



The Johns Hopkins University
Institute for Policy Studies
Center for Civil Society Studies

Exploring the Non Profit Sector in India

Some Glimpses from Meghalaya

Prepared by PRIA & Society for Socio-Economic
Studies and Services in Collaboration with
the Center for Civil Society Studies,
Johns Hopkins University, USA

March 2003

Working Paper Number 8



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V. THE SURVEY INSTRUMENTS

There are a number preparatory steps which need be taken before actually launching a large scale sample survey in the field. First of all, survey objectives have to be spelled out. This will determine what queries/ questions and items of information ought to be included in the survey schedules. The survey design has also to be evolved, which will determine as to what kind of respondents will be approached for furnishing the needed information. Finally, sample size has to be fixed, keeping in view the margin of errors which can be tolerated as well as the time and cost constraints. Usually, primary data in such surveys are collected with the assistance of a large band of field investigators, who actually contact the respondents for soliciting the required information. These investigators have to be given formal and detailed training (and often re-training) on concepts and definitions of various terms used in the survey schedules, for which purpose a Training Manual has to be prepared. This chapter outlines the details of the survey objectives, the sample design proposed and actually used and the survey schedules.

The survey of non-profit organizations, sometimes referred to as 'organizational survey' in the literature, has **the following objectives.**

- (i) To estimate the total number of formalised NPOs together with associated estimates of their employment, revenue and expenditure;
- (ii) To estimate the distribution of non-formalised (including transient) NPOs together with associated estimates of their employment, revenue and expenditure;
- (iii) To estimate the distribution of formalised and non-formalised institutions into major activities as listed in NIC groups/sub-groups;
- (iv) To estimate the mortality rates of institutions (both formalised and non-formalised) that will help validate the registration data emanating from the implementation of the Societies Act; and
- (v) To estimate the number of volunteers employed in the non-profit sector, quantum of time spent by them and to estimate employment and output generated by volunteers.

CONCEPTS AND DEFINITIONS

Apparently, it is necessary to adopt uniform and easily applicable set of definitions

of various terminology, which can be comprehended by data collectors at various sample points with ease. The first and most important term used in the study is 'Non-profit Organization', a term which is relatively new in the Indian context, although it is in greater use in the western countries. For the present survey, the structural-operational definition of an NPO developed by the Center for Civil Society Studies of the Johns Hopkins University has been adopted. According to this definition, a Non Profit Organization is an institution/ organization (i.e. a non-household entity), which meets five criteria simultaneously viz. it is (a) organized, (b) private, (c) non- profit distributing, (d) self-governing and (e) voluntary.

The above definition has been operationalised in the present survey by describing the five qualifying attributes as under:

(a) Organized: Any institution which has its own constitution/ charter for its functioning is considered organized, irrespective of whether it is formally registered under any one of the statutory provisions. Large scale people's movements, such as Women's Movement, Human Rights Movement, Anti-nuclear Movement, launched and spearheaded by groups, which are formally well-organized but not registered, would be covered under this definition. So also, the large number of unregistered yet formal associations at the grassroots level, such as the youth clubs, mahila mandals and residents welfare associations, would be included under the definition.

(b) Private: means institutionally separate from government. This does not mean that such organizations can not receive government grant or financial support in other forms or that government officials cannot sit on their boards. However, institutions set up and fully owned by any department of the Central or State governments, like Council for Advancement of Peoples Action and Rural Technology (CAPART), National Dairy Development Board (NDDB), etc. would not form part of the NPO sector.

(c) Self-governing: The organisation should be equipped to control its own activities and should not have its internal procedures for governance controlled by any outside entity (government or for-profit business entities), which may have provided funds to it.

As mentioned above, the Central and the State governments have set up several NPOs under the Societies Act, 1860 or the Co-operative Societies Act, 1904. Such organisations have governing boards constituted by the government with the government nominating their officers on the Board. Often, the government also posts their personnel in

these organizations. Sometimes, the governments have the right to supersede the governing boards. Like-wise, under the Co-operatives Act, the Registrar has powers to amalgamate, divide or reorganise a co-operative in public interest. Such institutions are not to be treated as self-governing, unless warranted by specific circumstances. Trade unions, by and large, would form part of the sector and are included under the survey, unless warranted by specific circumstances.

(d) Non-Profit distributing: Income generating activities, which the societies, charitable or other institutions may be engaged in, may lead to profits accruing to them. However, registration of an organization under the five Acts mentioned earlier is possible only if it is engaged in non-profit making activities. Therefore, by definition, such profits, savings, or retained surplus are not to be available for distribution among the members of the governing board or other persons engaged in promoting the institution but are reinvested for the activities of the organization.

(e) Voluntary: A simple way of defining the term 'voluntary' is "any activity undertaken on one's own volition and with no benefit to the doer". In no circumstances can a voluntary worker be paid at his / her market rate. Essentially such payments are made to meet part of the expenditure on transport and the like. One of the attributes of a non-profit institution is that at least some part of human resources it deploys, either at the management level or programme level, is obtained without remuneration or at less than the market rate of remuneration.

SAMPLING DESIGN & SAMPLE SIZE

All along the intention had been to choose a sample design, which could net the NPOs effectively. Like in other States, a three stage stratified sampling design was adopted in Meghalaya also, the first stage units being Districts in the State, second stage involved selection of CD Blocks in each sampled district and finally, villages in rural areas and Urban Frame Survey (UFS) blocks^{**} in urban areas constituted the third stage sampling units. On operational considerations, it was decided to prefix the sample size to 1% of total

^{**} In large-scale sample surveys, dividing large cities and towns into standard units facilitates easy sample selection. For this purpose, the National Sample Survey Organisation (NSSO), the premier statistical survey agency of the country, conducts a continuing survey called the Urban Frame Survey (UFS), which attempts to divide all cities and towns into standard, compact and easily-identifiable units called 'Urban Frame blocks' (UFS) with a population of 600-800 (or 120-160 households). The UFS was first conducted in 1959-63 and is being updated since then once in five years.

number of villages and 1% of total number of UFS blocks in a district. The Specific details of the design are as follows.

- (a) The National Sample Survey Organisation (NSSO), for its annual rounds of socio-economic surveys, has divided Meghalaya into three regions with geographically contiguous and homogeneous districts grouped together, as basic strata. These were Eastern, Central and Western regions. The same strata were used for the NPO survey as well.
- (b) One district from each stratum was selected with probability proportional to estimated number of NPOs as per the Fourth Economic Census* 1998. The selected sample districts were East Khasi Hills, Jaintia Hills and West Garo Hills.
- (a) From the selected first stage units (fsus) i.e. districts, blocks in rural areas and towns in urban areas were selected as second stage units (ssus). In rural areas, a sample of blocks were selected from each of the selected districts, with probability proportional to number of NPOs as per EC-'98. In urban areas, District Towns were selected with probability as 1, while other towns were selected with probability proportional to number of NPOs as per EC-'98.
- (d) In the selected Blocks and Towns, villages and UFS blocks (as per NSSO Urban Frame) were first arranged in the descending order of the number of NPOs as available from EC-'98. Out of the above arrangement, $n/2$ number at the top, where n was the pre-determined sample size of villages/ UFS blocks to be sampled, were selected with probability 1 to be included in stratum 1. Another $n/2$ villages (or UFS blocks) were selected on the basis of simple random sampling out of $N - n/2$ remaining villages (or UFS blocks), which constituted stratum 2, where N represented the total number of villages (or of UFS blocks) in the Block (or town) under consideration.

* The Economic Census is the official count of all entrepreneurial units involved in any economic activities of either agricultural (excluding crop production or plantation) or non-agricultural sectors of the economy, engaged in the production or distribution of goods or services not for the sole purpose of own consumption. Economic Census are conducted periodically by the Central Statistical Organisation (CSO) of the Ministry of Statistics and Programme Implementation.

All the NPOs in the sample villages/UFS blocks were comprehensively listed through a listing exercise, which formed the ultimate sampling-cum reporting unit for the survey. Through the approach stated above, 109 NPOs were netted in the sample and surveyed in Meghalaya. Table 5.1 gives the sample-sizes of the survey at different stages. The lists of Blocks/Towns selected in the three districts are given in Appendix-I. It may be seen from the table that in total, a sample of 32 villages and 20 UFS blocks were surveyed.

Table 5.1: Distribution of Sample Sizes at Different Stages

District	RURAL				URBAN			
	Total No. of C.D.	C.D Blocks in the Sample	Total No. of villages	Villages in the Sample	Total No. of Towns	No. of Towns in the Sample	Total No. of UFS Blocks	UFS Blocks in the Sample
Jaintia Hills	4	2	4,62	8	1	1	41	4
East Khasi Hills	7	2	879	16	7	2	529	12
West Garo Hills	7	2	1,470	8	1	1	82	4
All Districts	18	6	2,811	32	9	4	652	20

AN ADDITIVE EXPLORATION

As the project activities were being planned, an overwhelming view had been that registration records should ideally be exploited for preparing a detailed list of NPOs and then commissioning an organizational survey using a statistically designed random sample of NPOs. In this background, an exercise to study the registration machinery existent in various States of the country and the records maintained by them was undertaken. Two conclusions emerged. The first was that registration records in most States were maintained rather haphazardly. In no State were these records computerized; the registers in the Office of the Registrars clearly had far fewer entries than the numbers of institutions actually registered; there were no information on institutions, which ceased to exist after being registered (even though the Act provided for de-registration) and registers for several years were totally non-traceable. Secondly, it became abundantly clear that informal sector in most Indian States was fairly large and the contribution of this important sector could not be netted if the study was based on the registration frames. The best course, it was thought, would be to generate the required information through sample surveys of geographic areas. However, it was important to understand the functioning of the registration system of the country on the

one hand and to validate the estimates of size and other related characteristics of the formal sector through use of registration records on the other. With a view to meeting these objectives, an exploratory exercise to collect information from a small random sample of NPOs from the frames of institutions registered under the Societies Registration Act was undertaken.

In Meghalaya, although the State Societies Act was promulgated in 1976, the office of the Registrar started functioning effectively only from 1978 onwards. The Registration office was established in Shillong, capital of Meghalaya, where all units had to come to get registered or submit annual returns. Secondly, the Meghalaya Act stipulated that societies registered prior to 1978 under Central Societies Act, 1860 get registered again under the State Act. However, the records received from the Central Headquarters were incomplete. Moreover, facilities for updating and cross-checking the records in the new set up were not adequate. All this rendered the list available in the registration office incomplete and out of date. In this background, the sampling design used for the “registration frame survey” was based on the lists for post-1980 period, which was divided into three groups viz. 1981-82 to 1989-90, 1990-91 to 1995-96 and 1996-97 to 2000-2001. From each of the three groups, one year was chosen at random with the condition that two consecutive years were not chosen. Then, from the registers of the selected years, a sample of 5% with a minimum of 10 societies was drawn following a procedure of linear systematic sampling. It was observed, during the sample selection, that generally all registers were generally well maintained.

A total of 96 registered societies were sampled in the three districts from the records maintained at the Registrar’s office. However, information could be collected from 83 societies as the remaining 13 societies were either closed or non-existent at the registered address or refused to furnish the required data. The effective response was thus 86%. The district-wise distribution of sampled and responding units is given in Table 5.2.

Table 5.2: Distribution of Sample NPO’s in the Registration Frame Design

Districts	Sample	Canvassed	Effective Response
Jaintia Hills	30	26	26
East Khasi Hills	35	31	31
West Garo Hills	31	26	26
Total	96	83	83

SCHEDULES OF ENQUIRY

The primary data in organisational surveys of Non Profit Organisations were gathered through the use of two schedules of enquiry viz. schedule 0.1, the Listing Schedule and schedule 0.2, the NPO Schedule. The listing schedule was meant for preparing comprehensive lists of NPOs in the sample villages/ UFS blocks and the NPO Schedule for collecting information on organisational, activity, employment and financial details of the NPOs netted in the sample villages/ UFS blocks. The details of information to be collected in these schedules are described below.

DETAILS IN SCHEDULE 0.1

(To be canvassed in sample villages/ UFS blocks)

- Block 1:** Location particulars: (State / District / Block or Town / sample village or UFS block).
- Block 2:** Addresses of NPOs with two major activities from Block 3, as furnished by the household respondent and from knowledgeable persons.
- Block 3:** List of Houses and Households with particulars of non-agricultural enterprises.

DETAILS IN SCHEDULE 0.2

(To be canvassed at Identified NPOs)

- Block 1:** Identification Details (State/ District/ Block or Town/ village or UFS blocks).
- Block 2:** The following items of information were to be collected in this block.
- (i) Name and designation of respondent;
 - (ii) Name and address of the NPO;
 - (iii) Name and designation of the Chief functionary;
 - (iv) Whether the Chief Functionary is the founder or one of the founders;
 - (v) Whether the NPO is registered and if so under which Act(s) and Year of registration;
 - (vi) Whether registered under FCRA or under any I.T. Act, if so specify the section.

- Block 3:** General Information comprising the following items of information.
- (i) Whether the NPO is membership based and if so the type of membership;
 - (ii) Whether there is a Governing Body, if so number of members and their term;
 - (iii) Whether the members of the Governing Body, nominated, elected or both and who nominates or elects them;
 - (iv) Frequency of Governing Board meeting.
- Block 4:** Activities of the Organisation (Areas of work, target-groups and number of interventions, etc.).
- Block 5:** Employment Details (Number of regular employee, Contractual employees and Volunteers with male/ female and Full-time/ Part-time breakdowns, Hours of work put in by part -time workers & volunteers).
- Block 6:** Receipt in Rupees (Receipts for the last three years under different heads and identification of donors, with distinction between receipts in cash and kind).
- Block 7:** Expenditure in Rupees (For the last three years under different expenditure heads).
- Block 8:** Fixed Assets (Item-wise possessions and approximate present value).
- Block 9:** Project(s) Specific Details (Title, Date of start, Expenditure during 1999-2000 and since inception, Receipts during 1999-2000, Total estimated project cost and Sources of funds).

Schedules 0.3 & 0.4 were used in the Registration Frame design. While schedule 0.3 was used for listing names and addresses of the institutions selected from the registers of the Registrar's Office, Schedule 0.4 was a replica of Schedule 0.2 and was used for collecting information from NPOs in the sample drawn from the Registration frames.

FIELD ORGANISATION, DATA COLLECTION AND REFERENCE PERIOD

The field staff comprised two Field officers, three Field Supervisors and twelve Investigators. The fieldwork was conducted from June 2001 to August 2001. Considering that the survey was a fairly difficult one attempting to explore totally new ground, an intensive training programme had to be arranged for a period of 8 days from 25th May to 2nd June, 2001 followed by a refresher course of two days on 29th and 30th June, 2001. Reference period for data collection was last 12 months for activity and employment particulars and three financial years viz. 1997-98, 1998-99 and 1999-2000 for 'Receipts' and 'Expenditure'.

ESTIMATION PROCEDURE

Usual estimation procedure for multi-stage designs for estimating totals and ratios were used. For estimating district totals in the rural sector say the total number of NPOs, the following formula has been used.


$$Y = \frac{1}{n} \sum_{i=1}^n \frac{1}{p_i} \left[\frac{M_i - m_{i1}}{m_{i2}} \sum_{j=1}^{m_{i2}} y_{ij} + \sum_{j=1}^{m_{i1}} y_{ij} \right]$$

- where Y = district level estimate of total number of NPOs ;
n = number of blocks selected in the district ;
p_i = probability of selection of ith block ;
M_i = total number of villages in the ith block ;
m_{i1} = number of villages selected in stratum 1 of ith block (100% selection) ;
m_{i2} = number of villages selected in stratum 2 of ith block on the basis of srs ;
y_{ij} = number of NPOs in jth village of ith block.


The formula was extended where another stage of selection was added and also suitably revised for the urban samples.

For the urban samples, district towns were selected purposively and other towns were selected using pps design, in the first stage. However, at the second stage, the same design as for the rural sector, had been adopted. Accordingly, the following revised formula for the urban sector was used :

$$Y = \left[\sum_{j=1}^{m_{11}} y_{ij} + \frac{(M_1 - m_{11})}{m_{12}} \sum_{j=1}^{m_{12}} y_{ij} \right] + \frac{1}{(n-1)} \sum_{i=1}^{n-1} \frac{1}{p_i} \left[\sum_{j=1}^{m_{i1}} y_{ij} + \frac{(M_i - m_{i1})}{m_{i2}} \sum_{j=1}^{m_{i2}} y_{ij} \right]$$



(A)



(B)

Where first part of the expression (A) relates to the district town and the second part (B) is for the rest of the towns and notations in A i.e. M_1 , m_{11} and m_{12} are the number of second stage units (UFS blocks) in the district town as a whole, sub-stratum1 of the district town and sub-stratum-2 respectively. Other notations in A and B are the same as for the rural sector.

State-level estimates were obtained from the district estimates using estimation procedure for stratified pps sampling where size was the number of NPOs as per EC-'98. District-wise multipliers were computed by taking inverse of the probabilities i.e. the numerator being the total number of NPOs as per EC-'98 in the stratum and district total number of NPOs as the denominator.