



# NGOs can't replace Government but correct, complement, supplement and support Government

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Date of Submission: 06-01-2023

Date of Acceptance: 19-01-2023

**Abstract:** NGOs – Non Governmental Organisations also promote social welfare and governments are also meant for social welfare. It could be argued that if governments did their jobs well non-governmental organisations would not have to step in. However can we take the argument that if non governmental organisations also do social welfare, which is the main purpose of government is it possible for non governmental organisations to replace government? While that may be a wild fantasy, what is certainly true that non governmental organisations render yeoman service by complementing, supplementing and supporting and correcting government.

## I. Introduction

NGO – Non Governmental Organisations – are not for profit entities that are independent of government and engaged in social welfare. NGOs are engaged in variety of fields – children, handicapped, education, orphanage, women, environment, elderly, human rights, peace, population, healthcare, water and so on.

Some would argue that these are the very areas that governments function in. Then what is the difference. Of course one is the scale – governments of nations of world are at least 20 to 50 times financially as large as the collective Non Governmental Sector. Secondly NGOs can function in limited geographical area. Thirdly governments can implement uniform program, whereas NGOs have their own solution for limited problem.

Yet it is hard to discount NGOs. They do render yeoman service and while they are considerably small in size compared to governments, in the area of social welfare their contribution is by no means negligible. This paper firstly explores if NGOs can replace Governments and then questions if NGOs can complement, supplement and support Governments.

## Can NGOs replace Governments?

While the role of Government is social welfare it was found that since 1970s governments are steadily withdrawing from areas of social welfare and consequentially many private organisations are stepping in to provide social welfare. Secondly citizens are realizing that governments have less and lesser interest in social welfare and hence private organisations are stepping in to provide social welfare. From early 1990s globalization meant that marginalized and poor sections of population had less say in government and hence NGOs had to step in to provide social welfare. Furthermore the demise of communism meant that left wing ideologies of equality have lost favour leading to inequality which governments are not too keen to correct and hence NGOs had to step in.

While it is true that NGOs can step in to provide social welfare where governments are failing, however overall social welfare is best left to governments and NGOs can correct and suggest policies to government after experimenting with solutions, but NGOs lack the scale and clout to be able to implement social welfare at such a large scale as is required by nations, societies and communities. Hence NGOs cannot replace Government.

## But don't dismiss NGOs just as Yet

However if the above analysis has made one sober on the constraints of NGOs, here is a reminder on how large and big the NGO sector is. There are 10 million NGOs in world. The number of people donating to NGOs increased from 1.2 billion to 1.4 billion. One in Ten employees in USA works for NGO sector. There are almost 1.5 million NGOs in USA and NGOs contribute 5.3% to USA GDP. Around 60 million Americans volunteer total of 7 billion hours to NGO sector and that amounts to 170 billion dollars and 4 million full time employees. Thus after adding full time employees and equivalent of volunteers the ngo sector in USA has



16 million employees comparable to number of employees in government at 21 million. There are 600,000 employees in Australia and they make 8% of work force. India has almost 3.3 million NGOs. NGO sector in Kenya is 300,000 full time employees and 80% are under age of 24. There are 130,000 non profit foundations in Europe and collect almost 53 billion Euros per year.

In the USA the total charity is around 400 billion dollars and that is 2% of GDP. Individuals give 280 billion dollars accounting for 70% of all giving. Giving by bequest rose to 35 billion dollars. Foundations gave 66 billion dollars. Corporations gave 20 billion dollars. Thus individuals gave almost 70% of all charity.

Charity in Europe is far less than Charity in the USA. For instance, UK charity is at 51 billion Euros which is about 0.2% of UK GDP. Germany's charity level is even less at 20 billion dollars which is 0.1% of GDP. And charity levels in France is even less at less than 10 billion dollars which is less than 0.5% of French GDP. Total charity in Europe is just 120 billion dollars and that is around 0.6 % of Europe's GDP. Japan's charity levels are also very low at 0.16% of Japan's GDP. India's charity levels are increasing and retail giving is at 20,000 crore rupees which amounts to 0.1% of GDP. Giving by Ultra High Net Worth Individuals is 0.15% of GDP which is less 1% of GDP charity levels in the USA. CSR giving has grown at a 15% rate from 12% of total giving to 23% of total giving in 2021. CSR contributions are expected to reach 32% of total giving.

#### How can NGOs work with Governments?

There are many ways that NGOs can help and assists Governments

1. NGOs can develop models of development that governments can learn from.
2. NGOs can advocate policies from their understanding of problems
3. NGOs can work as instruments to implement government policies.
4. NGOs can step in areas where governments are not doing adequately well.
5. NGOs can identify problems that government is unable to gauge.
6. NGOs can relieve some burden from government.
7. NGOs can bring about participation of citizens in issues of social welfare.
8. Some social welfare can only be done by NGOs – orphanage etc.
9. NGOs can provide prompt action and government can scale up later.

10. NGOs can educate government

Finally the fact that so many NGO exist is itself a pointer to government failure. Shouldn't governments step in and do more for social welfare. Because governments through their fiat can collect lot more in taxation than NGOs with their begging bowls can in charity. Hence finally governments around the world need to question if their withdrawal from social welfare is appropriate policy and is there a case for more inclusive growth with greater intervention in social welfare. Are NGOs pointing to a serious malady that needs governmental surgery rather than NGO palliation?

#### II. Conclusion

NGOs are large in scale but miniscule compared to Governments. It is said that test of first rate intelligence is in ability to retain two opposite thoughts and still retain ability to function. We need NGOs to supplement, complement and correct Government. Yet we need such Governments that make NGOs unnecessary. Democracy should make that possible.

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