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FCRA Clearance of 6 NGOs Suspended

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Why in News

Recently, the Union **Ministry of Home Affairs** has suspended licenses under **the Foreign Contribution Regulation Act (FCRA), 2010** of the six **Non Governmental Organisations (NGOs)**.

Suspension of FCRA license means that the **NGO can no longer receive fresh foreign funds** from donors pending a probe by the Home Ministry.

Key Points

- Of the six NGOs, four are Christian associations, **Ecreosoculis North Western Gossner Evangelical** in Jharkhand, the **Evangelical Churches Association (ECA)** in Manipur, **Northern Evangelical Lutheran Church** in Jharkhand and **New Life Fellowship Association (NLFA)** in Mumbai.
- The two other organisations whose licenses were suspended are the **Rajnandgaon Leprosy Hospital and Clinics, Chhattisgarh** and the **Don Bosco Tribal Development Society, Tamil Nadu**.
- The **reasons for the suspension have not been specified** by the government.
- Earlier, in 2017, USA- based Christian donor, **Compassion International**, was forced to stop operations in India after the Home Ministry found that it funded NGOs that encouraged religious conversions.

Foreign Contribution (Regulation) Act (FCRA), 2010

- Foreign funding of voluntary organizations in India is regulated under FCRA act which is implemented by the **Ministry of Home Affairs**.
- The Acts ensures that the **recipients of foreign contributions adhere** to the stated purpose for which such contribution has been obtained.
- Under the Act, organisations are required to register themselves **every five years**.

Non Governmental Organisations

- Worldwide, the term ‘NGO’ is used to describe a body that **is neither part of a government nor a conventional for-profit business organisation.**
- NGOs are groups of ordinary citizens that are involved in a wide range of activities that may have **charitable, social, political, religious or other interests.**
- NGOs are helpful in implementing **government schemes at the grassroots.**
- In India, **NGOs can be registered** under a plethora of Acts such as the **Indian Societies Registration Act, 1860, Religious Endowments Act, 1863, Indian Trusts Act, etc.**
- India has possibly **the largest number of active NGOs** in the world, a study commissioned by the government put the number of NGOs in 2009 at 33 lakh.
That was one **NGO for less than 400 Indians**, and many times the number of primary schools and primary health centres.
- Ministries such as Health and Family Welfare, Human Resource Department, etc provide funding to a handful of NGOs.
- NGOs also receive funds from abroad, if they are registered with the Home Ministry under the **Foreign Contribution (Regulation) Act (FCRA).**
Without this, no NGO can receive cash or anything of value **higher than Rs 25,000.**

Controversies Related to FCRA

- The FCRA regulates the receipt of funding from sources outside of India to NGOs working in India. **It prohibits the receipt of foreign contribution “for any activities detrimental to the national interest”.**
- The Act also held that the government can refuse permission if it believes that the donation to the NGO will adversely affect “**public interest**” or the “**economic interest of the state**”.
However, there is **no clear guidance** on what constitutes “public interest”.
- The FCRA restrictions have serious consequences on both the **rights to free speech** and **freedom of association** under Articles **19(1)(a)** and **19(1)(c)** of the Constitution.

- The right to free speech is affected in **two ways**:
 - By allowing only some political groups to receive foreign donations and disallowing some others, can induce biases in favour of the government.
 - NGOs need to tread carefully when they criticise the regime, knowing that too much criticism could cost their survival.
 - FCRA norms can reduce critical voices by declaring them to be against the public interest. This chilling effect on free speech can lead to self-censorship.
 - Similar to this on unclear guidelines on public interest, in **Shreya Singhal v. Union of India (2015)**, the Supreme Court (SC) struck down Section 66A of the Information Technology Act. The SC held that the Act could be used in a manner that has a chilling effect on free speech.
- Besides, given that the right to freedom of association is part of the **Universal Declaration of Human Rights** (Article 20), a violation of this right also constitutes a human rights violation.
- In April 2016, the **UN Special Rapporteur on the Rights to Freedom of Peaceful Assembly and of Association** undertook a legal analysis of the FCRA, 2010.
 - It stated that restrictions in the name of “public interest” and “economic interest” as invoked under the FCRA failed the test of “legitimate restrictions”.
 - The terms were too vague and gave the state excessive discretionary powers to apply the provision in an arbitrary manner.
- In this context, though it is **necessary to regulate corrupt NGOs**, there needs to be **clarity on terms like public interest**.

Source: TH