and their involvement in the socio-economic development of the people is very much required for assessing the various issues concerned to the management of the third sector.

Third sector organizations play an instrumental role in representing the voices of different groups in society and campaigning to bring about change on behalf of individuals and communities and particularly marginalized groups who find it difficult to access and influence decision-makers. It is worth to note that many foreign universities, third sector organizations and educational institutions offering different courses in the field of third sector management which shows the relevance of third sectors. It is found that not much work has been carried out on this issue in India compared to Western countries. Therefore the current study hopes to help the society to develop a pragmatic model to effectively harness the potential of religious philanthropy in transforming the socio-economic scenario in India.

Statement of the research problem

The study is mainly concentrating on the third sector and its management of religious philanthropy in the development of a backward area into a more developed one. As the study covers coastal Kerala and Karnataka, where the maximum number of third sector religious philanthropy exists and gives the maximum scope for third sector to assume main role in developing the area through religious philanthropy. It is assumed that the respondents from coastal Kerala and Karnataka believe in the ethics and the religion and contribute in a significant way to religious philanthropy. It is in this context this study intends to analyze the funds generated through religious philanthropy to bring a socio-economic change in the society so that the development can be reached to the needy. People belongs to all the faiths are generously contributing to the religious organizations for different reasons and this huge fund has the impact directly or indirectly on socio-economic development of the poor and marginalized in their community or society. There are very less number of studies has been conducted in this area . This is an attempt to study the various

management tools used by the religious organizations to manage the huge funds generated by religious philanthropy for the socio-economic development of the needy and also to suggest the organisations to implement the findings in the future programs to work more effectively

Objectives of the study.

The present study on third sector and its impact on socio-economic development are to analyze the involvement of third sector institutions in the process of socio-economic change where the formal sector is failed to implement the change successfully at the grass-root level. The proposed research is set out with the following objectives:

- To study the efforts of third sector organizations in the development of the economy where the formal sectors failed at the grass root level.
- To trace the difficulties in the process of management and implementation of socio-economic programs by the third sector particularly religious philanthropic institutions and to suggest the measures for further improvement.
- To analyze the various management techniques employed by the religious philanthropic organizations in their working for the development work.
- To make a comparative study of the management of religious philanthropic resources by different religions.
- To study the different religious philanthropic institutions in costal Kerala and Karnataka.
- To enquire the different activities conducted by the religious philanthropic organizations in the process of national development in the era of globalization.
- To find out the sources of funds and the proportion of their usage for different socio-economic activities of the religious organizations

Methodology

Research Design

The present study is designed as a descriptive based on primary data and secondary data. Descriptive research includes surveys and fact finding enquiries of different kinds. The major purpose here is the description of the state of affairs as it exists at present. In social science and business research the term ex post- facto research is used for descriptive research studies. This includes attempts by researchers to discover causes even when they cannot control the variables.

The population of the study includes the religious philanthropic institutions and the beneficiaries located in coastal Kerala and Karnataka.

Sample Design

Three districts from Coastal Kerala namely Kasargod, Kannur and Kozhikode and Three districts from coastal Karnataka namely Dakshina Kannada, Udupi and Uttara Kannada were chosen for the study. The structured schedule with a few open ended questions was administered to collect the data from religious and religious communities organizations. Such organizations are scattered randomly and finding them itself is a challenging task. Hence the development of a specific sampling technique was a difficult and tedious process. Therefore non probability sampling method has been used. To be precise snowball technique of sampling has been selected to trace and collect the required data. Total 107 organizations belonging to three religions i.e. Hindu, Islam and Christian have been approached for this field study.

The number of beneficiaries of religious philanthropic organizations is numerous, the documented beneficiaries are few. Hence based on the information provided by the organizations, the beneficiaries has been selected using the judgmental method of non-probability sampling .The structured questionnaire has been administered for the same purpose. In total 297 beneficiaries of three religions i.e. Christian (R-1), Hindu(R-2), and Islam(R-3), were selected for collecting the data.

Data collection:

Both primary and secondary Sources of Data are used in the study. The primary data is collected from religious philanthropic organizations and beneficiaries through field study. The secondary sources such as the related studies on third sector, religious philanthropy and socio-economic development were referred.

Data Analysis Techniques:

Data analysis involves converting a series of recorded observations into descriptive statement and/ or inferences about relationships. For the Statistical analysis of the data used in the present study ,the major tools used includes: Factor Analysis, Analysis of variance (ANOVA), Fishers exact test, Chi-Square test, , pie-charts, averages, percentages graphs, bar diagrams, tests of significance and software packages SPSS and Micro Soft Excel.

Area of the Study:

Kerala has 14 districts. Based on geographical, historical and cultural similarities, the districts are generally grouped into three groups 1) North Kerala: Kasaragod, Kannur, Wayanad, Kozhikode and Malappuram 2) Central Kerala: Palakkad, Thrissur, Eranakulam and Idukki 3) South Kerala: Thiruvananthapuram, Kollam, Alappuzha, Pathanamthitta and Kottayam .Three Northern coastal districts namely Kasaragod, Kannur and Kozhikkod were selected for the field study.

Karnataka, one of the developing southern states in Indi, is divided into 27 districts and 4 geo-political regions for the purpose of administrative convenience. Karnataka is a land of many religions and these religions have vitally influenced the culture and lives of people. Coastal Karnataka comprises of three districts namely Dakshina Kannada, Udupi and Uttara Kannada and these has been selected for the study purpose

The whole study covers the period from year 2006 to year 2010

Major Findings of the Study

Following are the major findings revealed after the research.

- It is inferred from the study that maximum number of the organizations(42.1%) were established during the period 1971-1990, the pre-liberalization era and R-1 organizations were the oldest one among the surveyed data, who ventured for socio-economic development and also there is significant relationship between the year of establishment and the religion.($p=0.037$).
- Even though all religious philanthropic organisation are religious by nature; 56.1 % of the organisation are indulging in general work (socio-economic work), 29% of the organisations claim that they are exclusively religious in their mode of operation,8.4% organisations claim that they are concentrating on provide education to the poor and 6.5% organisations are working on social problems. Therefore the nature of the religious organisations varies significantly among the religions.($p=0.001$)
- The objectives of maximum number of the organizations in all three religions are overall development of the community and society.
- It is observed from the field study that in total 69.2% of the organizations are registered societies, 25.2% registered trust, 9% are unregistered trust and 4.7% are unregistered societies. In all religions, majority of the organizations are registered societies, viz R-3(75%), R-2(69.4%) and R-1(55.6%).
- The field observation of the organisations and voluntarily approach by the beneficiaries are the most preferred method for selecting the beneficiaries for socio-economic development.
- Economical backwardness is the preferred criteria of the organization to select the beneficiaries for their programs and it is really a good parameter so that the poorer among poor can be empowered.

- It is very surprising to conclude that 82.2% of the organizations distribute the benefits with accordance to the progress of the activities, which indicates the determination and dedication of the religious organisations for the socio-economic development of the needy.
- With regard to the geographical coverage for the activities 41.1% of the organizations conduct activities district wise, 27.1% cover the taluka, 20.6% work national level and 11.2% of the organizations do state level activities. Majority of the organizations in all religions are conducting their socio-economic activities in confined to the district level.
- As far as the monitoring the progress of the work, 67.3% responded positively where as 32.7% said religious organizations do not monitor the progress of the work.
- Those organizations that monitor the progress 69.4% use the documentation method and 30.6% use the observation method and there is insignificant variation in the method used for monitoring the progress among the religions. ($p=0.383$)
- Assessment of the impact of the activities will be done by observation method (44.9%), 8.4% by feedback method, and 2% by evaluation by agencies and 44.9% don't measure the impact of the activities
- About 60.7% of the organizations take the feedback from the beneficiaries about the difficulties they faced to get the benefits and about 39.3% of the organizations do not take any feedback and there is significant variation among different religions in taking the feedback from the beneficiaries about the difficulties they faced to get the benefits. ($p=0.000$).
- Regarding the acceptance of right suggestions from the feedback and implementation of it for the future programs, 71% of the total organizations positively responded and it shows that effective management concepts are used in these organizations.
- While distributing the benefits 34.6% of the organizations give priority to the persons with disabilities, 27.1% for youth, 26.2% for women, 2.8% for children, and 1.9% for old age people. It is very interesting to note that all three types religious organizations has similar prerogatives in selecting the beneficiaries for their programs ($p=0.438$),
- To implement the programs of the organizations around 73.8% of the organizations are getting volunteers, 5.6% of the organizations employ the staff members and 20.6% are not getting enough number of human resources. The availability of volunteer service is the catalyst for doing the socio-economic activities, and also it is the basic foundation of the religious philanthropy where helping the needy without accepting any benefits .From the above it is clear that third sector organizations are using the spirit of volunteerism for the socio-economic development of the society.
- Financial resources are the major obstacle met in implementing the programs for this religious organisation.
- When enquired about the future plans, 64.5% organizations stressed upon expansion programs, 23.4% has no future plans, 6.5% of the organizations want to implement more effective programs, 4.7% organizations want sustainability in development and only 0.9% organizations want to promote communal harmony. Fisher exact test reveals that there is a significant relationship in the future plan of different religions. ($p=0.021$).
- Regarding the sources of fund 93.5% of organizations are receiving the fund from the donors, 43.9% from the devotees, 31.8% from the members contribution , 18.7% from the government , 14% from the other agencies and 11.2% from the NGO's . Therefore the donors fund is a major source of the third sector organisations.
- It is relevant from the survey that 89.7% organizations have claimed that they have fulfilled the objectives and 10.3% aren't happy about their performance
- About the type of manpower, 39.3% organizations have both volunteers and paid employees , 35.5% of organizations are having the full paid employees where as 25.2% of the

organizations have only volunteers. It shows that still volunteerism spirit has retained its importance in third sector organisations.

- The study reveals that 32.7% of the organisations conduct office staff meeting once in a week, 91.6% of the organisations conducts committee meeting on a monthly basis and 67.3% of the organisations conduct general body meeting on a yearly basis.
- In total 50.5% of the organizations are maintaining manual accounts where as 48.6% as maintaining computerized accounts and 0.9% of the organizations are not at all maintaining accounts.72.2% of R-1 organizations have computerized system followed by R-2 (44.9%) and R-3 (42.5%).We can conclude that the R-1 organizations are giving more emphasis on computerized accounts compared to other organisations.
- It is found from the study that religious organisations are contributing to education, health ,construction of house, promotion of religious values, marriage fund, food/clothing, community related programs and women empowerment with varying amount.
- The beneficiaries of religious organizations claim that 33% of them belongs to the annual income group of Rs 1,00,000 -2,00,000, 26.3% belongs to below Rs 50.000 group. 25.3% belongs to Rs 50,000 – 1,00,000 group, 8.1% belongs to the category of Rs 2,00,000-3,00,000 and 7.4% belongs to the group of Rs 3,00,000 and above
- According to the beneficiaries, most of the organizations are moderately transparent in selection process of the beneficiaries.
- In all the religious organizations the beneficiaries feel that the benefits received from the organisations helped in improving their socio-economic status. And also they believe that it has improved the status of the society.
- The beneficiaries feel that third sector organizations are quick in their service to the needy, in comparison to the government.

Recommendations and Suggestions

- Religious philanthropic organizations have to give more emphasis on field observations to select the beneficiaries so that the development can be achieved among the poorest.
- Impact assessment after delivering the benefits has to be looked upon very seriously and effectively , to implement the change in the mode of operation (if required) in order to achieve the overall objective of philanthropy , which is the base of all religions.
- All religious organisations have to distribute the benefits in accordance with the progress of the socio-economic developmental work carried on, so that the mission with which the organisation was incorporated is accomplished.
- It will be good if all organisations starts their work locally and then to expand to the other areas, so that all will be included in the development process.
- Every organisation has to apply the management tools in monitoring the progress of the work carried out by them so that it will increase their efficiency in socio-economic development.
- A proper evaluation of the feedback forms may help the organisations to reduce the lacunae in the current mode of planning and implementations of the programmes, thus bring about a professional touch to these organisations.
- As lack of manpower is the major problem faced of some of the organisations, it is suggested that they conduct awareness programmes for the members and their family so as to increase their contribution to the society.

- The religious organisations should concentrate on elite class of the society to attract and motivate them to donate generously for the development of the marginalized class, so that financial constraints will be minimized for the development work.
- To bring in a professional approach into the organisations, it is suggested that organisations has to shift manually maintained books of accounts to computerized accounting. Regular audit by certified auditors would increase the credibility of the accounts and also help in maintaining transparency.
- As there is lack of professionalism in running philanthropic institutes it is recommended that a team of experts has to be invited by each organisation to train their employees / workers on a regular basis.
- Another suggestion from the research point of view is, it was found that people tend to pay more attention to those things told by religious saints/priests/clerics etc. Hence, if these leaders could recommend adoption of poor children/family (their education, construction of house, providing food etc) by the wealthier class of the society, the impact of these charitable works would be visible to the society, thus motivating more people to donate generously.
- The religious organizations should win the confidence of the local people by their work and deeds so that they can attract generous donations from the rich people, which can be effectively used for the socio-economic development of the marginalized.
- Cordial relationship between different religious organizations working in a local level has to initiate by all religious leaders and social workers with the intention that the development can be easily achieved in the interest of local society.
- Third sector organisations with their capacity of identifying needs of the people in the villages can help policy makers and planners to have access to new ideas, changing needs and conditions identifying the bottlenecks and gaps ,helping to develop strategies, policies, training and developing avenues and potentials of social workers. Thus third sector organisations can play an advocacy role in the field of development. The state could thus draw useful lessons from the rich experience of some reported voluntary agencies in the rural areas.
- Third sector organizations have to appoint agencies for evaluating their performance, so that unbiased appraisal results in designing scientific techniques for socio-economic development.
- Organizations has to concentrate to remove religious /community bias so that all will work together to achieve the overall objectives of the all religions.
- It is evident that both government and nongovernment agencies has to work hard to socio-economic development, but there is a lack of co-ordination between the two thereby either duplicating their efforts in some areas and no effort in other areas. This results in non-achievement of intended goals in socio-economic sectors. With the planned and better co-ordination between the two, more result can be achieved for the overall development of the society. For these, there should be regular communication between the two and by conducting workshop, seminar and meetings it can be practical.
- Proper public awareness campaigning needs more attention in relation to the socio-economic development and religious philanthropy funding.
- Government and non-government agencies can develop a pragmatic model for these religious philanthropic organizations to use the modern tools of the management to reach the needy to join the mainstream.
- It is necessary for these organizations to have a distinct and unique identity as they are working to promote social welfare. They have to preserve their social identity embedded in positive externalities.
- The managers or the management of these religious organizations are required to maintain a different management principle and leadership style emphasizing identification of the vision and mission of the organisation and in ensuring an active participation of all concerned in achieving it.

- To achieve better results and provide maximum benefits to the poor, there is no deny of the fact that the Third sector organizations in general and the religious organisations in particularly have to upgrade their professional skills and develop some managerial expertise. While the tendency is to depend on people with more theoretical knowledge than practical experience in training and skill development, there is an obvious need to tap the resources within the voluntary sector and from the people themselves.
- Development in the socio-economic sector calls for combined effort by community, its leaders, governmental and non-governmental agencies. However ideal combination would be to use the spirit of volunteerism still prevalent in villages and slums in the young men and women from different occupations- farmers, rural artisans, and agricultural labourers to upgrade their skills and give them the tools to become better citizens. As a result, they are able to stand on their feet; this could be claimed as an achievement by voluntary agencies.
- There is an urgent need for accepting the changing and innovative role of third sector organisations in the implantation of their programs especially related to education, health, women development, anti-poverty and minimum needs programs. While the role of third sector has been accepted in supplementing governmental effort, there is a still general confusion and lack of understanding on how best to involve them directly. It must be recognized that the times have changed and there are many other economically and socially vulnerable groups like small and marginal farmers, agricultural labourers, scheduled castes and tribes, bonded labourers and rural women, etc. who also need to be reached.

Conclusion

Third sector organisations have dedication, determination and commitment arising from a strong desire to attain their goals that the government machinery sadly lacks. The approaches and methods of functioning of an organisation are quite flexible. If with regard to the particular area and a particular target group, the decided strategy doesn't work then it is changed impromptu; saving time, money, and the programme being shelved. As they operate in grass root levels they can adopt an integrated approach to the overall development and they can experiment upon and improvise projects which can indirectly a help to the government. They can effectively organize awareness camps and provide motivational inputs. They have the capacity to mobilize large groups of the local population, stimulate unity and self reliance and direct them towards attainment of a particular goal.