

Trends in Development Sector¹

Peace, security and well-being in the world are promoted by:

- Reduction of poverty, and
- Preparing the world for future agenda.

These two aspects serve very useful purpose for the society. Unlike working to satisfy a need in present, working to influence the future is much challenging and difficult. Given the importance, several organizations have evolved to work for the cause.

The organizations that do the above constitute the non-profit sector or development sector. These organizations are of different types and work at different levels like:

● Grassroots NGOs and CBOs	● Government Projects/Boards
● Resource/Training agencies	● CSR Initiatives/Foundations/Trusts
● UN Organizations & World Bank	● International NGOs like Oxfam, CARE
● Government Funding Organizations like DFID, GTZ, USAID, SIDA, CIDA	● State/National level NGOs with head-office/corporate office functions like SEVA, AKRSP

These organizations have a public or social issue as an integral part of their missions. They are non-profit organizations in the sense that their profits or surpluses are not distributed to the owners/shareholders. Largely, these organizations perform one or more of the following roles:

- a) Service providers (like schools, hospitals, skill trainings, etc.)
- b) Advocacy organizations
- c) Support providers (who provide services to the service providers)
- d) Fund providers (or funding agencies, who provide funds to service providers)

This sector is very large and employs about 3 million people. To compare, this number is 80% of all central government employees, or 30% of employees in organized private sector. The total funds handled by this sector is Rs.40,000 crore.

And the sector is growing for the following reasons:

- Realization among international actors that prosperity cannot sustain when it coexists with poverty; and consequent increase of focus on poverty reduction.
- Activities under corporate social responsibility (CSR) have grown manifold.
- Corporate bodies have come up with several services targeting the poor and are routing these services through NGOs. For example, micro-insurance of LIC and micro-credit initiatives of ICICI are implemented through NGOs.
- Procurement from villages for the retail chains has increased. This resulted in increased engagement with the development sector.
- There is a realization that the poor can also be served profitably for fee. Several social enterprises have come up to offer these services.

The growth resulted in the following shifts of focus:

1. from 'doing' to 'outcomes'
2. from 'single, stand alone intervention' to 'coordinated delivery of services and integrated development'
3. from 'charity' to 'contribution of people and loan'
4. from 'simply giving it' to 'targeted distribution of benefits where required'

This growth requires that professionals work in these organizations in large numbers.

Many efforts have begun to nurture such professionals.

1 Note prepared by M. Vijaybhasker Srinivas, Akshara-Gurukulam (2008)