

A Study on Role of Third sector organisations in Socio-Economic Development with special reference to religious philanthropy in coastal Kerala and Karnataka

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Abstract

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. The primary objective of the proposed study is to examine the role of third sector organizations in the development of the economy where the formal sectors failed at the grass root level from a wide range of socio-economic & management perspectives.

Key words: *Third sector, Philanthropy, Socio-economic and Management.*

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.

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Third Sector is another name by which the non-profit or voluntary sector is known. Third sector organizations are variously identified as voluntary association, civic association, non-government organizations and mutual aid organizations. Economic liberalization in developing countries like India has changed the direction of the country from socialistic pattern to market economy. Therefore, the involvement and participation of third sector organizations is relevant in all spheres of development activities. The process of liberalization of the Indian economy enabled the mushrooming of a wide verity of third sector institutions and their participation in social transformation programs.

One of the major limitations of Indian Parliamentary democracy has been its centralized nature. The centralized democracy in India has failed and pendulum has moved towards participatory and responsive government. A study by PRIA (Society for Participatory Research in Asia) and Commonwealth Foundations (Commonwealth Foundation,2003) brings to light people's perception towards the good life and shared dream of citizens of India. Indians want peace, education and socio-economic security. They want to act and act responsibly, towards shaping such a society and governance. And here comes the role of third sector that can help in achieving their vision of desirable world; a world of peace, harmony and economic security, a world where relations across individuals and families, communities and nations are characterized by equity and justice.

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-centered initiatives that fall in-between the spheres of the state and the market. Today we see various kinds of engagements over the world 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

Objectives of the study

The present study 'The Third sector and its impact on Socio-economic Development' is to analyse the involvement of third sector

institutions in the process of socio-economic change where the formal sector has failed to implement the change successfully at the grass-root level. The proposed research is set out with the following objectives

1. To study the efforts of third sector organizations in the development of the economy where the formal sectors failed at the grass root level.
2. To trace the difficulties in the process of management and implementation of socio-economic programs by the third sector particularly the religious philanthropic institutions and to suggest the measures for further improvement.
3. To find out the sources of funds and the proportion of their usage for different socio-economic activities of the religious organizations.

Hypotheses

The hypotheses of the research are as follows.

- 1) Religious philanthropy organizations have direct impact on socio-economic development of the society.
- 2) Management of religious philanthropic resources is efficient in all religious organizations.
- 3) All three religious philanthropic organizations are equally monitoring the progress of their work for socio-economic development.

Research Design

The present study is designed as a descriptive research 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 all 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, Udipi 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 organizations and beneficiaries of religious organisations. 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, 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 a few. Hence, based on the information provided by the organizations, the beneficiaries have been selected using the judgmental method of non-probability sampling. The structured questionnaire has been administered for the same purpose. In total 297 beneficiaries belonging to three religions i.e. Hindu, Islam and Christian 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 certain relationships. For the Statistical analysis of the data, the major tools used include: Factor Analysis, Analysis of variance (ANOVA), Kruskal Wallis test, Fishers exact test, Chi-Square test, pie-charts, averages, percentages graphs, bar diagrams, tests of significance through software packages SPSS and Micro Soft Excel.

Data Analysis and Interpretation

As the purpose of the study is to understand the philanthropic work of the third sector organisations and their involvement in the socio-economic development, the data has been coded for different religions as given below.

The primary data collected through the field study from different religious organizations and beneficiaries is analyzed in Table 1

Table 1: Profile of the Religious Organizations

Religion	No. of Organisation	Percentage
R-1	18	16.8
R-2	49	45.8
R-3	40	37.4
Total	107	100

Source: Field Survey

Chart 1: Profile of the Religious Organizations selected for the study



From the above Table / chart it is clear that 107 religious organizations were selected for the study, in which 49(45.8 percent) belongs to R-2, 40(37.4 percent) belongs to R-3 and 18(16.8 percent) belongs to R-1.

Table 2: Activities of the Organizations-Religion wise

Activities of the Organisations	Religion					
	R-1		R-2		R-3	
	No. of organizations	Perce ntage	No. of organizations	Perce ntage	No. of organizations	Perce ntage
Educational programmes for all /girls/dropouts	13	72.2%	22	44.9%	37	92.5%
Medical camp/Medical aid to the needy	15	83.3%	23	46.9%	31	77.5%
Community related programmes	16	88.9%	21	42.9%	28	70.0%
Mass marriages	2	11.1%	7	14.3%	11	27.5%
Awareness about religious activities	9	50.0%	26	53.1%	28	70.0%
Scholarship	9	50.0%	21	42.9%	30	75.0%
Distribution of books/ uniforms	11	61.1%	14	28.6%	28	70.0%
Promote rural enterprises	2	11.1%	3	6.1%	4	10.0%
Ensure food security	4	22.2%	10	20.4%	12	30.0%
Help in poverty reduction	12	66.7%	10	20.4%	18	45.0%
Improve gender equality	7	38.9%	2	4.1%	7	17.5%
Promote accessible financial services	3	16.7%	7	14.3%	5	12.5%
Women empowerment	8	44.4%	5	10.2%	11	27.5%
Vocational training for unemployed to secure employment	7	27.8%	4	8.2%	15	37.5%
Reduced Child Labour	3	16.7%	2	4.1%	7	17.5%
Literacy campaign for adults	5	27.8%	2	4.1%	6	15.0%
Education on basic rights	3	16.7%	2	4.1%	12	30.0%
Women entrepreneurship	3	16.7%	3	6.1%	6	15.0%
Educate about environment degradation and pollution	8	44.4%	4	8.2%	7	17.5%
Financial assistance-concessional interest/interest-free loans	3	16.7%	4	8.2%	6	15.0%
Encourage simple marriage/ unnecessary spending	5	27.8%	6	12.2%	19	47.5%
Eradicate the dowry system/social awareness	7	38.9%	2	4.1%	18	45.0%
Counseling for higher education	10	55.6%	6	12.2%	17	42.5%
Encourage the self-employment	8	44.4%	6	12.2%	16	40.0%
Helping in construction of house	5	27.8%	3	6.1%	12	30%

Source: Field survey

As far as the activities are concerned, 67.3 percent of the organizations conduct educational programs for all /girls/drop outs. 64.5 percent conduct medical camp or provide medical aid to the needy, 60.7 percent for community related programs, 58.9 percent for awareness about the religious activities, 56.1 percent for scholarship, 49.5 percent for distribution of books and uniforms, 37.4 percent for help in poverty reduction, 30.8 percent for counseling for higher education, 28 percent for encourage self-employment and to encourage simple marriages and unnecessary spending, 25.2 percent for eradicate the dowry system/ create social awareness, 24.3 percent each for vocational training for unemployed to secure employment and to ensure food security, 22.4 percent for women empowerment, 18.7 percent each for mass marriages and helping in construction of house, 17.8 percent for educate about environmental degradation and pollution, 15.9 percent for education on basic rights, 15 percent to improve gender equality, 12.1 percent each for literacy campaigns for adults and finance assistance-concessional interest / interest free loans, 8.4 percent for promoting rural enterprises.

Inference

It can be concluded that the R-1 organizations are giving first priority to community related programs and then to health promotion. The R-3 organizations main concern is Education and then health care, whereas the R-2 religious organizations are more concerned about community development and then the education.

Table 3: Obstacles met by Organizations while implementation of Programs

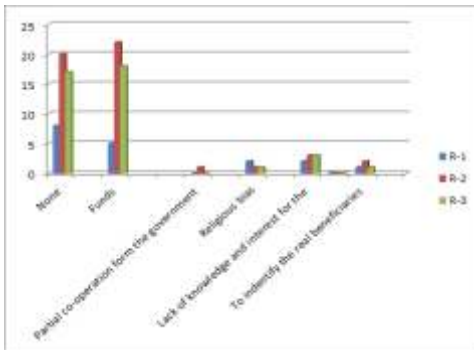
Obstacles met while implementing the programmes	Religion			Total
	R-1	R-2	R-3	
None	8 44.4%	20 40.8%	17 42.5%	34 31.8%
Funds	5 27.8%	22 44.9%	18 45.0%	45 42.1%
Parital co-operation from the government	0 .0%	1 2.0%	0 .0%	1 .9%
Religious bias	2 11.1%	1 2.0%	1 2.5%	4 3.7%
Lack of knowledge and interest on the part of the beneficiary	2 11.1%	3 6.1%	3 7.5%	8 7.5%
To identify the real beneficiaries	1 5.6%	2 4.1%	1 2.5%	4 3.7%
Total	18 100%	49 100%	40 100%	107 100%

Result: Fishers exact test $p=0.219$, Not Significant

Source: Field Study

The most of the organizations (42.1 percent) do not have any obstacles in implementing the programs, 42.1 percent of the organizations feel funds are insufficient, 7.5 percent of the organizations find it difficult to manage because of lack of knowledge and interest on the part of the beneficiaries, Religious bias and identification of the real beneficiaries were the third obstacle faced by the organizations (3.7 percent each) and only 1 percent felt that the partial co-operation of the government was an area of trouble. Fisher's exact test reveals that the obstacles met in implementing the programs insignificantly varies among different religions. ($p=0.219$).

Chart 2: Obstacles met by Organizations when implementing the Programs



Inference

It can be concluded that the main obstacle for implementing the activities of the religious organizations is the lack of funds. As per the data, other obstacles are negligible.

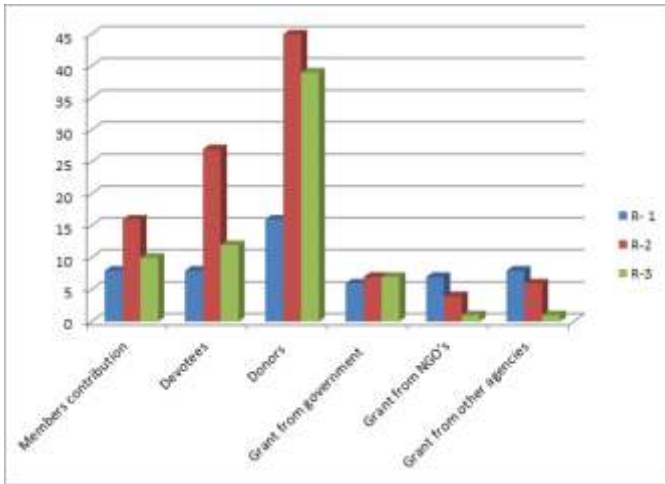
Table 4: Sources of Funds- Religion wise

Source of fund	Religion						Total N=170	
	R-1 N=18		R-2 N=49		R=3 N=40		No	Percent
	No. of organizations	Percent	No. of organizations	Percent	No. of organizations	Percent		
Members contribution	8	44.4%	16	32.7%	10	25.0%	34	31.8%
Devotees	8	44.4%	27	55.1%	12	30.0%	47	43.9%
Donors	16	88.9%	45	91.8%	39	97.5%	100	93.5%
Grant from government	6	33.3%	7	14.3%	7	17.5%	20	18.7%
Grant from NGO's	7	38.9%	4	8.2%	1	2.5%	12	11.2%
Grant from other agencies	8	44.4%	6	12.2%	1	2.5%	15	14%

Source : Field Study

As it can be observed in the above Table regarding the sources of fund, 93.5 percent of organizations are receiving the funds from the donors, 43.9 percent from the devotees, 31.8 percent from the members contribution, 18.7 percent from the government, 14 percent from the other agencies and 11.2 percent from the NGO's .

Chart 3: Sources of Fund- Religion wise



Inference

From the above analysis we can conclude that in all religious organisations, donor's contribution is the major source of fund.

Data analysis based on Hypotheses

H₁- Religious philanthropy organizations have direct impact on socio-economic development of the society.

Table 5: Statistical Analysis of areas of deployment of funds- Religion wise

	Religion	N	Min	Max	Mean	Std. Deviation	Median	Kruskal Wallis Test Value	P	Result
Education	R-1	7	1.500	11.000	5.214	3.893	5.000	1.146	.564	NS
	R-2	31	.600	90.000	10.612	18.895	2.750			
	R-3	37	.500	75.000	13.324	19.611	5.000			
	Total	75	.500	90.000	11.446	18.406	3.500			
Health	R-1	17	.100	900.000	65.271	217.073	1.100	4.730	.094	NS
	R-2	19	.100	900.000	49.846	205.911	.500			
	R-3	31	.400	25.000	3.798	5.310	2.000			
	Total	67	.100	900.000	32.454	154.109	2.000			

Construction of House	R-1	4	.150	35.000	9.325	17.139	1.075	1.078	.583	NS
	R-2	4	1.200	10.000	4.425	4.097	3.250			
	R-3	11	1.000	20.000	6.459	6.482	2.300			
	Total	19	.150	35.000	6.634	8.821	2.000			
Religious values	R-1	7	1.000	10.000	2.857	3.185	2.000	.690	.708	NS
	R-2	25	.100	100.000	6.844	19.562	3.000			
	R-3	21	.500	55.00	5.510	11.593	3.000			
	Total	53	.100	100.000	5.789	15.205	2.000			
Marriage fund	R-1	7	2.000	25.000	10.143	10.542	5.000	1.941	.164	NS
	R-2	3	1.000	10.000	4.167	5.058	1.500			
	R-3	10	1.000	25.000	8.350	9.387	3.5000			
Food/clothing	R-1	4	1.0003	300.000	89.500	141.799	27.500	4.136	.126	NS
	R-2	6	1.0004	300.000	63.000	116.343	20.000			
	R-3	11	.500	30.000	8.255	8.307	5.000			
	Total	21	.500	300.000	39.371	87.390	10.000			
Community related programme	R-1	5	1.000	100.000	21.400	43.947	2.000	.712	.701	NS
	R-2	10	.350	100.000	19.935	32.275	4.000			
	R-3	14	.500	6.000	3.336	1.940	3.500			
	Total	29	.350	100.000	12.174	26.234	3.000			
Others (orphanage, women empowerment etc)	R-1	6	.200	10.000	2.583	3.717	1.500	7.410	.025	NS
	R-2	16	.200	13.000	2.781	3.999	1.000			
	R-3	18	.300	80.000	9.961	18.247	5.000			
	Total	40	.200	80.000	5.983	13.009	2.000			

Source: Field Study

From the above table, 75 (70.1 percent) organizations contribute to education with mean amount 11.446 ± 18.406 lakhs. Among these, R-1 contribution on an average is 5.214 ± 3.893 lakhs, R-2 contribution 10.612 ± 18.895 lakhs, and R-3 contribution is 13.324 ± 19.611 lakhs. 62.6 percent organisations are contributing to the health with mean amount of Rs. 32.454 ± 154.109 lakhs. The contribution to construction of house is 6.634 ± 8.821 lakhs (17.8 percent organisations). The contribution to Religious values, Marriage fund, Food/clothing; Community related programmes and others (orphanage, women empowerment etc.) are 5.789 ± 15.205 lakhs, 8.350 ± 9.387 lakhs, 39.371 ± 87.390 lakhs, and 12.174 ± 26.234 and 5.983 ± 13.009 lakhs respectively. Kruskal wall's test shows that contribution by various religious organisation not significantly varies towards education. ($p=0.564$), health, construction of house, religious values, marriage fund, food/clothing, community related programs and women empowerment. Thus, it is clear that the religious organisations are contributing to education, health, construction of house, religious values, marriage fund, food/clothing, community related programs, women empowerment

with varying amount. Therefore the hypothesis “Religious philanthropy organizations have direct impact on socio-economic development of the society” is accepted.

H₂ - Management of religious philanthropic resources are efficient in all religious organizations.

Table 6: Feedback about the Difficulties

Taking the feedback from the beneficiaries about the difficulties they faced	Religion			Total
	R-1	R-2	R-3	
No	3 16.7%	29 59.2%	10 25.0%	42 39.3%
Yes	15 83.3%	20 40.8%	30 75.0%	65 60.7%
Total	18 100%	49 100%	40 100%	107 100%

Result: $\chi^2=15.422$, d.f=2 $p=0.000$, Highly Significant

Source: Field Study

About 60.7 percent of the organizations take the feedback from the beneficiaries about the difficulties they have faced to get the benefits and about 39.3 percent of the organizations do not take any feedback. The organizations that take feedback in R-1, R-3 and R-2 are 83.9 percent, 75.0 percent and 40.8 percent respectively. The chi-square test indicates that there is a significant variation among different religions in taking the feedback from the beneficiaries about the difficulties they have faced to get the benefits. ($p=0.000$).

Table 7: Status of Accepting and implementing the suggestions received

Accept the right suggestions from the feedback and try to implement for future programmes	Religion			Total
	R-1	R-2	R-3	
No	1 5.6%	24 4.90%	6 15.0%	31 29.0%
Yes	17 94.4%	25 51.0%	34 85.0%	76 71.0%
Total	18 100%	49 100%	40 100%	107 100%

Results: $\chi^2=18.123$, d.f =2, $p=0.000$, Highly Significant

Source: Field Study

It is heartening that about 71 percent of the organisations accept the right suggestions received through the feedback and try to implement in the future programs and 29 percent do not implement the suggestions. As per the data 94.4 percent of the R-1 organizations accept the right suggestions and try to implement it in the future programs whereas in R-3 and R-2 such percentages are 85 percent and 51.0 percent respectively. The chi square test reveals that there is significant variation among different religions in taking the feedback from the beneficiaries about the difficulties they faced to get the benefits. ($p=0.000$). From the above data we can conclude that the hypothesis “Management of religious philanthropic resources is efficient in all religious organizations” is rejected.

H₃ - All three religious philanthropic organizations are equally monitoring the progress of their work for socio-economic development.

Table 8: Methods used for monitor

Method used	Religion			Total
	R-1	R-2	R-3	
Documentation	11 84.6%	15 65.2%	24 66.7%	50 69.4%
Observation	5 15.4%	8 34.8%	12 33.3%	22 30.6%
Total	13 100%	23 100%	36 100%	72 100%
Result: $\chi^2=1.920$, d.f=2, $p=0.383$, Not Significant				

Source: Field Study

Table 8 reveals that religious organizations that in order to monitor the progress of their work for socio-eco development, 69.4 percent use the documentation method and 30.6 percent use the observation method. Among these 84.6 percent R-1 organizations use documentation and 15.4 percent use observation method. Similarly 65.2 percent of the organisations of R-2 and 66.7 percent of R-3, follow documentation method to monitor the progress of activities. According to the chi square test there is insignificant variation in the method used for monitoring the progress. ($p=0.383$). Therefore the hypotheses that “All three religious philanthropic organizations are equally monitoring the progress of their work for socio-economic development” is accepted.

Findings of the study

- It has been found from the study that all 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.
- Adequate Financial resources' is the major obstacle faced by these religious organisations in implementing the programs.
- From the field study we can also infer conclude that in all religious organisations, donor's contribution is the major source of funds.
- The hypothesis “Religious philanthropy organizations have direct impact on socio-economic development of the society” is accepted.
- From the above data we can conclude that the hypothesis “Management of religious philanthropic resources are efficient in all religious organizations” is rejected.
- The hypotheses that “All three religious philanthropic organizations are equally monitoring the progress of their work for socio-economic development” is accepted.

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. With regard to the particular area and a particular target group, if the decided strategy does not work then it should be 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 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.

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