Polity & Governance · GS - II

Examine the role of the Foreign Contribution (Regulation) Act in safeguarding India's national interest while regulating foreign funding of organisations.

EXAM YEAR	PAPER	SUBJECT
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MARKS	WORD LIMIT
10	~150 words

Answer Hint

National sovereignty, foreign contributions, FCRA 2010, transparency, political funding, NGOs, national security, regulatory oversight, freedom of association, accountability

Model Answer

Introduction

Foreign funding can support development, education and humanitarian activities. However, unregulated foreign contributions may raise concerns relating to national security, political influence and financial transparency. The Foreign Contribution (Regulation) Act, 2010, provides a regulatory framework for such funding.

Role of FCRA

National Security: It seeks to prevent foreign contributions from being used for activities prejudicial to national interest.

Political Independence: The Act prohibits political parties from accepting foreign contributions.

Financial Accountability: Registration, prior permission and reporting requirements improve transparency in fund utilisation.

Regulatory Oversight: The Ministry of Home Affairs monitors compliance and can take action against violations under the law.

Challenges and Way Forward

Implementation should ensure transparent procedures, timely decisions and proportionate enforcement. Genuine civil society organisations must be able to undertake lawful activities without unnecessary administrative obstacles. Independent scrutiny and effective grievance mechanisms can strengthen accountability.

Conclusion

FCRA must balance national security with democratic freedoms and the legitimate role of civil society in development.

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