Enabling Environment Snapshot

India

June 2025

Context

India's civil society has long been a cornerstone of the nation's democratic and developmental journey. Civil Society Organisations (CSOs) have significantly contributed to areas such as education, healthcare, women's empowerment, and environmental sustainability, often reaching underserved communities and complementing government initiatives.

However, the operational environment for CSOs in India has grown increasingly complex and restrictive in recent years. Many organisations face heightened regulatory scrutiny and administrative challenges, which have affected their ability to function smoothly. In particular, those engaged in advocacy and rights-based work often encounter suspicion and are sometimes portrayed as adversarial, which can hinder their freedom to operate effectively. This situation is further compounded during periods of geopolitical tension—such as the recent conflict between India and Pakistan—which tend to heighten national security concerns and often lead to stricter monitoring of foreign funding and cross-border collaborations, impacting CSOs that work in peacebuilding, human rights, or international solidarity.

Despite these challenges, promising opportunities are emerging. Domestic philanthropy is expanding, with more corporate and individual donors stepping forward to support social causes. Youth-led initiatives and digital mobilisation efforts are gaining momentum, bringing fresh energy, innovation, and community engagement to the sector. Additionally, collaborations between CSOs and local government bodies are being explored to address civic issues more effectively.

1. Respect and protection of fundamental freedoms

India's Constitution provides a comprehensive framework to safeguard fundamental freedoms that are essential for the functioning of civil society organisations (CSOs). Notably, Article 19(1) of the Constitution guarantees the freedom of speech and expression, the right to assemble peacefully, and the right to form associations or unions. These provisions are the legal backbone supporting the advocacy, mobilisation, and accountability work undertaken by CSOs across the country. In addition, Article 21, which ensures the right to life and personal liberty, has been expansively interpreted by the Supreme Court to include the right to privacy, dignity, and protection from arbitrary state action (Constitution of India – Legislative Department).

Despite these constitutional guarantees, there has been a marked decline in the protection and respect for fundamental freedoms in practice in recent years. CSOs and activists increasingly face administrative and legal barriers that restrict their work. The right to peaceful assembly, though legally protected, is often curtailed in the name of maintaining public order or national security. Protests, especially those critical of government policies, have been met with prohibitory orders, heavy police presence, and arrests. A notable example is the frequent use of Section 144 of the Criminal Procedure Code, which was originally used during emergencies, but is now being widely used against peaceful protests. For example, it was used during the protests against the Waqf (Amendment) Act, 2025. This restricts the gathering of four or more people in an area and has been repeatedly imposed to prevent demonstrations.This widespread and preventive use undermines the legally protected right to peaceful assembly guaranteed under Article 19(1)(b) of the Indian Constitution, and raises serious concerns about the shrinking space for dissent and civic engagement.

An additional concern is the frequent conflation of citizen-led protests with organised civil society. Public demonstrations—often spontaneous, decentralised, and involving students, workers, or affected communities—are frequently portrayed by authorities and media as being orchestrated by "foreign-funded NGOs" or so-called "urban Naxals." Authorities do not restrict protests solely for reasons of public order. In many cases, the aim appears to be to delegitimise CSOs and create a negative narrative around them—portraying them as disruptive, foreign-funded, or politically motivated.

For example, during the anti-Citizenship Amendment Act (CAA) protests, several NGOs were accused of inciting unrest and were targeted for their alleged ideological affiliations. It is an **additional concern** because this conflation not only undermines the legitimacy of spontaneous, grassroots protest but also **erodes public trust** in CSOs, portraying them as threats rather than contributors to democracy.

Furthermore, under Indian law, any group or organisation seeking to engage in collective action or advocacy must first register as a legal entity—typically under the Societies Registration Act, 1860, Indian Trusts Act, 1882, or Section 8 of the Companies Act, 2013. Operating without registration can attract penalties.

Freedom of expression has also come under stress. Laws such as the Unlawful Activities (Prevention) Act (UAPA) and Section 124A (sedition) of the Indian Penal Code have been used against activists and CSO representatives by labelling their dissenting views or organising work as threats to national security or as links to extremist groups. This allows authorities to arrest and detain individuals without formal charges for extended periods, effectively criminalising peaceful activism and stifling civil society, contributing to a climate of fear and self-censorship. Human rights defenders, including those working on issues of caste, gender, environment, and minority rights, continue to be subject to arrest, intimidation, or digital harassment.

Additionally, in recent times, stringent laws such as the Unlawful Activities (Prevention) Act (UAPA) and the Prevention of Money Laundering Act (PMLA) have been widely used by the government. While these laws were designed to counter terrorism and financial crimes, they have increasingly been applied to activists, students, journalists, and others involved in dissent or peaceful protest. Even when individuals act independently, CSOs are often linked by association—either due to their thematic alignment or because they have previously worked with or supported similar causes.

India is currently rated as "Repressed" on the CIVICUS Monitor, reflecting a pattern of restrictions on peaceful protest, expression, and civil society activity.

2. Supportive legal framework for the work of civil society actors

CSOs can register as societies, trusts, or Section 8 companies under respective laws such as the *Societies Registration Act, 1860*, the *Indian Trusts Act, 1882*, and the *Companies Act, 2013*. These registrations provide legal recognition, allowing CSOs to operate, own assets, and access funding.

To avail tax exemptions, CSOs must comply with the *Income Tax Act, 1961*, particularly Sections 12A, 12AB, and 80G, which were designed to promote philanthropy and ensure financial transparency. Organisations receiving foreign funding must also adhere to the

Foreign Contribution (Regulation) Act (FCRA), 2010, initially enacted to ensure accountability in foreign contributions and safeguard national interests.

However, in recent years—particularly after the 2020 FCRA amendments—the regulatory framework for CSOs has become increasingly restrictive. Key changes include mandatory opening of a designated account at SBI New Delhi, a ban on sub-granting, a cap of 20% on administrative expenses, and intensified scrutiny, leading to the suspension or cancellation of thousands of licenses.

The 2025 amendments to the FCRA introduce significant challenges for NGOs engaged in publication-related activities. Notably, such NGOs are now prohibited from publishing news content, even if it pertains solely to their own activities. This restriction extends to newsletters and periodicals, which must obtain a "Not a Newspaper" certificate from the Registrar of Newspapers for India (RNI) if registered with the RNI. Additionally, NGOs are required to submit undertakings ensuring compliance with Section 3(1)(g) of the FCRA, which prohibits foreign-funded entities from engaging in news production or broadcasting. These stringent requirements may deter smaller organisations from seeking or maintaining FCRA registration due to the increased administrative and compliance burdens.

India's registration laws are colonial-era frameworks that lack clarity and uniformity. They cover all types of associations—educational, charitable, religious, and advocacy—without tailoring for their diverse roles or needs. These laws **don't distinguish** between an organisation running a school, a religious group, or one advocating for human rights. As a result, **all CSOs are subject to the same rules**, even though their goals and methods differ widely. This leads to confusion, overregulation, or inappropriate scrutiny and hinders the CSOs' ability to operate freely and confidently.

Under the Income Tax Act, 1961, cumbersome procedures for securing or renewing exemptions under Sections 12AB and 80G, along with increased compliance and auditing burdens, have added to operational stress, particularly for small and grassroots organisations.

Together, these overlapping and outdated legal regimes—coupled with overregulation—are stifling the very civil society they were meant to support.

3. Accessible and sustainable resources

CSOs in India draw funding from multiple sources, including government grants, Corporate Social Responsibility (CSR) under the Companies Act, domestic philanthropy, private donations, and foreign contributions regulated by the FCRA. A recent addition is the Social Stock Exchange (SSE), which seeks to link social enterprises with investors. These diverse streams support work across development sectors like health, education, and rural livelihoods.

However, CSOs face significant challenges in accessing and sustaining these resources. Government funding is generally restricted to project-based work and excludes overheads or institutional strengthening. This limits their sustainability, stifles innovation, excludes smaller groups, and prevents long-term impact, reducing civil society's ability to drive systemic change.

CSR funds, while substantial (amounting to over ₹25,000 crore annually, ca. 2.5 billion Euro), tend to favour large, professionally managed NGOs based in urban centers and often reflect corporate priorities rather than community needs.   Small and grassroots

organisations, especially those working in remote areas or on sensitive issues, struggle to meet eligibility criteria or forge corporate partnerships.

Philanthropic giving in India tends to favour service delivery, education, and health projects, often avoiding politically sensitive or rights-based initiatives. According to [Bain & Company's India Philanthropy Report 2023](#), individual philanthropy is growing but still largely directed toward well-established institutions. Funding for issues such as governance, accountability, or minority rights remains sparse.

Foreign funding, once a critical source for many rights-based organisations, has been sharply curtailed due to restrictive FCRA amendments in 2020.

The Social Stock Exchange, introduced by [SEBI](#) in 2021, offers promise but is still in its early stages. The compliance and listing requirements are complex, and uptake among smaller CSOs has been limited due to low awareness and capacity constraints. Without systemic support and simplified access mechanisms, the SSE may remain inaccessible to many of the organisations it aims to benefit.

In addition to financial constraints, CSOs face increasing bureaucratic hurdles in bank transactions, tax exemptions, and compliance with the Income Tax Act. Uncertainty over the renewal of tax benefits under Sections 12A and 80G further complicates sustainability planning for many organisations.

4. State openness and responsiveness

The openness and responsiveness of the Indian state toward CSOs vary significantly across levels of government and ministries. While some departments engage constructively with CSOs, others offer limited or symbolic participation. A notable example is the pre-budget consultations conducted annually by the [Ministry of Finance](#), which include representatives from NGOs and other stakeholders. However, the impact of these consultations is often unclear, as there are no formal mechanisms to ensure that civil society inputs are integrated into budget allocations or policy decisions.

At the **state level**, engagement with civil society varies widely depending on political will, administrative leadership, and the nature of the issue. Some states actively collaborate with NGOs in areas such as health, education, and rural development, while others are less open, particularly when CSOs engage in rights-based advocacy or public accountability. For example,   there have been notable joint initiatives between the state government and the CSOs in [Kerala](#). On the other hand, in [Chhattisgarh](#), civil society was suppressed by using legal and administrative tools—like UAPA—against rights-based advocacy, shrinking the space for public accountability and dissent. The absence of institutional platforms for regular dialogue limits sustained collaboration.

A significant milestone in formalising state-CSO engagement was the adoption of [the National Policy on the Voluntary Sector (NPV), 2007](#) by the Government of India. The policy acknowledged the role of voluntary organisations in national development and called for enabling partnerships. However, the policy was never fully operationalised. While some ministries and departments did form advisory committees with civil society representation, most of these bodies became inactive over time, and regular consultations were not institutionalised. However, when they did happen, the officials used to consider the feedback given by CSOs.

In recent years, the government has proposed revising the NPV. Draft versions of a new National Policy for NGOs/Voluntary Sector have been circulated by the NITI Aayog, which also launched the NGO-DARPAN portal to streamline registrations and promote transparency. However, policy updates have been slow, and civil society actors have expressed concerns about the narrowing scope of consultation and increasing regulatory control rather than facilitation.

A sectoral example of uneven engagement is the Right to Education (RTE) Act, 2009. While CSOs were instrumental in advocating for the law and continue to support implementation at the grassroots level, they are often excluded from formal monitoring and decision-making platforms, such as state advisory councils or district education planning bodies. While these bodies are *institutionalised spaces* for engagement between civil society and the government, their role remains largely informal, focused on community awareness and grievance redressal.

5. Political Culture and Public Discourses on Civil Society

The political culture surrounding civil society is increasingly polarised, with a thin and often blurred line between political activism and the legitimate role of CSOs. CSOs have historically contributed to social reform, development, and public accountability. However, in recent years, their work is often portrayed—particularly in political rhetoric and some sections of the media—as politically motivated or aligned with "anti-national" elements.

This narrative is amplified through certain sections of the media and digital platforms. Mainstream, pro-government media outlets frequently echo official rhetoric, portraying critical voices in civil society as enemies of the state. Terms like "urban Naxal" have been used to discredit dissenters, reinforcing suspicion and hostility. In contrast, a few independent digital media platforms continue to highlight the value of civil society and expose unlawful state actions—but they face increasing legal and digital pressure themselves.

Not all CSOs face the same treatment. Organisations focused on service delivery—such as those working on sanitation, education, or disaster response - especially when aligned with government programmes - are often praised and welcomed. This split creates a clear distinction between "acceptable" and "unacceptable" civil society work, determined less by legality and more by political alignment. As a result, CSOs that engage in advocacy or work with marginalised populations frequently face barriers to funding, registration, and public legitimacy.

Public attitudes are mixed. In many communities, CSOs are valued for their service delivery, especially where the state is absent. But broader public understanding of advocacy and rights-based work remains limited and easily influenced by dominant political narratives. Furthermore, organisations supporting Dalits, Adivasis, Muslims, LGBTQ+ rights, or other socially excluded communities, often encounter both state and societal resistance, reflecting wider patterns of exclusion and majoritarian nationalism. In this context, civil society's role in upholding pluralism and constitutional rights becomes both more urgent and more vulnerable.

6. Access to a secure digital environment

India's digital landscape has expanded rapidly in recent years, especially after Covid-19, providing civil society actors with powerful tools for communication, outreach, and mobilisation. However, this growth has also been accompanied by rising concerns over surveillance, data security, censorship, and digital harassment—especially for those engaging in advocacy and dissent. In late 2024, journalist Rana Ayyub faced severe online abuse, including doxing and deepfake attacks, showing how digital platforms can be weaponised to harass civil society voices and suppress dissent.

Government surveillance remains a major concern. Investigations have revealed the use of Pegasus spyware to target journalists, lawyers, and human rights defenders, raising serious questions about the misuse of surveillance technology and the lack of accountability mechanisms. Civil society actors report a growing sense of digital insecurity, with many refraining from using mainstream communication platforms for sensitive work.

The regulatory environment has also become more restrictive. The **Information Technology** (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 significantly expanded government control over digital platforms, requiring online intermediaries to remove content deemed objectionable and enabling increased monitoring of user data.   These rules have been widely criticised for lacking clear safeguards for freedom of expression and user privacy.

India continues to lead the world in **internet shutdowns**, with **over 60 shutdowns recorded in 2024 alone**, often imposed during protests, exams, or elections, and disproportionately affecting marginalised communities and regions experiencing unrest. Such shutdowns undermine civic engagement, limit information flow, and disrupt critical humanitarian and development work.

In addition, civil society actors—especially women, religious minorities, and Dalit activists— face coordinated online harassment and threats, such as the blocking of accounts of news organizations, often enabled by impunity and inadequate enforcement of digital safety policies on platforms like X (formerly Twitter), Facebook, and YouTube.

While digital platforms remain essential for civic action, the lack of a safe and rights-based digital environment poses growing risks to civil society freedom, participation, and security.

Challenges and Opportunities

Civil society organisations in India face a range of challenges that hinder their effectiveness and sustainability. Among the most pressing are restrictive regulatory frameworks and legal ambiguities that limit civic space and expose CSOs to harassment or undue scrutiny. Additionally, limited access to flexible, core funding often forces organisations to focus narrowly on project-specific outcomes rather than long-term institutional strengthening. Digital vulnerabilities, including cyber threats and inadequate infrastructure, further exacerbate risks to organisational safety and data security. Beyond these, broader systemic issues such as bureaucratic inertia, lack of meaningful state engagement, and uneven donor priorities pose ongoing obstacles. Together, these challenges create a complex environment where CSOs struggle to maintain autonomy, build capacity, and effectively advocate for rights and social justice.

To strengthen the enabling environment for civil society in India, it is critical for CSOs, donors, and state actors to recognise the urgent need for systemic reforms. This includes expanding flexible, core funding that supports institutional strengthening—not just project delivery—as well as protecting civic space through legal safeguards against the misuse of laws. Investing in secure digital infrastructure, capacity-building on digital safety, and creating institutional platforms for regular state–civil society dialogue will be essential. Donors and multilateral agencies must also push for accountability and transparency in regulatory processes while supporting grassroots-led resilience strategies. A rights-affirming, participatory ecosystem is not only more just—it is also more effective.