



Role of NGOs

This article is based on [“The G in NGO”](#) which was published in The Indian Express on 24/09/2020. It talks about the impact of new regulation under Foreign Currency Regulation Act, 2010 on the NGOs and the role NGOs play in the Indian democracy.

Recently, the parliament has 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 regulations put onerous conditions on NGOs, educational and research institutions that have partnerships, including of a financial nature, with foreign entities.

Thus, 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](#).

Thus, given the role of NGOs in the development sector of India, there is a need to balance between autonomy of NGOs and Government's imperative to put a check on NGOs that are engaged in illegal activities.

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.
- 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.

Role of NGOs in Indian Democracy

India has nearly 3.4 million non-governmental organisations (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.
 - In the past, such grass roots organisations have been enabled by collaborations with bigger NGOs and research agencies that have access to foreign funding.
- **Acting as a Pressure Group:** There are political NGOs that mobilise public opinion against government's policies and actions.
 - To the extent such NGOs are able to educate the public and put pressure on public policy, they act as important [pressure groups](#) in a democracy.
 - They also mobilize and organize the poor to demand quality service and impose a community system to accountability on the performance of grassroots government functionaries.
- **Role in Participative Governance:** Many civil society initiatives have contributed to some of the path-breaking laws in the country, including the Environmental Protection Act-1986, [Right to Education Act-2009](#), [Forests Rights Act-2006](#) and [Right to Information Act-2005](#).
- **Acting as a Social Mediator:** The social inter-mediation is an intervention of different levels of society by various agents to change social and behavioural attitudes within the prevailing social environment for achieving desired results of change in society.
 - In Indian context wherein people are still steeped in superstition, faith, belief and custom, NGOs act as catalysts and create awareness among people.

Issues Emanating From NGOs

- **Lack of Credibility:** During the last few years, numerous organisations have mushroomed which claim to work for the cause of helping the poor.
 - Under the garb of being an NGO, these NGOs often mint money from donors and are also involved in money laundering activities.
 - There is nearly one NGO for every 400 people in India. However, not every NGO out there is engaged in serious social welfare work. Many are fraudulent and many are there without much serious intent.
- **Lack of Transparency:** India's disproportionate number of NGOs and the sector's lack of transparency and accountability is clearly an issue that needs reforms.
 - Further the allegations of corruption against NGOs be ignored. In the past many NGOs were blacklisted after being found to have indulged in misappropriation of funds.
- **Undermining Development Activities:** A report by India's Intelligence Bureau accused NGOs such as Greenpeace, Cordaid, Amnesty, and Action Aid for reducing India's GDP by 2-3% per year.

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.



Different NGO Roles



Drishti Mains Question

Discuss the role Non-Governmental Organisations (NGOs) play in the Indian democracy and the impact of new regulation under Foreign Currency Regulation Act, 2010 on the NGOs.

This editorials is based on ["A light touch: On regulation of digital media"](#) which was published in The Hindu on September 24th, 2020. Now watch this on our Youtube channel.

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