



INDIA

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

India does not have a national framework around the social and solidarity economy (SSE). There were **854 355 cooperatives** with **290 million** members in 2016-2017. In 2015-2016, there were **3.1 million non-governmental organisations (NGOs)** and the country was estimated to host **2 million** social enterprises.

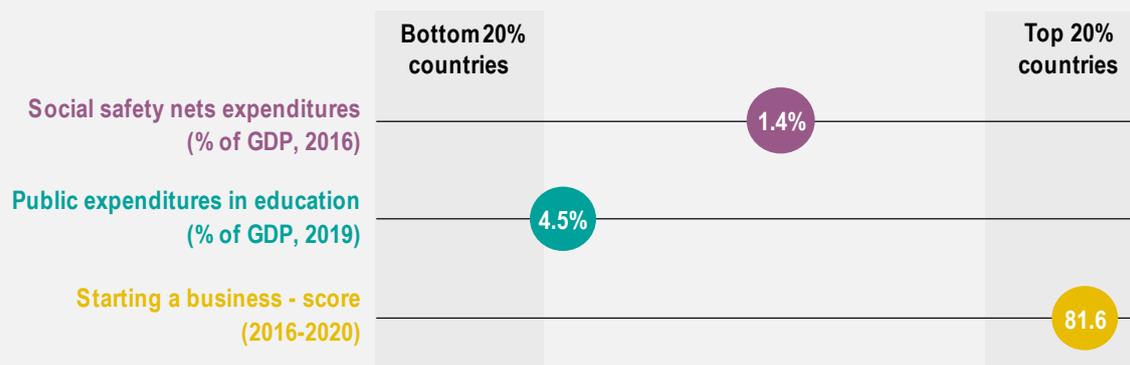
SOCIO-ECONOMIC INDICATORS

India is a federal country. It is a lower middle-income country with a medium human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient
India	USD 6 644	64.1%	28.0%	16.4%	0.495 / 1
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1

Note: Data from India refer to 2022, except for GDP per capita (2020), NEET (2021), poverty rate (2021) and Gini coefficient (2011). OECD data refer to 2022, except for poverty rate (2018) and Gini coefficient (2020). GDP per capita for OECD is an estimated value. See sources at the end of the document.

Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

Definition of the social and solidarity economy in India

No official definition of the SSE is available in the country.

Institutional frameworks



Institutions

SSE-related competence falls under several ministries and agencies. **Ministry of Skill Development and Entrepreneurship**, the **Ministry of Micro, Small and Medium Enterprises**, and the **Ministry of Finance** oversee relevant policies.



Legal instruments

India does not have a national framework around the SSE. There are **specific laws on some SSE constituents**, such as cooperatives and trusts.



Stakeholder engagement

NITI Aayog is a public policy think tank of the Government of India that aims to achieve the sustainable development goals by involving State governments in the design of economic policies. It publishes resources on various issues including topics related to the SSE.

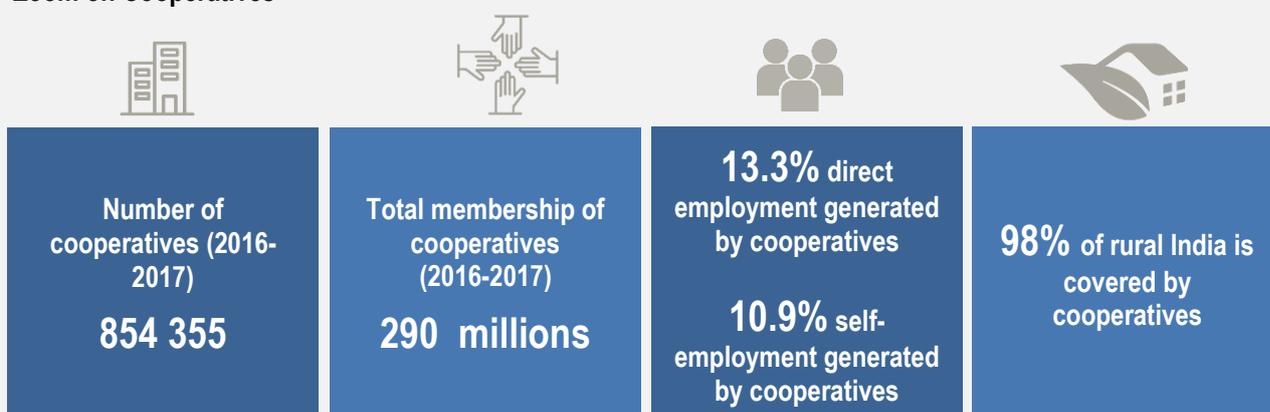
Main figures

In 2016-2017, there were **854 355 cooperatives** with **290 million** members. The cooperatives covered **98%** of rural areas. There were **3.1 million NGOs** in 2015-2016. India was estimated to host **2 million** social enterprises. More than half (53%) of social enterprises worked in **skill development**.

SCOPE India does not have a well-established framework on the SSE. Available information on the SSE include data on different parts of the SSE ecosystem. The data on cooperatives, (all of which may not adhere to SSE principles), are retrieved from the 2018 Statistical Profile by the National Cooperative Union of India.

Zoom on Cooperatives

COOPERATIVES



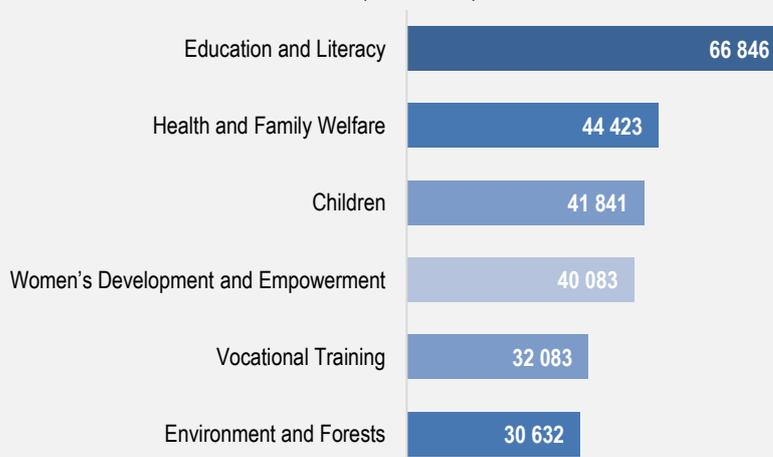
Note: The data above on cooperatives include all cooperatives in India, which may not necessarily uphold SSE principles. The data on cooperatives are retrieved from the National Cooperative Union of India, 2018 and ICA, 2021. See sources at the end.

Zoom on Nongovernmental Organisations

NONGOVERNMENTAL ORGANISATIONS



Sectoral Focus Areas of Registered NGOs (n=118 350)



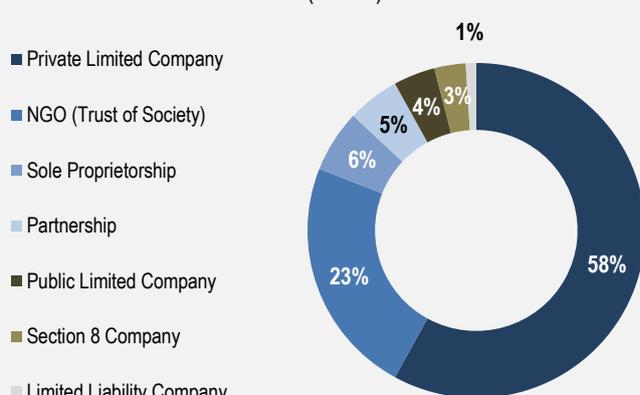
Note: The information on sectors pertains to 118 350 NGOs registered on NGO Darpan portal, which corresponds to 4% of total NGOs in India. The data on NGOs are retrieved from Asian Development Bank's Civil Society Brief for India. See sources at the end.

Zoom on Social Enterprises

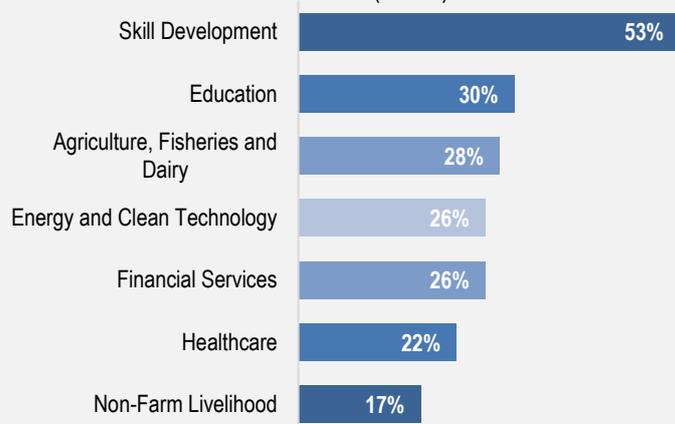
Total estimated number of social enterprises in India (2015-2016): 2 million

SOCIAL ENTERPRISES

Social Enterprises by Legal Status (2015-2016)
(n=258)



Common Sectors of Activity by Social Enterprises
(n=258)



Note: The data on social enterprises are retrieved from British Council's "The State of Social Enterprise in India" report. Data are based on a survey completed by 258 social enterprises in 2015-2016. See sources at the end.

Note: Other sectors where social enterprises operate include food and nutrition; water and sanitation; forestry and environment; affordable housing; tourism; justice, rehabilitation and human rights; and others.

Note: The definitions used for specific SSE constituents in different resources may show variation from the OECD definition. The fact sheet presents available information to provide a (partial) snapshot of the SSE ecosystem in India.

Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE	
	<ul style="list-style-type: none"> • Not available.
For specific SSE entities at national level	<ul style="list-style-type: none"> • Societies Registration Act (1860) - Link • Indian Trusts Act (1882) - Link • Waqf Act (1995) - Link • The Multi State Co-operative Societies Act (2002) - Link • Companies Act Section 8 (2013) - Link

Note: The list above is not exhaustive of all existing legal frameworks around SSE in India.

Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities

- Income earned by a Tax Registered Charity is exempt from income-tax. As a condition to avail the exemption from income-tax, a Tax Registered Charity is required to spend at least 85% of its income on charitable activities in India in the year in which the income is received.
- Any benefit or cash assistance received by a person from a Tax Registered Charity is not taxable in the hands of the receivers.
- For co-operative societies, certain incomes (but not all) are not taxable, without any end-use conditions.
- For consumer co-operative society, fixed deduction of Rs. 100 000 (income in excess of Rs. 100 000) is chargeable to income-tax
- Certain incomes of a producer company are not chargeable to income-tax.

Fiscal treatment for contributors to the SSE

- Any fiscal donations given to a Tax Registered Charity entitles the donor to a tax deduction of up to 50% of the donation given, subject to limits based on the income level of the donor as per section 80G of the Income Tax Authority (ITA).

- Under the Goods and Services Tax (GST) law, services provided by way of charitable activities by an entity registered as a Registered Charity under the ITA is exempt from GST
- The GST law provides exemption from payment of GST under reverse charge if the service receiver is a charitable trust registered with the Income-tax Authorities and receives services from a person based outside India.
- A Charitable Institution running an educational institution which qualifies to be a “charitable activity” under the GST law, is exempted from charging GST.

Note: The list above is not exhaustive.

Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.



Guidance-based initiatives

- Recommendations to implement minimum standards for social impact reporting (2020) NITI Aayog
- [Social Stock Exchanges \(Working group\)](#) (2019) Securities and Exchange Board of India
- [Karnataka Evaluation Authority](#) (2011) Government of Karnataka



Evidence-based initiatives

- [Development Monitoring and Evaluation Office](#) (2015) NITI Aayog
- [SDG India Index](#) (2018) NITI Aayog
- [Business Responsibility and Sustainability Report](#) (2020) Securities and Exchange Board of India

Note: Guidance-based initiatives deliver guidance on social impact measurement approaches, which are tailored to the specific needs of the social and solidarity economy. Evidence-based initiatives help produce and disseminate impact evidence to raise awareness on the social and solidarity economy as a whole, and to reduce the cost of accessing data for single and particularly small-sized entities.

FURTHER READING ON THE SSE IN INDIA

[Nahak: Concept of Social Economy and its Relevance to India](#) | [British Council: The State of Social Enterprise in India](#) | [Asian Development Bank: India Social Enterprise Landscape Report](#) | [National Union of Cooperatives in India: 2018 Statistical Profile](#) | [International Co-operative Alliance: India Mapping](#)

DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; Poverty rate (after taxes and transfers, poverty line 50%) (OECD): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Poverty rate (India): UNDP MPI 2023, <https://hdr.undp.org/sites/default/files/Country-Profiles/MP/IND.pdf>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Public social expenditures (OECD): OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Share of public procurement for social protection (in % of total general government procurements) (OECD): OECD (2022), "Government at a Glance - 2021 edition", <http://dotstat.oecd.org/Index.aspx?QueryId=107598>; Social safety nets (SSN) expenditure (India), source World Bank <https://www.worldbank.org/en/data/datatopics/aspire/indicator/social-expenditure>; Public social expenditures (India): General government expenses in social benefits, in % of GDP (India), source IMF Government Finance Statistics; Government expenditure on education, total (in % of GDP) (India) - source World Bank, World Development Indicators; Starting a Business score (India), source World Bank <https://databank.worldbank.org/source/doing-business#>.
- SSE data were collected using existing repositories of information on SSE constituents, mainly the [National Union of Cooperatives in India's 2018 Statistical Profile](#), [International Co-operative Alliance's 2021 India Mapping](#), the [Asian Development Bank's Civil Society Brief](#), and British Council's [The State of Social Enterprise in India](#).
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



Centre for Entrepreneurship, SMEs, Regions and Cities
Local Employment and Economic Development (LEED) Programme
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