

## General Studies – 2; Topic: Development processes and the development industry- the role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders

### Philanthropy in India

#### 1) Introduction

- As India grew exponentially over the past decade, so has incomes and charitable initiatives.
- Benefitting from the march towards progress, India's citizens have become much more inclined towards philanthropy and are eager to extend a helping hand to their counterparts
- Earlier, philanthropy was believed to be only for the wealthy, but there has been a shift in the mindset.
- It is heartening to see that working towards the well-being of others is increasingly becoming the norm.

#### 2) Present status

- Philanthropic foundations take on a greater role in driving development initiatives.
- Philanthropic sector in India has benefitted from rising incomes
- Corporate Social Responsibility activities - another factor that played a major role in thrusting philanthropy rates in India.
- The Internet has played a significant role like #ChennaiRains and #ChennaiFloods trended on Twitter where many Indians travelled across the country to volunteer in the city's disaster relief efforts.
- Philanthropic efforts by a Facebook group called "Let's Feed Bengaluru" which has provided over 30,000 free meals in less than a year since they began their work in October 2015.
- Philanthropic donations in India are ahead of donations in other developing countries.
- Bill & Melinda Gates Foundation projects with special emphasis on issues such as vaccines, newborn care, women's empowerment through efforts like Indian self-help groups, immunization, and preventive interventions in HIV, among others.

#### 3) India Philanthropy Report 2017

- "India Philanthropy Report 2017", India's philanthropy market has "matured" considerably, particularly when it comes to contributions from individual philanthropists.
- The report finds that the amount of funds coming from individual philanthropists has grown sixfold in the past five years, from Rs6,000 crore in 2011 to Rs36,000 crore in 2016.
- The report estimates that India will be short by Rs533 trillion if it's to achieve its UN-mandated Sustainable Development Goals by 2030.
- Individual philanthropists can play an important role in bridging the gap.

#### 4) Concerns / Challenges

- Study found that India has been unable to leverage the philanthropic potential of its diaspora because the latter perceives the development sector to be corrupt and inefficient, and is overwhelmed by regulatory constraints and unfavourable tax policies.

- In India, a 2013 study by McKinsey found, there are at least 50 sub-sectors that suffer from a funding gap but donor efforts are focused on just seven to 10 sub-sectors, such as disaster relief and primary health and education.
- A review of geographic area of operations suggest that certain regions – particularly the North East and Jammu and Kashmir – are underrepresented.
- India has ranked poorly on generosity indices—not simply because Indians give less but because the giving is often through informal channels.
- A wide range of key development gaps including drinking water and sanitation; urban issues including urban poverty and affordable housing; hunger and malnutrition; and redressal of human rights violations were absent.
- There are also a large number of small non-profits that lack adequate transparency, sophistication and organisational capacity, which make them less credible to donors.

### 5) Way Forward

- People who have created wealth by building successful businesses need to bring their business skills to the table to ensure that the act of giving is effective and efficient.
- Government must prepare the ground for greater collaboration with philanthropic foundations.
- The government also has a role in ensuring transparency and accountability
- It is important that donors consider the design and impact of their philanthropic activities and the intersection with development activities carefully.
- Basic education, health, care for the elderly, the indigent and the infirm – are the key philanthropic priority.
- Checks and balances necessary to sustain its legitimacy.
- Non-profits need to develop better accountability & transparency measures, reporting systems and deliver to communities on the social commitments made
- Use technology and social media to communicate Non-profits successes to their stakeholders.
- Wipro Chairman Azim Premji received Carnegie Medal, considered the most prestigious prize in philanthropy, for his efforts to reform India's public school system. India's young entrepreneurs must be motivated from such examples.
- Companies should improve impact by better planning and by collaboration between funders, practitioners and policy makers.
- Government, private, philanthropic sectors all need to work together to tackle social issues in the country.