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Relevant for: Developmental Issues | Topic: Role of NGOs, SHGs, Donors & Charities, and Institutional & other Stakeholders in Development Process

The Foreign Contribution (Regulation) Bill (FCRA) 2020, passed by the Rajya Sabha on Wednesday and the Lok Sabha a day earlier, puts many question marks on the viability of NGOs at a time when the country especially requires robust civil society organisations and networks to deal with a range of challenges including the ravages of the [COVID-19 pandemic](#). The government claims that its aim is to bring about transparency in the working of non-profits. That is an unexceptionable goal, and questions relating to financial propriety have, indeed, been asked of some NGOs. However, some of the provisions of the Bill that now awaits the President's approval — capping the administrative expenses of non-profits at 20 per cent of their foreign donations, requiring them to have a State Bank of India account at a Delhi Branch, prohibiting the transfer of grants received under FCRA to any other outfit and sweeping powers to the Ministry of Home Affairs to cancel the FCRA certificate of an NGO — speak of the Centre's mistrust of the entire civil society sector. These clauses could make almost any non-profit vulnerable to harassment and shrink the already embattled space for civil society activity in the country.

According to the government's FCRA dashboard, there are more than 20,000 non-profits registered under the FCRA act. They are engaged in diverse activities, relating to human and labour rights, gender issues, healthcare, environment, education, legal aid, even research. They endeavour to plug gaps in the government's programmes and reach out to sections of people often left untouched by state projects. During the pandemic, many such organisations have tried to bridge the gap between state agencies and the most vulnerable sections of the population, migrant workers for example, by generating awareness and facilitating the transfer of government aid. In fact, Prime Minister [Narendra Modi](#) has repeatedly said that the fight against the [coronavirus](#) "is a combination of the efforts of the government and the civil society". Community-level outfits and self-help groups have led from the front in the battle against the virus in several states, including Kerala, Odisha and Rajasthan. In the past, such grass roots organisations have been enabled by collaborations with bigger NGOs and research agencies that have access to foreign funding. The new FCRA provisions — especially the one that constrains NGOs from sub-granting — threaten this spirit of collaboration in the country's development sector.

NGO activity is not just about philanthropy. Their engagement with people at the grass roots level acquaints civil society workers with the deficiencies of government programmes, and often makes them ask difficult questions — about discrimination, marginalisation, violation of constitutional rights, human dignity. Such interventions and criticisms are crucial to a humane society. In fact, civil society initiatives have informed some of the path-breaking laws in the country, including the Environmental Protection Act, Right to Education Act, Forests Rights Act and Right to Information Act. To hobble such activism, by burdening it with distrust and suspicion, does a disservice to democracy.

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