

## Civil Society under Siege

### Why in news?

The anti-communal and progressive civic space is under the most serious attack by various restrictions in India.

### What are the issues faced by Civil Society Organisations (CSOs)?

*A free civic space is the space where CSOs can operate without undue interference from the state or other actors.*

- India is a diverse and vibrant civil society but the constitutional freedom is under siege which provides citizens to participate in public affairs, express their views, and hold the government accountable.
- As per study, the organisations that were actively fighting against communalism were mostly under attack by various legal and financial instruments.

*Communalism is the ideology that divides people along religious lines and promotes hatred and violence between different communities.*

Category based on intensity of attack	Restrictions
High	Loss of funds, imprisonment and other charges
Moderate	Centre for Policy Research a prominent think tank is also targeted by the state.
Low	They are attacked by Foreign Contribution (Regulation) Act, 2010, Central Bureau of Investigation (CBI) and Income Tax department.

### What are the instruments used by the State against CSO?

- **Prevention of Money Laundering Act-** It expanded the scope of proceeds of crime that enabled the Department of Revenue and Enforcement Directorate to target NGOs and opposition politicians with charges of money laundering.
- **Foreign Contribution (Regulation) Act (FCRA)-** It was made stringent and the right of NGOs to access foreign funds was taken away from them.
- **Power to CBI-** FCRA enabled the CBI to investigate and prosecute NGOs and their personnel.
- **Income Tax Act-** It was amended in 2020 to make renewals of certificates and disclosure of donor data mandatory every 5 years.

- It also brought the domestic funding of anti-communal NGOs under siege.
- **Prior reference category list**- It is a list of 80 foreign donors who are monitored by the government for supporting human rights causes.

### Prevention of Money Laundering Act (PMLA)

- **Aim**- To prevent money laundering and confiscation of property derived from or involved in money-laundering
- **Confiscation of property** - Deals with the confiscation of both movable and immovable property
- **Intermediaries** - The Act provides that every banking company, financial institution and intermediaries should maintain a record of transaction.
- **Appellate Tribunal** - It was established by **Central Government** to hear appeals against the dealers of adjudicating authority under this Act.
- **Special Courts** - The Central Government shall constitute Special Courts in consultation of the Chief Justice of India to try money laundering cases.
- **Location of an entity** - The third party of any entity in the country shall not be located in any country classified as 'high risk' by the Financial Action Task Force (FATF).
- **Power of authority**- **Enforcement Directorate** is the main agency probing allegations under PMLA.

### Foreign Contribution Regulation Act (FCRA)

- It regulates foreign donations and ensures that such contributions do not adversely affect internal security.
- **Applicability**- To all associations, groups and NGOs which intend to receive foreign donations.
- **Registered associations**- It can receive foreign contribution for social, educational, religious, economic and cultural purposes.
- **Mandatory provision**
  - Filing of annual returns on the lines of Income Tax.
  - All NGOs must receive foreign funds in a designated bank account at SBI's New Delhi branch.
  - Aadhaar is mandatory for all the office-bearers, directors and other key functionaries of an NGO.
  - The Act capped the administrative expenses at 20% of the total foreign funds received - earlier, the upper limit was 50%.
  - It barred sub-granting by NGOs to smaller NGOs who work at the grass roots level.

### References

1. [The Hindu- Civil society under siege in India](#)
2. [The Hindu- The future of CSOs](#)