



Mains Practice Question

Q. The government regulation on NGOs, at a time when the country especially requires robust civil society organisations and networks, is not desirable. Critically analyse. (250 words)

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Approach

- Introduce the answer by starting with the context i.e. amendments in the FCRA act.
- Briefly explain the role of NGOs in India.
- Discuss the key provisions of the act and the concerns emanating from these amendments.
- Conclude suitably.

Introduction

- Recently, the parliament proposed some amendments to the Foreign Currency Regulation Act (FCRA), 2010. According to the government, these amendments aim to bring about transparency in the working of Non-Governmental Organisations (NGOs).
- However, these new governmental regulations put onerous conditions on NGOs, educational and research institutions that have partnerships, including of a financial nature, with foreign entities.

Body

Role of NGOs in India

- India has nearly 3.4 million NGOs, working in a variety of fields ranging from disaster relief to advocacy for marginalised and disadvantaged communities. There the role and responsibilities are immense in developing country like India, which can listed as follows:
 - **Bridging The Gap:** NGOs endeavour to plug gaps in the government's programmes and reach out to sections of people often left untouched by state projects. For example, providing aid to migrant workers in Covid-19 crisis.
 - Also, they are engaged in diverse activities, relating to human and labour rights, gender issues, healthcare, environment, education, legal aid, and even research.
 - **Role of an Enabler:** Community-level outfits and self-help groups are critical for bringing any change in the ground.
 - **Acting as a Pressure Group:** There are political NGOs that mobilise public opinion against government's policies and actions.

Major Amendments in the Law

- There is now a capping of the administrative expenses of NGOs at 20% of their foreign donations.
- The new amendment requires them to have a State Bank of India account at a Delhi Branch.
- It also prohibits the transfer of grants received under FCRA to any other outfit.
- It also gives sweeping powers to the Ministry of Home Affairs to cancel the FCRA certificate of an NGO.

Concerns Emanating From These Amendments

- The new FCRA provisions, especially the one that constrains NGOs from subgranting, threaten the spirit of collaboration in the country's development sector.
- This would undermine the flow of foreign funding and development aid.
- Apart from this, the proposed changes are not in sync with the ideals of environmentalism, human rights and civil liberties as these sectors receive most of the foreign contributions. These ideals are important pillars of India's soft power.
- Many civil society groups question these amendments, especially at a time when the country requires robust civil society organisations and networks to deal with a range of challenges including the detrimental effects of the Covid-19 pandemic
- Due to these issues, the International Commission of Jurists has said the new law was incompatible with international obligations and India's own constitutional provisions on rights.

Conclusion

- It is important for NGOs to achieve and maintain a high degree of transparency in not just their work but also their financials. NGOs need to keep their income and expenditure open to public scrutiny. However, credibility of an NGO cannot be decided against the touchstone of the source of funds, native or foreign.
- Also, the government must realise that seamless sharing of ideas and resources across national boundaries is essential to the functioning of a global community, and it should not be discouraged unless there is reason to believe the funds are being used to aid illegal activities.

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