

“HELPING HANDS

- NGOs using foreign funds must be monitored, not hounded “

” by S L Rao

— The media were agog when a “secret” report of the I.B. (Intelligence Bureau) was leaked a few days after the swearing in of the Modi-led government. It particularly pointed to Greenpeace to the agitation against the Kudamkulam nuclear power plant, and coal based thermal power projects, as having been funded by foreign agencies to hold back India’s development. The report obviously suits the suspicions of foreign funding in both Congress who initiated the report, and the BJP who received it.

There is not much funding within India for the activities of NGO’s. It has grown since 1991 as companies have wanted information for a competitive economy, and The desire of some to “do good”. The activities of NGOs could range from social science and scientific researches, to conscience raising movements for women, adivasis, etc, support of the disabled, clean environment, protecting wild life, promoting nutrition programmes, health and immunization programmes, education, etc, and propagating religion. **The Foreign Contributions Regulation Act requires all foreign funding to NGOs to be reported to government showing details of donors and the purposes for which the funds were used.**

Propagating conversion from one religion to another is not encouraged under Indian laws and some states have stringent legislation to discourage it. Article 25 of the Indian Constitution guarantees every citizen the right to profess, practise and propagate his faith in a way that does not disrupt public order and does not affect public health and morality adversely. **Several Indian states passed Freedom of Religion Bills primarily to prevent conversion: Arunachal in 1978, Gujarat State in 2003, Madhya Pradesh in 2006, Chhattisgarh in 2006, Himachal Pradesh in 2007. This has not stopped religious conversions, primarily to Christianity. Various benefits to the poor like good education and health services, tempt them to convert, apart from others who might feel an affinity for the religion. Foreign funding for conversion and propagation of religions-mainly Christianity and Islam, are believed to be rampant. The latter is said to be funded by havala and does not feature in government statistics.**

Between 1993 and 2012, the number of registered associations (NGOs) rose from 15039 to over 41844 but through all these years only 54 to 64 % filed details of foreign remittances received. In 2011-12, 16756 had not filed returns. Those that did, had receipts climbing from Rs 1865 crores to Rs 10338 crores. The principal donors in 2011-12 were from the USA, Germany, U.K., Italy, Spain and the Netherlands. There are reports that there are at least 40 charitable organizations in Saudi Arabia whose primary job is to raise money for funding terror in India. Government does not appear to use the information it gets (or does not get), effectively. There appears to be little monitoring and inspection of the activities of NGOs.

Foreign funding of NGOs is a complex subject. Many recipients carry out very useful activities that help the country. There are some with ulterior motives. For example it was said that the agitation against the Kudamkulam nuclear power plant was funded by American sources that wanted to discredit Russian nuclear power technology. In the 1960s the Congress for Cultural Freedom was reported to be funded by the CIA. It produced a magazine called "Encounter" edited by the famous British poet Stephen Spender. The Congress arranged many conferences. The magazine was beautifully produced and I remember it as having been very informative and educative.

Mrs Indira Gandhi became paranoid about the influence of secret CIA funding of NGOs and visiting research scholars in India. She introduced rules that made it very difficult for American scholars to visit India for research and India was on the backburner of American research projects for over two decades. Was it in India's interest that many American scholars could not come to India for research?

Many outstanding educational and research institutions were started and survived mainly with foreign funding. NCAER for example was established in 1956 on the initiative of TT Krishnamachari (a successful businessman who served Nehru and Mrs Gandhi in their Cabinets as Commerce and Finance Minister). NCAER received substantial Ford Foundation grants that helped set it up. I became Director-General in 1990. Funding sources for social science research in India were very limited. Government departments would fund some research, depending on the fancy of a Joint Secretary in a Ministry. It was more as charity to enable the institutions to survive. Neither the private nor the public sectors in industry were much interested in research. India was a closed economy and the trick for industry was to get industrial licenses, which then guaranteed them a market and practically no competition. Estimating market sizes, income distribution, asset holdings, consumer habits and preferences, consumption in rural households, etc, called for meticulously chosen large samples, (to represent India) which could extract such information. It was expensive and unlikely to create profit for businesses. Yet such research was necessary for understanding how India was structured and how it was changing. The primary funding sources were the foreign foundations-Ford, Canadian agencies like CEDA and IDRC, US AID, etc. NCAER was by no stretch of the imagination an agency that gave away secret information about India or agitated against Indian government policies.

I recall that in the early years of liberalization I got the USAID to fund a project for monitoring Indian reforms and their effects on different sectors. One of my Board colleagues thought that American funding for studying reform was inappropriate and we gave it up. The paranoia about foreign influence through funding was very much visible. Yet it was an important study and should have been done from the beginning of the liberalization in 1991.

The issue is how to prevent foreign funding from subverting Indian policies. The FCRA is a useful legislation for the purpose. But information from it is not adequately monitored and used. Many NGOs seem to escape any action despite not giving complete or any information. The purposes for which the money is used are not always properly disclosed. Foreign money that funds NGOs who use it to protest against government policies need close scrutiny. For example it is accepted policy in India that in the absence of other fuels, India must depend on coal. India must do everything possible to encourage other non-polluting power sources but coal will remain the dominant source. Should foreign funded agitations

against coal based plants be permitted? This also arises with nuclear power. There is great hostility to it in Europe where Germany for example, has been dismantling nuclear power plants. India is a small player in nuclear power and needs it to satisfy development needs. Externally funded agitations however well-intentioned must not be permitted.

At the same time, NGOs must not be hounded and even those who receive foreign funds for research, health services, education, training, etc, must be allowed a free hand. With CSR featuring in the Companies Act, we can expect domestic funds apart from government, also to increase. The need for foreign funds could reduce.

Foreign funding will have to be more closely monitored so that its use can be channelled to desired areas. At the same time there needs to be transparency in government actions in regard to them.

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