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Tom Lantos Human Rights Commission

Hearing

on

Laws Regulating Foreign NGOs: Human Rights Implications

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For the last 22 years, I worked with NGOs, mostly in the former Soviet Union: in Russia and there especially in the North Caucasus, in Kyrgyzstan, in Georgia, in Ukraine, Moldova and Belarus. When I say NGOs, I want to be as precise as possible. Most of them were small, with very little if any money, in remote and impoverished parts of their countries, in places that had experienced armed conflict. They were on the margins of the NGO-industrial complex; some were just informal groups of activists. At times, I worked for larger, international NGOs or foundations, even here and there as a grant-maker. I won't name any of them, as I don't speak for them today and expect that while they would agree with my observations, they would be at the very least nervous about my conclusions. My involvement with them, however, was never secret and in most cases is a matter of public record. Today I speak only for myself. I have published about a dozen articles on today's issue over as many years, in a range of publications in the US and Europe. From the start, I saw a lot in the NGO sector that made me uneasy, even as I also saw inspired, courageous people taking on

enormous challenges with creativity and resolve. Over time, my unease became impossible to ignore. It eventually coalesced into the perspective that I'm sharing today.

Before I talk about laws regulating foreign funding for NGOs, I would like to talk about the foreign-funded NGO sector itself, its realities and structural problems.

Many here are aware of a narrative that goes something like "Western governments and security services create astro-turfed NGOs to deploy for regime change". I consider this a sensationalist caricature. More importantly, it is a distraction from problems that are at least as serious, but far more complex. No doubt, Western governments attempt to wield corners of the NGO ecosystem for protests, influencing elections, even toppling governments. A few times, I found myself, by coincidence, at workshops where this was apparently the intention. I made sure to get out quickly, but it also made me realize that such schemes can hardly be implemented with any precision. None of the eager young activists at those workshops ever came close to toppling a government.

I consider the NGO-industrial complex far more problematic in its cumulative, longitudinal impact than in its – very occasional and partial – instrumentalization in regime-change schemes. Under conditions of near-exclusive foreign funding, it paralyses and distorts essential social and political development and renders states and societies brittle, frustrated, atomized and unaccountable to each other.

The global industry of (overwhelmingly Western) donors and their large and small grantees is a phenomenon of the unipolar moment: a manifestation of Western financial, economic, political power as well as a mechanism for maintaining that power. NGOs exploded onto the scene in the

1990s[1], but, as professors Sarah Bush and Jennifer Hadden write in a recent article in Foreign Affairs titled "The End of the Age of the NGO?"[2], the growth of the sector had been stalling since around 2010, while skepticism about it has grown and most recently funding has shrunk dramatically. Bush and Hadden write about INGOs – *International NGOs* like Greenpeace or Care – but the latter share one ecosystem with local and national NGOs in the Global South, who are subjected to the same trend.

Importantly, this was not all caused by the abrupt demise of USAID. Leading European donor countries have been implementing drastic cuts to their foreign aid budgets in the last two years, some of them since before the November 2024 presidential election. At least two of them, Sweden and the Netherlands, announced they would reduce funding specifically to NGOs. Earlier in September, a venerable international peace NGO informed its members in a closed conference call that it will lose some 40% of its funding this year and next due to losing bilateral donors, although it had never even accepted US government funding.

The foreign aid-NGO industrial complex is riddled with tension and dysfunction: Yes, it provides resources to (a select, serendipitous number of) activists and organizations and enables them to do work that is, on balance, beneficial or at least benign, if rarely decisively effective. But it also pulls these activists away from their communities, stresses and exhausts NGOs with busy work and bureaucratic demands, displaces the state in policy-making and service provision and spawns unaccountable elites beholden to donor countries' agendas for their own survival and power.

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[1] Too Close For Comfort? The Impact of Official Aid on Nongovernmental Organizations Michael Edwards Save the Children, London, U. K. David Hulme* University of Manchester, U. K., Current Issues in Comparative Education, Vol 1(1), 1990

[2] Sarah Sunn Bush and Jennifer Hadden, "The End of the Age of NGOs?" *Foreign Affairs* (3 July 2025), https://www.foreignaffairs.com/world/end-age-ngos. Accessed 6 Sept. 2025.

The term *NGOization* is widely used to describe what happens in an NGO sector created and sustained by foreign funding. Foreign donors demand registered non-profits, staffed with credentialled professionals who can reliably "process" grants. This transforms community-based movements and groups into technocratic, hierarchical, competitive and closed entities, detached and alienated from the communities they supposedly represent. Often, it is the very pouring in of foreign money that causes NGOs to mushroom in the first place, as entrepreneurial types sense an opportunity. *NGOization* also describes the stifling, frustrating, overworked and often toxic atmosphere experienced by activists inside this ecosystem. Interestingly, it is not clear who first coined the term. Was it the prominent Indian author Arundhati Roy in 2004[3] or Latin American political scientist Sonia Alvarez in 1999[4] or any number of others? It seems to have appeared spontaneously in many places at the height of post-Cold War enthusiasm for NGOs, in response to a stark, ubiquitous reality.

Now I'll turn to our specific subject today: "laws regulating foreign NGOs", that is, foreign funding of local NGOs in third countries. After all, governments that adopt such laws – as dozens[5] of countries have done, starting from the 1990s, by some counts – don't do so out of a desire for a healthier, more authentic, locally rooted civil society. They do so because of fears and suspicions - not without grounds[6] - that local actors, empowered far beyond their local constituencies by foreign

[3] "The NGO-ization of Resistance," *Beautiful Trouble Toolbox*, https://beautifultrouble.org/toolbox/tool/the-ngo-ization-of-resistance. Accessed 6 Sept. 2025.

[4] Alvarez, Sonia E. 1999. "Advocating Feminism: The Latin American Feminist NGO 'Boom.'" International Feminist Journal of Politics 1 (2): 181–209. https://doi.org/10.1080/146167499359880

[5] https://www.amnesty.org/en/documents/act30/9647/2019/en/ Amnesty International, "Laws designed to silence: The global crackdown on civil society organizations," 2019, https://www.amnesty.org/en/documents/act30/9647/2019/en/. Accessed 6 Sept. 2025.

[6] Christensen, Darin and Jeremy M. Weinstein. "Defunding Dissent: Restrictions on Aid to NGOs." *Journal of Democracy*, vol. 24 no. 2, 2013, p. 77-91. *Project MUSE*, https://dx.doi.org/10.1353/jod.2013.0026.

money, are getting uncomfortably close to political power – via elections, protests or capturing policy-making – and will wield it for foreign interests.

The internal malaise of the NGO sector ("NGOization") and the instrumentalization of this sector for capturing sovereign countries' politics, which in turn triggers the rise of foreign influence laws, are two sides of the same coin.

To understand why this might be, we need to be honest with ourselves about the reality of the NGO sector in countries like Georgia. I'll speak to the case of Georgia because I have followed it closely ever since I first worked (interned, to be specific) there in 2001, and because it has been in the news for two years over its attempts to adopt a foreign influence law. In my observation, virtually no other country taking such a step was met with such vociferous indignation, counter-lobbying and frankly disproportionate punitive action. I have elsewhere described how Georgia opened itself up to extreme levels of foreign funding, freely allowing foreign partners to capture policy-making and build up a vast NGO sector whose most privileged and ambitious members now feel entitled to running the country.[7] The conduct by some in the NGO sector and their donors have been disconcerting, making the call for transparency legislation understandable. Finally, while Georgia is an extreme case, it is also typical of other Soviet successor states.

Georgia's predicament helps us see how fundamentally different a foreign-funded NGO sector, or "externally-driven civil society" is from the non-profit sector in the US or other Western donor countries, how different it is from the inspiring tales we like to tell ourselves of a "vibrant" civil society, and how the single-most important reason for that is that it is funded, virtually entirely, from

[7] Almut Rochowanski, "Rethinking Foreign Aid from the Inside," *The Ideas Letter* (2024), https://www.theideasletter.org/essay/rethinking-foreign-aid-from-the-inside. Accessed 6 Sept. 2025.

abroad. When much, most, or even all the money going into local NGOs and media comes from abroad, there are implications for societal well-being, accountability, democracy and sovereignty.

In the social sciences, it has long been uncontroversial that foreign funding for what is supposed to be civil society produces countless dysfunctions and distortions in the resulting NGO sector and in the wider political economy.[8] Behind closed doors, donors admit it, too. As one Western journalist working in Georgia put it to me two years ago, Western diplomats in Tbilisi "know they have created a monster [with the NGO sector], but don't know what to do about it". A long-time American philanthropic leader told me privately "we have behaved inappropriately" in Georgia and elsewhere, that donors like him had captured politics and policy-making and eventually "corrupted and corroded" them.[9]

Foreign-funded NGOs in Georgia and countries like it do not, as a rule, raise any money from their fellow citizens. These NGOs may have been around for ten, twenty or thirty years, but their entire funding has always been from abroad, the bulk of it from foreign governments, a smaller share from foreign foundations, and even if they have lately dabbled in a little crowdfunding, they typically address international audiences. Over this period, an NGO's funding may balloon, contract, stay the same, dry up, be chronically insufficient for an organization's aspirations or the needs it tries to meet. These fluctuations, however, reflect the priorities of foreign donors, not locals' demand for or approval of the NGO's work.

Foreign-funded NGOs are typically not very good at mobilizing their fellow citizens in non-monetary ways, either, for example through volunteering. They tend to be far more isolated from the

[8] Nives Dolšak and Aseem Prakash, "NGOs Are Great at Demanding Transparency. They're Not So Hot at Providing It," *The Washington Post* (Monkey Cage) (22 Feb. 2016), https://www.washingtonpost.com/news/monkey-cage/wp/2016/02/22/ngos-are-great-at-demanding-transparency-theyre-not-so-hot-at-providing-it/

[9] Almut Rochowanski, "Rethinking Foreign Aid from the Inside," *The Ideas Letter* (2024), https://www.theideasletter.org/essay/rethinking-foreign-aid-from-the-inside. Accessed 6 Sept. 2025.

wider public than their lionization at Western award ceremonies would suggest. Indeed, reminiscent of Soviet-era dissidents' alliances with supporters in the West[10], the activists working in such NGOs like to believe that "the masses in our backward country don't understand us, only foreigners do". In Georgia, extensive public opinion polling (funded, among others, by the US) has been finding for years that only a small share of the public trusts NGOs (22% in 2024)[11], much lower than those who trust the police, let alone the Georgian Orthodox Church. The same poll, Caucasus Barometer, has also found that only a tiny minority of the public interacts with NGOs' activities: the most recent number was 3%.[12]

In the context of criticism of foreign influence laws or other limits on Western grant-funded activists, we often hear how "vibrant" the embattled civil society in this or that country is. In the eyes of foreign policy-makers, diplomats or aid agency managers, "vibrant" stands for well-organized, technically competent, erudite, eloquent (especially in English), busy and conveying a sophisticated passion for their work. That passion is often entirely genuine, zealous even[13]. Since these NGOs tend to work on issues that are controversial in their communities, for example violence against women, they have an aura of being edgy, courageous, in the throes of an epic struggle, which allows their donors to experience the frisson of vicarious heroism, like minor characters in an adventure novel. None of this, however, is the same as being representative of local communities, in solidarity with them and accountable to them.

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[10] Nathans, Benjamin. *To the Success of Our Hopeless Cause: The Many Lives of the Soviet Dissident Movement*. Princeton University Press, 2024.,pp 365-389

[11] Caucasus Research Resource Centers (CRRC), "TRUNGOS: Trust – NGOs," *Caucasus Barometer 2024 Georgia*, https://caucasusbarometer.org/en/cb2024ge/TRUNGOS/. Accessed 6 Sept. 2025.

[12] Caucasus Research Resource Centers (CRRC), "ACTPNGO: Have You Participated in Any Activity Organized by a Noncommercial Organization/NGO?" *Caucasus Barometer 2024 Georgia*, https://caucasusbarometer.org/en/cb2024ge/ACTPNGO/. Accessed 6 Sept. 2025.

[13] Volodymyr Ishchenko and Peter Korotaev, "Ukraine's Anti-Corruption Drive Hasn't Strengthened Its Democracy," *Jacobin* (5 Aug. 2025), https://jacobin.com/2025/08/ukraine-anti-corruption-democracy-zelensky.

Western leaders and media often make it sound - and apparently believe – as if all Western donors do is offer open-ended, unconditional funding to that "vibrant" civil society, so it can do the "vibrant" civil society things it considers best.[14] But anyone who has ever dipped a toe into this sector knows that in reality, more often than not we treat these NGO as contractors for our foreign aid policies, making them bid on tenders to "deliver" highly specific and technical projects envisioned in our capitals and embassies. Projects that push and pull NGOs into directions they are uncomfortable and unfamiliar with and that force them to compromise on their mission, just so they can make payroll and keep the lights on. Only a tiny share of NGOs in the Global South receive core support: grants to pursue their own mission as they see fit. Core support is so rare that in all countries where I advised local NGOs on their resource mobilization most activists had never even heard of it and could hardly believe such a thing exists. They have become so used to money only ever arriving in the shape of donor-prescribed "projects" that they use the terms "project" and "grant" interchangeably.

Finally, we have to be honest with ourselves about the extent to which our funding of other countries' civil societies is *political*, in a narrow sense. The most high-profile NGOs in aid-recipient countries, with the largest budgets and privileged partnerships with donors, are expected to do inherently political work. Western grant-makers strive for high impact, and it doesn't get more high-impact than drafting laws, designing policies or influencing elections. Deploying NGOs for unambiguously political action has long been viewed as the pinnacle of foreign grant-making — the

[14] Almut Rochowanski and Sopo Japaridze, "Stop Blackmailing Georgians Over EU Membership," *Jacobin* (23 May 2024), https://jacobin.com/2024/05/georgia-ngos-eu-membership-democracy.

most exalted discipline for the most eminent players, a shortcut to transformative results, yielding the biggest bang for their buck.

Donors view drafting laws and getting them adopted as the most effective means for leading the societies of the Global South out of their (as they mutter behind the closed doors of the foreign-aid-industrial complex: "self-inflicted") chronic crisis.[15] They do not hide this fact, either. Public calls for proposals routinely announce that the projects submitted should aim to get this new law passed or that reform adopted. One activist in a post-Soviet country told me that a recent grant contract with a leading European donor government obliged her NGO to get five specified laws passed. In Ukraine, Moldova and Georgia, the EU and US insist that senior appointments in anti-corruption institutions, courts of last resort and a range of high-level executive offices are made by panels of Western-funded activists.[16] From there, it is a short step to "vetting" of senior judicial and executive candidates by actual foreigners - which, as it happens, they demand as well.[17]

Why would activists – who are generally inspired, courageous, strong-willed individuals – consent to be part of such a distorted, distorting and harmful arrangement? The simple answer is that money is the purest distillate of power – the power activists yearn for to address the enormous problems they see around them and feel called to resolve. When I watched grassroots activists nervously studying grant application forms and trying to bend and twist to fit their demands, it reminded me of iron shavings following the pull of a magnet.

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[15] Almut Rochowanski, "No, joining the EU isn't a quick fix for violence against women in Ukraine", *openDemocracy* (8 June 2023), https://www.opendemocracy.net/en/odr/ukraine-eu-membership-istanbul-convention/

[16] Ishchenko/Korotaev

[17] Vetting Moldova (Judicial Vetting Commission), "New Members Appointed to the Judicial Vetting Commission," Press release (25 July 2023), https://www.vettingmd.eu/en/comunicate-de-presa/new-members-appointed-to-the-judicial-vetting-commission.

Money warps relationships and identities. Back when boarding passes were still paper, donors would demand the stubs as proof that an activist had actually traveled to a conference as agreed. I once overheard a human rights activist tell her donor, while handing over her stub, "Of course I remembered to keep the stub! We wouldn't be *human rights defenders* if we didn't know to always hold on to our stubs."

From the other side, like animals that only see certain colors, Western officials, foreign aid agencies, philanthropic institutions and media, can only see tiny segments of the vast spectrum of human activity that constitutes civil society in the countries of the Global South: only those activists and NGOs that have what is so tellingly called a "grant history". Most grant proposal forms demand that applicants list their other grant-makers, as if that was evidence of their activist bona fides. Even guest lists for conferences, study tours or meetings with visiting foreign dignitaries are assembled from grantee databases. The foreign aid-NGO ecosystem reproduces itself in this way, but also remains an echo chamber.

In light of this reality, the spread of foreign influence laws across the globe should not be dismissed as purely due to the selfish paranoia of unpopular autocrats. A less than perfectly democratic government may have an opportunistic desire to silence critics, but it can simultaneously have a legitimate interest in preventing injurious interference in its sovereign domestic affairs. Otherwise, states that in the judgment of donor countries have veered from the righteous course of democracy would forfeit their sovereignty: to us.[18]

This logic leads to a dead end. "NGOs fall into a dangerous trap," writes William Nattrass, "if they believe their own freedom to operate without scrutiny is what constitutes democracy. On the

[18] Almut Rochowanski, "We Need to Have an Honest Conversation about 'Foreign Agent' Laws," *openDemocracy* (13 Feb. 2024), https://www.opendemocracy.net/en/odr/foreign-agents-laws/.

contrary, subjecting organizations that influence policy to tough transparency requirements should be par for the course in a democratic society."[19] This seems only common-sense; we would insist on nothing less for our own democracy.

So we should prick our ears when our foreign aid practice and emerging norms suggest the opposite. When Georgia adopted its first "Law on Transparency of Foreign Influence"[20] in 2024, the Venice Commission, the Council of Europe's expert group of constitutional law advisors, issued an advisory opinion arguing that requiring NGOs to disclose foreign financing violates freedom of association.[21] This interpretation takes freedom of association into uncharted territory. After all, foreign funding for NGOs touches on fundamental questions about democracy and sovereignty, about power and who can be held accountable for how it is wielded.

It should make us think twice that this new interpretation by the Venice Commission - which has been echoed by the UN's High Commissioner on Human Rights[22], other international organizations and representatives of Western governments - defines financial flows from rich, powerful countries into poor, developing countries as a "right" and does not pay any heed to the enormous discrepancy of power between donor and recipient countries. Significantly, the Supreme Court of India has pointedly rejected such an interpretation: "Receiving foreign donations cannot be an absolute or even a vested right."[23]

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[19] William Nattrass, "We Need to Talk about NGOs," *POLITICO Europe* (17 Apr. 2023), https://www.politico.eu/article/we-need-to-talk-about-ngos/.

[20] Rayhan Demytrie and Emily Atkinson, "Georgia approves controversial 'foreign agent' law, sparking more protests", BBC News (14 May 2024), https://www.bbc.com/news/world-europe-69007465

[21] European Commission for Democracy through Law (Venice Commission), *Georgia—Urgent Opinion on the Law on Transparency of Foreign Influence* (CDL-PI(2024)013), Council of Europe, 2024, https://venice.coe.int/webforms/documents/?pdf=CDL-PI(2024)013-e. Accessed 6 Sept. 2025.

[22] "UN rights chief, independent experts denounce Georgia's new 'foreign agents' law (15 May 2024)," *UN News*, https://news.un.org/en/story/2024/05/1149776. Accessed 6 Sept. 2025.

[23] "Receiving Foreign Donations Cannot Be an Absolute Right: SC Upholds Constitutional Validity of FCRA," *Scroll.in* (8 Apr. 2022), https://amp.scroll.in/latest/1021433/receiving-foreign-donations-cannot-be-absolute-right-sc-upholds-constitutional-validity-of-fcra

The regulatory purpose of freedom of association[24], one of the classic liberal civil rights later codified into the international human rights instruments of the mid-20th century, is to limit the power of the state, by creating protected spaces for people to come together and pool their action and resources to pursue their political, cultural, and social objectives. Because it regulates the relationship between citizens and government, freedom of association, like most other civil rights, was not conceived as transnational. It was not conceived to enable transnational financial flows and keep them confidential.

This newly emerging norm holds that anything short of unconstrained, non-transparent, transnational funding, which donors are free to pledge and NGOs free to use for any purpose, violates freedom of association. Any constraints amount to a "shrinking space" for civic activity[25], to autocracy and repression. By that standard, virtually all existing foreign influence laws have been assessed as inappropriate, yet their critics never explain what appropriate regulation would look like.

This criticism of foreign influence laws has been proffered exclusively by institutions with a manifest conflict of interest: local NGOs and their staff that depend on international funding, donor governments and their foreign aid apparatuses, internationally operating foundations and the professional classes managing them, international NGOs relying on local "implementing partners", international organizations like the EU or United Nations. All of them have in common that they could not do their work, achieve their objectives, build careers or even pay the office rent if money no longer flowed unimpeded from Western donors to grantees in the global South, if there were no

[24] *Constitution Annotated* (Congressional Research Service), "First Amendment: Freedom of Association (excerpt)," *Congress.gov*, https://constitution.congress.gov/browse/essay/amdt1-8-1/ALDE_00013139/. Accessed 6 Sept. 2025.

[25] International Federation for Human Rights (FIDH), "Shrinking Space for Civil Society," *FIDH.org*, https://www.fidh.org/en/issues/human-rights-defenders/shrinking-space-for-civil-society/. Accessed 6 Sept. 2025.

foreign aid-funded NGO-industrial complex.[26] Local NGOs may be the humblest and most precarious inhabitants of this ecosystem, but because they are the final "implementing partners" of most activities, they are also key to the ecosystem's functioning.

In the case of Georgia, the conspicuous overreaction of the West to the country's introducing a modicum of transparency – as of right now, their legislation is a literal copy of FARA[27] - should also give us pause. The US has suspended its Strategic Partnership Agreement with Georgia[28] and imposed sanctions on senior officials, the EU has frozen the accession process and threatened to cancel visa-free travel. It is hard to believe that this degree of arm-twisting is motivated by nothing but altruistic concern for freedom of association, that it is for Georgia's own good. We don't pile on sanctions and blackmail countries for their other perceived domestic shortcomings, like not providing quality STEM education or lackluster enforcement of child support laws.

The "freedom of association equals free transnational flows of money" argument relies on a flawed logic: namely, that decades and billions of foreign-funded democracy promotion have not worked, and that therefore, they must continue in perpetuity or at least as long as we see fit, unhindered. In countries like Georgia, the descent into authoritarianism is supposedly so dramatic and inescapable, its democratic institutions so weak[29] and a succession of ruling parties so

[26] "It is difficult to get a man to understand something, when his salary depends on his not understanding it.", in Upton Sinclair, *I, Candidate for Governor—and How I Got Licked* (Berkeley: University of California Press, 1994 [1935]).
[27] Nini Gabritchidze, "Georgian Dream's FARA Takes Effect," *Civil Georgia* (31 May 2025), https://civil.ge/archives/684669. Civil Georgia

[28] "U.S. Suspends Strategic Partnership with Georgia," *POLITICO* (30 Nov. 2024), https://www.politico.com/news/2024/11/30/us-suspends-partnership-georgia-00192044. Accessed 6 Sept. 2025.
[29] Stephen Jones and Natalie Sabanadze, "Elections Are Not Enough: Georgia Needs a New Model of Democracy," Eurasianet – Perspectives (10 Mar 2023), https://eurasianet.org/perspectives-elections-are-not-enough-georgia-needs-a-new-model-of-democracy. Accessed 6 Sept. 2025.

incurably autocratic, that only NGOs[30], and only if they have unrestricted and non-transparent foreign funding, can save democracy. This is inconsistent and self-defeating, intellectually and as a practical strategy. It is also patronizing and biased, never mind unsustainable. If foreign donors must retain their capture of Georgian civil society, "independent" media and policy-making so that Georgia can be free, it is no wonder that the "Age of the NGO" has run its course.

I'll end on a personal note. I no longer work in the NGO-industrial complex, at least not in the way I used to, trying to manage the overwhelming demands of engaging grant-makers and negotiating between them and grassroots activists, and the unease that came with it. For quite a few years, I tried to support activists to wean themselves from foreign grants and turn to their neighbors for support, in pursuit of civil society in a truer sense of the term. I am still in constant contact with many grassroots activists. I learn from them, I try to help however I can, and we commiserate and strategize.

[30]Lincoln Mitchell, "Protests in Tbilisi," *Kibitzing with Lincoln* (Substack) (10 Mar 2023), https://lincolnmitchell.substack.com/p/protests-in-tbilisi. Accessed 6 Sept. 2025