

Indian politics & policy

Modi crackdown leaves top Indian think-tank struggling

Centre for Policy Research debilitated by loss of tax-exemption and foreign funding



Controls on non-governmental organisations and other independent institutions in India have tightened since Narendra Modi became prime minister in 2014 © Prashanth Vishwanathan/Bloomberg

John Reed and **Benjamin Parkin** in New Delhi JULY 22 2023

One of India's best-regarded public policy think-tanks is struggling to continue its work after authorities stripped it of its tax-exempt status and permission to raise foreign funds as part of an intensifying crackdown by the Modi government on civil society.

The New Delhi-based Centre for Policy Research, which conducts grassroots data collection, publishes research and organises talks, had its licence to raise money abroad suspended by India's [home affairs ministry](#) in February.

Tax authorities in late June informed the 50-year-old group, which formerly raised about 75 per cent of its funds outside [India](#), that it had lost its tax-exempt status, a move it describes as “a debilitating blow” that “strikes at the core of its ability to function”.

A senior staffer at CPR, whose past backers included the Bill & Melinda Gates Foundation, told the Financial Times that the centre's headcount had fallen from more than 200 last year to fewer than 60 now because it was no longer able to pay salaries in full.

“CPR reiterates that it is in complete compliance with the law and has been co-

operating fully and exhaustively at every step of the process with all government authorities,” the group said in a statement, adding it would seek “all avenues of recourse” on the withdrawal of its tax exemption.

“We are hopeful of a just and swift resolution to current challenges.”

Staff said they did not know why the authorities had acted against the think-tank. But some have speculated they may have been motivated by the CPR’s independent research, media articles by staffers criticising government policies and its work with local activists opposed to controversial coal mine development.

An Indian government spokesman did not immediately respond to requests to comment.

CPR was one of several organisations, including Oxfam India and the Independent And Public-Spirited Media Foundation, a non-governmental organisation that funds journalism, that were simultaneously [raided by income tax officials in September](#). Staffers said they were forced to hand over their laptops and phones, which were cloned.

Under the control of Amit Shah, a top deputy of Prime Minister Narendra Modi, India’s home affairs ministry tightly controls the activities of charitable groups and NGOs.

The Modi government and its supporters have hit back in recent months against critics of its policies both in India and overseas, including US financier and philanthropist George Soros, who [made a speech attacking Modi](#) in February.

Modi defended his record on upholding India’s democratic principles last month, saying “democracy flows in our veins”.

Leo Saldanha, co-ordinator of the Environment Support Group, an NGO based in Bengaluru, said government action against civil society groups had become “far more frequent and much more harsh”.

“What’s new is the aggression which is being done and the whole typecasting of anyone who questions it as ‘anti-national’,” he said.

India’s moves against CPR are part of decades-long efforts to tighten financial controls on think-tanks, academia, and other independent institutions that predate Modi but have intensified since he took office in 2014.

The Foreign Contribution Regulation Act, under which CPR was licensed to raise

money abroad, was introduced in 1976 under then-prime minister Indira Gandhi during a period of extreme government repression.

The FCRA at the time “led to severe curbs on constitutional rights and press freedom”, said Rahul Rishi of law firm Nishith Desai Associates. “Successive governments have continued to weaponise this law, and it is often used more as a political tool.”

Prominent charities such as Amnesty International and Greenpeace have in recent years [cut back operations in India](#) after facing repeated regulatory issues, including having their bank accounts suspended.

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