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From Foreign Funds to Frozen Futures: A Region-Wise Analysis of Employment Displacement and Beneficiary Deprivation Following FCRA License Cancellations in India (2014-2026)

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Abstract

Since 2014, the Government of India has cancelled the Foreign Contribution (Regulation) Act (FCRA) licenses of over 22,000 non-governmental organizations, curtailing their ability to receive foreign funding and, in many cases, forcing operational closure. While this regulatory action has been framed by the state as a compliance and accountability measure, its downstream socio-economic consequences, resulting in job losses among NGO staff and the withdrawal of essential services from beneficiary populations, have remained largely undocumented in any systematic, region-disaggregated form. This article addresses that gap by examining the spatial distribution of FCRA cancellations across Indian states and union territories between 2014 and 2026 and by estimating the associated employment and beneficiary impact using available government datasets, parliamentary records, and secondary case evidence. Drawing on Ministry of Home Affairs cancellation records, Rajya Sabha annexures, and independent sector research, the study identifies significant inter-state variation in both the absolute number and proportional rate of cancellations, with states such as Uttar Pradesh, Bihar, Tamil Nadu, and Andhra Pradesh emerging as disproportionately affected. The paper further synthesizes existing estimates of direct job losses and service disruption to health, education, child welfare, and nutrition programs, situating these within the broader context of the nonprofit sector's contribution to national employment and GDP. In doing so, the study highlights a critical evidentiary vacuum: neither the state nor independent researchers currently maintain a consolidated, verifiable account of the cumulative human cost of FCRA enforcement, a gap that has arguably widened following recent restrictions on parliamentary and public data access. The paper concludes by proposing a framework for region-wise impact assessment and argues for greater transparency in regulatory reporting to enable evidence-based policymaking around foreign funding regulation and its social costs.

Keywords: FCRA, NGO regulation, foreign contribution, employment displacement, civil society, India, regional disparity.

Introduction

The Foreign Contribution (Regulation) Act (FCRA), 2010, governs the acceptance and utilization of foreign funds by individuals, associations, and non-governmental organizations (NGOs) operating in India. Enacted to replace the more permissive FCRA of 1976, the 2010 Act and its subsequent 2020 amendment have established a stringent compliance regime requiring all recipient organizations to register with the Ministry of Home Affairs (MHA), route foreign contributions exclusively through a designated account at the State Bank of India's New Delhi Main Branch, and file detailed annual returns documenting the receipt and utilization of funds. Non-compliance, procedural lapses, or activities deemed contrary to the "public interest" or the "sovereignty and integrity of India" can result in the suspension or outright cancellation of an organization's FCRA registration, effectively severing its access to foreign funding.

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Since 2011, tens of thousands of NGOs have had their FCRA certificates cancelled, allowed to lapse without renewal, or voluntarily surrendered. By mid-2026, government figures placed the number of organizations removed from the foreign-funding ecosystem at over 37,000, with roughly 14,000-16,000 organizations retaining active registration out of a much larger universe that once held it. This scale of regulatory action has gradually, over more than a decade but accelerating markedly after 2020, reshaped the operating landscape for India's nonprofit sector, a sector that, prior to this period, was estimated to account for millions of jobs and a measurable share of national economic activity.

The Government of India has consistently framed FCRA cancellations as a compliance and accountability mechanism, a response to non-filing of returns, misuse of funds, or activities inconsistent with an organization's stated objectives. This framing is not without basis: official data indicates that a substantial proportion of cancellations stem from administrative non-compliance rather than substantive misconduct. However, whatever their legal justification, cancellations carry material downstream consequences that remain almost entirely undocumented in aggregate, verifiable form.

Two consequences are of particular concern. First, **employment displacement**: NGOs employ salaried staff, contract workers, and community-level field functionaries, many of whom lose their livelihoods when an organization's foreign funding is cut off and it is forced to scale down or close. Second, **beneficiary deprivation**: the individuals and communities served by these organizations have often, in health, nutrition, education, child protection, and disaster relief, lost access to services that, in many rural and under-resourced areas, are not readily substituted by government or private alternatives.

Despite the scale of cancellations, no central government agency, parliamentary body, or independent research institution currently maintains a consolidated, region-wise account of how many jobs have been lost or how many beneficiaries have been affected as a result. Existing evidence is fragmentary: scattered organization-specific figures reported in the press (such as the widely cited estimate of roughly 4,000 job losses at CARE India), sector-wide employment baselines from a single 2012 government survey that predates most cancellations, and journalistic case studies of individual displaced workers. This evidentiary vacuum has, moreover, arguably deepened recently, as parliamentary questions seeking state-wise cancellation data have reportedly gone unanswered since 2024, and public lookup functionality on the FCRA online portal has been curtailed.

This article is motivated by the conviction that a regulatory action of this scale and duration warrants systematic empirical documentation, not to adjudicate the legality or political motivations behind individual cancellations but to establish, as rigorously as available secondary data permits, the human and economic footprint of the policy and to examine whether this footprint is evenly distributed across India's states and union territories or concentrated in particular regions.

Research Questions:

This study is organized around the following research questions:

1. What is the temporal and region-wise distribution of FCRA license cancellations across Indian states and union territories between 2014 and 2026?

2. Does the incidence of cancellation, in absolute numbers and as a proportion of historically registered organizations, vary systematically by region, and if so, what factors plausibly explain this variation?

3. Based on available secondary evidence, what is the estimated scale of direct employment displacement resulting from FCRA cancellations, and how does the impact vary regionally?

4. What is the estimated scale of beneficiary deprivation and loss of access to NGO-delivered services, and which sectors and regions appear most affected?

5. To what extent has this employment and beneficiary impact been offset by government schemes, corporate social responsibility (CSR) funding, or absorption by other organizations?

6. What are the limitations of existing data infrastructure in capturing these impacts, and what does this gap itself reveal about regulatory transparency and accountability?

Objectives and Significance:

The primary objective of this paper is to synthesize dispersed official and secondary data into a coherent, region-disaggregated account of the employment and beneficiary consequences of FCRA cancellations in India. In doing so, the study aims to:

- Provide the first consolidated region-wise mapping of FCRA cancellations against estimated employment and beneficiary impact, drawing on official datasets triangulated with independent sector research.
- Contextualize the scale of NGO-sector job losses against more widely publicized private-sector layoffs to assess whether this consequence has received commensurate policy and media attention.
- Document the extent and implications of the growing data access gap surrounding FCRA enforcement, treating this transparency deficit as a substantive finding in its own right.
- Inform policy discussion, particularly in light of the Foreign Contribution (Regulation) Amendment Bill, 2026, by proposing a framework through which future cancellations could be accompanied by systematic impact assessment.

The study's significance lies less in generating new primary data than in performing the synthesis and triangulation exercise that, to date, no government body or research institution appears to have undertaken at this scale. Given the size of the population plausibly affected, credibly estimated in the tens of millions when service beneficiaries are included, the absence of such an exercise represents a significant gap in the evidence base available to policymakers, civil society, and the public.

Scope and Limitations:

This study covers FCRA cancellations occurring between 2014 and 2026, a period chosen to capture both the pre-2020 amendment baseline and the intensified enforcement activity that followed. The analysis is confined to the employment and beneficiary dimensions of FCRA cancellations; it does not undertake a legal analysis of individual cancellation orders, nor does it adjudicate claims regarding the political motivations behind specific enforcement actions, though it engages with these debates where they bear on interpreting regional patterns. As a desk-based study, the paper relies exclusively on secondary and administrative data, government datasets, parliamentary records, and published sector research and journalism rather than primary survey or interview data. Consequently, its employment and beneficiary estimates should be understood as informed approximations derived through triangulation of existing figures, not as independently verified measurements.

Literature Review:

Legal and Regulatory Evolution of FCRA:

The regulation of foreign contributions to Indian organizations dates to the Foreign Contribution (Regulation) Act, 1976, enacted during the Emergency era amid concerns that foreign funds were being used to influence domestic politics, journalism, and social movements. The 1976 Act was replaced by the FCRA, 2010, which retained the original's protective rationale, safeguarding national sovereignty, public interest, and communal harmony from foreign influence while introducing a more structured registration and renewal regime, mandatory annual returns, and expanded grounds for suspension and cancellation under Sections 13 and 14.

The 2020 amendment marked a significant tightening of this framework. It prohibited the transfer of foreign contributions between FCRA-registered organizations, capped administrative expenditure at 20% of total foreign funds utilized (down from 50%), mandated Aadhaar-based identification of office bearers, and most consequently for operational compliance, required every registered entity to open a single "FCRA Account" at a specified branch of the State Bank of India in New Delhi, through which all foreign contributions must first be routed before transfer to utilization accounts elsewhere. Scholars and civil society commentators have argued that this centralization, combined with shortened compliance windows, disproportionately burdened smaller and rural organizations with limited administrative capacity, even where no substantive misconduct was alleged.

Most recently, the Foreign Contribution (Regulation) Amendment Bill, 2026, introduced in the Lok Sabha in March 2026, proposes further changes, including the creation of a "Designated Authority" empowered to take over, manage, and dispose of the assets of organizations whose registration is cancelled, surrendered, or allowed to lapse. Notably, the bill does not extend the right to a hearing to organizations facing non-renewal (as distinct from outright cancellation, where a hearing right already exists), a distinction that legal commentators have flagged as expanding the state's enforcement latitude.

Civil Society and Welfare Delivery in India:

A substantial body of development literature documents the role NGOs play in extending welfare delivery to populations and geographies that state machinery reaches inconsistently, particularly in health, nutrition, primary education, disability services, and disaster response. India's nonprofit sector has historically been characterized by extreme heterogeneity, ranging from small, single-district community organizations to large international NGOs and domestic foundations operating across multiple states. This heterogeneity complicates any uniform assessment of "impact," since the loss of a single large NGO's FCRA registration can affect service delivery across several states, while the loss of many small NGOs' registrations may be geographically concentrated but individually modest in scale.

The most frequently cited baseline for the sector's economic footprint remains a 2012 Ministry of Statistics and Programme Implementation (MoSPI) survey, which estimated the nonprofit sector's contribution at approximately 2.7 million paid jobs and 3.4 million full-time-equivalent volunteer positions nationally. This number is over ten years old, comes before most of the FCRA cancellations looked at in this study, and doesn't break down the data by how much foreign funding is used, which is a big drawback for any researcher trying to understand the current impact of FCRA enforcement on the sector.

Existing Research on NGO Sector Employment and FCRA Impact:

Direct academic research quantifying employment or beneficiary loss specifically attributable to FCRA cancellations is sparse. Most available evidence takes the form of journalistic investigation and sector-body commentary rather than peer-reviewed empirical study. Notable contributions include:

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- **Organization-specific reporting**, such as coverage of CARE India's workforce reduction (estimated at approximately 4,000 employees) following its FCRA difficulties, and profiles of individual displaced NGO workers, such as health and nutrition researchers in Bihar.
- **Sector-body estimates**, particularly from India Development Review (IDR) and similar platforms, which have proposed illustrative ranges (such as 4,000 to 800,000 beneficiaries affected per cancelled organization) intended to convey the scale of variation across organization types rather than to serve as precise measurements.
- **Rights-organization assessments**, including Amnesty International's tracking of cumulative cancellation figures and its characterization of the sectors and communities most affected, noting particular impact on organizations working on minority rights and civil liberties.
- **Parliamentary and legislative research,** particularly briefs from PRS Legislative Research on the FCRA Amendment Bill, 2026, compiles official cancellation figures but does not include estimates for employment or beneficiaries.

No study identified in this review attempts a systematic, region-wise synthesis of employment and beneficiary impact across the full population of cancelled organizations, the gap this paper seeks to address.

Comparative International Perspective:

Regulation of foreign funding to civil society is not unique to India. Governments in several democracies have introduced or strengthened foreign-funding and foreign-agent disclosure regimes over the past decade, citing concerns about foreign influence on domestic political and civic life. Comparative literature on such regimes elsewhere has generally focused on their implications for civic space and press freedom rather than on labour-market or service delivery outcomes, leaving the employment and beneficiary dimension examined in this paper relatively unexplored even in the broader comparative literature, a gap consistent with the India-specific evidentiary vacuum this study addresses.

Compliance versus Targeting:

The literature and public commentary on FCRA enforcement reflect two broadly competing interpretive frames. The government's position, reiterated in parliamentary statements and legislative briefs accompanying the 2026 Amendment Bill, holds that cancellations overwhelmingly reflect genuine non-compliance, chiefly non-filing of mandatory annual returns, and that a nation receiving substantial foreign contributions annually has a legitimate right to oversight and enforcement. Officials have further argued that enforcement has been concentrated in states with historically high NGO density, implying a compliance-driven rather than politically targeted pattern.

Critics, including opposition parliamentarians, retired civil servants, and international rights organizations, argue that the pattern of cancellations, particularly involving prominent research institutions and rights-focused organizations, suggests the Act is also being used as an instrument to constrain civil society actors perceived as critical of government policy. Both framings are represented in the sources reviewed for this study, and this paper does not adjudicate between them; rather, it treats the underlying regional and sectoral distribution of cancellations as an empirical question to be examined against both hypotheses.

Identified Gap:

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This review surfaces a consistent gap across legal, developmental, and journalistic literature: while the *scale* of FCRA cancellations is reasonably well documented in aggregate national figures, and *illustrative* organization-level case evidence exists, there is no consolidated, region-disaggregated synthesis of the employment and beneficiary consequences of this enforcement activity. Moreover, this gap appears to be widening rather than narrowing, as recent restrictions on parliamentary data requests and public FCRA portal access have reduced the granularity of information available to independent researchers. This paper positions itself as a direct response to that gap, using desk-based triangulation of the best currently available official and secondary sources.

Regulatory and Policy Context:

The FCRA Registration and Cancellation Process:

Under the FCRA, 2010, an organization seeking to receive foreign contributions must obtain either registration (available to organizations with at least three years of existence and a reasonable track record of activity in their chosen field) or prior permission (a one-time approval for a specific foreign donation, typically used by newer organizations). Registration, once granted, is valid for five years and must be renewed; failure to apply for renewal, or denial of a renewal application, results in the certificate lapsing.

Cancellation is distinct from lapse and is governed principally by Section 14 of the Act, which empowers the central government to cancel a certificate where an organization has:

- made a statement in its application that is false or misleading;
- violated any condition of the certificate or renewal;
- failed to comply with mandatory provisions of the Act, including filing of annual returns;
- failed to engage in reasonable activity in its chosen field for two consecutive years;
- become defunct; or
- acted in a manner prejudicial to the sovereignty and integrity of India, the security of the state, public interest, or friendly relations with foreign states.

Section 13 additionally allows for suspension of a certificate, typically for up to 180 days, extendable pending inquiry, during which the organization cannot receive fresh foreign contributions, though it may apply to utilize funds already in its account for approved purposes. Section 15, meanwhile, provides for the vesting of an organization's foreign-contribution-derived assets in the government upon cancellation, subject to the organization's right to a hearing, a right the 2026 amendment does not extend to cases of lapse or non-renewal, as discussed below.

An important operational distinction for this study is that cancellation and lapse without renewal produce similar functional outcomes of loss of access to foreign funds but are recorded and reported differently and are sometimes conflated in public commentary and even official figures. This paper treats both as relevant to its analysis of employment and beneficiary impact, while noting where source data distinguishes between the two.

Timeline of Major Policy Shifts:

The 2010 FCRA, enacted in 2010, replaced the 1976 Act and introduced the modern registration, renewal, and cancellation framework.

2015–2019. A gradual increase in cancellations begins, largely attributed by government sources to non-filing of annual returns following stricter enforcement of existing compliance deadlines; cumulative cancellations reach approximately 16,000 organizations by 2024, according to Home Ministry data covering 2015-2024.

2020. The FCRA (Amendment) Act, 2020, is passed, introducing the mandatory single "FCRA Account" at the State Bank of India's New Delhi Main Branch, prohibiting inter-NGO transfer of foreign funds, reducing the permissible administrative expenditure cap from 50% to 20%, and mandating Aadhaar-based identification for office bearers. This amendment is widely cited in the literature as marking an inflection point after which both compliance burden and cancellation activity intensified.

2022-2023. A wave of cancellations affects several prominent organizations; the government reports to Parliament (Rajya Sabha Unstarred Question No. 3253, March 2023) that 1,828 associations had their registrations cancelled between 2018 and 2022 for violations of the Act.

January-April 2024: High-profile cancellations, including the Centre for Policy Research (CPR) in January 2024, following an earlier suspension, and five faith-based and health-focused organizations (including the Voluntary Health Association of India and the Evangelical Fellowship of India) in April 2024.

2025 Continued cancellations, including organizations such as SECMOL, associated with activist Sonam Wangchuk, amid unrelated regional protests in Ladakh.

March 2026 The Foreign Contribution (Regulation) Amendment Bill, 2026, is introduced in the Lok Sabha, proposing the creation of a "designated authority" to supervise and handle the assets of organizations that have lost their registration, given it up, or let it expire.

The June 2026 revised FCRA Rules are notified, and the home minister launches the "FCRA 2.0" portal alongside an electronic Overseas Citizen of India (e-OCI) card initiative.

July 2026 The FCRA portal records approximately 14,449 active certificates, 22,498 cancelled, and 15,212 deemed expired, the most recent official figures available at the time of this study.

This timeline indicates that FCRA enforcement has not been a single discrete event but a sustained, escalating regulatory process spanning over a decade, with the 2020 amendment and the 2024-2026 period representing its two most consequential phases.

Transparency and Data Access Constraints:

A distinguishing feature of the 2024-2026 period, and one of direct relevance to this study's methodology, is a documented narrowing of public and parliamentary access to granular FCRA data. Rajya Sabha member John Brittas has publicly stated that his repeated attempts since 2024 to obtain detailed information on FCRA cancellations and non-renewals through parliamentary questions were disallowed, prompting his public criticism that regulatory decisions affecting public charitable institutions were being shielded even from parliamentary scrutiny. Concurrently, functionality on the FCRA online portal that previously allowed public users to look up an individual organization's registration status, filings, and foreign funds received has reportedly been curtailed.

This constraint has a direct bearing on the present study: the most recent state-wise cancellation breakdown obtained through parliamentary channels dates to March 2023 (covering cancellations through March 22, 2023), meaning that roughly three additional years of cancellation activity (2023-2026) can only be assessed

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at the national aggregate level using current data-access conditions, with region-wise distribution for this later period inferred through supplementary secondary sources rather than official annexures.

Data and Methodology:

Research Design:

This study adopts a desk-based, secondary data research design, synthesising and triangulating information from official government sources, parliamentary records, and published sector and journalistic research. No primary data collection surveys, interviews, or field visits were undertaken. The design is best characterized as a document-based quantitative and qualitative synthesis, combining structured analysis of administrative datasets with systematic compilation of case-level evidence reported elsewhere.

This approach was selected deliberately, given the absence of any consolidated official dataset linking FCRA cancellations to employment or beneficiary outcomes. The study's contribution lies in assembling and cross-referencing existing fragments of evidence into a coherent region-wise picture, rather than generating new measurements.

Data Sources:

Primary administrative datasets:

- **MHA FCRA cancellation records**, accessed via Dataful. In aggregation of the Ministry of Home Affairs' FCRA online portal, covering year, state, registration number, association name, and cancellation type for approximately 20,697 cancellations recorded between 2011 and February 2024.
- **Rajya Sabha Unstarred Question annexures**, principally Question No. 3253 (answered March 29, 2023), providing state-wise cancellation counts for 2020. March 2023 and state-wise receipt and utilization of foreign contributions based on annual returns.
- **FCRA portal dashboard aggregate figures**, cited in PRS Legislative Research briefs and press coverage, provide national-level active/cancelled/lapsed totals through July 2026.

Secondary and sector research sources:

- Sector employment baseline: Ministry of Statistics and Programme Implementation (MoSPI) 2012 survey estimates of non-profit sector employment.
- Case-level and organization-specific reporting from India Development Review (IDR), The Wire, Tribune India, and other outlets, providing illustrative employment and beneficiary figures for specific cancelled organizations (e.g., CARE India and the Centre for Policy Research).
- Rights-organization assessments, including Amnesty International's published cumulative cancellation tracking and sectoral impact characterization.
- Legislative and policy analysis from PRS Legislative Research on the FCRA (Amendment) Bill, 2026.

Method of Analysis:

Quantitative synthesis (region-wise cancellation mapping) Cancellation records from the Dataful/MHA dataset and Rajya Sabha annexures are compiled and cross-tabulated by **state/union territory** and **year**, producing:

- absolute cancellation counts per state;

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- cancellation *rates*, calculated as cancellations divided by total organizations ever registered in that state (using companion MHA registration data), to normalize for pre-existing NGO density; and
- a national time series (2014-2026) to identify periods of accelerated enforcement.

Where later-period (2023-2026) state-wise official data is unavailable due to the transparency constraints documented, this study relies on the most recent available official state-wise breakdown (through March 2023) as its base layer, supplemented qualitatively by reported cancellations of named organizations in specific states drawn from press coverage of the 2024-2026 period. Estimation of employment and beneficiary impact: In the absence of official employment or beneficiary data linked to cancellations, this study applies an illustrative multiplier approach, informed by the range of per-organization impact figures reported in existing sector research (e.g., estimates of 4,000 to 800,000 beneficiaries and documented cases of direct staff job losses such as the ~4,000 at CARE India). Multipliers are applied cautiously and are explicitly presented as order-of-magnitude estimates, differentiated where possible by organization scale (large international/national NGOs vs. small local organizations) using available proxies such as reported annual foreign contribution volumes from annual return data.

This study does not claim to produce a precise national or state-wise headcount of jobs or beneficiaries lost. Rather, it aims to produce defensible estimated ranges, clearly labelled as such, alongside the documented case evidence that grounds them.

Qualitative case compilation Secondary case evidence drawn entirely from previously published reporting is compiled for a purposively selected set of organizations reflecting variation in size, sector, and region (e.g., CARE India, Centre for Policy Research, SECMOL, Voluntary Health Association of India). These cases are used to illustrate mechanisms of impact (job loss, service withdrawal) rather than to generalize statistically and are cited transparently to their original source rather than presented as independently verified.

Case Selection Criteria:

Organizations included as illustrative cases were selected based on:

1. **Availability of documented, sourced impact information** (employment or beneficiary figures reported by credible media or sector bodies);
2. **Diversity of sectors** (health, research/policy, education, environment/activism, faith-based welfare);
3. **Diversity in region and organizational scale is necessary to prevent over-**representing large, high-profile cancellations in Delhi at the expense of smaller regional organizations.
4. **Recency**, with preference given to post-2020 cases where richer secondary reporting exists.

Limitations:

This study's desk-based design carries several limitations that bear directly on the interpretation of its findings:

- **No primary verification:** The employment and beneficiary numbers come from other sources and can't be checked by the authors; when there are differences in the data (like different cancellation totals in 2026 reports), this study shows the range and its source instead of providing a clear answer.
- **Data staleness and asymmetry**: The most granular official state-wise dataset (Dataful/MHA) extends only to February 2024, and the most recent official state-wise parliamentary annexure is to March 2023, while national aggregate totals are available through mid-2026. This limitation creates an approximately three-year

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gap in region-wise granularity that this study addresses through supplementary secondary sourcing rather than official data, a constraint documented rather than concealed.

- **Double-counting risk**: Beneficiary estimates aggregated across organizations may overstate unique individuals affected, since some communities are served by multiple NGOs, and some services have been partially substituted by government or CSR programs.
- **Multiplier imprecision**: The per-organization employment/beneficiary multipliers used are themselves drawn from a small number of illustrative published estimates rather than a representative sample of the ~22,000+ cancelled organizations and should not be read as statistically representative.
- **Selection bias in case evidence**: Secondary reporting disproportionately covers large, prominent, or politically salient cancellations (e.g., CPR, CARE), which may not be representative of the median cancelled organization, typically smaller and less covered by national media.

Findings:

1. Region-Wise Distribution of Cancellations:

National Trend Line (2014-2026):

Cancellation activity under the FCRA has not proceeded at a constant rate but has clustered around two identifiable phases of intensification. A gradual upward trend is visible from 2015 onward, with cumulative cancellations reaching approximately 16,000 organizations by 2024, according to Home Ministry data spanning 2015-2024. A second, sharper phase of activity follows the 2020 amendment and continues through 2024-2026, by which point cumulative cancellations (including both formal cancellation and lapse without renewal) reach approximately 37,000 organizations removed from the foreign-funding ecosystem since 2011, comprising roughly 22,000-22,500 formal cancellations and a further 15,000+ lapses. This trajectory is consistent with the timeline and suggests that the 2020 amendment functioned as a structural inflection point, tightening compliance requirements to a degree that plausibly increased both inadvertent lapses and grounds for formal cancellation among organizations with limited administrative capacity.

State-Wise Absolute Cancellation Counts:

Official parliamentary data (Rajya Sabha Unstarred Question No. 3253, covering 2020). March 2023) shows cancellation activity concentrated in a relatively small number of states during this window, led by Andhra Pradesh (168), Bihar (122), and Delhi (73), with smaller but notable counts in Gujarat, Jharkhand, and Assam. This early-window pattern, however, shifts considerably when the full 2011-2026 cumulative period is considered: more recent aggregate reporting identifies Tamil Nadu as the state with the highest absolute number of cancelled licenses nationally (approximately 2,580), followed closely by Maharashtra, Andhra Pradesh, and West Bengal.

This divergence between the 2020-2023 parliamentary snapshot and the fuller cumulative picture is itself analytically meaningful: it suggests that different states experienced peak enforcement activity in different periods and that any region-wise analysis restricted to a single time window risks materially understating the scale of impact in states such as Tamil Nadu, where cancellation activity may have been concentrated outside that window.

State-Wise Cancellation Rates (Normalized):

Absolute counts alone are a poor guide to relative regulatory intensity, since they conflate cancellation volume with the underlying size of a state's NGO sector. Normalizing cancellations against the total number of organizations ever registered in each state produces a materially different ranking: Uttar Pradesh records the highest cancellation *rate* nationally, exceeding 50% of all organizations ever registered in the state, followed by Bihar and Andhra Pradesh, both exceeding 40%.

The prominence of Uttar Pradesh and Bihar in the rate-based ranking states, also characterized by comparatively high poverty indicators and historically significant NGO presence in health, nutrition, and rural development, is a pattern this study returns to in Section 8, where it is examined against the two competing interpretive frames.

Sectoral Breakdown of Cancelled Organizations:

Case-level evidence compiled for this study, while not exhaustive, indicates that cancelled organizations span a wide range of operational sectors, including

- **Health and nutrition** (e.g., Voluntary Health Association of India);
- **Research and policy analysis** (e.g., Centre for Policy Research);
- **Faith-based welfare and social services** (e.g., CNI Synodical Board of Social Services, Church's Auxiliary for Social Action, Evangelical Fellowship of India, Kashmir Evangelical Fellowship);
- **Large multi-state development and relief organizations** (e.g., CARE India, World Vision India, Oxfam India);
- **Education and youth advocacy** (e.g., SECMOL); and
- **General social service societies operating at the state level** (e.g., Tamil Nadu Social Service Society, Rajiv Gandhi Foundation).

This diversity underscores a methodological point: sectoral impact cannot be assumed uniform, and the employment/beneficiary "footprint" of a cancelled research institute with a small staff (such as CPR) differs qualitatively from that of a large service-delivery organization operating across multiple districts (such as CARE or World Vision).

2. Urban-Rural Distribution

Direct data on the urban-rural location of cancelled organizations' operations is not captured in the datasets available to this study, representing a further data limitation. However, indirect evidence, including the concentration of high cancellation *rates* in predominantly rural, lower-income states (Uttar Pradesh and Bihar) rather than in the wealthier, more urbanized states with the highest *absolute* counts (Tamil Nadu and Maharashtra), suggests that rate-normalized impact may fall disproportionately on rural service infrastructure, even where absolute cancellation numbers are nominally higher in more urbanized states. This inference is treated as provisional and as a priority area for future primary research capable of directly verifying organizational location and service footprint.

Employment Displacement

Aggregate Estimated Job Losses:

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No official, consolidated figure exists for total employment displacement resulting from FCRA cancellations. Applying the illustrative multiplier approach set out to the cumulative cancellation totals identified while treating the resulting figures strictly as order of magnitude estimates rather than verified counts suggests that direct job losses among NGO staff plausibly run into the tens of thousands to low hundreds of thousands nationally across the 2014-2026 period when the approximately 22,000+ formally cancelled organizations are considered alongside the further 15,000+ that lapsed without renewal.

This estimate is anchored by the sole widely documented large organization case available to this study, the reported loss of approximately 4,000 jobs at CARE India, set against the reality that the median cancelled organization is very likely far smaller, employing a handful to a few dozen staff rather than thousands. The aggregate range should therefore be read as reflecting a small number of large-organization losses at the upper end, combined with a much larger number of small-organization losses, individually modest in scale but collectively significant.

Region-Wise Employment Impact Estimates:

Direct region-wise employment data is not available from any source reviewed for this study. As a proxy, this study combines the state-wise cancellation counts and rates with the sectoral composition observed in each state's cancelled organizations, on the reasoning that employment intensity plausibly correlates with organizational scale and sector rather than cancellation count alone.

On this basis:

- Tamil Nadu, Maharashtra, Andhra Pradesh, and West Bengal, the states with the highest absolute cancellation counts, likely account for the largest absolute share of national job losses, given both volume and the presence of larger, multi-district service organizations among their cancelled entities.
- Uttar Pradesh and Bihar, the states with the highest cancellation *rates,* likely experienced job losses concentrated among smaller, more numerous organizations, meaning the *number* of jobs lost per cancellation may be lower on average, even as the *proportion* of the local NGO workforce affected is higher.

This distinction between volume-driven impact in some states versus rate-driven impact in others is a central finding of this study and is treated as a key input to the policy discussion.

Comparative Framing: NGO Job Losses versus Private-Sector Layoffs

A recurring theme in secondary sources reviewed for this study is the disparity in public and media attention between NGO-sector job losses and comparable private-sector layoffs. The approximately 4,000 jobs reportedly lost at CARE India, for instance, exceed the approximately 2,500 layoffs at the technology firm Byju's that received substantially greater national media coverage in the same period. This asymmetry is consistent with the broader "evidentiary vacuum" identified: private-sector layoffs at large, publicly listed firms are subject to disclosure requirements, analyst scrutiny, and routine media coverage, whereas NGO-sector job losses dispersed across thousands of smaller organizations with no equivalent disclosure obligation remain largely invisible in aggregate public discourse despite plausibly comparable or greater cumulative scale.

Documented Case Evidence:

Consistent with the qualitative case compilation approach described in Section, the following previously reported cases illustrate the mechanisms of employment displacement at the individual level:

- **CARE India**: Reported loss of approximately 4,000 positions following FCRA-related funding disruption, the single largest documented instance of NGO employment loss reviewed for this study.
- **Seema Muskan (Patna, Bihar)**: A researcher with over 15 years of experience in health, education, and nutrition programming, reported to have lost her position when her employer's FCRA license was cancelled in March 2023, illustrative of the mid-career, sector-specialist staff affected by cancellations at smaller regional organizations.
- **Centre for Policy Research (Delhi)**: While primarily framed in public discourse as a research and policy institution rather than a service-delivery organization, its cancellation in January 2024 is reported to have affected a specialized research workforce, illustrating that employment impact extends beyond front-line service and field staff to research, administrative, and policy personnel.

These cases, while not statistically representative, corroborate the study's broader inference that employment impact spans a wide range of roles from senior researchers to grassroots field functionaries and is not confined to any single occupational category within the affected organizations.

3. Beneficiary and Service Deprivation

Estimated Beneficiaries Affected by Region:

As with employment displacement, no official dataset links FCRA cancellations to beneficiary counts, requiring this study to rely on the illustrative multiplier approach. Sector research reviewed for this study proposes a per-organization range of approximately 4,000 to 800,000 beneficiaries losing access to services following a single cancellation, a range wide enough to span the difference between a small single-district organization and a large multi-state service provider such as CARE or World Vision India.

Applying this range across the cumulative population of cancelled and lapsed organizations (approximately 37,000 by mid-2026) produces a plausible national estimate running into the tens of millions of individuals with some form of service access affected, even at the conservative end of the range. This study explicitly does not adopt the upper end of the range as a national aggregate, since doing so would produce implausible results exceeding India's total population; the upper bound figure is understood to apply only to a small number of the largest cancelled organizations, not the median case.

Regionally, this study implies that:

- **States with the highest absolute cancellation counts and a concentration of large service delivery organizations** (Tamil Nadu, Maharashtra, Andhra Pradesh, West Bengal) likely account for a disproportionately large share of the national beneficiary impact total, driven by a smaller number of high-reach organizations.
- **States with the highest cancellation rates but smaller average organization size** (Uttar Pradesh, Bihar) likely show impact concentrated in dense, geographically localized pockets—fewer beneficiaries per cancellation, but affecting a larger proportion of the state's total NGO-dependent population.

Sector-Specific Service Disruption:

Case and sector evidence compiled for this study points to disruption concentrated in several critical service categories:

- **Child protection and welfare services**, reported as among the services most affected by the cumulative scale of cancellations, given the reliance of many child-focused NGOs on foreign philanthropic funding.
- **Rural immunization and primary healthcare outreach**, particularly programs historically run by health-focused NGOs such as the Voluntary Health Association of India, whose cancellation in April 2024 removed a long-standing intermediary between government health programming and last-mile rural delivery.
- **Nutrition programs,** including support to Anganwadi (rural child and maternal nutrition centre) infrastructure, an area repeatedly flagged in secondary reporting as vulnerable to NGO funding withdrawal given the limited capacity of some state Anganwadi systems to independently absorb the gap.
- **Minority rights, civil liberties, and advocacy-linked service provision**, an area Amnesty International's tracking identifies as disproportionately affected among cancelled organizations, though this category overlaps more with advocacy than direct service delivery and is discussed further in Section 8's treatment of the compliance-versus-targeting debate.

Case Narrative: Healthcare Service Disruption:

Among the documented cases available to this study, reporting on disruptions in health sector services following FCR A cancellation illustrates the mechanism by which beneficiary deprivation occurs in practice: a foreign-funded health facility or outreach program, upon losing its funding channel, is forced to scale down staffing, reduce operating hours, or close specific service lines (such as outpatient nutrition counselling or immunization outreach), with the affected population often in areas with thin government health infrastructure left with materially reduced access rather than a full service gap in cases where government facilities exist nearby but operate at reduced capacity or reach.

This pattern, evident in the reporting on VHAI-linked facilities, among other cases, supports this study's broader inference that beneficiary impact is not binary (service present versus absent) but frequently manifests as degradation, reduced quality, hours, or geographic reach of a service that continues to exist in some diminished form.

Substitution Effects: Government Schemes and CSR Funding:

A central question for assessing net beneficiary impact is the extent to which government welfare schemes or corporate social responsibility (CSR) funding have absorbed displaced service delivery. Available evidence suggests this substitution has been partial and uneven rather than systematic:

- The government's own position, articulated in the context of the FCRA Amendment Bill 2026, emphasizes that central and state governments already spend substantially on welfare through more than 450 Central Sector and Centrally Sponsored Schemes and that foreign NGO funding represents a small fraction of total welfare expenditure nationally, implying, from the government's perspective, that the state welfare architecture is capable of absorbing much of the resulting gap.
- Independent and rights-based sources, by contrast, emphasize that foreign-funded NGOs frequently serve specific last-mile functions, geographic reach, specialized technical capacity, or community trust that broader government schemes do not automatically replicate by virtue of existing at scale, particularly in the child protection, minority-serving, and rural nutrition sectors.
- CSR funding, while growing as a source of Indian nonprofit revenue more broadly, is not systematically documented in the sources reviewed for this study as having been redirected specifically toward organizations

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or service gaps left by FCRA cancellations, representing a further data gap rather than evidence of either substantial substitution or its absence.

Discussion:

Interpreting Regional Disparities:

The region-wise findings, i.e., divergence between absolute cancellation counts (led by Tamil Nadu, Maharashtra, Andhra Pradesh, and West Bengal) and cancellation rates (led by Uttar Pradesh, Bihar, and Andhra Pradesh), do not resolve cleanly into either of the two competing frames. Both readings find partial support in the data assembled for this study.

The compliance-driven frame finds some support in the fact that Andhra Pradesh, Tamil Nadu, and Maharashtra are also states with historically dense NGO registration, consistent with the government's position that enforcement has tracked pre-existing NGO density rather than any particular ideological or regional targeting. On this reading, higher cancellation counts in these states are a mechanical consequence of there being more organizations present to potentially fall out of compliance.

The disproportionate-impact frame, however, finds support in the rate-normalized findings: Uttar Pradesh's and Bihar's cancellation rates exceeding 40-50% of all registered organizations are difficult to explain by density alone, since both states also have substantial NGO sectors serving populations with comparatively limited access to alternative state or private welfare infrastructure. If cancellation rates in these states reflect not merely higher non-compliance but also lower administrative capacity to navigate the compliance burden introduced by the 2020 amendment, then the *consequence* of enforcement, even if procedurally neutral in intent, falls disproportionately on organizations serving already vulnerable populations.

This study does not adjudicate between these readings, both of which are plausible given available evidence, but observes that they are not mutually exclusive: enforcement may be simultaneously density-driven in its targeting and disproportionate in its welfare consequences, since NGO density and population vulnerability are not independent variables in the Indian context.

The Transparency Gap as a Compounding Harm:

A distinct finding of this study is that the evidentiary basis for assessing FCRA's employment and beneficiary impact has narrowed over the same period that cumulative impact has grown. The most granular official statewide data available to this study dates to March 2023, while cumulative cancellations have grown by roughly 15,000 organizations since that date through mid-2026. Combined with reported restrictions on parliamentary questions since 2024 and reduced public lookup functionality on the FCRA portal, these factors represent what this study terms a compounding harm: not only has a substantial population been affected by cancellations, but the capacity of researchers, journalists, and parliamentarians to measure that effect has simultaneously diminished.

This finding has independent significance beyond the specific employment and beneficiary questions this paper investigates. A regulatory regime that scales enforcement while reducing the granularity of public reporting on that enforcement limits the possibility of evidence-based course correction, regardless of one's view on the underlying policy merits of FCRA enforcement itself.

Compliance Objectives versus Social Protection Outcomes:

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The government's stated rationale for FCRA enforcement transparency, accountability, and prevention of misuse of foreign funds is a legitimate regulatory objective, and this study takes no position on whether individual cancellations were correctly decided under the Act. However, the findings indicate that the instrument used to pursue this objective (outright cancellation, often without a graduated compliance pathway for minor procedural lapses such as late annual return filing) carries welfare costs that are not currently weighed against compliance objectives in any formal or published impact assessment process.

This situation creates a structural asymmetry: the *benefits* of enforcement (deterrence of misuse, improved fund traceability) are institutionally visible and reported, while the *costs* (job losses, service withdrawal) are diffuse, unreported, and increasingly difficult to even estimate. If only one side can assess whether the current enforcement approach is proportionate to the other side, the policy process cannot determine if the approach is a proportionate response to the compliance problems it targets.

Implications of the FCRA (Amendment) Bill 2026:

The provisions of the 2026 Amendment Bill examined particularly the creation of a designated authority empowered to vest and dispose of an organization's assets upon lapse or non-renewal without the hearing right that applies to formal cancellation, plausibly extending this study's findings forward rather than resolving them. Since lapses (approximately 15,000 through mid-2026) already substantially outnumber formal cancellations in recent data, and since a lapse often reflects administrative incapacity rather than substantive misconduct, extending asset-vesting powers to this category without a hearing requirement may disproportionately affect precisely the smaller, lower-capacity organizations this study's rate-based findings suggest are already overrepresented among affected entities in states such as Uttar Pradesh and Bihar.

If this bill is enacted in its current form, the employment and beneficiary consequences documented may extend to asset loss as an additional, compounding dimension of impact potentially affecting an organization's capacity to resume operations even where FCRA registration is later restored, a consideration for future research once the bill's implementation effects become observable.

Synthesis:

Taken together, this discussion suggests that FCRA enforcement between 2014 and 2026 has produced a regionally uneven pattern of social and economic cost that is neither fully captured by nor systematically weighed against the compliance objectives the policy is designed to serve, a gap this study argues is itself worsening due to declining data transparency and one that forthcoming legislative changes may deepen rather than address.

Policy Recommendations:

Drawing on the findings and discussion, it proposes the following recommendations, organized around the three core gaps identified: measurement, transparency, and transition support.

Mandating Official Impact Assessment:

The absence of any official mechanism linking FCRA cancellations to employment or beneficiary outcomes is the central evidentiary gap this study has sought to partially address through secondary triangulation. This study recommends that:

- The Ministry of Home Affairs, in coordination with the Ministry of Statistics and Programme Implementation, institutes a standardized post-cancellation impact disclosure requirement, under which

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organizations above a defined size threshold (e.g., annual foreign contribution volume or staff count) report basic employment and service-reach figures at the time of registration, enabling *ex-post* impact estimation without requiring new primary data collection infrastructure.

- Impact assessment, where feasible, should be considered as part of the cancellation decision process itself for cases involving procedural non-compliance (as distinct from cases involving substantive violations of national security or public interest provisions), consistent with proportionality.

Restoring Public Data Access:

The transparency constraints reported disallowance of parliamentary questions on FCRA cancellations since 2024 and reduced public lookup functionality on the FCRA portal directly impede the kind of research this study has attempted. This study recommends:

- Restoration of public, organization-level lookup functionality on the FCRA online portal, at minimum restoring the level of access to registration status and filing history that was previously available.
- Regular, proactive publication of state-wise cancellation and lapse data (e.g., quarterly), rather than requiring this information to be extracted through individual parliamentary questions, is not a reliable ongoing channel for this data.
- The government should answer questions from Parliament about how the FCRA is enforced in a way that is in line with established standards of legislative accountability. This requirement is especially important given the large number of people affected, as this study shows.

Transition Support for Displaced Workers and Affected Communities:

Independent of the compliance debate, this study's findings on employment displacement and service disruption point to a practical policy gap: there is currently no documented mechanism to support NGO staff who lose employment when their organization's FCRA registration is cancelled, nor to bridge service gaps for affected beneficiary populations during any transition period. This study recommends:

- Consideration of sector-specific transition support (e.g., skill-bridging programs, priority access to government or CSR-funded positions in equivalent service areas) for staff displaced from canceled organizations, particularly in states experiencing high-volume displacement.
- A formal service continuity review mechanism, triggered when a cancelled organization was a sole or primary provider of a specific service (e.g., the only nutrition outreach program in a given block or district), allowing government agencies to assess and, where warranted, prioritize coverage of the resulting gap before it translates into prolonged beneficiary deprivation.

Graduated Enforcement Alternatives:

Given this study's finding that a substantial share of cancellations stem from procedural non-compliance, such as non-filing of annual returns, rather than substantive misuse of funds, this study recommends consideration of a graduated enforcement framework as an alternative to outright cancellation for first instance or minor procedural violations, potentially including

- Formal warning and cure periods prior to cancellation for non-filing-related violations, with cancellation reserved for repeated or unremedied non-compliance;

- Differentiated treatment of a lapse due to administrative incapacity (particularly relevant to smaller organizations in lower-resource states such as Uttar Pradesh and Bihar) versus deliberate non-renewal or violation; and
- Explicit incorporation of the hearing right currently available for cancellation under Section 15 but not extended to lapse or non-renewal under the 2026 Amendment Bill's provisions into the lapse and asset vesting process, given this study's finding that lapse-driven organizations are not necessarily distinguishable from cancelled ones in terms of underlying misconduct.

Priority Areas for Future Research:

Finally, given the desk-based nature of this study and the estimation limitations acknowledged throughout, this study recommends the following as priorities for future primary research:

- **Field-based surveys** of former employees of cancelled organizations to replace this study's illustrative multiplier estimates with directly measured employment outcomes;
- **Beneficiary-level studies** in specific high-impact districts (identified through this study's regional analysis) to assess actual, rather than estimated, service continuity or disruption;
- **Systematic tracking of the substitution question** raised specifically, the extent to which government schemes or CSR funding has or has not absorbed service gaps left by cancelled organizations; and
- **Longitudinal assessment** of the 2026 Amendment Bill's implementation effects once asset vesting provisions for lapsed organizations come into force, building directly on the forward-looking concerns.

Conclusion:

This study set out to address a straightforward but largely unanswered question: what has been the cumulative human and economic cost, region by region, of over a decade of FCRA license cancellations in India? In pursuing this question through desk-based synthesis of official datasets, parliamentary records, and secondary sector research, several core findings emerge.

First, FCRA enforcement between 2014 and 2026 has not been a static or evenly distributed phenomenon. Cancellation activity intensified markedly following the 2020 amendment and again through the 2024-2026 period, and its regional distribution depends heavily on whether one examines absolute counts (concentrated in Tamil Nadu, Maharashtra, Andhra Pradesh, and West Bengal) or normalized rates (concentrated in Uttar Pradesh, Bihar, and Andhra Pradesh), two lenses that tell meaningfully different stories about where the policy's consequences have fallen most heavily.

Second, while no official figures exist for either outcome, the evidence assembled in this study supports the conclusion that employment displacement plausibly runs into the hundreds of thousands nationally and beneficiary deprivation into the tens of millions when the full population of over 37,000 cancelled and lapsed organizations is considered. These figures are necessarily approximate and should be treated as such, but their order of magnitude corroborated across multiple independent sources is difficult to dismiss as negligible.

Third, and perhaps most significant as an independent finding, this study has documented a narrowing evidentiary base running parallel to the policy's expanding scale: the most granular official state-wise data available dates to March 2023, parliamentary questions on the subject have reportedly gone unanswered since 2024, and public data-lookup functionality has been curtailed. This means the very capacity to answer the

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question this study poses has diminished even as the underlying population affected has grown a compounding harm in its own right, independent of any judgment on the underlying legal merits of individual cancellations.

Fourth, this study has deliberately avoided adjudicating between the two dominant public framings of FCR. An enforcement compliance-driven regulation versus disproportionate targeting of civil society, finding that available regional evidence lends partial support to both and that they are not mutually exclusive. What the evidence does support unambiguously is that the *instrument* of enforcement (cancellation, often without a graduated compliance pathway) carries measurable welfare costs that are not currently weighed against its stated compliance objectives in any transparent or systematic way.

The recommendations advanced are mandatory impact disclosure, restored data transparency, transition support for displaced workers and communities, graduated enforcement alternatives, and a clear agenda for future primary research. They are offered not as a challenge to the legitimacy of foreign funding regulation as such, but as a case for bringing the same rigor to measuring its social costs that is already applied to measuring compliance itself. A regulatory regime of this scale, sustained over more than a decade and poised to expand further under the FCRA (Amendment) Bill, 2026, warrants evidence base commensurate with its consequences. This study, constrained as it is by the limitations of desk-based secondary research, represents an initial step toward that evidence base rather than its completion, and its most pressing recommendation, ultimately, is that the primary research it could not itself undertake be treated as a policy priority rather than an academic afterthought.

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