PHILANTHROPY IN INDIA

A working paper

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Cover photo
Children at a primary school in Uttar Pradesh. The school was set up after members of the community, mostly women, demanded a school for their children. The community traditionally practises caste-based prostitution and girls as young as eight are pulled out of school to get trained to join the trade. The school is run by Gram Niyojan Kendra (GNK), a community organization. About 60 per cent of its funding comes through fees collected through a graded fee structure - pay as you can. Balance comes from grants to GNK.

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INTRODUCTION

As in so many emerging economy countries where philanthropy is said to be relatively ‘undeveloped’, India is traditionally a nation of givers.

In her recently published book Giving with a Thousand Hands: The changing face of Indian philanthropy, Pushpa Sundar starts by asking: are Indians charitable? Distinguishing charity and philanthropy, she says that India is not behind any other country in terms of charity, but widespread informal giving doesn’t find its way into surveys. In terms of what she calls philanthropy, it is lagging behind, especially giving by high net worth individuals (HNWIs) on a sustained basis – what she describes as philanthropy for transformative change.

A 2012 report by CAF India[^1] found that 84 per cent of people had donated money to an individual or an organization in the past year – though only 27 per cent had given money to a charitable organization and 70 per cent preferred to give money direct to beneficiaries. Personal experience was the number one driver for giving, cited by 70 per cent of people. ‘This individual giving forms the basis of advanced forms of employee and individual giving in India, from ordinary individuals to noted philanthropists,’ says Meenakshi Batra, CEO of CAF India.

Family values, upbringing and religion all play a part in giving in India, with Hinduism and Islam both mandating giving. Family is very important and people prefer to leave money even to distant family members rather than to a charity, says Sundar. One who enjoys abundance without sharing with others is indeed a thief, says the Bhagavad Gita, a 700-verse Hindu scripture that is part of the Mahabharata.

Religion has always played a major role in philanthropic giving in India, says Santosh Samal, founding executive director of the Dalit Foundation. The concepts of dana (giving) and dakshina (alms) in Hinduism, bhiksha (alms) in Buddhism, and zakaat (prescribed offerings) and sadaqaat (voluntary offerings) in Islam have been a part of Indian culture for many centuries. It was, however, with Buddhism, through the order of monks (sanghas) and later with Christianity, that serving the needy first became an organized institutional concern.

According to Ingrid Srinath, director of the Centre for Social Impact and Philanthropy at Ashoka University, the bulk of philanthropy in India is still religious/communitarian, going to local neighbourhoods and ethnic groups. Philanthropic support to NGOs, including corporate philanthropy, accounts for only a small proportion of Indian philanthropy, and the bulk of this is for service delivery. ‘Traditional philanthropy has emphasized nation building,’ she says, ‘furnishing the nation with academic, scientific and cultural institutions. Alleviating the condition of India’s poverty-stricken

millions through delivering services – basic education, healthcare for the elderly, the indigent and the infirm – has been another key philanthropic priority. Substantial sums are also dedicated to faith-based work and to the welfare of particular communities.’

A tiny fraction is rights-based, she says, mainly funded by aid agencies, international NGOs and foreign foundations – though this will need to change as these sources of funding are drying up. A tiny group of Indian philanthropists/foundations are funding the philanthropic ecosystem, for example crowdfunding and online giving platforms, strategy consultants, capacity-building offerings, research, access to justice and independent media.

Rajesh Tandon, founder and president of the Society for Participatory Research in Asia (PRIA), writing in 2011,\(^2\) agrees that ‘hardly any philanthropic donations support those efforts which are aimed at social transformation’. In his view, ‘most philanthropy is still about gap filling. Support for the long-term institutional development of civil society institutions involved in research, capacity development, advocacy, etc is still missing.’

Although they would often not be considered as part of ‘philanthropy’, self-funded activist movements are an important and longstanding phenomenon in India, supporting causes such as quotas for women in government, right to information legislation, and the right to food and education. It is worth noting that the longstanding success of these activist movements is cited by many different people quoted in this report as showing the potential for philanthropy in India – for social justice philanthropy, community philanthropy, and individual giving by ordinary Indians. When asked for an example of a stellar achievement of individual giving, Venkat Krishnan, DaanUtsav volunteer and GiveIndia founder, cites the India Against Corruption movement in India.

**A CHANGING SITUATION**

But the situation is changing. All commentators seem to agree that India’s wealthy are beginning to give more in more organized ways, with an emphasis on scale, efficiency, return on capital and impact measurement. Venture philanthropy and impact investing are emerging, creating and testing new models for supporting social entrepreneurs working in fields like solar energy and agriculture.

‘Retail’ giving by India’s burgeoning middle-class is also increasing – and this may be the biggest story in Indian philanthropy, and the area with the greatest potential. All kinds of online giving, including crowdfunding, are growing, especially among

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younger givers. According to Charities Aid Foundation (CAF), the country has added over 100 million new donors since 2009 (including all adult givers and not specifically HNWIs). However, it seems that fundraising by Indian NGOs is being hampered by what can be seen as unfair competition from international NGOs.

Bain & Co’s annual India Philanthropy Report, first produced in 2010, has been charting the growth of philanthropy in India and showing a continuing upward trend. In 2009 only 14 per cent had donated cash; in 2013 28 per cent had. 2010 was ‘a landmark year’, say the authors. Individual and corporate donations both rose significantly. The most popular causes in 2010 were education, food and housing – a list that hasn’t changed significantly to this day.

Reports for the following years note the continuing growth of philanthropy, while observing some developing trends. The 2012 report, for instance, noted the abiding desire of Indian philanthropists of all stripes to invest in education, the prominence of HNWIs in philanthropy, and the rise of young philanthropists. The 2017 edition, jointly authored by Dasra and Bain, finds private donations now making up 32 per cent of funding to the development sector, a figure which has risen from 15 per cent in 2011.

Despite the 2013 Companies Act, which mandates the payment of 2 per cent of profits to CSR by companies over a certain size, the relative share of corporate contributions to philanthropy has fallen to 15 per cent, from 30 per cent in 2011, while individual donations have seen a sixfold rise in the same period.

INDIAN PHILANTHROPY IN AN INTERNATIONAL CONTEXT
To put this picture of growth into a broader perspective, according to a CAF report published in 2016, individual giving in India amounts to 0.37 per cent of GDP compared to 1.44 per cent in the US. The 2017 CAF World Giving Index, which measures individual giving in terms of money, time and helping a stranger, ranks India 81st (out of 139 countries) across the three elements, a rise from 91st in the 2016 Index. In terms of giving money, India ranks 64th. ‘We certainly have the ability to increase our quantum of giving, at higher and mid-income levels,’ says Srinath.

On the other hand, says Sonvi Khanna of Dasra, referencing the 2015 Bain report, India’s philanthropy sector is mature compared to other countries with similar profiles. The percentage of the adult population donating money relative to per capita GDP is high in India compared to similar countries, according to Bain’s 2015 report.

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A 2014 WINGS/Foundation Center report on philanthropy in emerging economies\(^6\) cites an OECD study noting both the ‘heavy concentration of wealth’ in India and the fact that the country has ‘become less equal over time’.\(^7\) ‘The first round of Liberalization helped many people to come into untold wealth,’ writes Indian philanthropist Rohini Nilekani in a collection of essays called *What’s Changed*?\(^8\) ‘The next stage of Liberalization must encourage them to share that wealth forward in untold ways.’

But ‘it will take a long time’. This is an underlying refrain repeated by many, including Nilekani, in relation to all areas of philanthropy in India.

**ABOUT THIS STUDY**
This study does not attempt to address the acknowledged lack of comprehensive and reliable data on philanthropy in India. Rather it aims to throw light on the current state of Indian philanthropy through conversations with people who have been trying to promote, support or strengthen different areas of philanthropy. We asked them what currently exists in terms of their particular area of philanthropy and what role it

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is playing in relation to the state and the private sector; what is driving it and what is holding it back; and what potential role it could play. We also asked for examples of stellar achievements. The areas covered include various forms of giving by the wealthy – what we have called ‘impact-focused philanthropy’, progressive philanthropy, corporate philanthropy and impact investing; social justice philanthropy, self-funded activist movements and community philanthropy; and giving by individuals of modest means.

Our aim is to provide an overview of philanthropy in India, particularly shining a light on new areas and innovation within philanthropy, and the implications of these for its future role. We hope this will enable us to better address the question: how do we support and build philanthropy’s role as an agent of social change?

This working paper is a work in progress, not a finished document. We hope that others reading it will comment and add to it. With a country as vast as India, the insights presented here can only be a starting point.
WHAT CURRENTLY EXISTS IN TERMS OF PHILANTHROPY IN INDIA?

Alongside the traditional philanthropy described above, both informal and more formal, some other areas of philanthropy have been developing in the last decade or so.

IMPACT-FOCUSED PHILANTHROPY

This could also be described as technocratic or western-oriented philanthropy. The hallmarks are using business approaches and an emphasis on scale and maximum impact, efficiency, return on capital and impact measurement. ‘The new wealth,’ says Ingrid Srinath, ‘especially that generated in the technology and financial services industries, has been individualistic, mainly focused on education, often with a technocratic bent informed as much by the philanthropist’s personal worldview as by the needs of those they might seek to serve.’

There is widespread agreement that India’s growing number of HNWIs are giving more. The contributions of givers donating more than roughly Rs 9.8 crores ($1.5 million) has more than doubled from a total of roughly Rs 15,000 crores ($2.3 billion) in 2013 to roughly Rs 34,000 crores ($5.2 billion) in 2015, according to the 2015 Bain survey of 377 Indian HNWIs. Of those interviewed, 40 per cent said they were willing to increase their philanthropic giving and fewer than 10 per cent envisaged reducing it.

There have been significant shifts in the thinking of philanthropists in the last five years, says Sonvi Khanna of Dasra. There used to be huge trust deficits, with philanthropists doubting the credibility of NGOs. While doubts persist, there has been some shift with the emergence of intermediary organizations that help givers conduct the necessary due diligence on NGOs before deciding to give to them (see section below on ‘Philanthropy infrastructure’).

‘Givers also realize that building social capital in communities is no mean feat,’ she says, ‘and leveraging the relationships of existing NGOs is a more strategic way of having impact on the ground. In addition, more mature NGOs are beginning to realize the need to build themselves as strong institutions, identifying and bridging structural gaps that will prevent them from deepening impact or achieving scale. This perspective is further building confidence among philanthropists, who are beginning to approach their investment in NGOs in a similar way to their for-profit investments. Although this perspective is still quite nascent, it projects well for the future of
philanthropy in India, combined with a higher risk appetite as the younger generation come into wealth and enter philanthropy.9

STEELAR ACHIEVEMENTS OF IMPACT-FOCUSED PHILANTHROPY

Dasra Girl Alliance
When it was launched in 2013, says Sonvi Khanna, few in India believed in investing in adolescent girls. Dasra realized that a diverse group of players would be needed to work together to create long-term change – including enlightened funders, governments and media. It succeeded in mobilizing the support of three partners, USAID, Kiawah Trust and Piramal Foundation, who together invested in raising awareness of adolescent girls’ issues through research and collaboration, while unlocking local philanthropy to fund the programmes and institutions of credible social organizations addressing these issues. Over the last four years, the Alliance has raised roughly Rs 124 crores (~$19 million) from 138 funders and helped to build the capacity of 195 social organizations, supporting the lives of over 1.6 million girls, women and children in 2015-16 alone. It has also entered its second phase, as a roughly Rs 326 crores ($50 million), outcome-based collaborative on adolescents aged 10-19.10

Educate Girls
Educate Girls has managed to scale up from working with 50 schools to working with 21,000 in under 10 years, reports Alison Bukhari. This has been made possible by certain donors ‘who have given the organization the flexibility to adapt to the emerging pressures and course corrections needed at every stage of scale’. Some have been willing to give unrestricted funding and to fund areas like capacity building, strategy development and government advocacy.

Hari Menon of the Gates Foundation also talks of ‘a change in the nature of giving’ in the last decade. ‘Increasingly, givers are adopting a sectoral focus and are investing to solve structural and delivery problems in sectors like education, healthcare and water/sanitation. Many Indian businesses have experienced explosive growth and givers are applying a similar outcome-based mindset to their giving – although there are of course very different issues involved in solving a business problem and a social problem. They are thinking about a long-term vision and a structured theory of change, having a portfolio of investments and interventions – that is the beneficial shift that we are seeing starting to happen.’

9 See [https://www.youtube.com/watch?v=KgNI3iEWJr0&list=PLgbFKRCqfOtQD47vdM5L-Fio5pG0JQRcH&index=1](https://www.youtube.com/watch?v=KgNI3iEWJr0&list=PLgbFKRCqfOtQD47vdM5L-Fio5pG0JQRcH&index=1) and [https://www.youtube.com/watch?v=Ehj2z3g-I-w&list=PLgbFKRCqfOtQD47vdM5L-Fio5pG0JQRcH&index=5](https://www.youtube.com/watch?v=Ehj2z3g-I-w&list=PLgbFKRCqfOtQD47vdM5L-Fio5pG0JQRcH&index=5)

10 See 10 to19: Dasra Adolescents Collaborative: [https://www.dasra.org/adolescents](https://www.dasra.org/adolescents)
In addition, he says, many of these givers are first-time entrepreneurs, often tech entrepreneurs, who are not from traditional wealthy families. Many of these are bringing their intellectual and social capital as well as financial capital. ‘They have generated a lot of wealth and are now looking to give back to the society that allowed them to prosper, seeing themselves as stewards of wealth rather than owners.’ He mentions the Nilekanis and the Premjis and Ashish Dhawan among others who have articulated this kind of approach to strategic philanthropy.

What about the numbers? It seems likely that the buzz and talk about philanthropy is disproportionately higher than actual philanthropy, but hopefully the buzz and talk will eventually lead to more actual work being done.

**Who is promoting impact-focused philanthropy?**

Dasra, founded 17 years ago, is one of the key organizations driving the development of this sort of philanthropy in India. According to Sonvi Khanna, Dasra aims to ‘lead a strategic philanthropy movement with powerful partnerships’.\(^{11}\) To this end it has invested in knowledge creation, scale-up of effective non-profits, and influencing strategic funding to strengthen weak development sectors. Dasra engages with donors and helps them evolve through a four-stage donor journey, from ‘Striving Seekers’, who have just begun developing their philanthropic vision, to ‘Enlightened Evangelists’, who are champions and ecosystem mobilizers for their chosen cause(s).\(^{12}\)

The Gates Foundation also looks for opportunities to partner with locally driven efforts to promote the development of philanthropy in India. ‘Catalysing philanthropy has always been something to be done with local partners,’ says Hari Menon. ‘So we see our role as being a knowledge partner, as supporting, catalysing, nudging, removing barriers to allow an organic evolution and growth of the Indian philanthropy sector.’ This includes strengthening the knowledge base and building leadership and management.

Over the last three years the Gates team has started forming productive relationships with individual philanthropists wanting to step up their work and realize the potential of their philanthropy and identifying local institutions promoting strategic philanthropy. Dasra and the new Centre for Social Impact and Philanthropy at Ashoka University are its first formal partners. They are also exploring avenues to support ‘collaborative platforms where multiple donors can work in concert to achieve greater impact on the local philanthropy ecosystem’.

For Gates, says Menon, there are a few key elements of strategic philanthropy: having long-term impact goals that will help change the trajectory of particular

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\(^{11}\) See [https://www.dasra.org/about-us](https://www.dasra.org/about-us)

sectors (in India the focus sectors are the health and nutrition of mothers and children, control of infectious diseases, urban sanitation, financial inclusion and agriculture development) and a vision of what transformation would look like; partnering with local experts and institutions who share a common vision about how to achieve those transformative goals; having strong feedback loops so you can refine your approaches to achieve the impact you’re looking for; and a willingness to partner with key local stakeholders like the government and civil society organizations.

‘In the case of government, this is something that many people won’t agree with,’ he admits. ‘But in India the government has the most dominant presence in terms of service delivery and the biggest pocket of resources for the sectors we’re working in, so interventions completely external to the government are unlikely to have the long-term sustainability and impact you can have if you do engage with and catalyse the government.’

He also talks about working with the Indian private sector, which ‘has developed some impressive innovative models to solve last-mile distribution and connectivity issues’. But there aren’t adequate models of collaboration between sectors. ‘Rather, government, private sector and non-profit sector have tended to work exclusively of each other, though there are signs of a shift in recent years.’ But there are some examples of collaboration, says Pushpa Sundar, including the Akshaya Patra Foundation.

PROGRESSIVE PHILANTHROPY
A small number of India’s philanthropists are willing to act more boldly to tackle structural issues, including, most prominently, Azim Premji and Rohini Nilekani. Nilekani is ‘very hopeful that with the efforts some of us are making Indian philanthropy will become bolder’. She herself is involved in work to develop technology platforms to enable Indian philanthropy to be ‘far bolder’, to invest in capacity on the ground, to ‘throw the ball out of the field’.

After 20 years, her main belief is that we need to build the capacity of people to engage with problems and find solutions. ‘This can be done in a thousand ways.’ Others have done wonderful work creating vaccines, she says, ‘but I will stick to my guts on this. I care about building a good society, a more just society, a society in which all people have opportunity. We must allow people to build up themselves. This doesn’t always need philanthropy, but sometimes it does.’ Most of her work has been in the water and sanitation sector, through her foundation, Arghyam.

Ideally, she believes, philanthropy should make itself redundant except at the margins. ‘First of all, we shouldn’t have got so rich.’ According to a recent report released by Credit Suisse, 1 per cent of Indians own almost 60 per cent of the wealth. ‘At the moment it’s frightening, we think we have a responsibility to innovate
everything because we’re wealthy. What are the next problems I’m supposed to solve? Philanthropy needs to support the innovators; it doesn’t necessarily have to innovate – if it does, that’s a bonus. We can’t hold up one finger to the whole dam.’

Philanthropist Luis Miranda agrees that philanthropy has to be driven more by the communities it works with. ‘Decisions from the top, which ignore what the beneficiaries really need, are a waste of money. Sustainability is a big concern.’ A lot is being spent on education, he says, ‘but not enough on empowering communities and funding research on why the problems exist in the first place and how they can be effectively solved’.

Anantha Padmanabhan of Azim Premji Philanthropic Initiatives (APPI) emphasizes the need to ‘be humble and learn from our partners and build respectful relationships. We try to think about grantmaking as a partnership between APPI and its grantees. Change is happening on the ground because of the passion of our grantees, not because of our money.’

Nilekani admits there are no data on the numbers involved. ‘I have no idea how many of India’s wealthy are thinking about the responsibility of this wealth,’ she says, ‘and about how much philanthropy they want to do. All I can say is that some of us are trying to move the needle on people’s consciousness of wealth, philanthropy, giving and other people’s economic reality.’

There are many who talk about helping to reduce poverty in India and do not do much, says Miranda. ‘Where we need to do more is to analyse more closely whether these moneys are having the desired impact of reducing poverty.’

**Working with the state**

Nilekani does see a role for philanthropy in helping to shape public infrastructure: ‘A lot of public infrastructure is yet to be rolled out across the country, and philanthropy can play a role in helping create more sustainable, cost-effective, culturally appropriate models.’ But at the moment she sees a huge disconnect between philanthropy and the state and business. Big philanthropy has always worked with the state, she says, but there’s not much big philanthropy in India. The Tata Trusts work at scale with the state, but few others do.

One that does is the Azim Premji Foundation, which works only with the state, specifically the public education system, while APPI has very substantial commitments to MoUs with state governments. ‘We started by just being a funder, supporting good people doing great work,’ says Anantha Padmanabhan. ‘But we recognized that some of the problems we want to solve are not achievable by doing just that. So we added another component in the portfolio – systems-level work, which is really a matter of orchestrating a number of partners and working with the government to achieve a particular change.’
Consistently with her view that philanthropy’s main role should be to build the capacity of people to engage with problems and find solutions, Rohini Nilekani is reluctant to highlight a particular achievement. ‘Let’s just celebrate the approach, I don’t want to pull out examples. We have to build up the quality of the demand in people. Even where communities are fractured, you build up the quality of demand in people and the supply side, which you must also work with, will respond. My work in water certainly highlights this. Over the past 12 years, we have seen that when the NGOs we have supported have empowered communities with data, scientific knowledge and good social processes for managing their water better, the state has also had to respond.’

Nevertheless, a few promising examples of philanthropic initiatives that demonstrate the willingness of philanthropists to work collaboratively keep coming up.

**Independent and Public Spirited Media Trust**

The aim is to funnel the donations of a consortium of philanthropists supporting independent media. ‘It is very hopeful that we have so far been able to support 12 excellent media organizations,’ says Nilekani, one of the funders along with Azim Premji. ‘In India a few people are emerging who are willing to put their money into such things – but it’s a slow burn.’

**Annual surveys of the state of education in India**

‘By telling people small things about their children’s education, you can create a movement that forces the government to say, “Whoops, we forgot about quality”,’ says Nilekani. ‘It doesn’t mean we will have quality tomorrow, but it does mean that no part of government will be able to sleep without thinking about quality.’

**Nyaaya**

Launched in November 2016, Nyaaya.in is creating India’s first free, open resource documenting every law in India. Critical legal topics such as criminal justice, marriage and divorce, and the basics of property law are explained in simple language. In the first few months, tens of thousands visited the website and hundreds wrote in to volunteer to help create content. Other examples are the creation of Ashoka University, the governance fund initiated by Dasra, and an initiative headed by Amit Chandra of Bain Capital to eliminate drought in Maharashtra.\(^{13}\)

For Luis Miranda, it is a problem that the government wants philanthropic money but is less willing to discuss how it can be used more efficiently. ‘It would help if the

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government came out with a clear policy on how it wants to engage with NGOs and philanthropy in a way that effectively reduces poverty.’

**Adopting more of a charity role?**

Perhaps surprisingly, Nilekani would be comfortable with philanthropy adopting more of a charity role. ‘I wouldn’t hesitate for one second if philanthropy were to move into charity issues,’ she says. ‘If the climate change predictions are true, then there is deep trouble ahead. I can see climate change-related floods and droughts in my country, and in that case all the principles and ideas I had about philanthropy can stand on their head. If I can do anything to encourage support for the people who need help, I will do it. What to do if you’re just sitting here and people in front of you are drowning?’

‘I am telling the organizations I work with to prepare a disaster management kit for philanthropy. This is a good role for philanthropy – supporting people to think ahead and plan how to solve problems. I can think of so many examples where we could have saved lives and done so many things with good research and preparation.’

**CORPORATE PHILANTHROPY**

The main focus of comments on corporate philanthropy is naturally the Indian Companies Act 2013, which came into effect on 1 April 2014. But corporate philanthropy has long been embedded in Indian culture, CAF India adviser Radhika Ralhan emphasizes. ‘Economic transactions were guided by some form of the philanthropy principles largely prescribed by our religious and ancient texts, wherein a portion of the wealth accumulated needs to be given back for the overall development of society. The business classes have been guided by these principles and involved in carrying out informal giving practices for a very long time.’ Employee volunteerism and workplace giving were an intrinsic part of corporate philanthropy long before the advent of mandatory compliance, she says. Gandhi’s concept of trusteeship likewise encouraged business leaders to see themselves as mere trustees of wealth accumulated and to utilize a portion of the profit earned for the betterment of those at the bottom of the pyramid.

What has changed is that the Companies Act has now made corporate social responsibility (CSR) a requirement for larger companies. As the biggest companies were already practising some form of giving, it’s the slightly smaller ones that have been pushed into CSR and some new money is emerging as a result.

The Act requires every company meeting certain criteria to spend, in every financial year, at least 2 per cent of the average net profits made during the three immediately preceding financial years in pursuance of its CSR policy. The criteria are having a net worth of Rs 500 crore (roughly $78.2 million) or more or turnover of Rs
1,000 crore (roughly $156.5 million) or more or net profit of Rs 5 crore (roughly $780,000) or more.

According to Noshir Dadrawala of the Centre for the Advancement of Philanthropy (CAP), about 16,000 companies meet the criteria and as such are legally required to have a policy on CSR and a CSR committee and to disclose the company’s CSR activities in its annual report.

**What has changed since the new Companies Act?**

While CSR has increased significantly post 2014, it is not clear how much. There seems to be agreement that there is some way to go before the full potential of the new Act is realized. Recently released data from the Ministry of Corporate Affairs indicates an increase in the total CSR spend by Indian companies to Rs 9,822 crore (roughly $1.5 billion) in 2016. Education was the biggest recipient of CSR funds (32 per cent), followed by health (26 per cent) and environmental conservation (about 14 per cent – Rs 1,213 crore or roughly $189.8 million). CSR to some extent bridges the gaps in the state’s own delivery system, especially in areas of education, skill development, vocational training and healthcare, says Dadrawala.

A CAF India report notes that it managed 120 CSR projects in 2015-16, up from 35 in the previous year. It also records 19,500 adherents of its workplace giving programme in the same year, and approx Rs 10,55,87,284 (roughly $1.6 million) raised through the programme. This support mostly went to ‘safe’ areas such as education and care of the elderly, but the programme also supported NGOs working on women and girl child empowerment. ‘Imagine what would happen if those people felt confident to give to all spheres of civil society? It could yield vast resources to help solve the country’s most intractable social problems,’ says Meenakshi Batra.

What is clear is that attitudes to CSR are changing. A majority of publicly traded companies are family businesses, says Sonvi Khanna. ‘We are seeing the next generation questioning their parents’ decisions on philanthropy and shaping company CSR.’

While the law is motivating family businesses to give more personal capital, senior management and board members are also getting a lot more involved, note Khanna and Ralhan. Private sector leaders are moving from perceiving corporate philanthropy as an additional tax liability to seeing it as a strategic form of giving to leverage social impact, says Ralhan.

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But an impact-oriented, strategic and sustainable philanthropy outlook still needs to be incorporated in overall CSR planning and implementation, she says. ‘One of the most significant developments we foresee is the aligning of CSR with corporate business risks and operations, utilizing corporate philanthropy projects as effective tools to mitigate the environmental, social and economic risks faced by the business.’

Sumitra Mishra, formerly with iPartner India, has worked extensively with companies now moving into CSR because of the new law. These are not tiny companies, she says, but they are small compared to the top 100 who have been giving for a long time. ‘Companies hate the law; they can’t believe the audacity of asking them to spend 2 per cent of their money they have worked so hard to earn. How do you excite people to think of this as an investment?’

**STELLAR ACHIEVEMENTS OF CORPORATE PHILANTHROPY**

**Indian standards on ‘CSR Requirements’**
The Bureau of Indian Standards, Ministry of Consumer Affairs, Government of India has given CAF India responsibility for drafting these, reports Meenakshi Batra. This will be the first time anywhere in the world that such standards have been formulated and implemented. A first draft has been well received by private sector leaders and other stakeholders, she says. ‘The standards will redefine corporate philanthropy discourse in India, with implications for both companies and civil society organizations.’

**SDGs Drivers Forum**
This ‘first-of-its-kind’ forum aims to catalyse national engagement of private stakeholders in the SDG processes, says Radhika Ralhan. ‘We are already witnessing the emergence of state hubs with a clear directive to engage local corporate and civil society partners so as to channel social responsibility resources more effectively within a specific region.’

**India Health Fund**
Launched by Tata Trusts and the Global Fund to Fight AIDS, Tuberculosis and Malaria, the aim is to raise funds within India and invest the money to tackle key health challenges staring with tuberculosis and malaria, says Hari Menon (AIDS is not part of the remit of the new fund).

**A new Government of Maharashtra platform**
Launched in July 2016 by Tata Trusts for strategic development programmes focused on a thousand of the more deprived villages of the state, the platform has brought together several large companies which are supporting a programme management office, along with the state government, to channel funds, Menon reports.
While some companies are looking at how to spend the money as much as possible for their own benefit, keeping it under their own control, others do want to use the opportunity to utilize their money for a good cause, something their employees will feel proud of.

The majority is still going as big funds into government programmes, Mishra reports. The government saw the opportunity and set up priority missions such as the sanitation programme, the skilling India mission, the digital India mission, the campaign to save/educate the girl child and many others. They have made it clear that if companies donate to these programmes, it will be counted as meeting their 2 per cent requirement.

The law says CSR investment must be spent on a project, something where you can monitor progress and measure the impact. Companies can do this either by partnering with local NGOs, which implement projects on the company’s behalf, or by spending the money directly, setting up their own corporate foundations and employing staff, or strengthening existing but inactive corporate foundations.

Currently companies generally prefer to keep control over their money and manage it their way, says Mishra. ‘But some companies don’t want to run their own programmes as this is not their core competence; they see it as better value to employ NGOs who know what they’re doing.’

Nimesh Sumati of Caring Friends warns that both companies and NGOs will take some time to adjust. ‘Many companies that are new to philanthropy find it difficult to give the required amounts and as a result some end up doing poor quality projects in their haste.’ For its part, the welfare sector is often unable to absorb the quantum of new funds. One thing that would help, he suggests, is if HNWIs and corporates gave their time along with the funds. ‘This would add a lot of value.’

**IMPACT INVESTING**

Impact investing is still a nascent sector in India, having gained momentum only in the last decade, says Nisha Dutt of Intellecap. It is expected to grow from roughly Rs 6,533 crores (US$1 billion) worth of investments in 2015 to roughly Rs 39,000 crores ($6 billion) to roughly Rs 52,000 crores ($8 billion) annually by 2025.¹⁶ Fund managers source funds from development finance institutions (DFIs) and foundations, and in the last few years HNWIs and companies have also begun to engage in impact investing. HNWIs such as Mohandas Pai and Ranjan Pai each committed Rs 5 crores (roughly $780,000) to impact funds or individual deals in 2013.

Financial inclusion accounts for the largest share of impact investing deals (51 per cent by value) as the sector has shown ability to scale, replicability, and returns to investors. In fact, microfinance has had a strong role in the growth of the field, says Geeta Goel of the Michael and Susan Dell Foundation (MSDF). Five years or so ago investments were almost all in this area. Muhammad Yunus winning the peace prize brought visibility to a non-visible field and attracted professionals and investors. By this time impact investing had shown itself to be a sustainable business, with a few successful IPOs across the world. All this paved the way for investing in other sectors.

Goel suggests that the industry should look at the impact investing sector in terms of two segments, products for low-income people and those centred on renewable energy, climate change and environment, with some degree of overlap. In developed countries, she says, many impact investments are centred on the latter. While there are many such investments in India, the traditional impact investors are focusing on delivering products and services for low-income people (financial inclusion, education, agriculture, healthcare, etc).

The sector continues to thrive largely with the support of foreign capital, so finding domestic capital is still the Achilles heel for the sector, says Dutt. However, Indian angel investors and retail investors have started contributing, though their contribution is still very small.

**Impact investing’s place in the financing continuum**

Impact investing is a critical part of the financing continuum. ‘If you look at the full spectrum of financing,’ says Goel, ‘the state is at the left end of the spectrum, meeting the needs of everyone, especially bottom-of-the-pyramid (BOP) people with the greatest needs. Then philanthropy is focused on helping to provide products and services for those who will always need subsidies, like BOP/low-income people, or on testing models and pushing them to the right. Next is impact investing, trying to create market shifts that wouldn’t have happened otherwise – creating markets in rural areas, backwards states, BOP populations. These are areas where the market isn’t functioning as well as it should be; impact investing wouldn’t be there if the market was working. Then we have business, mainstream investors, on the right end of the spectrum.’

MSDF sees itself as catalysing models and markets, says Goel. ‘But the Dell Family Foundation is a philanthropic organization, so we are extremely careful there is no dilution of the social impact for the target segment of the population, which is the highest priority. The next priority is for the business to be financially viable and disciplined so it can attract other capital. The reason for the investment is to create
sustainable services/products for the target segment.’ At MSDF all investments tend to be high-risk, she says. ‘If they were easy investments, the market would already have made them.’

Dutt agrees that philanthropic interventions tend towards providing access to basic services to India’s ultra-poor and low-income populations, and are inclined to take a more rights-based or welfare-based approach. ‘These interventions are very important for sectors where sustainable businesses cannot be developed such as women and child security.’

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**STELLAR ACHIEVEMENTS OF IMPACT INVESTING**

**Equitas**
This microfinance institution is the only financial institution in the world that delivers food, education and healthcare to its poor and low-income clients at cost as well as playing a critical role in providing financial inclusion services to millions of underserved clients, says Nisha Dutt. Equitas progressed from raising its first round of capital from Aavishkaar, an impact fund, to an IPO in just a decade, and the Equitas IPO has been oversubscribed 18 times. In the Non Institutional Category it has been oversubscribed 57 times – ‘an extraordinary achievement’ given that it could only approach Indian investors, with foreign investors and NRIs not allowed to participate. ‘This strengthens our belief that sound business models that continue to create impact also attract capital from relevant financiers.’

**Milk Mantra**
This provides market linkages to a large number of rural dairy farmers. The number of farmers supplying milk to Milk Mantra has increased from 26,063 in 2015 to 38,172 in 2016, Dutt reports.

**Ujjivan**
In 2006 MSDF was among the first institutional investors in this urban-focused MFI, says Geeta Goel. This was MSDF’s first investment, and part of its initiative to catalyse urban microfinance in India, hitherto considered high risk and not ready for investment. At the time, Ujjivan had just two branches and fewer than 1,500 clients, and was among the very few MFIs focusing on urban areas. Three years on, it had 550,000 clients and had attracted investment from other funders such as Lok Capital and Sequoia. In May 2016, it went for an IPO, which was oversubscribed 40 times; within a month, the market price had settled at twice the listed price. Ujjivan now serves over 3 million clients, with a market cap of roughly Rs 5226 crores (almost $800 million). It has been recognized globally for its social performance and customer orientation. In 2016 it was named as the Third Best Place to work in India – ‘no small accomplishment for a company that is just 10 years old’.

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On the other hand, she says, Indian entrepreneurs are now beginning to provide services for low-income populations that were traditionally provided by the government, such as microcredit, drinking water, sanitation, housing, energy, education, vocational training and healthcare – all services that can be sustainably provided. While government budgets have grown substantially, says Dutt, they have not grown enough to meet the needs, and inefficient public delivery and expensive private sector options have resulted in continuing challenges of access and affordability as well as low standards.

Entrepreneurs have responded to the opportunity with bottom-up innovations, developing for-profit, market solutions and new business models. Impact investors are supporting these enterprises by acting as a bridge between the government and philanthropic capital, on the one hand, and the financial markets on the other. By supporting early stage enterprises and showcasing the viability of their business models, she says, ‘impact investing funds play a catalytic role in attracting mainstream capital to address access and affordability issues in several critical needs sectors’. Investment in early stage enterprises accounts for 60-70 per cent of total capital invested, with deal sizes less than roughly Rs 32 crores ($5 million).

Impact investors thus ‘demystify’ the risks associated with these sectors for mainstream investors by making the initial investments. With the private sector playing a more prominent role, the government and philanthropic organizations can focus their resources on addressing those social and environmental challenges where sustainable market solutions are not an option.

The fact that low-income people are already used to relying on the private sector and paying for products and services – either because government services don’t reach them or because of the poor quality of public provision – has helped the impact investing sector, says Goel. ‘The market is already there and the need is there, you don’t need to create it.’

**SOCIAL JUSTICE PHILANTHROPY**

*Foreign funding diminishing*

Funding for human rights and other complex issues has been diminishing. Until recently, foreign funding, both from foundations like the Ford and MacArthur Foundations and from bilateral and multilateral organizations, was the main prop of the Indian social sector, and it was to them that organized NGOs working on rights turned for support (grassroots work on rights has traditionally been supported by communities and the movements themselves, as this working paper elaborates). In the last ten years, however, owing to India’s profile as a strong South Asian economy, the funding situation has changed as foreign donors turn to other countries perceived as being in greater need of support.
The situation has been worsened by growing government intolerance of what it sees as interference in political affairs by the non-profit sector and its use of the Foreign Contributions Regulation Act (FCRA) to curb it. Rohini Mohan’s January 2017 article in the *New York Times*\(^\text{17}\) notes the use of the Act to cut off finances to a Delhi advocacy group, the Lawyers’ Collective, which provides legal assistance to women, non-union workers, activists and other marginalized groups because, alleges Mohan, it had represented critics of prime minister Modi’s policies. She goes on to note that the Home Affairs Ministry had recently revoked the licences of around 10,000 other NGOs. A number of foreign funders in India, including Ford and Open Society Foundations, CORDAID, Compassion International and others, have been added to the government’s ‘watch list’, which means they have to get clearance from the Indian Home Affairs Ministry before providing any funds to NGOs. Ford has now been removed from this list following pressure from the US government, but it has largely ended its involvement in social justice philanthropy.

Finding themselves accused of engaging in ‘anti-national’ activities, NGOs ‘see the cutting off of their foreign sources of funding, and intimidation and harassment by government agencies, as part of a broader effort to suppress dissent in the country’, according to an Associated Press article published in January 2017.\(^\text{18}\)

Rohini Nilekani calls the crackdown by government on non-profit interventions in political matters ‘a mistake’. In an interview with *Impact India* magazine,\(^\text{19}\) she argues that ‘if you want to change things in society, a lot of the work is going to be political, not in the traditional sense of political parties, but political grassroots work. Whichever government is in power needs to feel secure enough to allow non-profits to do human rights-based political work.’

Organizations like the National Foundation for India (NFI) whose donors are largely foreign face restrictions. ‘It hasn’t stopped our work,’ says Amitabh Behar, ‘but it does restrict us from doing many things we’d like to do, like engaging with the media and working with activists on the ground. The law has been used only a few times to actually restrict organizations from doing their work, but the government has been very successful in sending a chill down the spines of many organizations, resulting in NGOs taking a non-confrontational, non-political approach to their work.’


With citizens’ participation increasingly seen by governments as anti-establishment and a nuisance, practically all around the world the space for civil society is shrinking. The level of distrust for NGOs is high, while compliance regulation is growing. Civil society organizations, especially those working on human rights and other complex issues, now have to look to indigenous donors and speak to new audiences – something they have yet to learn to do.

**Domestic funding failing to fill the gap**

In India the social justice philanthropy space is extremely thin if you do not include international initiatives, says Behar. Unfortunately, India’s new philanthropy is not filling the gap left by the decline in foreign funding. The new CSR money is compliance based, going largely to government-sponsored causes like building toilets – the Companies Act specifies what can be considered CSR activities eligible under the Act – while the NGOs receiving it are hampered by onerous reporting and other requirements. Writing in *Alliance* in September 2016, Amitabh Behar notes an explosion in the philanthropy sector and the role of the Companies Act in increasing resources from CSR, but adds: ‘Almost none of the resources invested in this way reach the elements of civil society that are working for human rights, accountability of the state or life with dignity for all, or campaigning to empower excluded and marginalized communities.’

The new forms of philanthropy favoured by the newly wealthy likewise tend to avoid the complex, political aspects of change. New funders have tended to concentrate on service provision, partly because this is seen as politically ‘safe’, according to a 2012 report from the South Asia Women’s Fund (SAWF), partly because many of the new funders have adopted a managerialist, market-oriented approach. ‘There is impatience with process oriented approaches and donors have become more results oriented.’ Funds for women’s rights have ‘massively shrunk’, says Gitanjali Misra of feminist organization CREA.

Rajesh Tandon bemoans the lack of philanthropic funding for NGOs working on accountability of the state. He sees the absence of transparent and accountable governance at all tiers of institutions as ‘the core problem in the country today’. ‘With nearly Rs 200 crores (US$40 million) annually allocated by the government for development in each district of the country,’ he continues, ‘efforts to ensure effective and purposive utilizations of such funds need to be scaled-up. What is important is

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not philanthropy that supports a few hundred schools or clinics, but that which ensures that each government school, clinic, panchayat and municipality delivers quality services to all – yes, ALL – citizens.’ He also stresses the importance of holding business accountable. ‘Why so little support for holding business, multinationals and big corporations in particular, accountable? Why is corporate monitoring still so weak in India?’

In addition, the foreign funders themselves left gaps. They often neglected economic rights, says Santosh Samal, instead focusing primarily on civil and political rights. In general, he says, ‘philanthropy, as traditionally practised by private trusts, family foundations, corporate donors and intermediary agencies, has had only a limited impact on bridging the equity divide’.

Another largely neglected area is climate injustice, says Sumitra Mishra. ‘Climate injustice is staring at us, but philanthropic movements are not showing enough maturity yet to respond to this as a denial of rights issue. Environmental rights are human rights. The link between climate change and denial of human rights in philanthropic discourses is nascent.’

NFI is working to push the needle towards social justice philanthropy away from a charity approach, says Behar, but ‘it is clear that this is going to be a slow and incremental journey. We would need to first look at the transition from charity to philanthropy for development and then push the boundaries towards ideas of strategic philanthropy, which is looking at more systemic questions. Only gradually can we push it towards social justice causes, with the realization that not many groups would want to work with that framework.’

So what exists currently? Behar distinguishes three sources of funds for human rights and social justice causes – foundations, groups that combine funding and action, and local funding by individuals, mainly supporting activist movements.

**Foundations**

Traditionally this has largely meant foreign foundations but, as we have seen, recent years have seen a withdrawal of international resources from India. ‘Social justice funding must now be Indian,’ says Behar. ‘If foreign aid is considered unacceptable for such causes, then Indian money must step in,’ Pushpa Sundar agrees.

With a few exceptions, however, Indian philanthropic foundations and individuals have shied away from social justice questions, says Behar. Even with the exceptions, the scale is very small, given the scale of India’s problems. Azim Premji and Rohini and Nandan Nilekani are involved in social justice philanthropy, he says, but not many are following them. ‘So far, few Indian donors of note have supported anything that sounds even faintly radical,’ says Sundar.

Chandrika Sahai stresses the importance of those few indigenous foundations that have taken a social justice philanthropy approach, particularly NFI, Dalit Foundation
and Nirnaya. ‘They have started a movement of support institutions for grassroots activists and the small civil society initiatives that do not have access to foreign funding. These foundations bring a power analysis of the social, gender, class and caste complexities in India and a rootedness in the most marginalized communities that some of the bigger Indian players like Azim Premji still need to display, though they hold promise.’

This sort of support system did not exist 15 or 20 years ago, says Sahai. Bringing these smaller but more rooted players together with initiatives like Azim Premji and Rohini Nilekani’s work can potentially up the game, she says, ‘bringing a more political lens to the bigger players and a resourced platform for bigger impact to the smaller foundations’.

Groups that combine funding and action
The second layer consists of groups that do funding and also carry out some action on the ground, particularly international NGOs like Oxfam and ActionAid – though Santosh Samal emphasizes that their involvement in social justice philanthropy is ‘very limited’. This group has also received unfavourable attention from government. For example, in August 2016 Amnesty International was accused of sedition and promoting anti-India sentiments following a seminar on human rights abuses in Kashmir. In 2015 Greenpeace India’s registration was suspended.

Local funding by individuals: self-funded movements
The third source is local funding by individuals, often members of affected groups. This largely consists of membership groups or marginalized groups using their own resources to support their struggles. ‘This is an act of fighting not of giving,’ says Behar. ‘Examples are villages that are going to be displaced by a large industrial project or a dam, caste struggles, women struggling against violence against women. Villagers will take 10 per cent of the $1 a day they earn to support these causes. These are temporary movements to fight a particular issue rather than developing long-term solutions to problems of the community, which would be the community philanthropy approach.’

This third layer is really not in the philanthropy domain in terms of traditional ways of looking at philanthropy, he says, and the groups probably wouldn’t see themselves as ‘funding’.

Chandrika Sahai stresses the importance of what Behar sees as the third layer of social justice philanthropy: ‘this is where the fight and resistance is really happening, despite institutional philanthropy and not because of it.’

SELF-FUNDED MOVEMENTS
Indian activist Aruna Roy would undoubtedly agree with Behar’s statement that these movements wouldn’t see themselves as ‘funders’. Roy has been at the forefront of a
number of campaigns for the rights of the poor and marginalized, including the Right to Information, the Right to Work and the Right to Food. More recently, she has been involved with campaigns for universal, non-contributory pensions for unorganized sector workers and for the passage and enactment of the Whistleblower Protection Law and Grievance Redress Act. ‘All these campaigns tend to overlap as they all deal with a similar group across the country.’

**STELLAR ACHIEVEMENTS OF SELF-FUNDED MOVEMENTS**

*Right to Information Act*

The NCPRI was finally successful with the passage of the Right to Information Act in 2005, which allows every citizen to get information and access government records. Now 6-8 million people make use of the law each year. But that doesn’t mean the struggle is over. ‘We have to stop them from diluting the law,’ says Roy.

The Right to Information campaign has led to the recognition of public hearings as part of democracy to hold the state to account for its actions. The previous government institutionalized this as a social audit, part of the formal structure of governance. Recently the Controller and Auditor General accepted social audits alongside financial audits.

*Employment Guarantee Act (EGA)*

The Right to Work movement culminated in the EGA, passed in 2006, which aims to enhance livelihood security in rural areas by providing at least 100 days of wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. In 2015-16, 50 million got work through the EGA. There are decentralized groups across India mostly working as support organizations to workers who are having problems with implementation of the Act.

*Where do funds come from?*

Roy is against all kinds of institutional funding. ‘For those struggling against the abuse of state power,’ she says, ‘being funded by the state or foreign funders compromises their position and prevents them standing politically strong.’ She cites the People’s Union for Civil Liberties and the People’s Union for Democratic Rights, both founded in the mid 1970s, neither of which takes any institutional funding. Groups like this have members who pay regular dues, which are graded so as to include the very poor. They also do crowdfunding when they need money in a crisis – for example for a court case or to support a rape victim.

If a human rights organization does accept institutional funding, she says, ‘they have to immediately demonstrate they aren’t stooges’. One activist working with post-genocide families in Gujarat, who achieved over 100 convictions for the killing of 2,000 people in a few days, did take money from institutions, including foreign
money, and she came in for a lot of flak, including claims of mis-spending. ‘Whether you are opposing atomic plants, GM food, mining, poverty, climate change or inequality, or whatever, if you give them any opening, the state will be on you for corruption and anti-state activities.’ Then public support gets diluted because people don’t know what to think.

Occasionally large amounts of money are given by very wealthy individuals. ‘On what basis would you refuse to take money from a rich person? If individuals are reasonable and have “charitable intent”,’ says Roy, they will accept it. But these are not regular core funders.

So where do funds mostly come from when they are needed? ‘The Right to Information is mainly unfunded,’ she says. ‘Mostly groups consist of people who use the law and do not depend on funding at all. Where needed, costs are community generated.’ People working as coordinators or convenors may have fellowships from various sources. If money is needed for a campaign or event, for example if the law is under threat, money is raised through crowdfunding. It comes from a huge spread of people ‘as the law caters for basic democratic principles affecting people of all classes and castes. It speaks to corruption and arbitrary use of power.’

People usually pay for their own travel to these events, but when a pensions demo was held in Delhi, Roy recalls, buses were needed to bring elderly people to the event. Then entire villages contributed money, including the very poorest, and then selected 10 people from each village to go.

The 40-day-long dharna (sit-in protest) in the city of Beawar that led to the formation of the National Campaign for People’s Right to Information (NCPRI) attracted very wide support. The Right to Information movement grew out of the demand for minimum wages for workers and the realization that any information the campaign asked for was denied to them by government. Protestors came to Beawar from across rural Rajasthan. The protest was supported by donations of grain from 150 villages and by individuals in Beawar. In all, almost Rs 46,000 (roughly $700) was donated over 40 days to keep the protest going. Support came from the entire town, with merchants paying for drinking water and opening up facilities for cooking, toilets, sleeping, etc. ‘This was a real symbol of how you can get public support for an issue of relevance to people.’ Many rights-based campaigns have been able to do this, says Roy. ‘This is public action that goes beyond divides in society.’

Does the ability of these movements to raise funds bode well for wider fundraising?

Roy is doubtful. ‘A completely different group would fund CRY, for example, and the Right to Information,’ she says. ‘While activist groups are looking at rights-based demands, NGOs are supporting development and empowerment in terms of very specific issues. We need a different kind of lexicon. We lump together many diverse
groups with different roles to play in what is now called civil society; I would rather call it the public sphere.

COMMUNITY PHILANTHROPY
The Community Foundation Atlas shows 21 dots indicating community foundations in India, yet in Gayatri Buragohain’s view there is no true community philanthropy in India. How can this be?

The 21 dots represent organizations that are happy to relate to the Global Fund for Community Foundations (GFCF), says Jenny Hodgson, director of GFCF, ‘but there is no self-defined or organized community philanthropy sector or field (a set of organizations that relate to each other and to the growing global sector). There are elements of community philanthropy – grantmaking, local resource mobilization, trust building – but few instances where these things come together. ‘

There’s a rich tradition of giving to trusts and foundations in India, she says, ‘but they tend to be organized around religious rather than developmental or social justice norms. At worst, they reinforce the status quo. The emphasis is on good karma for the giver rather than outcomes on the ground. We need a narrative around inclusion and participation and valuing of assets and local money.

There’s currently no organization in India that is weaving together a narrative for more participatory or multi-stakeholder types of philanthropy such as women’s funds, community foundations or other community philanthropy organizations. As a result, these organizations tend to exist in isolation from each other.’

At the moment, she says, local resource mobilization is not in itself considered as a strategy for community development as opposed to raising money and spending it. 'India has a strong history of civil society and civic action; it has civic/social movements but they haven’t necessarily taken on institutional forms.'

Moving beyond global north definitions
What sort of institutional form are we looking at? Sumitra Mishra points out that the architecture of community philanthropy is currently defined (and perhaps owned) by the global north. ‘As we move to developing community philanthropy as a sustained solution to power redistribution within local communities, we may have to redefine some of the key features. For example, is “grantmaking” a relevant tool for community philanthropy in India? Is generating resources within the community part of a legitimate model? And do we need to broaden the scope of what these resources may be.

23 See http://communityfoundationatlas.org/explore/#directory=1|country=india
'If people are gathering together in solidarity to make their voices heard,' says Mishra, ‘I would think that is a community resource. They have left their daily work, at the cost of lost wages, and are coming together to collectivize their voice. This may not directly or immediately make a difference to their personal lives, but they recognize that it is a step forward for their communities.’

While she sees financial resources generated, controlled and managed within the community as a vital element of community foundations, ‘in extremely resource-poor communities such as in India, applying this element as a fundamental factor to define community philanthropy may be an overstretch’.

But Mishra does think of a community philanthropy organization as a permanent organization within a community that gathers resources from the community to meet the needs of the community, now and in the future. This is where it differs from a collective activist movement, which might involve a temporary coming together of people and resources for a particular purpose. ‘A community philanthropy organization remains embedded with the community and works at long-term structural/systemic issues from within.’

**So what would community philanthropy in India look like?**

Gayatri Buragohain started working with the Foundation for Social Transformation in 2013. It is represented by one of the 21 dots in the Community Foundation Atlas, but it isn’t really a community foundation, she says. ‘It sees itself as a grantmaking organization that takes grants from bigger foundations and redistributes funds to smaller organizations.’

The main problem of philanthropy, in her view, is funders giving money with a plan in their head which doesn’t match what is needed on the ground or what the community wants. ‘Community philanthropy has the potential to shift the power imbalance,’ she says. Through interacting with Jenny Hodgson she came to see a community foundation not as an intermediary taking in money from others but as an organization that mobilizes resources for community needs to bring changes the community wants.

At present she doesn’t see anything in India that looks like this, at least not if you are looking at a foundation or an organized way of doing philanthropy. ‘If you look at unorganized ways,’ she says, ‘you find many people’s movements, always sustained through community philanthropy. Whenever there is a human rights crisis, with activists and lawyers involved, money is raised. These are not organizations with a long-term structure; they could be for immediate needs or for five years. Crucially, people are not waiting for a funder to come in: the supporters supply money from their own pockets. But these organizations don’t see themselves as community philanthropy organizations.’

There are also women’s rights groups and Dalit groups and others that sustain themselves in this way without external funding support, either through
entrepreneurial activities or through fundraising, but again they don’t see themselves as community philanthropy, and they’re not grantmakers. In any case, like Sumitra Mishra, Burgohain isn’t sure about grantmaking. ‘Many organizations don’t want to get into this culture of givers and takers,’ she says.

For Jenny Hodgson, grantmaking is not just a matter of moving money. ‘Where organized community philanthropy has emerged in other countries, it is interesting to note how the conventional notions of “donor” and “beneficiary” are being challenged with the idea that “no one is too poor to give and no one too rich to receive”. In this way,’ she says, ‘a community philanthropy organization becomes a flexible resource whose purpose is less to move money from A to B than to oil the machinery of community, build trust, catalyse ideas, etc. This kind of framing – which emphasizes solidarity and the power of the collective – extends beyond what has sometimes been a rigid (western) definition of a community foundation. It probably has much greater resonance in India – and, in fact, is no doubt already happening under a different name or form.’

Santosh Samal agrees that community philanthropy should include ‘both community control and community resources with collective ownership’ and that there aren’t any organizations that meet this definition in India currently. ‘Often organizations are supposed to be owned by the community but two or three people end up running and controlling them,’ he says. ‘There must be larger, collective ownership.’

**INDIVIDUAL GIVING BY ORDINARY PEOPLE**

The rise of middle-class giving is seen as perhaps the most significant trend in Indian philanthropy. Ingrid Srinath talks of ‘rapidly growing “retail” philanthropy from India’s burgeoning middle classes’.

‘There’s a lot going on,’ says Venkat Krishnan. ‘There's the formal giving to the social sector that most of us track, but there's an equally large if not bigger “informal giving” sector – giving through religious/spiritual and community organizations, as well as direct giving of assistance to those in need, cash and in kind, like sponsoring the education of one's maid or chauffeur.’

The base of individual givers is increasing, says Sumitra Mishra, and the average age of individual givers is going down: ‘people in their late 20s up to early 40s are giving more now.’ In addition, she says, ‘this is not necessarily giving by the most wealthy. These givers are professionals, working class people, people from the start-up economy. Men and women equally are giving small amounts of money more regularly.’
Another important trend – and opportunity – is the establishment of crowdfunding platforms.24

Crowdfunding
Crowdfunding is a new concept in India, says Varun Sheth of Ketto. Launched four years ago, Ketto is one of India’s ‘big three’ crowdfunding platforms, the others being Bitgiving and ImpactGuru. ‘Only in the last two years have non-profits started to look at it, mainly those that are more technology aware.’

On Ketto, he says, you can fundraise for a business, individual or non-profit but the last is the big focus. Seventy per cent of its donors are from India, largely from the big cities; the age range is mainly 25-45, and the average donation is roughly Rs 3,200 ($50). ‘This is typical of platforms outside India.’ Funding is mainly for projects rather than for organizational support ‘because it drives more people to contribute’.

Bitgiving and ImpactGuru also raise money both for personal causes and for NGOs, he says. Danamojo (dana is the Hindi word for charity) is a payment gateway for NGOs, and does no marketing; Milaap has been around for a long time, first as a microlender, now crowdfunding for personal causes and NGOs. GiveIndia raises money only for NGOs.

It is mostly service-oriented charities – focused on areas like healthcare, education, the girl child, toilets, and seed capital for woman entrepreneurs – that are fundraising online or through crowdfunding specifically, says Mishra. Human rights organizations are not doing it. ‘They are still coming to terms with the drying up of their traditional sources of funding. In terms of marketing social justice into warm, appealing stories, few examples come to mind. There have been some appeals around Dalit rights and manual scavenging on crowdfunding platforms, but none about women leaders in governance or strengthening public healthcare systems.’

Small Change is a new venture which raises money only for NGOs. ‘It started with a vision of growing a new generation of givers,’ says founder Sara Adhikari. ‘All we want is people to give; we’re looking at donations as small as Rs 200 (roughly $3).’ Its website, live since mid-June 2016, presents 25 NGOs that have gone through a process of verification by GuideStar India. ‘We ask NGOs to come up with campaigns or particular needs. One partner is running one called Free India’s Daughters from Fear; it is focused on three young girls who were trafficked and have been rescued, looking for donations for their livelihoods.’ NGOs can also ask for money for their general fund.

‘Donors have to begin to trust us,’ says Adhikari. ‘NGOs now need to present themselves in a way that’s accessible to givers who are out there online. We have

24 See http://crowdsourcingweek.com/blog/indias-top-ten-crowdfunding-platforms
promised the NGOs that we will look for new kinds of givers. There is not yet a huge bank of them. Since demonetization people are hanging on to small change!

**DaanUtsav**

The most visible manifestation of the growth of individual giving in India is DaanUtsav, which started in 2009 as Joy of Giving Week. The aim was to deepen the culture of giving in India. ‘Initially the idea was to have a national giving day – based on the idea of telethons in the UK and US,’ says Venkat Krishnan, one of those behind the original idea, ‘but in the end it was expanded from a giving day to a giving week, a weeklong celebration of giving, not to be owned or controlled by any organization, but something the whole country celebrates. So that’s how the idea was born.’

DaanUtsav has gone from strength to strength. Even in the first year roughly Rs 13 crores (over $2 million) was raised and there were over 1 million givers, including volunteering and giving in kind, says Krishnan. There were 10 or 12 large initiatives. For example, Goonj ran a collection of clothes in 40 cities; 1,400 schools participated in the Design for Change contest, Riverside School’s idea for children designing solutions to social problems that bother them. ‘This last is now a global event, taking place in around 40 countries,’ he says. By 2014 around 4 million were taking part, and ‘our sense is that by now 6 or 7 million are taking part. We should be aiming for 50 million, at which point it will become part of the culture and happen on its own.’

In the meantime, the name changed. As the festival grew, it reached out increasingly to lower-income people such as autorickshaw drivers as givers. ‘We approached 10,000 women in urban self-help groups and asked how we could help them,’ Krishnan remembers, ‘and they said, “why don’t you ask us to help others?” These lower-income givers were extremely generous but they couldn’t relate to the name Joy of Giving Week – apart from anything else, they didn’t understand English! By 2011 we thought we should change the name but it took us another two years to find a new name. There is no language that unites the country. Many don’t speak English; in the south many don’t speak Hindi; Sanskrit is too upper class. But daan, the Sanskrit word for giving, and utsav, meaning a festival, were familiar to most. So DaanUtsav is a festival of giving.’

It is largely informal, says Krishnan, maybe three or four times as much volunteering as giving. ‘When people volunteer, they experience the joy in giving much more personally.’ The informal giving is driven by compassion and beliefs, he says, and it mainly plugs the deficiencies of the state. This is equally true of the vast majority of the formal giving too. ‘Some very small part of formal giving is focused on rights/advocacy – my hunch is less than 5 per cent – and some part towards long-term impact through empowerment interventions.’
Fundraising
Indian NGO CRY has been fundraising since 1979; it was the first Indian NGO to do so on a mass scale. Thirty-eight years later, 80-90 per cent of CRY’s income comes from small individual donations, all from Indians. ‘Fundraising gives us a great deal of independence,’ says CEO Puja Marwaha. ‘It has allowed us to follow our own path of development.’

When CRY started fundraising in 1979, she says, the founder saw ‘privileged Indians who had the money, both wealthy individuals and institutions’, as the target. At that point money for charity typically came from the government or multilateral institutions – ‘India was seen as a basket case.’ Since then, CRY has created the concept of fundraising from the middle-class Indian, ‘a natural interpretation of our mission: getting people to take responsibility for children’.

For the first 10 years the sale of greeting cards was the primary source of income, plus events. In around 1992-3 CRY began a donation scheme, says Marwaha. ‘We’d gone to Norad in Norway to ask for money. Instead of giving money they said “why don’t we fund and train you to do fundraising through direct mail”.’ In 1993, Norad and Trauma Memorial began training CRY. Direct mailing to small individual givers began. ‘There was a definite decision to go to small donors rather than the very wealthy,’ she says. ‘We call them the small Indian philanthropists, and we told them, “you can make a difference”.’

In 2001 CRY dropped the card sales – with growing competition, it was no longer profitable – and moved almost entirely to individual donations. Now 80-90 per cent of income comes from small individual donations, the rest from corporate fundraising (since 1991). Events have stopped; the last one was a telethon in 2004.

CRY now uses direct mail, face-to-face fundraising, telephone, online. ‘Online is still minuscule,’ says Marwaha, ‘but it has to grow. India is making a leap in terms of middle-class India becoming more comfortable with online banking transactions, and it is so much cheaper to deal with donors online. We are online a lot in terms of campaigning but fundraising has been less successful. We are now looking at what we need to do to invest in this.’

CRY undertook its first crowdfunding initiative last year with Ketto, and CRY members opened up fundraising pages. The US entity was successful, but in India it didn’t really take off, she says. ‘Maybe it should have been for a smaller project.’ She mentions an animal shelter in Delhi that was shutting down for want of a small amount of money. ‘Someone put it on Facebook and they very quickly got three times what they needed. This was a very specific demand. A friend running a regular animal NGO is tearing her hair because she can’t find money. CRY works for children and education so it should be very attractive, especially if people don’t notice the focus on rights.’
CRY’s average donor gives Rs 3,500 (roughly $53) a year, ‘the price of a meal for two in Mumbai’. The average age is 30 plus. CRY is better known among baby boomers, there aren’t many young donors. ‘The biggest quest is to look for more donors,’ says Marwaha. The middle class is 6 per cent of the Indian population, and ‘we are the best known fundraising organization in India, seen as reliable, credible, slightly stodgy’. Despite the rights focus? ‘I’m not sure many donors notice!’

But there is a long way to go. Donations are mostly one-off, with a small amount coming from regular monthly donations. Regular donations are expensive to develop, and dropout rates are pretty high, says Marwaha.

Now the market has exploded, says Marwaha. Around 2009 the big international NGOs caught on that India is a growing economy and they could raise funds here, and they are fundraising very successfully in India – ‘everybody is here’. But, according to Marwaha, this has been ‘really bad’ for CRY and for Indian NGOs more widely (see section below on ‘The potential for fundraising’).

PHILANTHROPY INFRASTRUCTURE
In comparison to the number of NGOs, India has very few organizations actively supporting the philanthropic landscape, says Ingrid Srinath.25 ‘Large philanthropists are supported by their family/foundation offices, which do the research, sourcing and due diligence of grantees for them. They, in turn, are supported by strategic philanthropy think-tanks like Dasra and forums like the India Philanthropy Initiative (IPI).’ Formed about five years ago to encourage philanthropy in India, IPI is a collective platform of Indian philanthropists that seeks to foster knowledge sharing and exchange across principals engaged in philanthropy. Its secretariat is hosted at the Azim Premji Foundation. Certain foundations with a sector focus like Central Square Foundation and Arghyam serve as think-tanks for Education and WASH respectively.

The Gates Foundation works with local partners like Dasra and the Centre for Social Impact and Philanthropy at Ashoka University to support strategic philanthropy by HNWIs. ‘We are also looking to partner with foundations like the Tata Trusts, APPI and Edelgive Foundation to help spread knowledge of best practices for strategic giving,’ says Hari Menon.

Organizations such as VANI help in the convening of a large number of non-profits, says Srinath, while the Centre for the Advancement of Philanthropy (CAP) and Account Aid help with technical capacity building (mostly legal and fiscal compliance) for NGOs and specialist organizations like Praxis and PRIA provide research inputs.

25 In an interview for WINGS carried out by Chandrika Sahai: http://www.psjp.org/resources/post-1584/
Crowdfunding platforms like Ketto, ImpactGuru, Milaap and Wishberry address retail philanthropy, she says, while GiveIndia and CAF India are very focused on the retail space including cheque writers and active payroll giving programmes. The CSR provision in the Companies Act has spawned a large number of supporting organizations like Sattva and Samhita that work with companies on their CSR strategy and roadmap.

International networks are also becoming increasingly important. The Asia Venture Philanthropy Network (AVPN) has 66 Indian members out of a total of 381. The AVPN India Summit 2017, held on 14 September in Mumbai with the title ‘Investing for Impact in Education’, was sold out before the end of August, with over 200 people signed up to attend. Finally, international networks like CAF, WINGS and CIVICUS help benchmark the country’s progress in philanthropy and social development against others and enable learning from best practices.

What is missing?

One area that ‘hasn’t seen a big push’, in Srinath’s view, is ‘retail philanthropy’ – though she sees DaanUtsav as a big step forward. Other areas that haven’t received enough attention are the state of governance of NGOs and the role of boards, self-regulation and norm-setting.

Largely it is only urban, market-friendly organizations founded, managed and funded by elite groups and the educated middle-classes that can avail themselves of whatever support is on offer. ‘From underserved causes like disability to marginalized communities like tribal groups and unpopular sections like commercial sex workers or unorganized labour and remote geographical regions like the North East, whole communities and causes find little or no representation or visibility at conferences, workshops and the like,’ she says. ‘Similarly, niche issues like internet governance and the monitoring of India’s role at international institutions and negotiations as well as huge grassroots people’s movements go entirely unnoticed in philanthropic circles.’

The lack of information on the non-profit sector in India is widely acknowledged. A 2014 WINGS/Foundation Center report\(^\text{26}\) notes the difficulties of assessing the work of philanthropy in India and the absence of a central repository of information on the non-profit sector (estimated at 3.3 million NGOs in 2009).

But things are changing, says Pushpa Aman Singh of GuideStar India. ‘After eight years of incredible effort, GuideStar India now has 8,000 NGOs voluntarily reporting on its portal. The state of Maharashtra, which has one of the largest number of NGOs in the country, is in the middle of a massive digitization project. With the

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involvement of GuideStar India, it is embracing global best practices and embedding inter-operability. India is one of the few countries where NGOs have started using the BRIDGE number as a unique global identifier.

One organization whose research has been contributing to knowledge of Indian philanthropy, both in India and abroad, since 1996 is Sampradaan, while Bain & Co have produced their *India Philanthropy Report* every year since 2010; the Hurun Research Institute has been publishing the *Hurun India Philanthropy List*, a ranking of India’s most generous individuals, since 2014; and McKinsey, Bridgespan and FSG are doing sector-specific reports. CAF releases the annual World Giving Index at a global level. But all this is ‘a drop in the ocean for a country like India’, according to WINGS. ‘There is a complete absence of reliable data on the size, scope and composition of the sector,’ says Srinath.

The 2015 establishment of the Centre for Social Impact and Philanthropy (CSIP) at Ashoka University, itself a first-of-its-kind collective philanthropic initiative, is widely seen as a step in the right direction. The idea of starting a centre that does credible research in philanthropy had been toyed with since 2014 by Amit Chandra and Ashish Dhawan, both prolific philanthropists, founders of the Centre, and Ashoka University trustees, says Srinath.

The Centre exists to be a platform for norm-setting in the sector, push the quantum and quality of philanthropy in India, address challenges of scale (depth and width) for large NGOs, and encourage talent in the sector. Rohini Nilekani holds out hopes that it will ‘become a premier convening centre for donors and philanthropists to generate a national dialogue on giving, disseminate critical research and help design strategic philanthropic action’.

India’s sheer size and diversity provide the biggest challenge to building and sustaining infrastructure of the scale necessary, says Srinath. ‘Having witnessed networks in places like Scotland or Belgium struggle to achieve coherence, it’s not entirely surprising that this is hard to accomplish in India.’

Beyond size, she says, the sector has lacked a collaborative impulse that designs for its collective benefit rather than simply investing (often sub-optimally) for the needs of individual organizations. ‘Barriers of ideology, culture, class, language and other divides prevent any significant convening across silos. Such convening as occurs largely comprises echo chambers of like-minded folks emphatically agreeing with each other.’

*The emergence of organizations that carry out verification/certification of NGOs*

As in many other emerging market countries, distrust of NGOs is a recurring theme in India, seen as one of the main barriers to the development of philanthropy of all sorts. As a result, a new set of players has emerged on the philanthropy scene.
whose task is to certify/verify/accredit NGOs, and they are helping to change attitudes. This includes GuideStar India, Credibility Alliance, CAF India, Dasra, GivelIndia, Give2Asia, Caring Friends and the various crowdfunding platforms. The Centre for Advancement of Philanthropy runs a very detailed Compliance Complete Certificate Programme.

Most giving portals, crowdfunding platforms, philanthropic intermediaries, corporate CSR divisions and foundations have their own bespoke due diligence, says Pushpa Aman Singh. Often the objective is matchmaking between donors and NGOs. They either start with curating a list of organizations in a specific area of activity or location or they find projects as per a specific donor mandate and carry out due diligence. ‘If you are looking at certification or accreditation of NGOs that can be used by anyone (which means that criteria and methodology are publicly available, the list of certified organizations is displayed in public, and it is open for all NGOs to apply to undergo due diligence), there are only a few organizations doing this: GuideStar India, Credibility Alliance and TISS CSR Hub.’

What is the difference between verification and certification? ‘At GuideStar India, verification often refers to registered NGOs who are at our entry level with minimal document verification,’ says Singh. ‘Certification starts with a deeper level of due diligence in relation to public disclosure of key information, assessment of financial and legal compliance, reference checks with partners, donors and visitors, and validity checks as per government portals; it is a statement that certain standards have been met, as set out in GuideStar India’s certification solutions.’

Organizations are given certification seals such as Platinum, Gold and Silver, valid for a year. This makes it easy for donors to choose NGO partners with confidence, and it saves NGOs the trouble of undergoing the same process repeatedly with different donors.’

Certification is cause agnostic. Certified NGOs do include those working on difficult causes like human rights and the environment, she says. ‘While many certified NGOs are providing services, we have a good number of those working on advocacy, environment and human rights, especially because Dasra refers such organizations to us as part of their research reports and thematic portfolios.’

What is needed now, she says, is investment in philanthropy infrastructure, to drive efficiencies in information exchange in the philanthropy marketplace and expand the number of NGOs accessing it. Investment is needed in building the fundraising capacity of non-profits and in expanding giving by individuals, which is possible through initiatives like #DaanUtsav and #GivingTuesdayIndia.

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CAF India’s NGO Validation and Partnerships initiative has ‘an impartial and robust assessment of NGO credentials, capacity and track record,’ says Meenakshi Batra. ‘We also strengthen NGOs through capacity building and building effective partnerships with corporates and other donors. This enables donors to identify credible and competent NGO partners and maintain a continued association with them.’

According to Nimesh Sumati of Caring Friends, most organizations do only desktop due diligence, looking at NGOs’ registrations, accounts, etc; very few actually engage with NGOs. Dasra does field visits, he says, and Caring Friends only takes up associate NGOs it has visited and knows well. Initially members give their own funds to an NGO before seeking funds from the larger group.

Caring Friends works intensively with just 30 NGOs. ‘The reason for keeping the number to 30 is to make sure they really scale in all aspects not just numbers. Capacity building builds confidence to make these NGOs sustainable when we exit,’ says Sumati. ‘This works better when the group size is small. We also work closely with more than 30 other NGOs outside Caring Friends, and these may get into Caring Friends at a later date.’

Again, Caring Friends NGOs do include those working on difficult causes, for example Wildlife SOS, working on wild animals, poaching and conservation; Association for Democratic Reforms, working for political reforms; and SRUTI, working with activists and rights-based organizations working for the rights of Tribal and other deprived groups. ‘But overall in India awareness about these issues is low. Human suffering is so high it gets the priority.’
WHAT IS DRIVING PHILANTHROPY IN INDIA?

INDIA’S GROWING WEALTH
With a high rate of economic growth in the last decade, India now has the third highest population of billionaires in the world, and the number of millionaires is increasing at an astonishing rate of 11 per cent per annum. So there is an affluent section of the population with the capacity to give and a growing culture of ‘giving back’ among the newly wealthy. Though the number is still minuscule, women donors with independent means are beginning to enter the scene.

Growing prosperity is also driving giving by ordinary people of modest means, says Venkat Krishnan.

UNMET NEED
Another key factor is enormous social need, which government can’t meet. The 2017 Bain report notes that India ‘ranked 130 on the Human Development Index in 2014 and 110 on the Sustainable Development Goals (SDGs) Index in 2016’. According to a World Bank estimate, almost 33 per cent of the Indian population live below the international poverty line of US$ 1.25 per day and around 69 per cent live on less than $2 per day.

The scale of need is a big factor in the growth of impact investing, says Nisha Dutt, with private sector players continuing to emerge with market solutions in response to it. Many enterprises/start-ups in India are established in response to demand by the low-income population for good-quality services and products. In turn, talented fund managers who see the need for patient capital have emerged as well as different types of support function to meet the needs of enterprises for capital and capacity building. The creation of an apex body, the Impact Investors Council, to catalyse the growth of impact investing has provided an additional boost to the sector.

CHANGING ATTITUDES AMONG PHILANTHROPISTS
In the last ten years the ‘Gatezization’ of philanthropy has been an emerging trend globally, says Sumitra Mishra. Increasingly, private philanthropists are collaborating to pool resources for ‘maximum impact’. Resources are allocated to big-impact, scalable projects, mostly aimed at services. ‘Philanthropists are asking (quite loudly), “why has billions of dollars of aid not solved poverty and hunger around the world?” And their answer to their own question is: because civil societies have not employed smart business thinking to fix world poverty and hunger.’

Philanthropy is moving on from a ‘charity’ frame of mind to an ‘accountable investment in development’ frame, says Sonvi Khanna. This shift is nascent but it is
fast gaining traction for its potential to create a more professional, transparent and vibrant development sector in India. ‘It not only compels philanthropists to follow a process in their giving but also compels NGOs to bring process to their passion on the ground.’

As part of this new mindset, philanthropists are looking to use their business skills, networks and influence in their philanthropic initiatives, and experimenting with a variety of giving models. Research Dasra has published on the topic looks at different financial products used to fund social organizations, including social impact bonds and PRIs (including loans, loan guarantees, linked deposits and equity investments), usually used to supplement existing grant programmes. It also looks at innovative funding strategies such as venture philanthropy, impact investing and blended finance.

Also part of this new mindset is a tendency for philanthropists to want to implement their own projects rather than investing in existing initiatives. However, this is slowly shifting with the growth in intermediary organizations that conduct due diligence on NGOs and help to align donors and effective NGOs aiming for similar goals. The fact that donors are beginning to speak more openly about their experience of giving through NGOs is also helping.

THE INCREASING NUMBER OF YOUNG GIVERS

One significant change in philanthropy globally is the move away from ‘old wealth’. People are getting wealthy sooner and young people are increasingly engaging in philanthropy.

In addition, says Hari Menon, many of the next generation of India’s traditional wealthy families have been educated abroad and have imbibed some of the concepts of western philanthropy – having measurable goals, wanting to focus their work, etc. Many are driving conversations in their families when they come back.

Divergent giving philosophies between generations are improving the quality of family giving, says Sonvi Khanna. An example comes from an interview with Harsh Mariwala, chairman and managing director of Marico Ltd and founder of Mariwala Health Initiative. ‘One organization which my daughter brought to me was having limited impact in terms of numbers,’ he recalls, ‘and my reaction was, “we don’t want...”

28 See https://www.youtube.com/watch?v=PD0nl6gGZuM&list=PLgbFKRCqfOIQD47vdM5L-Fio5pG0JQRcH&index=2
29 See https://www.youtube.com/watch?v=KgNI3iEWrJ0&list=PLgbFKRCqfOIQD47vdM5L-Fio5pG0JQRcH&index=1
to support this because I am looking at large numbers. And this is impacting only a few, less than 100 people." But she came back saying that “we are not just looking at numbers … if you are in the area of mental health you have to be a thought leader, you have to do research in this area …” So I changed my view and we have decided to back that organization.”

AN INCREASED OPENNESS ABOUT PHILANTHROPY
In general philanthropy is much more visible. NDTV, for example, ran a very visible ‘greenathon’ campaign and there was a much-publicized visit from Bill Gates and Warren Buffet in 2011. ‘Though giving 50 per cent of their wealth is too much to contemplate for Indian HNWIs,’ says Pushpa Sundar, ‘these examples have fuelled an interest in giving.’

Rohini Nilekani notes that the media has been increasingly showing the disparities that wealth is creating between its possessors and the rest of Indian society and either implicitly or explicitly highlighting the social responsibility of wealth holders. We are seeing a lot more media mentions of philanthropy, says Khanna, with articles almost every week in leading newspapers like the Mint, and stories about needs and opportunities.

Also, individuals are more willing to talk about their philanthropy. ‘Individual philanthropy would not be spoken about for fear of drawing attention to one’s wealth,’ says Alison Bukhari. ‘A couple of decades ago you might have had families giving significant amounts but not speaking about it because people felt philanthropy should be kept private and you shouldn’t gain mileage out of it in any way,’ says Hari Menon. ‘Of late there has been much more talk about different approaches and individual giving journeys, which will encourage an environment of more open sharing of knowledge and experiences. There is much room for growth in this sort of sharing but trends are in the right direction.’ He mentions an ecosystem sprouting whereby people in different cities can get together to learn from each other and share experiences.

CROWDFUNDING AND TECH TOOLS
Pushpa Aman Singh cites a host of factors, including ‘the mushrooming of crowdfunding platforms and the penetration of telecom and internet, which have all given giving a boost’. In addition, ‘pioneers like GiveIndia, CAF India and United Way have popularized payroll giving, fundraising through marathons has become popular, and organizations like IndiaCares Foundation are driving the capacity building of

32 See https://www.youtube.com/watch?v=SBYM5_aEwdY&index=6&list=PLgbFKRCqfOtQD47vdM5L-Flo5pG0JQRcH
NGOs to build and engage individual donors.’ She also mentions that GuideStar India is hosting the Digital Impact World Tour of Stanford University’s Digital Civil Society Lab, led by Lucy Bernholz, in February 2018. Varun Sheth also cites the ease of online payments and transactions, and growing familiarity with e-commerce and online transactions.
WHAT IS HOLDING BACK PHILANTHROPY IN INDIA?

LACK OF CONFIDENCE IN NGOS

Mistrust of NGOs
The 2010 Bain report noted a number of inhibiting factors, among them mistrust of NGOs and donors not being aware of NGOs matching their interests. The 2013 and 2015 editions again point to difficult relations between donors and the NGO sector as an inhibiting factor.

A lack of trust in NGOs is mentioned by many contributors to this report. Pushpa Sundar talks of ‘a tremendous lack of trust between donors and ultimate recipients’, both NGOs and large institutions such as hospitals and universities. ‘Donors hesitate to give because they feel the money might be used inefficiently or not go to the cause at all.’

Sonvi Khanna mentions a shortage of NGOs that are efficient and credible, and the need for ecosystem players to build NGO capacity, while Hari Menon specifically mentions the lack of capacity of NGOs to operate at scale. ‘Even if wealthy people wanted to give away the bulk of their wealth,’ says Rohini Nilekani, ‘I don’t think there is enough absorptive capacity on the ground. We need a lot of investment in the civil society sector before the pipeline can grow.’

Noshir Dadrawala talks of a ‘trust deficit’ in relation to corporate philanthropy. ‘Today, India has more HNWIs than ever before. But first-time philanthropists are unsure who to give to, how much to give or how often to give.’ A 2015 study on corporate foundations noted ‘poor governance of NGOs’ as one of the chief reasons why many corporate foundations choose to implement their programmes themselves.

Sumitra Mishra also talks of companies having difficulties in finding the right NGO to support: NGOs often don’t have the bandwidth to manage the funds, but they don’t want funds to go to an international NGO like ActionAid or Oxfam because the company’s identity will be submerged. Companies also lack confidence in the way NGOs are run, says Mishra.

‘While NGOs traditionally regard businesses as crooks making money on poor people’s backs, companies tend to see NGOs as depending on charity funds, not understanding how hard it is to make money. Civil society needs to learn to speak a language that companies understand,’ says Mishra. ‘They need to have better

systems and be more transparent.’ When it comes to individual giving, again the biggest inhibiting factor is lack of trust in NGOs.

It’s not helping that the government is reinforcing the message that NGOs are corrupt and incompetent, she says. ‘Typically, NGOs will suffice in case of a flood but not when it comes to climate change and questions about environmental sustainability.’ ‘News about NGOs is all negative,’ agrees Sara Adhikari.

Lack of capacity in NGOs
‘NGOs are very bad at telling stories,’ Adhikari adds. ‘Some newspapers do run good stories – the Better India website is all about good stories – but mostly people remember negativity.’

Mishra also highlights failings on the NGO side. ‘Lack of transparent communication by NGOs about use of resources puts off the repeat donors, who like to know what’s happening to their money,’ she says. ‘NGOs have tight margins and don’t find time to report, and don’t understand the power of a single communication in getting repeat donors.’ ‘If people don’t know what you do why will they support you?’ Adhikari agrees. ‘NGOs are notoriously bad at this, especially small ones with no marketing or comms people.’

Appealing to individual givers is in any case a challenge for NGOs, especially those addressing social justice issues, says Mishra. ‘Milaap’s website, for example, is all about heartrending stories of life and death. When Milaap started, it was meant to be a Kiva, giving low-return loans, but it has changed strategy. Social justice organizations and NGOs are not appealing to individual givers. The challenge for the long term: how do you get individual donors with their hearts in the right place to see how small amounts of money can make a difference to a cause?’

Is lack of NGO accountability a problem?
According to Chandrika Sahai, NGOs are perceived by many as ‘unaccountable at best and at worst a farce for money making/tax avoidance’. Amitabh Behar does not agree that most NGOs and CSOs are not willing or able to be accountable: ‘corporates are not willing to look at the often robust systems that exist in NGOs – a perception we all need to challenge.’

The whole conversation is unfair, he maintains. ‘People say: “CSOs aren’t accountable, they don’t know how to tell their stories, they’re not strategic.” But it’s donor education that is needed. Changing something like the caste system is incredibly complex; social change doesn’t happen through one intervention; randomized control trials (RCTs) may not be the best way to measure impact. I was talking to a well-known journalist hired by the Omidyar Network to help NGOs to tell their stories. My response to Omidyar: it’s not about us not being able to tell our stories; donors are not willing to listen to them. Capacity building is needed for donors to enable them to listen. Many philanthropists understand the complexity of
social change but when it comes to funding they go back to templates.’ Sahai sees this as ‘part of the shift that the philanthropy sector needs internally: instead of changing others philanthropy needs to change itself.’

**ATTITUDES OF WEALTHY PEOPLE**

‘I think the wealthy are still not sure about philanthropy,’ says Rohini Nilekani. ‘I think they may still believe that they have to hand over capital to the next generation, keep it in the family.’ Luis Miranda agrees. The biggest philanthropists are the first generation entrepreneurs, he says. Among old-wealth families, he sees ‘a variety of excuses for not giving more, the main one being that they have a responsibility to pass wealth on to the next generation’.

Amitabh Behar identifies several inhibiting factors that relate specifically to social justice philanthropy. In his view donors lack a systemic understanding of change. Nor do they have an appetite for the instability caused by challenging power relations, which is at the centre of social justice initiatives, worrying that it would lead to adverse political responses from the state and other elites. He also feels that the scale of deprivation in India can lead to philanthropists seeing no need to get into more complex issues when there’s so much to do just feeding the hungry, etc. Finally, he sees a lack of commitment to social justice giving owing to India still being a highly unequal, feudal and caste-driven society.

Anantha Padmanabhan also mentions India being still a feudal society. ‘If you are a wealthy person, you can just go outside your door and give very small amounts to a lot of people – that’s the old way; it shows the power structure. This isn’t the sort of philanthropy India needs.’ In his view, the intellectual challenge is missing for the philanthropist. ‘The dominant idea is still that of “doing good” through charity rather than innovating, taking risks (that commercial capital won’t take) to solve “outstanding, wicked problems”.’

Sonvi Khanna mentions a series of Dasra interviews with committed Indian philanthropists that call out lack of compassion and responsibility on the part of the wealthy as a key barrier to giving more and better. While some of the wealthy see social development as the government’s responsibility, others think their CSR investment should suffice. According to Rati Forbes, leaders of strong corporates can do so much more by leveraging their networks in addition to their company’s capital. But few end up going that extra mile.34

Khanna is not the only commentator to suggest that the new CSR law could become an inhibiting factor if businessmen feel they are doing enough through their companies and need not dig so deep into their personal pockets or networks. Venkat

34 See https://www.youtube.com/watch?v=PD0nl6gGZuM&list=PLLgbFKRCqfO1QD47vdM5L- Fio5pG0JQRcH&index=2
Krishnan also suggests that the 2 per cent CSR rule has reduced the growth in HNWI giving.

Personal affiliation continues to play an important role in informing philanthropy, says Khanna. While it is one of the main drivers of giving in India, it also limits where the funding goes, with contributions tending to go towards donors’ ethnic community, religion or geographical region. Education attracts a disproportionate amount of funding, she says, with most contributions going towards providing access to primary education, building higher quality learning/training institutions and enhancing employability. And most funds still go into funding programmes rather than institutions. Here Khanna quotes N S Raghavan, co-founder of Infosys & Nadathur Trust: ‘The area where unfortunately even the donor seems to have a mindset which is not healthy is that they want their money to be directly spent on the cause and not building the infrastructure and support which will allow these NGOs to really do well and be more effective.’

LACK OF PHILANTHROPY INFRASTRUCTURE

Another inhibiting factor is the lack of infrastructure for promoting philanthropy. There are some organizations doing it but too few for a country the size of India. Pushpa Sundar specifically mentions the need for ‘a proper infrastructure where donors are put in touch with credible NGOs. There are some organizations – GuideStar India, Credibility Alliance, GiveIndia, etc – but India needs many more.’

As already noted, organizations doing solid research on the philanthropy sector are also lacking – though Bain & Co and others have recently started carrying out research and the Centre for Social Impact and Philanthropy at Ashoka University has been established.

A SHORTAGE OF TALENT

Hari Menon mentions the lack of talented people to staff foundations: ‘we increasingly find philanthropists who want to scale up their work but there isn’t an adequate pipeline of talent to help drive the foundations and charitable institutions required to support this work.’

Access to skilled human resources has also been identified by impact enterprises as a bottleneck for growth, according to Dutt. This is due to the lack of qualified and skilled professionals in Tier II and III cities and rural areas, and the inability of most impact enterprises to afford highly qualified personnel.

35 See https://www.youtube.com/watch?v=RCFKOQj5kx4&list=PLgbFKRCqfOtQD47vdM5L-Flo5pG0JQRcH&index=3
There are also capacity issues relating to technology. One challenge for NGOs, says Varun Sheth, is that they are not ready to invest in technology or to scale operations through it. A 2015 study by CAF India and Ethica36 found that two-thirds of the organizations surveyed (30 NGO respondents) felt they were ill equipped to take advantage of digital platforms to raise funds. Reasons included insufficiently trained staff, poor quality of existing donor databases, and inadequate funding to invest in online giving tools and promotional activities.

REGULATORY ISSUES

In Rajesh Tandon’s view, domestic philanthropy in India will remain underdeveloped if it doesn’t address key provisions of the regulatory framework. He points out that VANI has excellent documents on income tax, NGO registration, the FCRA, and a variety of provisions around ‘ease of doing business’.

Perhaps the most significant regulatory issue is the government crackdown on foreign donors and international NGOs supporting/working on sensitive social issues, already referred to. One NGO whose licence under the FCRA has been withdrawn is Navsarjan, which runs special schools for Dalit children, who face discrimination and violence in regular schools. ‘All our work in the social sector has come to an abrupt halt,’ said founder Martin Macwan, who notes that appeals for local donations have failed to make up the shortfall. ‘We hope to keep the schools running till the end of March, but after that we won’t be able to pay teachers’ salaries.’

An issue raised by Alison Bukhari of Educate Girls is the proposed requirement, now held in abeyance, that NGO trustees declare their assets as if they were civil servants. ‘Obviously a move towards greater transparency is necessary in certain areas, however, there is some concern that this will mean that a number of board members, particularly those who are important funders and philanthropists, may be put off from joining or might resign from boards.’

Lack of tax incentives

On the fiscal side, several commentators refer to the lack of incentives for philanthropy. Luis Miranda suggests that reintroducing estate duty could help drive more money to philanthropy, while Anantha Padmanabhan likewise comments that the wealthy have no particular incentive to give – unlike in the US, where ‘if you don’t give it away, the government says we’ll take it. Tax is a powerful incentivizer,’ he says.

37 Scroll.in (9 July 2016): https://scroll.in/article/811436/indian-government-is-targetting-ngos-yet-again-claim-non-profit-workers
Noshir Dadrawala sees the ‘not so enabling tax regime’ as holding back CSR. ‘CSR cannot be written off as business expenditure,’ he explains, ‘though the company would be entitled to a 50 per cent tax deduction on CSR grants made to its own foundation or a partner NGO.’

There is actually a fiscal barrier to impact investing, says Geeta Goel. Unlike in the US and UK, where foundations are allowed to invest in for-profit companies, in India doing this risks losing tax-exempt status; there is no category of programme related investment in India. Companies cannot invest CSR money in a for-profit company or make an investment that comes back to you after a certain time if they want to have the contribution included in their mandatory 2 per cent.

Writing in The Times of India,38 economist S A Aiyar argues the need to overhaul the laws relating to trust investments. Government is encouraging trusts to make grants in priority sectors like agriculture, small-scale industries, education, microcredit and low-income housing. In the last two decades many for-profit start-ups have emerged in these sectors. He gives the example of microfinance institutions: once they served just a few villages, ‘but some have now grown into full-fledged banks like Bandhan with over a million clients’. These enterprises need equity finance. At the moment, because trust laws prevent trusts from holding shares in for-profit companies, most of this finance is being provided by foreign social investors like MSDF and the Omidyar Network. According to a McKinsey study, ‘85% of all equity investment in social impact ventures is foreign, and only 15% is Indian.’

BARRIERS AFFECTING IMPACT INVESTING
The impact investing market infrastructure in India is not fully developed, says Nisha Dutt, as current intermediaries are relatively small. Impact investors are often unable to find investible enterprises as many enterprises do not have access to common investee/investor networks and therefore do not have an equal chance of accessing funding. This differential access is likely to be driven by a variety of factors including language skills (those less comfortable with English are more disadvantaged) and location (rural entrepreneurs probably have less exposure to networks).

Geeta Goel adds that more incubators and accelerators are needed – structured programmes of support that go with early stage funding. Both institutionalized seed funding and Series A funding are in short supply, she says. By the time enterprises have reached Series B and are successful, they should be able to attract commercial funding. Nor are there many tested business models working well at BOP level. Knowledge is lacking about how to measure quality, how much people will pay, how

elastic price is. It exists for microfinance, which is easy to measure; it’s much harder to work out with education, for example.

Financial returns may also be a concern for potential investors, she says, despite promising returns at least in the microfinance space. Impact investors’ ability to attract mainstream capital is further limited by the difficulty of establishing a robust exit track record in order to demonstrate the success of the investing approach.

India’s low ranking on ease of doing business may also put off wary investors. In 2016, India stood at 130th among 190 countries on the overall ease of doing business, but ranked 155th on the ease of starting a business, and 185th on dealing with construction permits for enterprises, which makes it one of the world’s toughest places to do business.

**DISTURST BETWEEN THE WEALTHY AND SOCIAL ACTIVISTS**

‘In India the wealthy and social activists don’t trust or like each other,’ says Jenny Hodgson. ‘Mechanisms for giving, donor services, etc are growing but not yet connecting with social change activists. Not many organizations are positioned to build bridges between rights and justice groups and mainstream philanthropy. iPartner and Dasra, for example, are seen as too pro-business and anti-poor, more shaped by donor intent than community initiative or will. NFI is one of the few organizations that can start to carve out that space.’

Amitabh Behar broadly recognizes this picture. Dasra can walk into any corporate house easily, he agrees, while CSOs are in NFI’s reach. ‘Social justice groups tend to see every penny companies make as blood money, while companies see social justice groups as at best bleeding hearts, at worst misusing funds. We need systematic nurturing of this space,’ he says. ‘Different public narratives will be needed, and this will involve working with the media to correct perceptions on both sides.’

Sonvi Khanna also recognizes the divide between social justice activists and the wealthy, but makes the point that neither social activists nor the wealthy are homogeneous groups. Dasra works with NGOs that are standing at the cusp of growth and open to developing their institution and on the philanthropist side with those who are willing to invest their philanthropic capital strategically and contribute though their time and experience as well.

Chandrika Sahai suggests that people like Azim Premji and Rohini Nilekani and their platforms are in a good position to bridge the gap. She also maintains that iPartner India ‘has worked to close the gap and represent the community needs to the donor’.  

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39 In an interview with PSJP: [http://www.psjp.org/resources/post-1584/](http://www.psjp.org/resources/post-1584/)
WHAT IS THE POTENTIAL OF PHILANTHROPY IN INDIA?

CONTRIBUTING TO DEVELOPMENT
Several of our commentators talk about the potential for philanthropy to contribute significantly to development in India. Sonvi Khanna sets out three ways in which philanthropy could contribute to achieving the SDGs or development outcomes in general, all emphasizing the need for sustainability.

Given the limited size of philanthropic funds, she says, the role of philanthropy must be catalytic: to create a blueprint for resolving issues and develop a proof of concept. It needs to work with government from the start in order to ensure government takes the pilot to scale once its success is proven. Another way to ensure sustainable change is for philanthropists to invest in solutions that are driven by the community. ‘Building community ownership ensures the change will continue even after the exit of philanthropic capital.’ Finally, she suggests investing core funds to build strong NGOs into sector leaders.

Alison Bukhari outlines ‘two schools of thought’ in relation to the enormous funding gap that is evident 18 months into the SDGs and the lack of concrete commitments to bridge that gap. One option for philanthropy is to try to bring more accountability to existing funding pools and to invest in initiatives that build systems and infrastructure to deliver funding better, achieving more concrete outcomes.

The second option is to focus on bridging the gap, either by contributing funds directly or by acting as a catalyst and investing in initiatives to unlock new pools of funding. One example of this approach is outcomes funding, and in particular a new funding instrument called a development or social impact bond.

Development impact bonds
Outcomes funding, or payment by results, is where a donor enters into a contract with a service provider (NGO) to commission certain social outcomes and pays the service provider only once those outcomes have been achieved. Here the full risk is borne by the service provider. The social impact bond instrument was originally developed in the UK to change the way local governments contract for social outcomes and to enable more social service organizations to enter into such contracts by providing working capital and bearing some of the risk.

The development impact bond (DIB) sees this instrument taken into an international development context, initially with the government outcomes funder role played by non-governmental donors. The Educate Girls DIB sees philanthropy playing a critical role both in funding a proof of concept that could then be taken to governments and unlock more government capital and in funding the capacity building of service...
providers, especially to measure results better and put more professional performance management systems in place.

As Bukhari sees it, the hope is that in the future philanthropy can either jointly pay for outcomes with local governments, thereby unlocking previously uncommitted government funding, or provide working capital loans to service providers to enable them to enter into outcomes funding contracts with far less risk.

The Educate Girls DIB is one of only three that have been contracted globally but there is talk of more DIBs launching in India next year. The government has started to have conversations about partaking once the concept is proven and is already involved in the largest outcomes contract globally with the World Bank for the Swachh Bharat Abhiyan sanitation initiative.\(^{40}\)

**Corporate philanthropy and development**

The discourse is that CSR, driven by the new Companies Act, is going to deliver solutions to all the country’s problems, says Sumitra Mishra. ‘Yes, the space is emerging,’ she admits. ‘But it’s still unsure and tentative. There is money, but unlocking of this money is still to be seen.’

‘We should give it two years before we can take a position,’ she says. ‘Now there is a mixture of small giving to NGOs, medium giving through corporate foundations, mostly not rights-based, and large giving to government missions or Confederation of Indian Industries platforms, but it’s too soon to see how this money is being used and how it’s being measured.’

Asked if he sees much long-term potential for the CSR law to contribute to development in India, Hari Menon gives ‘a cautious yes’. While it hasn’t yet led to dramatic flows of strategic capital into the sector, there are ‘a few encouraging signs’. Several large Indian companies and multinationals have made a significant contribution in particular sectors, for example sanitation, ‘many times what they would have contributed previously’, in response to a prime minister’s initiative.

**Impact investing and development**

Impact investing has been supporting sectors such as healthcare, education, livelihoods, clean energy, water and sanitation for the last two decades. The SDGs can help impact investors define the expected outcomes better, says Nisha Dutt. In fact ‘impact investing has already significantly contributed in pushing the private sector effort in achieving the SDGs.’ Impact investing can create shifts in the market and drive some SDG goals to market solutions, agrees Geeta Goel. ‘This is how some of the goals can be met sustainably.’

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\(^{40}\) William Savedoff and Janeen Madan Keller (25 July 2016) ‘The New Leader in Cash on Delivery is... India!’ \[https://www.cgdev.org/blog/new-leader-cash-delivery-is-india\]
However, Dutt suggests, as impact investing focuses primarily on early stage enterprises, a much larger effort from the government and larger companies will be required to achieve the SDGs within the given timeframe.

THE POTENTIAL OF SOCIAL JUSTICE PHILANTHROPY
There is real potential to scale up ‘transformative philanthropy’, says Rajesh Tandon, because citizens’ associations and civil society organizations are active in every district and town of the country. ‘Many thousands of them have been able to mobilize and support citizens to claim access to their rights and to organize self-help efforts. However,’ he says, ‘such efforts at social mobilization and demanding accountability from governance institutions are on the verge of being squeezed out of existence for want of flexible and durable funding.’

Given the hiatus left by the withdrawal of foreign funding and the failure of Indian donors to step into the gap so far, this is a big question: where are human rights and other complex issues going to find funds in future?

‘American philanthropy took a long time to move from a charity/neighbourhood approach to a more strategic approach and eventually, in some cases, to a social justice approach,’ says Amitabh Behar. ‘Indian philanthropists will get there and move to a more systemic, social justice approach, but it will take a long time.’

Where will the money come from? Foreign donors are not an option, says Pushpa Sundar, ‘and bigger foundations and companies hesitate because it will have an impact on business and risk alienating government’. What other options are there?

**Could social justice funding come from community philanthropy?**
Not in the short term, says Jenny Hodgson. ‘Community philanthropy that is happening is mostly religion driven and charity driven; encouraging a focus on social justice is a longer game. People who give money are often the beneficiaries of an unjust system: high castes with philanthropic resources are unlikely to support Dalit empowerment, for example. However, there is nothing to rule out the emergence of a Dalit community foundation, which mobilizes resources across its networks.’

While mobilization of community resources in India is generally for charitable and religious purposes, says Chandrika Sahai, ‘when a community or a village mobilizes resources and comes together to resist injustice or violence or sets up a temporary or long-term self-funded social movement, that too should be perceived as “community philanthropy”. We can learn from where communities have mobilized resources and organized themselves as agents of social change.’

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Community philanthropy, by nurturing small groups, ‘could be one important way to address social justice philanthropy in the long run’, says Santosh Samal.

**Could it come from wealthy givers and companies?**

Donors are willing to fund work that doesn’t conflict with government, says Pushpa Sundar, ‘but they mostly don’t want to stick their necks out’. She mentions a group in Mumbai that is mentoring and supporting Dalit entrepreneurs. ‘This won’t bring them into conflict with anyone. Making women more economically independent is an acceptable cause. But there is very little money to address conflict between majority and minority communities or between castes. Only Tata Trusts have done this sort of work on a large scale. Now a few of the newer donors are coming in. Donors need to be motivated, educated.’

Sahai agrees about the need for donor education. ‘I think India has great potential to develop the role of local philanthropy to be more powerful and support real social change despite the “closing space”,’ she says, ‘but donor education is needed to sensitize donors to the systemic causes of the problems they are facing.’

The importance of donor education is one of the things stressed by Pushpa Sundar in her book *Giving with a Thousand Hands: The changing face of Indian philanthropy*, in a chapter on the ‘unfinished agenda’ for Indian philanthropy. ‘Philanthropy orientation has to change from “giving back” to “solving social problems”,’ she writes. Understanding the difference between charity and philanthropy, developing better philanthropic practices to ensure that ‘design and strategy are correct to achieve the impact on societal scale’ and ‘more diversification in charitable preferences’ are some of her suggestions for a donor education agenda.

Nor do companies look like a good prospect, according to Puja Marwaha of CRY. ‘We have had some success with corporate fundraising in the past,’ she says, ‘but it is now not so successful because corporates don’t like rights-based work and advocacy.’

**Could it come from the rise of middle-class giving?**

This is where the money will come from, says Sundar. ‘Small donors are contributing to NGOs, the India Against Corruption campaign, campaigns against tribal atrocities. Funding by ordinary people who believe in causes is the way forward. NGOs need to gear themselves up to appeal to this audience. Small donors, small amounts, given anonymously – it’s difficult for government to oppose.’

But opinions are divided about the prospects of fundraising for rights-based causes. Puja Marwaha of CRY is doubtful: ‘Right now we are such a reactive, rightist society, rolling back liberalism, more capitalist every day. People see environmental NGOs as anti-development: they don’t want jobs to be created or factories built. In this phase, the prospects aren’t good.’
'Are people giving in a strategic way?' asks Sumitra Mishra. ‘To reduce poverty, remove inequalities or promote diversity? I don't think so. Giving is still very much heart led; it’s about what pulls my heart, so stories of a girl child or a poor farmer or abandoned pets raise most money.'

Varun Sheth agrees that ‘donors do engage more with education, healthcare and children – though women’s empowerment is also successful’. This is up to the non-profits, he insists. ‘We don’t pick projects.’

Amitabh Behar admits to having been sceptical at first. In 2011, when Amnesty secretary-general Salil Shetty asked him to help scope how they could start Amnesty India, ‘I felt there wasn’t enough funding in India to fund Amnesty. He argued that in a country of 1.2 billion there must be enough people wanting to support human rights. After talking to young people in schools and colleges, my response was more positive.’ Amnesty India has since been very successful in raising money in India, and Greenpeace, Oxfam and Save the Children are all hoping to follow suit. Not that this is a wholly positive development, as will be seen.

Venkat Krishnan is also sceptical, at least in the short term. ‘At the moment crowdfunding is largely for individual cases, often for projects,’ he says, ‘mostly not systemic funding for institutions. I haven’t heard success stories about crowdfunding for social justice work.’ He doesn’t dismiss the idea of crowdfunding for rights-based issues, but 10 years down the line he’s optimistic, he says. ‘It is often said that people in India don’t support these causes, but I’m not sure I agree. Greenpeace, for example, has been extremely successful in raising retail donations for their work in India. Human rights organizations need to develop campaigns and come forward more; they haven’t done enough work on this. The potential is far higher than what is actually happening today. With foreign funding no longer available, it’s fair to expect Indians to support human rights initiatives.’

He describes the India Against Corruption movement as a ‘massively successful crowdfunding campaign. Driven entirely by individual giving and volunteering, it was able to mobilize at least 50 million citizens into action on a subject as abstract as governance, and it resulted in the passing of legislation with significant implications. It wasn’t the sort of issue that you’d expect to be successfully crowdfunded. Rights-based issues like this gain legitimacy from local support; not having it undermines their legitimacy.’

More generally, self-funded activist movements are a longstanding phenomenon in India – temporary movements to fight a particular issue as when a village is in danger of being displaced by a large industrial project or a dam. If you go back in history, he continues, ‘money for Indian freedom struggles has always been raised from mass public initiatives, certainly not from a few billionaires or from foreign funding. There is a history of supporting such campaigns.’ Again, this seems to show
at least the potential for public funding for more permanent NGOs working for social change.

‘The challenge for many human rights NGOs in India,’ he says, ‘is that we don’t yet have the pulse of the middle class, the potential donors. We aren’t relating to them.’

**What about the influence of DaanUtsav?**

‘The rights-based approach tends to put people into two camps, at loggerheads with each other,’ says Krishnan. ‘A more Gandhian approach (although he did do a lot of protesting!) is to try to get both sides together and build empathy. Then people will give because they recognize the equality of the other person as a human being who should have access to the basic things of life. If I’m blessed enough to have these things, why not share them?’

Krishnan recognizes that this falls a long way short of rights: if you’re a poor person, having these basic things will still depend on the generosity of higher-caste, richer people rather than being your right. ‘I’m not saying social justice movements aren’t important,’ he says. ‘But the thinking here is that by creating greater empathy, you increase the chances of universal access to rights. Take gender rights: do you have to start with the assumption that all men are opposed to gender equality? Empathy can be an important way to achieve greater justice. Gandhi wanted the British to leave India but he didn’t want the British to hate us, or see us as enemies; he wanted them to recognize the situation was wrong and it was right to leave. Both rights-based action and development of empathy are needed.’

DaanUtsav has been personally transformational for him, says Krishnan. ‘People like me – upper middle class, western educated – tend to think about what is right and what isn’t and come back with a logical framework for rights, but it doesn’t have an empathetic connection. Our desire for change can’t be articulated in a way that people can understand and relate to emotionally. People working on human rights need to build deeper roots on the ground and a greater understanding of people and their issues.’

**THE POTENTIAL OF COMMUNITY PHILANTHROPY**

The community foundation model does have potential, says Gayatri Burgohain, but she’s still figuring out what kind of model would work. She doesn’t favour the model of givers and takers. Rather, she would want a model where the raising and distribution of resources is community controlled, with good buy-in from the community.

So how can a community-driven grantmaking body function? ‘Will it be community owned if only 10 people in the community make decisions? Will it be an effective organization if the whole community makes decisions? Communities are often
misogynistic, casteist, religious. Can community philanthropy bring the changes we want when communities are not necessarily equal or just?’

The Global Fund for Community Foundations has tried to bring us together, she says, ‘but we need more clarity about what constitutes a community philanthropy organization. Many organizations say they are funding agencies run by women, receiving money from international funders and making grants to other groups to create change. But community philanthropy is not about giving and taking money for a particular change. It’s about increasing the ability of a group to raise its own money and make its own decisions, increasing the power of the community.’

If a way can be found, she concludes, ‘co-owning of the process of change through community philanthropy does have potential to break the monotony of expectation that change must be driven by government and NGOs and to make the process of change more collaborative, involving more people.’

**Community philanthropy and development**

For Santosh Samal, community philanthropy is ‘the best and most effective route that could be sustainable to pursue the development of marginalized communities’. While bigger organizations depend on institutional donors and government for sustainability, smaller community-based organizations (CBOs) depend primarily on local resource mobilization. CBOs and community leaders are likely to be accepted since they understand the issues facing the community and are involved in the day-to-day activities of the community.

However, he admits community philanthropy is not an easy route to development. One problem is ‘a lack of effective social leadership among marginalized communities. Community leaders are often hijacked by national and regional political parties which believe in a divide and rule policy. Social leaders need to be recognized in other ways so they don’t fall into this trap.’

Then there is the big issue of resource mobilization. Transparency, accountability and building leadership in the community are the key to resource mobilization from the community, in Samal’s view. ‘It takes lot of time to prove credibility but once it is established many people will contribute money, expertise and time.’

Although the aim is local resource mobilization, sensitive outside donors could help communities to build community assets. ‘There are several highly prominent individual philanthropists in India,’ he says. ‘These individuals are important not just for their own significant philanthropic investments but for the spotlight they bring to philanthropy and the model they set for others. These individuals can be sensitized to promote community philanthropy.’ Exchange programmes so communities can learn from each other could help, and wide dissemination of the concept of community philanthropy is vital.
Samal also suggests engaging with companies ‘to make them understand how community philanthropy can not only build the company’s image but also contribute to sustainable development’. Finally, there is the government. ‘Currently the government isn’t doing anything,’ he says. ‘It does help certain members of the community through affirmative action but they tend to move away from the community rather than supporting it. Thus the external resources serve limited projects.’

‘Small community philanthropy could create wonders and change lives,’ says Samal.

THE POTENTIAL OF INDIVIDUAL GIVING
Interestingly, several of the people we talked to about progressive philanthropy by the very wealthy were keen to talk about the growth of giving by the less wealthy.

‘There is an understated story about Indian giving by ordinary people,’ says Rohini Nilekani. ‘In India, in addition to charitable giving and religious giving, we see organizations like Amnesty, Greenpeace and CRY, year on year, tapping into middle class people who believe in these organizations and their goals. This makes me feel very hopeful.’ ‘Crowdfunding and getting money from professionals (who aren’t HNWIs yet) is on the rise,’ says Luis Miranda.

Online giving/crowdfunding
Online giving is clearly on the rise. Respondents to the survey of NGOs carried out by CAF India and Ethica\(^\text{42}\) predict that 20 per cent of all giving in India will occur online within two years and 50 per cent within 10 years. ‘The primary finding of this report and data collected from various NGOs suggests that the sector is inclined to embrace new media to enhance online fundraising, but in a very conservative manner,’ points out Radhika Ralhan.

‘However,’ adds Meenakshi Batra, ‘our conversations with Indian NGO leaders suggest that some NGOs continue to struggle to build the capacity and expertise required to succeed with online fundraising. They lack knowledge of the digital behaviour of donors and experience with the medium, and are too bound by insufficient budgets to experiment and learn.’

There is huge potential for India’s 4 million NGOs in the next five years, says Varun Sheth. ‘India is a highly underserved country in terms of education and healthcare, the fastest growing economy in the world. And it’s a very giving country at all pay scales, whether to temples or to a guy on the street.’ The big charities are finding it easy, ‘a cost-effective, efficient way of fundraising’, he says. ‘Small ones are finding it difficult as they are new to the internet world. We are building new products for

smaller charities, basic tools such as emailing tools, templates and semi-automated receipts. So there is huge potential to do this giving online in an organized fashion.'

Others agree with this assessment. ‘I wouldn’t think we have tapped even a fourth of the potential,’ says Pushpa Aman Singh. ‘Traditionally Indians are philanthropic but strongly regional,’ says Nimesh Sumati. ‘Now with the new era of information and exposure things are changing. People are looking beyond their caste and state. I am very hopeful about this.’

A recent GlobalGiving pilot with crowdfunding platform ImpactGuru suggests potential for online giving, says John Hecklinger. Indian NGOs want to be able to use GlobalGiving with local donors but local cards and bank transactions don’t work on GlobalGiving, he explains. The partnership with ImpactGuru was to test if local NGOs would use a local platform to engage with donors. ‘The results show that there is an appetite to use platforms,’ he says. ‘The future hope is to develop ongoing partnerships between GlobalGiving and local online platforms so that transactions can happen locally and be registered globally – for matching, credibility, etc.’

Sara Adkihari is more circumspect. ‘Online giving is minuscule but it is set to grow by 10 or 20 per cent by 2020,’ she says. ‘In my mind it’s not yet happening in terms of individual giving but it is beginning; we need to hit the right buttons.

‘Among ordinary people there isn’t a culture of giving to organizations that are going out and doing great work. This isn’t going to happen overnight but the notion of giving and hunger for change is growing, especially among young people – the internet generation. This is a trend and an opportunity that we can’t ignore any more. It’s not about fundraising; it’s about trying to change attitudes to giving. Giving will grow if we give out the right messages.’

*Is DaanUtsav leading to more giving?*

What is happening as a result of the success of DaanUtsav, which is above all a vast celebration of giving? ‘It is certainly encouraging wider informal giving, beyond the immediate family,’ says Krishnan. ‘Giving to your family isn’t counted as giving. It’s about going outside the comfort zone of your own social circle and giving to people you don’t know.’

As people become better off, could this develop into more formal giving? Possibly, he says, ‘but informal giving is something people do, and they may just want to do more and more of it.

‘Take the giving fair organized in a small rural panchayat called Badamba in Odisha, 12 villages with a population of 25,000 in all. People from different castes came together and everyone gave what they could. Some people were both givers and receivers. You gave to a pool and took from the pool. So it wasn’t a caste thing or a family thing, but a community thing. Something like that is very unlikely to get
formalized in any way, but it is likely to develop and sustain itself in the way it’s happening already.’

One very concrete development is the launch by GuideStar India of India’s first Giving Tuesday, on 3 October 2017, as part of DaanUtsav. Giving Tuesday is a global day of giving, celebrated in more than 98 countries, with everyone giving to their favourite cause in a variety of ways. 43 More than 225 NGOs vetted by GuideStar India and 12 collaborating organizations launched interesting campaigns to promote individual giving in India. These were featured on the https://www.givingtuesdayindia.org portal.

Fundraising
In Puja Marwaha’s view, fundraising by international NGOs is seriously damaging the Indian fundraising marketplace. ‘They all have an India war chest,’ she says. ‘Our income is shrinking because of competition from them. They can put in money for 10 years while they build their brand, while we have no other source of income.’

In her view, this makes it very hard for other Indian charities to come into the field. CRY has been training and encouraging others, as has Resource Alliance, but Indian charities are intimidated by the amount of investment needed to develop fundraising. Grassroots organizations are not even beginning to think about it – though she is aware of a growing number of charities doing ‘products’.

Nor is the problem limited to competition for donors. The international NGOs will go to agencies that have grown with CRY and offer better terms, says Marwaha, while ‘the longevity of CRY fundraisers is less than a year before they are grabbed by one of the international NGOs’.

There is also a more direct issue of ethics, she says. ‘When it comes to fundraising they don’t behave in the way the development sector behaves.’ As an example of ‘particularly shameless’ behaviour, she mentions that one international NGO stole CRY data. ‘This was proved in court: our data was found on their computers along with Oxfam’s data.’

There may also be an issue about the international NGOs introducing what would be seen as good practice in global north countries, but which raises the costs for Indian NGOs. ‘People are now calling us and asking for receipts for one-off donations, following international NGO practices,’ says Marwaha.

43 See three interviews with Pushpa Aman Singh on Giving Tuesday India:
First Post India: https://www.youtube.com/watch?v=VIPu0tRwsDY
Forbes India:
https://www.facebook.com/ForbesIndia/videos/10155923418869994/?hc_ref=ARQNoyBslHyOztndD9_wc20QRLL06zKgOhWyMC-eZyzj5CE3Garewg1HNgPdmntYSE&pnref=story
Radio One 94.3 FM: https://www.youtube.com/watch?v=S527wqJ5tQ&t=41s
‘Everyone wants to see this ecosystem flourish,’ she concludes, ‘but what’s happened with international NGOs has put the whole thing out of shape.’

Are Indian NGOs facing unfair competition from international NGOs?

Amitabh Behar seems to think so. ‘International NGOs have deep pockets,’ he says, ‘and the experience to enable them to fundraise.’ It takes five years of investing before you reach break-even. ‘Indian NGOs are far smaller and it seems like a very daunting task for them. The largest Indian NGOs are worth only a few million US dollars. NFI and others need to reach out to smaller groups.’

Alison Bukhari takes a more optimistic view. She admits that international NGOs will likely have invested in fundraising ‘way beyond the capacity that smaller local NGOs would have. CRY were risk takers and pioneers in this space but have perhaps, understandably, not been able to see a way to capitalize on some of the trends that the international NGOs have the money to drive.’ But her hope is that local NGOs will be able to piggyback on the money spent by international NGOs on creating a marketplace and fundraising infrastructure and a new giving mindset; that they will start to use some of the fundraising infrastructure and compete in this expanded marketplace.

‘The potential should be much greater now there are more players and many, many more donors. There are now marathons in most cities, door-to-door fundraising is more established, call centre fundraising is up and running, telethon Comic Relief style funding happens. I would hope that there is a tipping point soon when the “local is better” message can be heard and local NGOs can start to utilize the channels that have been set up by the international NGOs.’ She mentions Magic Bus as one Indian charity that has invested in fundraising. But she admits ‘maybe this is too idealistic a view’.

Pushpa Sundar is also optimistic. While she recognizes that ‘their connections, organizational skills and resources give large foreign NGOs a big advantage when it comes to raising money in the Indian market, there aren’t so many of them’. The problem is partly one of attitude, she says. ‘Until now Indian NGOs have depended on foreign NGOs, and the amounts given were large. Now they need to fill the gap.’ She points to the lack of infrastructure organizations to help Indian NGOs develop successful fundraising and to promote a culture of giving – ‘or a return to an older culture of giving. We need many more campaigns like DaanUtsav,’ she says.

Like many others, she emphasizes that it’s going to take time. There are successful TV campaigns, she says, for saving the tiger, for example. ‘But the Indian growth story is not very old, only since the beginning of the century.’

Nor is Puja Marwaha so pessimistic in the longer term. ‘The overall universe must grow,’ she says. ‘Numbers are growing because of support for international NGOs as well as CRY. Good will isn’t lacking, people are very trusting.’
PEOPLE CONSULTED FOR THIS STUDY

- Alison Bukhari of Educate Girls (formerly with Dasra)
- Amitabh Behar, director of the National Foundation for India (NFI)
- Anantha Padmanabhan, CEO of Azim Premji Philanthropic Initiatives (APPI)
- Aruna Roy, activist and co-founder of the Right to Information movement
- Chandrika Sahai, coordinator of Philanthropy for Social Justice and Peace
- Gayatri Buragohain, formerly with the Foundation for Social Transformation
- Geeta Goel of the Michael and Susan Dell Foundation
- Hari Menon, senior advisor, Philanthropic Partnerships and Government Relations – South and South-east Asia, Gates Foundation India
- Ingrid Srinath, director of the Centre for Social Impact and Philanthropy (CSIP), Ashoka University
- Jenny Hodgson, director of the Global Fund for Community Foundations
- John Hecklinger of GlobalGiving
- Luis Miranda, Indian philanthropist
- Meenakshi Batra, CEO of CAF India
- Nimesh Sumati, founder of Caring Friends
- Nisha Dutt, CEO of Intellecap Advisory Services Private Limited (Intellecap)
- Noshir Dadrawala, director of the Centre for the Advancement of Philanthropy (CAP)
- Puja Marwaha, CEO of CRY
- Pushpa Aman Singh, Founder and CEO of Guidestar India
- Pushpa Sundar, Indian philanthropy expert and author of *Giving with a Thousand Hands: The changing face of Indian philanthropy*
- Radhika Ralhan, adviser to CAF India
- Rajesh Tandon, founder and president of the Society for Participatory Research in Asia (PRIA)
- Rohini Nilekani, Indian philanthropist and founder/chairperson of Arghyam
- Santosh Samal, founding executive director of the Dalit Foundation
- Sara Adhikari, founder of Small Change
- Sonvi Khanna of Dasra
- Sumitra Mishra, formerly of iPartner India
- Varun Sheth, founder CEO of Ketto, India’s biggest crowdfunding platform
- Venkat Krishnan, DaanUtsav volunteer and founder of GivelIndia