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**NGOs in Gujarat Model:  
Development as  
an Interaction**

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## ABSTRACT

The development model a region adopts creates a certain development environment, which is co-shaped by the pillars of growth (such as government policy and priority industries) and the public perception of and action on development. In such development model, NGOs have been recognized as an important player. For NGOs, the success of development programs occurs in the benign interaction between the development model and the NGOs. This article probes into the development environment created by the development model, the impact of the development environment on NGOs, and NGOs' exploration of adapting to and challenging the development environment. "Gujarat development model" was created when Narendra Modi was the head of Gujarat and later taken national with him elected as Prime Minister of India. This model is renowned for its miracle growth rate, meanwhile suffers from ill repute in human development. I argue that the development environment created by the Gujarat model for NGOs is rich in opportunities but sometimes unwelcome due to authoritarian bureaucracy and ultra-Hindu nationalism. This is due to Gujarat and India's contradictory picture of neoliberal development: on the one hand, neoliberalism has been promoted with a renovated set of initiatives, as demonstrated by NGOs' community-based projects; on the other hand, Gujarat and India government seem not to push the neoliberal reform "too far." NGOs in the Gujarat model, as represented by the Ford Foundation, quickly learn to survive in the policy settings and grasp the opportunities. In terms of the unwelcoming aspects, three kinds of reactions have been observed: exit, accommodation, and challenge.

**KEYWORDS:** Development; NGO; India; Gujarat model; Neoliberalism; Structure violence

## 1. Introduction

Non-governmental organizations (NGOs) emerge as important non-state actors that operate independently of governments. Among NGOs, development NGOs are those specifically involved in broad aspects of development projects, such as environment conservation, gender inequality promotion, poverty alleviation, civil society empowerment, etc. Since the explosion of NGOs in the 1980s, scholarship has identified their unique functions in development due to their less hierarchical, less political, more democratic, and more “people-centered” characteristics (Korten 1987; Rahman 2006), compared to the state’s characteristics in development research as corrupt, inefficient, and capitalism-oriented (Sutton & Arnove 2004). The advantaged nature of development NGOs has made them a good performer for development projects.

However, as Watkins et al. (2012) point out, the notion that NGOs are superior in development projects might fall into the trap that views them by how they are imagined rather than their actual contributions, for these organizations confront a significant gap between their supposed mission of transformation and the social realities they face on the ground. It is important to “write about and from the gap” (Hoag 2011) through identifying the aspects that complicate the true features of development in reality— by moving beyond the ideological preoccupation of the imagined role of development NGOs and digging into the struggling process of development can one truly understand the responsibility and obstacles faced by them (Ferguson 1994).

This gap-exploring method reminds us that development is a kind of interaction that is far more perplexing than the state-NGOs binary relationship. Development NGOs’ choices and

activities are co-shaped by the target bureaucracy's action and local social environment. Here I would introduce the broad concept of "development model" to represent the holistic background where development NGOs work in. In this article, development model is used to describe a pattern of development pathways employed by certain countries or regions, which is often displayed in the form of government policy, priority industries, social attitude on development, and so on (Kuznets 1988). From a dynamic perspective, development model is a network where distinct factors form hybrid power to achieve certain development goals. The collision of different factors creates the development environment unique for the participators in the development model.

Following the achievements of Indian National Congress (INC) in the 1990s, the term "Gujarat development model" was created by Narendra Modi when he was the head of Gujarat, India from 2001 to 2014, and was taken national as Modi assumed office as India's Prime Minister. This development model is famous for the high growth rate due to unique and innovative methods of neoliberal policy. My research aims to probe into the interactive relationship between development NGOs and the Gujarat model: what development "environment" has the Gujarat model created? In what way have development NGOs adapted to and challenged the development environment? I argue that the Gujarat model has created an opportunity-rich yet sometimes unfriendly (or even negative) environment for development NGOs. This is because contrary to Modi's propaganda, the Gujarat model demonstrates an incomplete form of neoliberal transformation. On the one hand, neoliberalism in development has been embodied in initiatives and programs that stress pro-corporate and self-help strategies instead of government instruction. This can be seen in Gujarat's effort in building investment-

friendly environment and promoting industrial growth. In the realm of human development, which that government has long been accused of ignoring, NGOs fill the gap with the neoliberal spirit. But on the other hand, Government of India and Gujarat seems not to be unwilling to push neoliberalism in development too far. Governmental intervention, or sometimes restrictions under the excuse of endangering national interest and intruding religious harmony, is often seen in NGOs' development activities in Gujarat and India in the form of structure violence. The rising ultra-Hinduism and xenophobia sentiments constitute another obstacle for neoliberal development transformation.

To date, various studies have investigated into how Indian local NGOs and several international NGOs that have a specific area of expertise, e.g., Greenpeace, have survived and adapted to Gujarat's development environment in recent decades (Shah 1995; Baruah 2007). My research assesses the less examined Ford Foundation, which has actively participated in India's development since 1952, and remained a matter of great controversy due to the development projects it engages in. The example of the Ford Foundation serves well to illustrate how NGOs seek to make their contribution to development in a neoliberal way by grasping the opportunities, while also look for ways to confront and challenge government intervention and the rising ultra-Hinduism.

I have organized my argument in the following way: the second section provides a literature review on state-NGOs relationship that leads to the broader discussion of NGOs in development model and development environment. The third section describes the nature of Gujarat model, explaining the pillars behind the miracle growth rate and its shortcomings. I show

that the Gujarat model advertised by Modi largely inherits from the policy and accomplishment of the former government, and is seen nationwide as Modi becomes Prime Minister.

Consequently, I expand the Gujarat model as advertised by Modi's administration in time span to include the 1990s and 2014 and afterwards. The fourth section examines the development environment created by the Gujarat model for development NGOs. Then I introduce the Ford Foundation's contributions and struggles as a case study to show the Gujarat model's impact on an international NGO that has been broadly engaged in India's development, and what the Ford Foundation has done meanwhile to adapt to or challenge such development environment. In terms of methods, this research investigates four kinds of sources in an attempt to present a comprehensive qualitative analysis: first, official documents from the Government of India and Gujarat, such as policy memos and reports from the Intelligence Bureau, that show governmental attitudes towards development and NGO activities; second, related news with key words "Gujarat" and "NGO" from 1990 to 2019 on various media, retrieved on Nexis Uni; third, the Ford Foundation's annual reports from 1952 to 2019, which document the Ford Foundation's programs and grants in India; fourth, the Ford Foundation's working paper, publications, internal research reports, and other records drawn from the Rockefeller Archive Center.

## 2. Development as An Interaction: Development Model and NGOs

### 2.1 Background: State-NGOs Relationship

NGOs constantly face the need to cooperate with or confront the pressure from local bureaucratic agencies. A proliferating body of literature identifies two types of relationships between the state and development NGOs. Based on the state-civil society division, the first set of literature considers NGOs as an alternative development paradigm to the bureaucratic state (Atack 1999). Scholars holding this view value the role of NGOs as independent development actors, who work to complete the gap between the state and the citizens by diving into grassroots fieldworks and trying to reach the poorest of the poor. As an alternative choice, the NGOs are expected to avoid the same shortcomings that state and market may have in development projects, e.g., bureaucratic corruption, capitalism-oriented plans that value profit more than development itself, or the mismatch and ineffective communication between the development expertise and the local views (Thomas et al. 2010; Wells 2001).

The second set of literature argues that the state and NGOs are inseparable and deeply interactive in development projects. Some scholars contend that state, or broad government organizations (GOs), have the responsibility to facilitate NGOs or to share work equally with them in development frameworks. NGOs should enjoy equal status from decision-making to implementing in development practice, which helps to ensure effective project completion on a wider scale (Shah 1995; Bullain & Toftisova 2004). Others have suggested a state-dominated pattern in this binary interactive relationship. In this case, the state-NGOs relationship is better described as the state's attempt to "govern" the NGOs: NGOs are incorporated into state-led development plans, in which the state is the principal performer and NGOs play a supportive

role. One of the major reasons for the “governance-governed” relationship is that the state worries that NGOs would undermine the governmental accountability and institutions (Watkins et al. 2012). Heurlin (2010) offers two strategies of this attempt: first, government may seek to co-opt NGOs to perform state functions and impose strict control and oversight on them. Second and worse, NGOs are marginalized and replaced with state institutions in development activities. Ebrahim (2001) puts forward some different routes, where the NGOs receive state influence via various mechanisms such as consultations and funding on their initial and formative stages.

## **2.2 Development Model and NGOs’ Behavior**

This research follows the thread of the inseparable state-NGOs interactions in development but goes beyond the binary relationship. Whether the state and the NGOs sit in equal positions or not, it is undeniable that state is a major character that shapes NGOs’ trajectory from decision-making to implementing development programs. But often NGOs’ behaviors are not constrained from state alone. Policies, once set by the state, create a development environment along with the preexisting economic structure, social culture, and other dimensions of the target destination. Here I refer to the term “development model” to describe a pattern of development pathways employed by certain countries or regions, which is often displayed in government policy, priority industries, and so on (Kuznets 1988). This research takes the “development model” as an independent factor that leads to the corresponding NGOs’ activities, and probes into a) the impacts of development models created by a network of factors (state policy, economic structure, etc.) on NGOs’ behavior, and b) the NGOs’ reactions to adapt to, challenge, and even change the existing model to suit their needs.

The development models' impacts and NGOs' reactions here are examined through historical analysis of the role of NGOs in the famous Gujarat development model in India. Iyengar (2000) describes the role NGOs played in Gujarat from 1960s to the turn of the 21<sup>st</sup> century. The performance of NGOs was largely related to the dynamic political environment. Before 1970s, following the Gandhian mode, NGOs primarily focused on mixed economic development with poverty alleviation and were basically funded by the Government of India. After the 1970s, as NGOs mushroomed in Gujarat, Iyengar (1998) classified them into four categories: Gandhian, delivery organizations, professional organizations and mobilizational organizations. The increase in foreign aid for development also became evident in this period. Since 1991, as India shifted to market-driven growth, there has been an upsurge of NGOs in India (Goswami & Tandon 2013). The role of NGOs was recognized as helping the development of the civil society, especially those areas that were beyond the reach of the government machinery. Fortunately, Gujarat was equipped with a relative better environment for this purpose. Entering the 21<sup>st</sup> century, Gujarat's growth miracle was labeled as the "Gujarat model" under Modi's administration. This research aims to fill the gap in the literature that depicts NGOs' role in Gujarat from 1990 to 2019, a period when Gujarat started to rise under the Congress government, Modi's assuming office as the chief minister of Gujarat and later, this model was taken national during Modi's term as Prime Minister of India.

The case study for this research is the Ford Foundation in Gujarat and India. Since 1952, the Ford Foundation has been working extensively in India, offering financial and technical support to a wide range of development agenda, including education and culture, urban planning, the Green Revolution in agriculture, civic engagement, and so on (the Ford Foundation 2022).

The role of the Ford Foundation in India's development has been both a complementing and confronting one. Until 2019, the Gujarat model in India created an opportunity-rich environment for the Ford Foundation to get involved. But in the meanwhile, the Ford Foundation also faced with some obstacles from the Government of India and Gujarat and the whole development environment, including policy compliance, accusation of potential threats to national sovereignty, and etc.

### 3. Gujarat Model at a Glance

#### 3.1 Gujarat: A Brief History

I start by giving an overview of Gujarat's accomplishment since its inception. Gujarat, the fifth-largest state on the north-western coast of India, was formed in 1960, separated from the then bilingual Bombay state based on language differences. From its inception to the 90s, Gujarat had shown a consistent increase in the rate of growth from 3.32% to 5.67% (Hirway 2000; Chhaya 2018). Compared to other states in terms of the net state domestic product (NSDP) and its growth rate, Gujarat ranked in the frontline, especially after the post-liberalization period in the 90s (Hirway 1995; Awasthi 2000). By the turn of the 21st century, Gujarat became the fifth richest state (in terms of per capita income) among other major states in India (Bagchi et al. 2005). I argue that Gujarat's accomplishment has to do with the reforms in economic structure and neoliberal governance since the 1990s.

Gujarat's economic growth and development demonstrated the following characteristics:

a) from the 60s to the 90s, Gujarat had kept the record of a relative high growth rate compared to other major Indian states; b) the economic structure had transformed, with the surge of the industry sector and the disproportionate growth rate between the primary sector and other sectors; and c) despite the progress of the growth rate, Gujarat lagged behind in terms of several dimensions of human development outcomes compared to states that had similar growth rate.

Behind the high growth rate was Gujarat's significant structural transformation during the past few decades. In the 60s and the 70s, Gujarat's economy grew in a balanced way with fairly diversified sectoral structure (Hirway 1995). But the unbalance began to appear in the 80s. The

secondary and the tertiary sector kept a high growth rate (Hirway 1995; Bagchi et al. 2005), particularly the manufacturing sector of industry and labor-intensive technology. The gap emerged between the primary sector and the other two sectors, which led to a) the failure to establishing the agricultural-industry linkage to promote sustainable growth; b) large proportion of labor in the agricultural sector being left out of the benefits of high growth rate as agricultural sector remained the predominant sector in labor absorption; and c) the rapid industrialization and urbanization transporting laborers from the agricultural to the industry sector (Kundu 2000). By the turn of the 21st century, Gujarat had become the second most industrialized state in India (Awasthi 2000).

With the transformation of economic structure, Gujarat government became in favor of pro-industrial policies, for instance, the “New Industrial and Incentive Policy 1995-2000” and “Gujarat 2000 AD and Beyond” in the 1990s to accelerate industrial development (UNDP 2013). The pro-industrial policies were accompanied by neoliberal economic reform in the whole India. From the 80s and particularly after the 90s, with the surge of the industry sector, Gujarat felt more inclined to adopt a more open and liberalized path of development (Hirway 2013). The most remarkable case is that by the turn of the 21st century, Gujarat had become much more business-friendly and the second most important destination in India (Awasthi 2000).

Along with the high growth rate, Gujarat experienced changing development emphasis: from “sustainable development” in 1986 to “human development” in 1990 and then to “inclusive development” in 1993 (Chhaya 2018; Parikh 1996). Corresponding policies were issued to carry out the inclusive development goal. But scholars have long indicated that the neoliberal reform

did not benefit the human development realm. Education was one of the foci. Parikh (1996) suggests that Gujarat's performance in literacy and health care facilities were poor compared with Punjab, Haryana, and other states. As for poverty alleviation in both rural and urban areas, Bagchi et al. (2005) notice the mismatch between the movement of income and employment shares in the rural area, which led to the proletarianization of people living in the rural Gujarat. Kundu (2000) pays attention to Gujarat's urban poverty, stating that the urban poverty rate was similar to the national average despite Gujarat's high growth rate.

### **3.2 Modi and the Gujarat Development Model**

Back in October 2001, Narendra Modi came into power as chief minister of Gujarat. During Modi's tenure (2001-2014), Gujarat's economy had experienced a major spurt in economic growth, which has been the biggest and least challenged achievements of the Modi's administration. I argue that it is undeniable that Modi inherited a vibrant economy from the former government, but he issued more neoliberal policies and pushed the growth rate to a new height. From March 2002 to October 2009, Gujarat's net state domestic product (NSDP) grew at 10.5% annual rate, while from 1994 to 2002 the annual rate was 5.9% (Panagariya 2012), making Gujarat a key driver of India's growth. In the 2014 general election, the Bharatiya Janata Party (BJP) hailed Gujarat's growth miracle as the "Gujarat model" (Jaffrelot 2015) and promised to replicate the achievements of Gujarat model across India, which brought Modi sweeping success that made him elected the Prime Minister of India.

What is this "Gujarat model?" What development environment has Gujarat model created for Gujarat and India as a whole? Scholars have involved in substantial debates on the nature of Gujarat model in recent years, which deserves attention for their implications on the study of

inclusive growth and equitable development. As of general definition, the Gujarat model is not a “traditional” theory of development that offers explanation for rapid economic growth or sets forth major economic relationships via sets of mathematical equations (Kuznets 1988). Rather, it is a comprehensive collection of the dynamics of governmental policy, regulations, participation of NGOs, and other methods that boosted the skyrocketed growth rate of Gujarat under Modi’s administration. Modi’s Gujarat government performed governance techniques over investment attraction, infrastructure construction, industrialization, and minimal intervention that can be evaluated as effective and appropriate. These factors combined pushed Gujarat to a new height in the 2000s (Panagariya 2012; Jaffrelot 2015).

The question here is: what are the main drivers of Gujarat’s “miracle” growth rate?

Conclusively, there are four fundamental accelerators in the Gujarat model.

#### #1 Pro-business and investment-friendly environment

Gujarat created a pro-business and investment-friendly environment through pursuing a neoliberal development mode (Jaffrelot 2015). Since the 90s, Gujarat has been one of India’s top spots that attracts significantly highest levels of investment, including Foreign Direct Investment (FDI). To further bring in investors, Modi’s Gujarat government issued sets of acts, rules, and regulations. One of the most influential one was Special Economic Zone (SEZ). SEZs served as trade and manufacturing development tools by attracting foreign direct investment and making certain areas of Gujarat to be duty free enclaves for the purpose of trade and operations and duty and tariffs (Government of Gujarat 2007). In 2009, the Gujarat state further declared a Special

Investment Region Act (SIR) (Government of Gujarat 2009). The SIRs are meant to be much larger than SEZs and more flexible in scope.

The Government of Gujarat also gave foreign investors significant concessions in terms of fiscal subsidies. Sales tax incentives and deferment jumped by almost five times during the period from 2000-2001 to 2006-2007, amounted to Rs 5,966.72 crore per year. Apart from tax deductions, investors received soft loan and land that priced lower than the market value from Gujarat government (Jaffrelot 2017). All the favorable policies have received rewards in recent years. In 2015, the World Bank ranked Gujarat as the best India state for business with a score of 71.14% (Mehra 2015).

## #2 Infrastructure construction

Gujarat paid much attention to infrastructure construction to support industry development and speed the inflow of investment. According to the Gujarat Infrastructure Development (GID) Act issued in 1999, Gujarat Infrastructure Development Board (GIDB) was established as a statutory organization of the Government of Gujarat. In the same year, Gujarat Infrastructure Agenda – Vision 2010 was issued, which was the first comprehensive plan for the integrated development across all the infrastructure sectors in Gujarat (Bhanushali 2019). Based on the previous regulations, Modi’s Gujarat government had launched several kinds of infrastructure construction, for instance, infrastructure in the tourism industry (Shukla & Ansari 2013) and the construction of electricity, roads, and ports by the private-public “joint sector” enterprises (Chatterjee 2022). The well-established infrastructure system provided the base for the growth of the industry sector and the attraction of foreign investment.

### #3 Industrial growth

Gujarat's industry sector has been the pillar of growth. Since Gujarat's inception in the 1960s, high priority has been given to industrialization, which had been held as a tradition in the Gujarat model and was explicitly demonstrated in policies. For instance, the Special Economic Zone (SEZ) Acts issued by the Gujarat government had made land acquisition easier and labor laws less strict for industrial use.

In terms of the diversity in industrial growth, Gujarat put an emphasis on developing small and medium-sized enterprises (SMEs) through neoliberal policy initiatives that offer interest subsidies, venture capital assistance and quality certification. The emerging sectors (nano-technology, biotechnology, non-conventional energy sources) also drew much attention. The industrial sector in Gujarat grew much faster than the overall India. The share of the manufacturing sector in Gujarat's economy rose from 22% in 1993 to 28% in 2013 (Moneylife Digital Team 2014).

### #4 Neo-liberal governance

The pursuit of transparency and efficacy in state governance worked as an attempt to address the needs of corporate units. Modi set out to create a "minimalist state" that intervenes less in the economy and curtails corruption (Jaffrelot 2015; Jaffrelot 2019). The transparent and efficient methods of governance ideally would contribute to the business-friendly environment for both public and private sectors in Gujarat's growth and development.

### 3.3 Growth or Development? The Contentious Nature of the Gujarat model

Gujarat has become an important frontline for observing and reflecting on the relationship between growth and development. In my use of the terms “growth” and “development,” I stress the difference between overall economic performance (typically displayed in numeric and graphs) and the specific senses of gain of the people. Behind the remarkable growth rate and the outstanding performance of the main drivers, the debate on the “truth” or “reality” of the development performance of the Gujarat model or the “Modinomics” has drawn a widening circle of academics (Ghatak & Roy 2014; Sud 2022; Jaffrelot 2015; Hirway 2017). Three main deficiencies in Gujarat’s development are behind the rapid growth rate.

#### #1 More vocal in politics

Gujarat model has in a large part served as a political currency rather than its actual economic achievements that aimed to win more votes for Modi and the BJP in the 2014 general election, given that the slogan first appeared around that time. Besides, the “net effects” of Modi’s economic governance was questioned, because a) as before Modi Gujarat’s growth record was already impressive (Bhattacharya 2014; LSE 2014); and b) the growth performance might be “created” from the perspective of economic calculation and data selection. Panagariya (2014) points out that Gujarat’s growth rate has not always been above national average to rebut the notion that Gujarat has always been growing faster than the rest of India. Ghatak and Roy (2014) give a thorough calculation of Gujarat’s overall growth before and after Modi’s tenure using alternative methods of computing growth rates and find when Modi was in power in the 2000s, there was no evidence of any differential acceleration of growth rate relative to the 1990s.

## #2 Plans failed in turning into reality

Although the government of Gujarat had come up with ambitious plans and policies, their implementation process did not receive expected outcomes. Ray points out that till 2003 just 34 projects were awarded for implementation since the launch of Gujarat's Vision-2010 in 1999, due to the poor governance performance of Gujarat Industrial Development Board.

## #3 Non-inclusive development

Most importantly, Modi's Gujarat model is blamed for being a "non-inclusive growth model" that ignores or threatens sustainable human development (Jaffrelot 2015; Sud 2022; Hirway 2017; Ghatak & Roy 2017). The core dispute pits Gujarat's great effort put into economic growth against human development, as the overall growth rate does not equate the average development of each individual.

Recent years have pointed to the rise of ultra-Hindu nationalism and discrimination against the minority Muslims for equal opportunities to development. Gujarat has been the frontline of such confrontation. On the 2002 pogrom in Gujarat and the subsequent despotic rules against the Muslims, the Government of Gujarat did not give satisfying compensation to the victims and tried to cover up such crime. According to Popli (2021), the Gujarat model functions to assimilate between the ethnic groups in the state by performing memory work to forget the minority Muslim identity. It is also visible that authoritarian governance and corruption were nurtured and shadowed by the introduction of giant business and investment. Under such circumstance, Gujarat model had a bad impact on India's pluralist democracy, giving rise to state authoritarianism and "capitalist development" built on precarious labor and jobless growth (Sud

2022). Social polarization was nurtured that benefited the “neo-middle class” in the rising urban economy (Jaffrelot 2015). Other indexes of human development, such as health promotion, literacy, gender inequality was also questioned to underperform in Modi’s Gujarat compared to other states.

The major reason for the lagging human development reality can be attributed to Gujarat’s fiscal liability – to attract investors, Gujarat gave several fiscal exemptions to industrialists, while in the meantime a large amount of companies did not pay taxes. The lack of resources for public funding for the social sectors made Gujarat ranked closer to the bottom of major Indian states (Jaffrelot 2015; Breman 2014). Gujarat spends less than 2% of its income on education (with the norm being 5-6%), resulting in 45% workers in Gujarat being illiterate or only studied up to the fifth standard in poor quality of education. Public expenditure on health is 0.8% of the state income in Gujarat, which is well below the norm of 4-6%, resulting in the poor ranking of children’s nourishment and maternal mortality rate (Hirway 2017).

As we have seen, Gujarat’s development characteristic, including the neoliberal reform and the human development deficiency, was largely an inheritance and innovative one from the 1990s and is applied nationwide with Modi’s successful election in 2014. Therefore, I expand the Gujarat model as advertised to be Modi’s credit to include a larger time frame: from 1990 to 2019, the end of Modi’s first term as Prime Minister. Noting the contentious nature for Gujarat’s growth and human development, we shall now look into the specific role that NGOs play in this development model: what development environment has the Gujarat model created for the NGOs? How have the NGOs adapted to, challenged, and even changed the development

environment? We shall see that NGOs' activities are largely related to the characteristics of the development environment. They have the opportunities to make use of favorable policies, engage in priority industry, and play to the strengths that fill in the human development gap between the state and the civil society. But for international NGOs, obstacles may come from government's dominance role and an ultra-national and anti-foreign social atmosphere.

## 4. NGOs' Activities and the Gujarat Development Model

### 4.1 NGOs Activities in Gujarat: Cooperation and Confrontation

I argue that the Gujarat model has created an opportunity-rich yet sometimes unfriendly (or even negative) environment for development NGOs. Favorable and neoliberal policy opened the door for development NGOs to enter Gujarat or mushroom domestically. Clusters of funds have flown into industry development and infrastructure construction. The major opportunity grasped by the NGOs was to promote human development and to fill in the state-civil gap that the Government of Gujarat is accused of being ignorant about. However, development NGOs have faced several obstacles surviving in Gujarat, which are results of the main deficiency of this model: with the rise of Modi and the BJP, India is falling into the crack of democratic and authoritarian regime. The erosion of neoliberal development by the government makes NGOs one of the many victims of structure violence. Under such incomplete neoliberal development environment, the cooperation between NGOs and the public and the private sectors is promising, with confrontation happens from time to time. NGOs are finding their own ways to adapt to and challenge the uncertainty in Gujarat and India.

The premises for NGOs' vigorous participation are neoliberal policy and favorable attitudes of the state. Since 1990s, India has set up government-NGOs communications channel for NGOs to engage in local development projects and promote dialogues between both bodies. Policies were issued to guide NGOs involvement in national development plans. This is exemplified in the document followed by the Government of Gujarat for NGOs' participation under National Rural Health Mission (NRHM) in the 12<sup>th</sup> Five-Year Plan, which is an inherit of the NGOs scheme in the 9<sup>th</sup> Five-Year Plan from 1997 to 2002. Such policy acknowledges

NGOs' involvement as an important actor in "shaping the design of NRHM and in championing its implementation" (Ministry of Health & Family Welfare), and encourages NGOs to participate under the monitoring and evaluation of the government.

The progress of industry and infrastructure provides NGOs with the soil for increasing their appearance in Gujarat. NGOs have been seen contributing to the industry sector and infrastructure construction for the inflow of corporate units. The pattern here is that the Government of Gujarat tends to receive aid from large international NGOs. I observe that investments are accepted and utilized in a neoliberal way: NGOs work as the financial aid provider under the government-led development projects. Funds come mainly from Asian Development Bank (ADB), e.g., the 2000 Gujarat Power Sector Development Program (Asian Development Bank 2000), World Bank, e.g., the 2000 Gujarat State Highway Project (World Bank 2000). The Clinton Foundation, as a U.S.-based private foundation, once promised to set up 3,000 MW solar plant in Gujarat to make Gujarat the solar power hub of India (TNN 2009).

Turning now to the major contribution of most NGOs in Gujarat, I argue that it has been to target at the "byproduct" of industry and infrastructure development. Industrialization-caused impairment or impairment shadowed under industrial growth has been the principal focus. NGOs attend to the people-centered development in industrialized areas in a neoliberal way. The aid may be direct from the NGOs. As in Dahej SEZ of Gujarat, due to the law on land acquisition and rehabilitation, a lot of families lost their lands. 55.4% of household received help from NGOs for drinking water and educational tools (Shah 2013). According to research by Shah

(2013), large proportion of such incidents were because of lacking in dialogue between the government and the local communities. NGOs tried to fill in the dialogue vacuum.

Government-NGOs cooperation has been prominent as well. Environment protection, such as industrial pollution prevention and renewable energy, is another field of interest of development NGOs. But as most of the construction programs are directed by the Government of Gujarat and much of the harm is borne by the local communities, NGOs work as a binary role here: they try to fill in the dialogue vacuum of the government and the locals, for instance, the NGO Ashilite Pollution Research Society proposed establishment of Indoor Air Quality (IAQ) research center in front of the Gujarat Pollution Control Board (Sharma 2012). Or NGOs urge the government to act against negative conduct, as shown by a NGO called Vanashakti, who filed a public interest litigation in the Bombay high court seeking an order restraining the Mumbai Metropolitan Regional Development Authority (MMRDA) from cutting 3,000 trees for a road widening project (Rebello 2013).

A growing number of NGOs has begun to work on human rights-related development. It is hard to say whether human rights protection is an opportunity for NGOs or an obstacle for their survival, for NGOs encounter much resistance from the government side. Cooperation and networking are most observable in this case, where international organizations usually pair with local NGOs to complete the task. The most famous human rights protection case is the 2002 Gujarat riots, which have attracted the attention of many NGOs to work on different aspects, from asking the government to be transparent of the information on the crime to the compensation for the victims. Many NGOs hold the sensitive standpoint that the Modi

government is to blame for deliberately allowing anti-Muslim riots. Some of the work is done through official channel, for instance, volunteer organizations led by Jan Sangharsh Manch (JSM) have sought intelligence documents from the Gujarat government regarding the riots (Express News Service 2011). Some of the efforts are on the civil side, e.g., Citizens for Justice and Peace (CJP) filed affidavit accusing the riots as state-sponsored mass crimes (IANS 2007). Victim-helping and compensation-seeking are also important aims, in which many religious-based organizations are involved. The Islamic Relief Committee, Gujarat (IRCG) pushed Gujarat state government to compensate damaged religious places in the riots in 2002 (DNA 2013).

The fact that NGOs have to look for appreciate opportunities to involve in Gujarat's development demonstrates that they face interferences that prevent them from streamlined participation in the development environment. I contend that this is where neoliberal development faces resistance: government's crackdown of the NGOs accusing them of endangering national security and secular governance, and the growing Hindu nationalism's hostile attitude towards foreign investment. Such resistance is closely related to the concerns of the Gujarat model: neoliberal development is under doubt due to the rise of government authoritarian. Development gradually becomes a tool for Modi and the BJP to tighten the control of the political circle and curb any dissent.

From the government side, the Government of Gujarat and India have been cracking down NGOs using the controversial Foreign Contribution Regulation Act (FCRA). Originally passed in 1976, the FCRA was to constrain foreign interference in India's domestic politics. With key amendments in 2010 and 2020, the FCRA has been made more draconian and become

a sharper weapon for the government to crack down NGOs. FCRA 2010 substantially overhauls the 1976 version by turning regulation into prohibition — the introduction and application of “foreign contribution” or “foreign hospitality” that are harmful to national interest are prohibited (FCRA 2010). Compared to the 1976 one, the focus of the recipients of foreign aid turned from political parties to “organizations of a political nature,” which granted the government with enlarging and sometimes arbitrary authority to identify and govern non-governmental entities. The 2010 provisions also make it mandate that organizations registered under the 2010 Act and renew their certificate every 5 years in contrast with the permanent term of validity in the 1976 version. The changing FCRA has shrunk the space that NGOs, especially international NGOs, operate in as Gujarat government has been carrying out FCRA since its amendment. This has led to a significant cancellation of organizations and rise of compliance risk of NGOs operating under this Act: for Gujarat, the number of FCRA registered associations was 31 in 2012, which dropped to 28 in 2014 and 13 in 2020, when the 2020 FCRA amendment act came into power (Ministry of Home Affairs 2022).

Governmental attitude towards NGOs’ participation is evident in the case of the 2014 Intelligence Bureau (IB) report. The leading position of the government grants it with the power of “deciding” who has the right to play a part in development. In the growing xenophobic Gujarat development model, Foreign funded NGOs are facing more severe environment. The 2014 report entitled “Impact of NGOs on development” from IB to Modi, which was leaked to the press, particularly highlights the concern of such NGOs. This report accuses foreign donors of disguising their donations as human rights funding, while in fact serving as tools for “stalling development projects” and “the strategic foreign policy interests of Western Governments”

(Intelligence Bureau 2014) that hurt the economic progress. While the report does not clearly state how these NGOs violate FCRA, it provides the economically ambitious government with a tool to justify its crackdown on NGOs.

The largest obstacle created by the social environment is the rising Hindu nationalism as the religious root. The ultra-Hinduism in the Gujarat model gives rise to a kind of NGO-phobia. This is obvious in faith-based NGOs. One of the renowned cases is Compassion International (CI), a Christian charity working on child meals, medical care, and education. It was forced to close due to suspicion of religion conversion (Duerksen 2017). The shrinking religious liberty threatens the operation and survival of development NGOs.

According with the development environment created by the Gujarat model and NGOs' activities in it, I argue that there are two major reactions of the NGOs. Regarding the favorable factors in the development environment, NGOs quickly learn to adapt to the policy settings and find the places that they can transform their funding or expertise into measurable outcomes. In terms of the unwelcoming aspects, the reactions are three-fold: exit, accommodation, and challenge. For the Gujarat model, accommodation and challenge refer mainly to forced compliance or negotiating with the bureaucracy. Successful negotiation and challenge are often signified by government's concession and NGOs' continuing participation in the development blueprint. As an international private NGO operating in India for 70 years, the Ford Foundation has its unique way to survive in India's development environment. Entering the 1990s, when Gujarat sat on the fast track of growth, the Ford Foundation explored several approaches to fit into the development model and successfully resolves the crisis.

## **4.2 Case Study: The Fate of the Ford Foundation in the Gujarat Development Model**

The previous section analyses the development environment that NGOs operate in under the Gujarat development model. Benefited from neoliberal reform, NGOs have contributed to the priority industry and fill in the human development gap under the shadow of giant growth programs. But with the rise of authoritarian bureaucracy and growing ultra-Hindu nationalism, NGOs are facing a shrinking space for development participation. This section takes the Ford Foundation as an example to examine how NGOs have managed to adapt to and challenge the existing development model.

### **4.2.1 The Ford Foundation and India: Some Historical Antecedents**

The Ford Foundation is a private, non-profit, and philanthropic organization. Founded in 1936, the Ford Foundation initially worked as a philanthropy in the local area of Michigan and was later expanded into a national and international foundation. In 1952, the Ford Foundation first set foot in India at the invitation of Prime Minister Jawaharlal Nehru, making grants in a nationwide village development program undertaken by the Government of India (the Ford Foundation 1952). Since then, the Ford Foundation has been an active participant in India's development. The major programs cover a wide range, including "civil and human rights," "urban and rural land management," "government policy and practice," and so on (the Ford Foundation 2022).

In the first two decades of Ford Foundation's appearance in India, its primary focus was on the construction of post-colonial political and economic order, with a particular interest in food production and agriculture security. In the 1950s, India launched its First Five-Year Plan facing food crisis. In accordance with India's agriculture production growth, the Ford Foundation invested in rural village development, for instance the training of skilled villagers of new

farming methods (the Ford Foundation 1953). Besides agricultural development, the Ford Foundation recruited international experts to help develop small-scale village industries (the Ford Foundation 1954). The 1960s and 1970s have witnessed the Ford Foundation's heavy involvement in the Green Revolution, which was an agriculture revolution focusing on adopting high-yielding crops and the application of scientific methods to agriculture. The Ford Foundation sponsored many programs in agriculture transformation. Grants went to education and demonstration programs that increased food production (the Ford Foundation 1960), migration to the cities (the Ford Foundation 1970), and etc. Other than agriculture, the Ford Foundation helped India in other programs such as training technical engineers in industry development (the Ford Foundation 1961) and education and research capability (the Ford Foundation 1970).

The Ford Foundation's focus during this time was shaped and guided under India's top-down development methods that "establish postcolonial sovereignty via productivity" (Williams 2017). As government was the leader in development, most of the Ford Foundation's contributions were made in joint effort with the government. Such approach was clearly demonstrated by Dr. Douglas Ensminger, who directed the Ford Foundation in India, in his writing on the Ford Foundation's support of the Indian Government.

The Foundation's approach was to assist India develop its institutional infrastructure essential to success in developing a viable economy and a viable democratic form of government (Staples 1992: 9).

"Institutional infrastructure" referred to the capacity building of different departments of the Government of India. Some of the cooperation was carried out through sending experts and

volunteers to India, who played a helpful hand in government-leading development projects, for instance, the Ford Foundation participated in the large-scale evaluation of the methods and the outcome of the village development program relevant to agriculture development (the Ford Foundation 1953). While some work was completed in the form of transactions: the help from the Ford Foundation came as grants and financial advice. A renowned case was that the Ford Foundation supported the Calcutta metropolitan planning organization, which is a planning and development authority belonging to the Government of West Bengal (the Ford Foundation 1967). The large volume of cooperation with the government was due to the great power owned by the Indian bureaucracy, who was then the dominant actor in economic development and social construction of India as a post-colonial state. From the perspective of India as a recipient country, donations from the Ford Foundation were treated “cautiously” (Garg 2020) and put under the tags of foreign aid *politics*, which was evident when India-U.S. relationship showed turbulence during Cold War.

Things began to change in the 1970s. With the rise of populist politics, India as well as Gujarat observed the expansion of grass root society (Iyengar 2000). This was the time when tests for alternative pathways of development started, as the subject of capacity building turned from the government sector to the civil society. The Ford Foundation did not function as importantly as it did in the 1950s and 1960s due to the surge of NGOs and the division of labor to them. To increase the autonomous power in accordance with its expansion worldwide, the Ford Foundation declined direct much support of government programs, and got involved in increasing number of projects in cooperation with NGOs, particularly the local ones, such the Family Planning Foundation of India, a private organization that assists in research on population

growth (the Ford Foundation 1973). Grants also went to non-profit educational institutions, for instance, Garwhal University received funding in support of village-level reforestation, irrigation, and other environment protection programs (the Ford Foundation 1981). The types of development programs that the Ford Foundation engaged in expanded as well. In the 1970s, the Ford Foundation's contributions were recorded in the annual reports extensively on agriculture and rural development, population, education, and research. Entering the 1980s, types of programs expanded to include urban poverty, human rights and social justice, environment protection, and so on (the Ford Foundation 1989).

#### **4.2.2 The Ford Foundation in Gujarat: Adaptation**

Starting in the 1990s, the Gujarat state has transferred to a pro-business, infrastructure-emphasized, and industry sector-preferred development mode. It is poorly documented that the Ford Foundation has been one of the direct participants in the infrastructure construction and industry development programs. Instead of macro development projects, the Ford Foundation adjusted and expanded its work to be more closely aligned with the development of human capabilities and Gujarat's domestic NGOs and the private sector.

I argue that the Ford Foundation benefited from the neoliberal transformation and the rise of NGOs in Gujarat. The Gujarat model provides rich opportunities for the Ford Foundation to practice participatory development in the local community along with other NGOs. The Ford Foundation also got the chance to aid in the transformation of the government itself – the fact that the government is seen here as an end instead of merely a means demonstrates Gujarat's resolution in neoliberal reform. But as government inference exists in most aspects of development, the Ford Foundation cannot completely evade bureaucratic influence in its

investment in and cooperation with the civil society. The pattern here is that the Ford Foundation has participated in a wide variety of development programs designed and led by NGOs, while in the process, both the Ford Foundation and the programs were under the supervision of the government.

The Ford Foundation is well aware of the situation it is in. To adapt to this development environment, bureaucracies have been one of the most important partners in its development programs. But as bureaucracies, from state to local levels, are not a unitary entity, I argue that the Ford Foundation works delicately to deal with its relationship with each layer of the government. The Ford Foundation either works in collaboration with the government, or functions as a bridge between the government and the local community. Clusters of funds have gone to the public sector, the private sector, and non-profit institutions for a broad array of development programs. From 2006 to 2019, the Ford Foundation gave 766 grants to 429 grantees (See appendix 1; the Ford Foundation 2022). Below are three of the representative programs drawn from the documents at the Rockefeller Archive Center. They show that the Ford Foundation's working principles with different actors in the Gujarat model.

#### #1 Sustainable forest management

This case shows how the Ford Foundation works to bridge the gap between basic-level bureaucracy and the local community. State-owned forests are vital to the livelihood of the extremely poor living in Gujarat. Due to commercial pressures and illegal logging, forests in South Gujarat have been significantly reduced. The Ford Foundation previously invested huge amount of fund into resource management and biodiversity maintenance in the Gujarat forests.

For decades before the 21<sup>st</sup> century, funds went to research and fieldwork organizations on such matters, and cooperation in the field was seen in such realm, such as the Ford Foundation's partnership with the Indian Institute of Science for "a participatory assessment of joint forest management" (the Ford Foundation 2001).

A working paper of sustainable forest management examines the Ford Foundation's joint effort with the Gujarat State Forest Department and the local community in the forests of South Gujarat. The problem here was that surrounding forest access, disagreements between the Forest Department, represented by local level forestry officials, and the rural neighborhood often led to conflicts, which were shown as multiple assaults on the officials.

R.S. Pathan, an employer of the Ford Foundation, devoted much effort to resolve and document such conflicts via building the Forest Laborers Cooperative (FPC) system. For the local communities, Pathan reached them through the leaders and encouraged them to engage in the protection and isolate the gangs of illegal trees felling. The responsibility of the community included regulating the cutting activities, patrolling against thefts, encouraging the public realization that forest plays an important role in environment equilibrium and human health, and so on. To reduce conflicts between government staff and the local people at village level, Pathan called for the collaborative joint management of the field staff. Such joint management broke the long-existing hierarchies of power and reduced the mindset of resistance. The state government of Gujarat here established its authority by deciding which proposals by the Ford Foundation and the FPC system could be approved, for example, whether the timber generated revenues would go to the FPC members.

The FPC system was evaluated to be successful, as it ensured the effectiveness of the joint effort of the Forest Department, the voluntary organization, and the local groups through appropriate communication. For the voluntary organizations, Pathan points out in his report that the joint management proved useful to “involve reputed voluntary organization to assist with extension, communication and rural development” (the Ford Foundation 2001: 26). While the problems lied in bridging the gap between the local people and the government: thorough training of the field staff should be carried out to immerse them into the local environment.

## #2 Human rights and women empowerment

This case shows the Ford Foundation’s cooperation with the local NGOs and state government in the form of fieldwork and policy implementation. From a report stating current interests at the beginning of the 21<sup>st</sup> century, we can see a snapshot of the Ford Foundation’s strategy in human rights protection, especially women empowerment, as the long-term aim of such program is stated as “to assist and empower communities and individuals, particularly women” (the Ford Foundation 2004: 22). As human rights protection and community empowerment are sensitive topics under the scrutiny of the government (which are sometimes framed as anti-national interest), the Ford Foundation treaded carefully in its relationship with both the state bureaucracy and the civil society, in particular local NGOs. On the one hand, grants went to local voluntary organizations as alternative actors in human development instead of the official channels. This was to take advantage of NGOs’ ability to engage deeply into the development field work and prevent any potential threat caused by bureaucratic procedures. The case that the Ford Foundation’s liaison with local NGOs is Jyoti Sangh, a women organization in Gujarat, to initiate projects on rural women’s illiteracy in 20 villages in Gujarat. Jyoti Sangh also

received fund from the Ford Foundation and opened an organization called KASHI to address the high rate of unnatural death, suicides, child marriages, and other harms against women (Sagade 2002). To work under the spirit of neoliberal development, the Ford Foundation made “building accountability mechanisms that enable civil society to monitor the government’s implementation of the Program of Action developed at the 1994 International Conference for Population and Development” (Sagade 2002: 23) as a strategy as an echo for government-led development programs.

On the other hand, the Ford Foundation directly worked in the state-initiated development projects, with the effort to help other local NGOs to operate on a government-guaranteed track. Micro-finance programs for poor women have been one of the human development programs in the Gujarat model, having outstanding effects following the 2002 Gujarat earthquake and the tightened government budgets due to the 2008 financial crisis. The Ford Foundation has long partnership with the Self-Employed Women’s Association (SEWA), which headquarters in Gujarat and organizes women in the informal sector. Working through the network of communities and self-help groups, the responsibility of the SEWA in women’s micro-finance programs is to bring mainstream insurance companies to tailor products for the poor women. Recent studies have shown that these micro-finance programs with investment from both the state government and voluntary organizations increase the income of the poor women, but remain questionable for limited changes in the financial decision-making process and the sustainability of the economic activities built on the micro-finance programs (Amarnani & Amarnani 2015).

### #3 Responsive government

The case that embodies the most neoliberal spirit is that the Ford Foundation has devoted much effort to the capacity building of the government. This displays the belief that government is not only a means but also an end in development. Good governance is treated as a part of inclusive development. As Modi set out to create a minimalist state that values transparency and efficiency for his Gujarat model, the Ford Foundation has been heavily involved in supporting “accountable and responsive government” (the Ford Foundation 2000), a concept put forward at the Conference of Chief Ministers in 1997. The method of engaging in government policy and practice development is not spoon-feeding lectures. The Ford Foundation has organized several events, including international and national workshops on good governance, and learners’ workshops that shared experience on “citizen-friendly administration and citizens’ charters” (the Ford Foundation 2000).

#### **4.2.3 The Ford Foundation in Gujarat: Setback and Challenge**

Seen from the sustainable forest management, human rights protection, and responsive government development programs, I argue that the Ford Foundation has grasped the neoliberal convenience and contributed substantially to the community-based projects and participatory development in cooperation with local private and public sectors and NGOs. However, I argue that this neoliberal paradigm is superficial in some ways. As government’s approval and supervision are the thresholds for most of the development programs, it is hard for the Ford Foundation and other NGOs to have full autonomy in the planning and implementing phrases. It gets worse on the notion that while the neoliberal governmentality may have a great impact on Gujarat at the federal level, its influence on lower levels of bureaucracy is much less observable (Gupta 2012). The incomplete transformation of neoliberalism shadows development, for

instance, the community-based programs are under the possibility of being politicalized and religionized. As in government statement, development programs or NGOs are often suspended or barred due to threat to national security or secular governance (promoting religious hatred, usually seen in Islamic-related activities). Under such circumstance, the Ford Foundation and other NGOs possess less bargaining power when it comes to dissention on development with the government bodies.

The NGOs have been the weak ones since the start of Gujarat's growth miracle. In the 2000 discussion paper at the meeting of the Board of Trustees, the Ford Foundation noticed India's attitudes towards NGOs was growingly "suspicion and antagonism" (the Ford Foundation 2000: 35). As NGOs were accused of Christian proselytization and promoting anti-government activities, the Ford Foundation's response was

To support efforts to enhance NGO accountability and transparency, improve self-regulation, and to assist in professionalizing their operations to deflect criticism from political sources and improve their overall efficiency (the Ford Foundation 2000: 35).

But in a development environment where suspicion of the NGOs becomes the norm, the Ford Foundation was unable to defend itself, let alone changing the antagonism. In 2015, the Ford Foundation experienced the greatest crackdown from the Gujarat government. The Ford Foundation was accused of "direct interference...in the internal affairs of the country and also of abetting communal disharmony in India" (Patel 2015). Afterwards the Gujarat police asked the Home Affairs to investigate the Ford Foundation thoroughly, where severe allegation regarding

religious matters was brought up. The Ford Foundation faced the charge of “blatantly supporting one religion (Islam) with a strange argument that it helps secular democracy” (Patel 2015).

The major reason for the allegation was that the Ford Foundation supported the Sabrang Trust and the Citizens for Justice and Peace, the organizations run by Teesta Setalvad. The Government of Gujarat stated that they violated of the FCRA regarding how they spent the grants received from the U.S.-based funding agency. The violation was said to have the embezzlement of the funds to carry out anti-national propaganda against India. The anti-national propaganda is believed to be Teesta Setalvad’s activities of being vocal on critics of Modi for since the 2002 Gujarat riots, which may turmoil the political order in which the BJP sits at the top of the pyramid. There are other excuses that the Ford Foundation has been charged with: defamation of Indian military, promoting voice of a foreign government, and funding Sabrang Communication and Publishing Pvt Limited (SCPPL) on addressing communalism and caste-based discrimination (TNN 2015).

It is worth noting that in order to challenge the disadvantageous chain fastened by Gujarat’s development environment, the Ford Foundation’s attempts are mostly in the grey areas. As of the lack of clear reasons for the crackdown and transparent procedures for appeal, the Ford Foundation managed to put itself off the watch list through multipartite negotiation with the government. A set of emails leaked by Wikileaks, which were mainly from Darren Walker, President of the Ford Foundation, to John Podesta, campaign chief chairman to Hillary Clinton, reveals three kinds of negotiation that the Ford Foundation engaged in. First, requests for direct contact with the government of India and PM Modi were sent out, as Walker called the months

of meetings as “cultivating and cajoling Prime Minister Modi’s government” (Wikileaks 2016). At the heart of the resolution was the notion that it should be a “face-saving way out for the government” (Wikileaks 2016). Second, the Ford Foundation asked the U.S. government to intervene. In Walker’s email, he gave special thanks to Podesta for his willingness to reach out to S Jaishankar, head of India’s Minister of External Affairs (Wikileaks 2016). The third shows the Ford Foundation’s way to bend and adapt – it agreed to register its India branch under the Foreign Exchange Management Act (FEMA). These methods worked in exchange for the concession of the Government, which successfully stopped the crackdown. The results of these methods, I argue, is contradictory. On the one hand, the Ford Foundation resolved its surviving crisis and kept its right to participate in Gujarat model as a contributor to neoliberal development. But on the other hand, the Ford Foundation’s getaway was based on the negotiations with the government, which dragged government’s intervention into development even further. This is also a sign that the Ford Foundation immersed itself to be more closely connected to the deficient side of the local development environment.

## 5. Conclusion and Discussion

The characteristics of the development environment are closely related to the pillars of the growth and the public perception of and action on development. In the case of Gujarat, under the innovative attempts of neoliberal transformation, the pro-business, infrastructure-emphasized, and industry sector-preferred development strategies have supported the appearance of the miracle growth rate. But deficiencies have grown along the way: the BJP's growing-authoritarian governance and the rise of xenophobia against foreign-based NGOs due to ultra-Hindu nationalism. Such deficiencies have been a blocking stone for neoliberal development to be decentralized and inclusive, which hampers the advancement on individual and community levels.

For development NGOs, the Gujarat model has created an opportunity-rich yet sometimes unfriendly (or even negative) environment. Opportunities have been present for Gujarat's neoliberal transformation, which opens its arms for NGOs' technical and financial support in infrastructure construction, industry development, investment attraction, and most importantly, human development. The advantages of the NGOs, such as less bureaucratic and more in-the-field, have been well taken to organize community-based development programs. When it comes to the unfriendly factors, many NGOs have the experience suffering from the incomplete side of the neoliberal transformation, for instance, government's intervention and crackdown in the name of endangering national security and secular governance.

NGOs manage to adapt to and challenge the development environment. By adaptation, the NGOs quickly learn about the location of the suitable opportunities of the development

environment, where they can transform their funding or expertise into measurable, visible outcomes. In terms of the unwelcoming factors, NGOs quickly learn to adapt to the policy settings and fit themselves into the framework created by the policy. In terms of the unwelcoming aspects, three kinds of reactions have been observed: exit, accommodation, and challenge. For the Gujarat model, many small NGOs exit development programs due to the suppression of the bureaucracy, for instance, the FCRA requirements. Accommodation refers to NGOs' compliance to the development environment and adjusting the content and form of their work. Some huge NGOs have the power to challenge the development model. The most common methods are negotiating, asking for information disclosure, and so on. The case of the Ford Foundation offers an example of how an NGO utilize its resources and allocate its effort in a development model. The Ford Foundation adapts to the development environment by maintaining a good relationship with the government and participating in several human development programs in cooperation with the local voluntary groups. When facing government crackdown, the Ford Foundation accommodates by complying to the tightening policy and challenges through different negotiating channels, including official and unofficial ones.

In general, the Gujarat model creates a contradictory development environment. On the one hand, in terms of neoliberal transformation, it allows NGOs to explore and participate in alternative development pathways that have resulted in substantial outcome. On the other hand, the supposed minimalization of the state bureaucracy never fulfills, leading to development's continuation of being a site for structure violence against the civil society. For development NGOs, for instance the Ford Foundation, who operate in such development environment, they work in a weaker spot compared to the strong bureaucracy. NGOs' unfulfilled mission of helping

those in need in face of government intervention makes them a victim of the structure violence against the civil society as well. This contradiction makes the cooperation and confrontation between the NGOs and the development environment constantly operate in a dynamic interaction. The development model a region adopts creates a certain development environment, which determines the role and focus of the NGOs in such environment. In the meantime, NGOs adapt to and challenge the different incidents forged in the development environment on a case-by-case basis. Further research can probe into different NGOs' activities in the development model, such as their networking strategy in development projects and dealing with government intervention. It is also worth exploring the impact of distinct development environments on NGOs. This would potentially help NGOs to find the best survival strategy in each of the development model.

**Appendix 1: The Ford Foundation's Grants in India, Nepal, and Sri Lanka Region (2006~2019)**

<b>Topics</b>	<b>Number of grants</b>	<b>Total amount</b>
Education and scholarship	457	\$112,994,491
Fair economies	368	\$99,711,906
Civil and human rights	324	\$85,225,598
Government policy and practice	308	\$82,200,295
Arts, culture, and media	316	\$79,531,160
Urban and rural land management	250	\$68,288,772
Civic participation	197	\$49,928,365
Sexual and reproductive health and rights	193	\$46,575,109
Philanthropy	112	\$36,884,145
Other	77	\$20,430,327
Technology	73	\$15,309,235
International affairs	49	\$12,800,083

Note: Some grants have been used in multiple topics.

Source: The Ford Foundation grants database

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