
COMPARATIVE ANALYSIS OF DIFFERENT ACTIVITY BASED CATEGORIES OF THIRD SECTOR IN INDIA VS. WEST BENGAL.

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Abstract: This study has analyzed different categories of third sector, and also a comparative analysis of different activity based categories of third sector in India as well as West Bengal. A review of literature suggests that the third sector work towards a positive vision: that of widespread, reasonably equitable social welfare, which is sustainable for the coming generations: a vision that will ensure a safe and clean habitat, with a minimum level of health, education, economic opportunity, social status, political representation and cultural self-expression for all. The study has been done on the basis of secondary data collected from various reports of RBI, NSSO, NABARD, NAFSCOB etc. Data processing and analysis have been done on the basis of descriptive statistics. The growing importance of the third sector to public life and services is not just limited to the economic boundary, but it has a spillover effect on socio economic development and become a land mark for sustainable growth in our Country.

Keywords: Third Sector, Charity Activity, Socio -Economic Activity, Environmental Activity, Research and Development Activity, Employment and Empowerment Activity.

Introduction: The third sector with its various synonyms - non-profit sector, social economy or civil society - is attracting increasing interest worldwide. This interest is shared by policy makers and researchers as well as by advocates for the sector. In many countries in the world, the third sector is growing. A fairly recent study (2007) by the government of United Kingdom,¹ “describes the third sector as a vital component of a fair and enterprising society, where individuals and communities feel empowered and enabled to achieve change and to meet social and environmental needs”.

The World Bank² defines the third sector as “the myriad of organizations, some of them formally constituted, and some of them informal that are largely independent of government and that are characterized primarily by humanitarian or co-operative, rather than commercial, objectives, and that generally seek to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development.”

A review of literature suggests that the third sector work towards a positive vision: that of widespread, reasonably equitable social welfare, which is sustainable for the coming generations: a vision that will ensure a safe and clean habitat, with a minimum level of health, education, economic opportunity, social status, political representation and cultural self-expression for all. The third sector has also been a space where there is constant innovation in terms of new ideas as well as new technologies.

¹HM Treasury (2007), Cabinet Office-UK “The future role of the third sector in socio and economic regeneration”https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/228900/7189.pdf

²Dr. S Rajendran; (2007)“Socio-Economic Transformation and Multipurpose Women Cooperative Societies in South India”

Characteristics of Third Sector: According to the survey of the Johns Hopkins University³, the third sector consists of the following characteristics:

- *They are formal*, i.e. they have a certain degree of institutionalisation, which generally presupposes legal personality.
- *They are private*, i.e. distinct from both the State and those organisations issuing directly from the public authorities.
- *They are self-governing*, in the sense that they must have their own regulations and decision making bodies.
- *Non-compulsory*: To be considered *non-compulsory*, participation with the organization must be *free of compulsion* or coercion, that is, it must involve a meaningful degree of choice.
- *They cannot distribute profits to their members, their directors or a set of "owners"*. This "non-distribution constraint" lies at the heart of all the literature on NPOs.
- *They must involve some level of voluntary contribution in time* (volunteers)
- and/or in money (donors), and they must be founded on the free and voluntary affiliation of their members.

Objective of the Study: The performance and contribution of Third Sector in India and especially in West Bengal towards economic development of their stakeholders has remained an unexplored social landscape in the literature. Therefore, the objectives of the study are *to identify the different categories of third sector enterprises and organizations operate in India as well as in West Bengal and what are their functions?*

Hypothesis of the Study: The study attempts to probe that the third sector is not very active in West Bengal compare to overall performance of India.

Methodology of the Study: The study has been done on the basis of secondary data collected from various reports of RBI, NSSO, NABARD, NAFSCOB etc. Data processing and analysis have been done on the basis of descriptive statistics.

Third Sector –An Indian Perspective: Third Sector is a world-wide movement. The number of third sector increased after independence. According to the study of *Mohanty and Singh* (2001)⁴ about 11% of all third sectors were established before 1951, while the rest were established after the planning period⁵. However, there was also a qualitative change with increased professionalism in the voluntary sector during last period. The Central Social Welfare board was established in 1953 with the primary objective of promoting third sector for the social and economic development of deprived section of our society.

The Government paid more attention during the plan period, after the independence, to strengthen the movement and to identify the weaknesses in order to plug the loopholes existing in the third sector structure. In the year 1860, Societies Registration Act was pass by the government to made the provision for improving the legal condition or society's establishment for the promotion of literature, science or for the diffusion of useful knowledge. Society is an association of individuals or peoples united together with an aim and objective of providing service for the betterment of others.

Third Sector –West Bengal Perspective: According to the Kapoor & Singh ⁶, "during last hundred years, non-profit organisations have increased in West Bengal by leaps and bounds and spread out in the form of social organizations, cultural organizations, sports organizations and so on. They are formed either as development agents of the community or as a result of specialized technical knowledge or

³Salamon, L. & Anheier, H., H., (1994), "The Emerging Sector: An Overview", The Johns Hopkins University Institute for Policy Studies, Baltimore.

⁴ Mohanty and Singh (2001)-"Voluntarism and Government-Policy, Programme and Assistance" Voluntary Action Network India (VANI)

⁶ Kapoor, A.K. Singh, D. (1997) "Rural Development through NGOs". Rawat Publications: New Delhi, P-5.

induced by the government. In the post-independence era, freedom fighters, philanthropists, trained social workers, sociologists, anthropologists, development experts, planners, architects, etc. have contributed to promote third sector”.

The spread of third sector in West Bengal was started from the era of British rule in 1757, when Calcutta Madrasah was the first government institution which was the centre of Muslims’ Higher education movement in our economy. Different social, religious and education movement in different time in West Bengal create different third sector, those are actively work in our economic development.

Brahmo Samaj was established by Raja Ram Mohan Roy in the year 1828 with the object of the opposing belief of traditional Hindus and opposing child marriage, and propagating widow remarriage. Raja Ram Mohan Roy strongly fought against the practice of **sati**, worked for the spread of education for women and removal of caste barriers. He has also strongly advocated higher education and founded the Hindu College and also the Vedanta College to reach his target. As a result of his movement, the practice of sati was banned in 1829. Ishwar Chandra Vidyasagar also supported widow remarriage. He started a campaign in favour of widow remarriage and could draw the attention of Government of India, which passed the **Hindu Widow Remarriage Act, 1859**.

Swami Vivekananda, started social movement for the development of modern India by propagating his views and ideals of service. In the year 1897, he started a religious organization called **Ram Krishna Mission** and social service became an integral part of the work of the mission. This mission has covered in its activities worldwide like the education, health, and as well as flood and famine relief. West Bengal Societies Registration Act, 1961, governs the procedure for society registration and operation in West Bengal. In West Bengal, Society has to be registered with the concerned Registrar in which district it is planned to be established. After registration, society will have legal recognition, and it will be possible to run the society legally.

Categories of Third Sectors and their Functions: On the basis of activity of Third Sectors, it can be classified under five broad categories:

- **Charity Activity Based Third Sector:** It includes Health & Family Welfare, Nutrition, Prisoner's issue, Vocational Training, HIV/AIDS Medical Advice, Aged/ Elderly, Children,
The main functions of charity activity based third sector are as follows:
 - Work with the oppressed sections of society.
 - Charity Third Sectors are involved in charity (giving food, clothing, medicine, alms in cash and kind, etc.)
 - Welfare Third Sectors are involved in welfare (providing facilities for education, health, drinking water, etc.)
 - They educate communities in issues relating to child health, reproductive and sexual health, including HIV/AIDS, and appropriate hygienic practices to prevent common illnesses at home.
- **Socio -Economic Activity Based Third Sector:** It includes Civic Issue, Housing, Cooperative and Microfinance, Rural development and Poverty Alleviation, Tribal -Cast Affairs, Poverty Alleviation, Youth affairs, Right to Information and Advocacy, Panchayati Raj, Minority Issue, Legal Awareness and aid, Human Rights.
The main functions of socio economic activity based third sector are as follows:
 - Provide socio economic help to the deprive section of our society.
 - Development Third Sectors may be involved in providing development services such as credit, seeds, fertilizers, technical know-how, etc.
 - Social action groups are involved in raising the consciousness of the people, awakening, organizing, recording priorities to suit social justice, redeeming the past and opening doors for opportunities to the oppressed and the exploited.
 - Deprived communities acquire information, knowledge and capacity to access healthcare services. In parallel, Third Sectors trains health service providers, such

- **Environmental Activity Based Third Sector:** It includes Disaster Management, Drinking water, Environmental & Forest, Water Resource, New & Renewable Energy.
The main functions of environmental activity based third sector are as follows:
 - Third sector operates in a disaster-prone region characterized by wetlands, seasonal flooding and frequent cyclones.
 - They also have been working with communities to prepare them for emergencies caused by annual flooding and made with great efforts to improve health and nutrition status among marginalized communities in that area.
 - Third sector also raise public awareness and shape public perceptions about particular environmental issues.
- **Employment and Empowerment Activity Based Third Sector:** It includes Animal Husbandry, Dairying & Fishery, Agriculture, Labour and Employment, Micro small and Medium Enterprise, Women's Development & Empowerment, Food Processing.
The main functions of employment and empowerment activity based third sector are as follows:
 - They provide services that would strengthen the capacities of grassroots worker and others to function more effectively through training programmes and by bringing out periodicals.
 - Empowerment through different training and motivation activity for deprived and socially backward people.
- **Research and Development Activity Based Third Sector:** It includes Biotechnology, Information and Communication Technology, Science & Technology, Sports, Scientific and Industrial Research, Education and Literacy.
The main functions of research & development activity based third sector are as follows:
 - Research & Development in Education and other activity for economic development.
 - Activity like sport, art and culture etc.
 - Many third sectors either employ their own researchers, or commission independent or academic researchers, to carry out investigations into subjects that affect the groups and issues they deal with.

Comparative study of different Activity Based Third Sector in India vs. West Bengal: Comparative studies of different Activity Based Third Sector in India as well as West Bengal are discussed below:

Table 1: Comparative study of Charity Activity Based third Sector in India vs. West Bengal:

Charity Activity Based Third Sector				
	India	Percentage	West Bengal	Percentage
Health & Family Welfare	32881	23.55	3529	19.67
Nutrition	10685	7.653	622	3.468
Prisoner's issue	10685	7.653	222	1.238
Vocational Training	5552	3.977	327	1.823
HIV/AIDS medical advice	16161	11.58	4243	23.66
Aged/ Elderly	14657	10.5	2127	11.86
Children	21917	15.7	2685	14.97
Differently Abled	14136	10.13	3087	17.21
Others	12938	9.267	1095	6.105
Total	139612	100	17937	100

Sources: Niti Ayog, Government of India, Data used on 15th January 2020;
<https://ngodarpan.gov.in/index.php/home>;

The above table 1 indicates the number of different institution working in charity activity based third sector in our economy. Most of the institutions are worked in health& family welfare, with 23.55% of total institutions are actively worked in India where as 19.67% worked in West Bengal. Most of the institutions are worked in HIV/AIDS medical advice in West Bengal with 23.66 of total institutions. The lowest percentage 1.238% institution work in prisoner's issue in West Bengal and 3.977% institution work in vocational training in India.

Table 2: Comparative study of Socio-Economic Activity Based third Sector in India vs. West Bengal:

Socio -Economic Activity Based Third Sector				
Working in sector	India	Percentage	West Bengal	Percentage
Civic Issue	11589	7.94	491	2.291
Housing	7312	5.01	662	3.089
Microfinance	11984	8.21	2922	13.64
Rural development and Poverty Alleviation	21878	15	3482	16.25
Tribal -Cast Affairs	10423	7.14	1202	5.609
Urban development and Poverty Alleviation	10828	7.41	2433	11.35
Youth affairs	15297	10.5	2376	11.09
Right to Information and Advocacy	7060	4.83	943	4.4
Panchayati Raj	9731	6.66	948	4.424
Minority Issue	11284	7.73	768	3.584
Legal Awareness and aid	13603	9.32	2046	9.547
Human Rights	15040	10.3	3157	14.73
Total	146029	100	21430	100

Sources: Niti Ayog, Government of India, Data used on 15th January 2020;
<https://ngodarpan.gov.in/index.php/home;>

The above table 2 indicates the number of different institution working in socio economic activity based third sector in our economy. Most of the institutions are worked in Rural development and Poverty Alleviation, with 15% of total institutions are actively worked in India where as 16.25% worked in West Bengal. The lowest percentage 2.291% institution work in civic issue in West Bengal and 4.83% institution work in Right to Information and Advocacy in India.

Table 3: Comparative study of Environmental Activity Based third Sector in India vs. West Bengal:

Environment Activity Based Third Sector:				
Working in sector	India	Percentage	West Bengal	Percentage
Disaster Management	12539	18.157	764	9.908
Drinking water	17168	24.86	2320	30.09
Environmental & Forest	22961	33.248	3766	48.84
Water resource	9188	13.304	507	6.575
New & Renewable Energy	7204	10.432	354	4.591
Total	69060	100	7711	100

Sources: Niti Ayog, Government of India, Data used on 15th January 2020;
<https://ngodarpan.gov.in/index.php/home;>

The above table 3 indicates the number of different institution working in environmental activity based third sector in our economy. Most of the institutions are worked in Environmental & Forest, with 33.248% of total institutions are actively worked in India where as 48.84% worked in West Bengal. The lowest percentage 4.591% institution work in New & Renewable Energy in West Bengal and 10.432% institution work in New & Renewable Energy in India.

Table 4: Comparative study of Employment and Empowerment Activity Based third Sector in India vs. West Bengal:

Employment and Empowerment Activity Based Third Sector:				
Working in sector	India	Percentage	West Bengal	Percentage
Animal Husbandry, Dairying & Fishery	14261	13.98	2097	11.883
Agriculture	20710	20.3	2593	14.694
Labour and Employment	14950	14.65	2150	12.184
Micro small and Medium Enterprise	11085	10.87	1852.4	10.497
Women's Development & Empowerment	29416	28.83	8262	46.82
Food Processing	11599	11.37	692	3.92
Total	102021	100	17646.4	100

Sources: Niti Ayog, Government of India, Data used on 15th January 2020;
<https://ngodarpan.gov.in/index.php/home;>

The above table 4 indicates the number of different institution working in Employment and Empowerment activity based third sector in our economy. Most of the institutions are worked in Women's Development & Empowerment, with 28.83% of total institutions are actively worked in India where as 46.82% worked in West Bengal. The lowest percentage, only 3.93% institution work in food processing in West Bengal and only 10.87% institution work in Micro small and Medium Enterprise in India.

Table 5: Comparative study of Research & Development Activity Based third Sector in India vs. West Bengal:

Research & Development Activity Based Third Sector:				
Working in sector	India	Percentage	West Bengal	Percentage
Biotechnology	7652	7.969	688	6.07
Information and communication Technology	13668	14.23	1551	13.68
Science & Technology	9106	9.484	450	3.97
Sports	10960	11.41	943	8.32
Scientific and industrial research	4766	4.964	867	7.65
Education and Literacy	26306	27.38	4446	39.20
Art & Culture	23561	24.62	2389	21.10
Total	96019	100	11334	100

Sources: Niti Ayog, Government of India, Data used on 15th January 2020;
<https://ngodarpan.gov.in/index.php/home>;

The above table 5 indicates the number of different institution working in research & development activity based third sector in our economy. Most of the institutions are worked in education and literacy, where 27.38% of total institutions are actively worked in India where as 39.20% worked in West Bengal. The lowest percentage 3.97% institution work in science & technology in West Bengal and 4.964% institution work in Scientific and industrial research in India.

Table 6: Sector wise contribution of GDP in Indian Economy in the year 2016

Sector Wise contribution in Indian GDP	GDP (Rupees in Crore) at 2016	Percentage
Agriculture	1716746	15
Industry	3542821	32
Service	4574959	40
Third Sector*	1413103	13
Total	11247629	100

Sources: <http://statisticstimes.com/economy/sectorwise-gdp-contribution-of-india.php>: received on 02 January 2020. *According to the sources it is denoted as Community, social & Service

The above table 6 indicates the sector wise contribution of GDP (Rupees in Crore) at 2016. It shows that 53% of GDP comes from service sector, where as third sector plays an important role with 13% of total GDP in the year 2016.

Conclusion: Therefore the study negates the hypothesis that the third sector is not very active in West Bengal. Therefore the growing importance of the third sector to public life and services is not just limited to the economic boundary, but it has also a spill over effect on socio economic development. Third Sector becomes a land mark for sustainable growth in our Country.

Declaration: We, Biman Maity and Dr. Dipankar Dey, declared that our work is original and it has not been published earlier.

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