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(Sadhan Pad-2, Patanjali Yoga Darshan)

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Indian Philanthropy

With this tenth anniversary issue of this newsletter, we have arrived at an important milestone in the Indian Philanthropy movement. It has taken off. There is, of course, great need for philanthropy in India. There is, at the same time, much potential. What is most encouraging is that there is increasing appreciation for it by Indian entrepreneurs and top executives.

In my early years of management teaching in the 1970s, I used to stress upon the importance of social responsibility as one of the filters, in addition to profit and growth potential, while arriving at the final business strategy. The response was not very encouraging. Some reasons were cited. Companies were already paying very high taxes. Their growth opportunities were severely curtailed by the license permit raj. The reforms of the 1990s have opened the doors to growth; and also reduced taxes to civilized levels. Business is responding both with growth and with philanthropy.

Some social science intellectuals, lacking understanding and empathy with business, used to be critical at various stages. There is now a better understanding of the need for triangular cooperation between Civil Society; Business; and Government. There have been many changing fashions. It has been a fashion to call for "Beyond this" and "Beyond that". There is, of course, some merit in such

evolution. At the same time, the earlier phases need not be disapproved, condemned or disowned. One such

from the
president's desk



fashionable slogan was "Beyond charity". Where earlier there was a vacuum of no giving, charity is certainly a step forward. With British rule of India being focused more on British interests, there were huge gaps in health, education, etc. Indian industrialists set up many "Charitable" hospitals, schools and colleges. Giving charity is a good human impulse.

The next slogan has been "Beyond cheque book Philanthropy". Writing cheques for NGOs gives them more autonomy in the use of the funds. Where they have a good project and skills, this may be better than a corporate trying to micromanage projects, without the necessary core competences. When the philanthropy budget of a business group or corporate grows, it needs better management. There is still need for a partnership between domain experts, who bring with them intimate knowledge of the field, and the primary donor or secondary donor adding management skills. Sampradaan means, in fact, "Good Giving", so as to achieve developmental and self-reliance goals.

The search for good giving is brilliantly illustrated by the recent heart warming global news of Warren Buffet committing about 40 billion dollars to the Bill Gates Foundation. Buffet could have started his own foundation. For that money, he could build a large organization. He realises that would take long and add to overheads; and probably be less expert. He could have split the money between several donees and got his name displayed in many places. But he made an efficient business decision, without ego. Give it to the donee working on a vital issue and doing it well. Buffet has imposed a huge challenge even for Gates. The spending will have to double next year and go on increasing.

In India, the corporate philanthropy (CP) commitments are rising. In my talks to business chambers, industry associations and other management audiences, I used to call for a CP budget of at least 1 percent of pre-tax profits; or the project cost, in case of a new site. Many companies still fall way short of this modest target. 1 per cent profit after tax would be even better. After all, corporation tax has been reduced from 43 to 35 percent. There is room in a big

country like India for different kinds of philanthropy. Among large corporates, one can see broadly two models. Where a group has many enterprises, each with many locations, they need to contribute to their local communities, as well as at regional and national levels. This "Distributed Philanthropy" model seems to work well in the Tata Group. On the other hand, companies in the service business, without rural, manufacturing locations, can go for a "Sectoral Philanthropy" model. The Premji Foundation, with over Rs.600 crores is focusing on school education. The Bharti Foundation, with a starting grant of Rs.200 crores focuses on rural primary education, but will also look at a few other deserving causes.

In my convocation address at the T.A. Pai Institute of Management, Manipal, I highlighted the need for PSR, Personal Social Responsibility, in addition to CSR, Corporate Social Responsibility. Every better-off executive, worker and other citizen can also contribute to the Indian Philanthropy stream. Many drops make a bucket. An outstanding example of such PP, Personal Philanthropy is K.V Ramani, who was involved in the

founding of Hughes and Future Soft. He sold his stakes to an incoming MNC, for over Rs.200 crores. He kept less than 10 percent for himself and has formed a Trust to give away the rest.

Whether it is so-called charity, cheque book or "smart" philanthropy, there are two inescapable responsibilities to make it good giving. The recipient NGO has to provide regular MIS on implementation; progress; problems; lessons; and the donor must appreciate; advise; give constructive feedback; and decide on further support. There is a Management and a Governance responsibility. As the Indian Philanthropy movement matures, we can hope to see high growth in effective giving. We need to match and exceed the US philanthropy growth of 16 percent p.a. Indian corporate profits are forecast to grow at about 20 percent over the next three years, to begin with. SICP salutes and celebrates all good givers and effective users.

**- Dr. Mrityunjay Athreya,
President, SICP.**

"The sage accumulates nothing. Having used what he had for others, He has even more."

Lao Tzu

"The problem of our age is the proper administration of wealth."

Andrew Carnegie

"Philanthropy is the instrument that societies have used to compensate for the indifference of the market place and the incompetence of the state."

Robert Payton, President of the Exxon Foundation.

"The difficulty lies not in new ideas but in escaping the old."

John Maynard Keynes



Indigenous Traditions of Philanthropy in India - A Historical Review

By Prof. G.S.L. Devra

Although history and traditions both support the fact that people in India by and large remained conscious of their philanthropic responsibilities, it is difficult to define the nature of philanthropy of Indian or oriental traditions and draw a distinctive line between charity and philanthropy according to present day presumptions.

On auspicious days, people used to perform *Tula Dan* (donation by measuring oneself in cash or kind) and donate it to the needy and poor people, but at the same time they did not stop from making grants for general welfare activities, like construction of wells, tanks and inns. Most *dharmshalas* or inns (lodging houses that were free or charged nominal fee) built even in the remotest parts of the sub-continent from the earliest period, confirm such varied trends. These places bear the names of their donors, most of whom were princes or merchants from the different parts of the country.

Besides resulting from sacred treaties and work by individuals promoting faith, charity and philanthropy works increased with the formation of state under the great empires, particularly

due to the organization of tax structure in favor of the ruling classes that led to a greater stratification of the agrarian society, thus creating a sizeable class of dependents and destitute.

The loss of traditional rights and freedom over the agricultural, forest and grazing lands left a large population impoverished and in a state of despair. This situation developed throughout history, thereby creating a substantial demand for charity. Caste system further divided the society, and gave legitimacy to the demand and system of charity, which ultimately became the responsibility and burden of the senior and influential persons of the society.

Religious writings clearly laid down the conditions and provisions for welfare activities, donations, gifts and charity. The extension of trade, particularly in consumer goods to far-flung areas of the empire, increased the demand for new kind of facilities along the trade route and at halting places. This also brought forth new areas for philanthropy that combined self-interest with social welfare.

Monuments of the feudal past are

proof that royalty and merchant families donated their amassed wealth for the construction of tanks, wells, *Baoris* (step wells), *dharmshalas*, gardens, etc., for use of the common man, both at their respective places and in the other parts of the country. The list of such donors is quite long and history is full of names of people known for their exemplary spirit for charity and philanthropy, take for instance tales of *Daanveer* Karna of the Mahabharata fame.

In Rajasthan, Gujarat, Malwa (M.P.) and Sind, Punjab, the tale of Jag Dev Parmar of Malwa became very popular for the reason that Prince Jag Dev was always open to offering help and charity, irrespective of the caste and status of the receiver. He is said to have laid his life to save lives of other people.

Mihir Bhoj or popularly known as Raja Bhoj of Ujjain ruled the hearts and minds of the people for several generations for his charity works which he liberally extended to all those who came and approached him, directly or indirectly.

Generous and benevolent activities also became characteristic traits of the castes. A Rajput or a person

from warrior caste was respected not only for his bravery or martial traits alone. He was also known for his virtues of kindness and sacrifice for others. His sense of sacrifice especially for the honor of women, land and the ruler had become synonymous with the character of the caste.

Otherwise too, Indian traditions while admitting the value of charity, always over emphasized the act of sacrifice in the name of service for others. And those who laid their lives for the noble cause got immortalized as living gods. The worship of local deities popularly known as *Bhomias*, *Grashias*, *Kshetrapals* and *Palias* in most parts of North India represents such trends. In other words, the concept of hero worship or *Veer Pooja* remained uppermost in the minds of the people. One can easily find the figures of such people carved on the stone pillars located either along the village boundaries or riverbanks, tanks or wells.

During the medieval period, grants were extended to learned persons as well as to the needy. The Mughals were known for their secular grants. They not only provided help to the Islamic clergy but also to the saints and sects of other religions. These *madad-i ma'ash* grants not only reflected the character of the medieval state, they also helped in spreading education. Before the coming of Mughals, Sultan Firuz Tughluq had established a

department of charity or *Khairat* to serve the needy but he focused more on the people of his own faith. Islamic law has provision for charity in the form of *Zakât*.

The Mughals were also known for their public works. Though they set aside a small percentage of their land revenue but the extent of their social activities was very large. The chief beneficiaries of these grants were *Qazis*, *Sajjadanashins*, controllers of the educational and religious institutions. Most of the grantees, except the needy, performed some



social service and enjoyed great social reputation and influence. It is said that institutions which later came to be known as great educational and religious centers, were actually developed through the efforts of such grantees. They also constructed wells and inns and took interest in the development of orchards. It is an established fact that these grantees were assigned lands mostly in

uncultivated areas and they, on their part, converted it into the fertile lands as that was the only source of their income. Scholars have also examined the impact of such grants in a critical manner and felt that *madad-i ma'ash* holders were representing a class of the natural apologist and propagandist of the state. Anyway, this army of worshippers was supposed to pray for the welfare of both, the king and his subjects.

Hindu rajas of this period also set aside part of their salary (*Tankhawah*), received against their services to the Mughal Empire, for public welfare activities, though again like the Mughals, they concentrated on building forts and palaces. Archival records of the period elaborate that the list of beneficiaries of the state in the Hindu principalities was quite large and it is computed that almost two percent of the income was spent on charitable grants known as *Punarth* or *Dohlis*. It is interesting to note that Hindu rajas in their patrimonies had created a class of concessional land-holders, who were paying less than the other cultivators. A list of such favorite holders includes Brahmins and other priestly class who had been engaged in the temple worship, learning and ritual practices.

Besides this, on certain auspicious days, food grains, cloths, utensils and even hard cash was given to the poor and needy. On such occasions, not only the rich and resourceful persons

and all who could afford, provided relief to beggars and the needy. French traveler Bernier who visited India in the late seventeenth century provides a vivid account of the festival *Makar Sankranti* that falls on 14/15 January of every year, when all sections of society gave offerings on the banks of Yamuna river.

Besides the Brahmins, Charans and Bhats (writers, poets and bards) had a special place in the courts of Rajput kings. In the name of philanthropy and patronage, these people were granted *jagirs*, allowances and other favors in return for their creative writings and well meaning concern for the royal house and people. In the eighteenth century, when political and financial crisis deepened in the native states, these people were forced to think of other options for their survival, some even threatened to commit suicide.

The archival and epigraphic evidences from several parts of the country reveal that queens and female servants of the royal families who had been enjoying certain financial rights either in the form of *jagirs* (*patta* holdings) or handsome maintenance allowances, spent their money on construction of wells and tanks. In the regions of Gujarat (particularly in Kutchh and Surashtra) and Rajasthan, there is evidence of such activities. Of course,

there were religious motivation for such efforts but the records reveal that the women of the royal houses (*Harems or Zanani Duodhis*) who were not sure about their future in the successive regimes preferred to invest their money in such benevolent works rather than to leave it to be confiscated by the state.



There is more than sufficient evidence to show that business families of this and later period indulged in various kinds of philanthropic

activities too. In fact, most of the water tanks, wells and *dharmshalas* in different parts of the country were built by the trader communities. It appears that the *Puranic* or Jain teachings played an important role in motivating them to contribute to the field of charity, much ahead of any other group in the society. Weber and other noted European scholars on Indian religions mention that the success of Indian businessmen depended on their faith in traditional customs and sacred treaties particularly in Jainism and *Vallabhacharya* sect of *Vaishnavism*. "Traders could combine business journeys with religious pilgrimages, and be confident, wherever they went, of being accepted by a body of co-sectarians." This resulted in creating

a network of contacts among the business groups operating all over the country. Business and charity thus became inseparable for the traders community. Besides this, like the Rajputs, the influence of their family deities or local god and goddesses also played an important role in promoting their charitable instincts.

A close scrutiny of some of the family cases reveals that clan or family deities had the preference over the other established gods and goddesses, for example, Oswals Jains of India have their clan deity, *Osian Mata* (temple is located in the *Osian* town, near *Jodhpur* in Rajasthan). A number of families of this social group had their separate family deity, like *Morkhana Devi* of *Surana Oswals*. Service in the name of such deities in return for blessing was considered a pious act on part of the members of the family or clan.

Banjaras or peddlers of the world of trade who transported various food provisions and other necessary articles from one place to another within the country too contributed to the field of philanthropy. These traders, instead of constructing big places and large reservoirs, built small inns and wells or *baoris*, sometimes along the places of worship or places of halt. Many of these were located in difficult terrain and remote places along the trade routes so that whenever they passed by again, they could find a place for rest and relief. These facilities were



otherwise open to all who passed by. There are several references of the places like *Lakhi Kuan*, *Lakhi Baori* and *Lakhi Sarai* scattered all over the country which suggest that leaders of the Banjara community, known as 'Lakhi Banjaras built these structures. These non-feudal constructions speak about the varied trends of philanthropy within this country.

Later on, rise of Banias in all the sectors of trade including transportation of goods, overtook the prospects of these peddlers and ultimately the introduction of locomotives during the British period sealed their fate permanently. During the British period, new businessmen became more interested in constructing *Dharmshalas* at the burgeoning trade centers or places where community or common kitchens (*Basas*) could be operated, either free of cost or at concessional rates.

The presence of *Marwari Dharmshalas* in most modern towns is a testimony to this new development. But their common kitchens or *Basas* could not be compared with the tradition of *langar* or free food offered at the Sikh Gurudwaras. Business historians have accepted that these *Dharmshalas* and community kitchens played a significant role in the migration of famous Marwari community from their native places and enabled them to become founder



members of big merchant houses of future. But famous *Marwaris*, still living in their native places, preferred to construct wells and step wells along with the *Dharmshalas* where the natural environment was hostile, and means of communications tough.

Modern India (British period) saw the shift towards building of schools, colleges and hospitals for the spread of education and health care. From late eighteenth century or early nineteenth century onwards, philanthropy projects focused on education and health. This period corresponds with the age of industrial and capitalist development in the history of India. According to a case study of donors belonging to remote and arid state of Bikaner, from where a good number of merchants settled in Bengal and other regions of east India, money was disbursed mainly for the construction of schools (sometimes in the institutions of higher learning), public libraries (*Vachnalayas*), hospitals (chiefly Ayurvedic), hospitals, wells, tanks, *Baoris* (step wells) and

Dharmshalas. There is evidence that during famines and droughts, grants were made to the relief funds of the state.

In the first half of the 20th century, as many as 68 schools were constructed and managed by the *Seths* and *Sahukars* in the Bikaner state alone. Birlas set up their famous educational institution during this period in Pilani (Shekhavati), another arid part of Rajasthan.

Meanwhile small-scale businessmen, too, did not remain behind. They setup tents, constructed water stands and halls near the bus stands and railway stations to provide relief to passengers. An interesting development of this period was the construction and running of public libraries by these groups. There is strong evidence that people from princely India could find the information about the national movement in British India only through these *Vachnalyas*. Historians have accepted that such centers played a significant role in the growth of *Praja Mandal movement* demanding responsible government



New Academic Centre for Philanthropy in Germany:

The new Centre for Social Investment at Heidelberg University (Germany) was inaugurated last month. Through research, teaching, and policy analysis, the Centre will seek to add to the knowledge and understanding of private action for public benefit, in particular the types, roles, and contributions of social investment, philanthropy, civil society and social economy institutions in Europe and other parts of the world. The Centre will offer a Master's and PhD program as well as a summer academy and executive education and training. The founding directors are Dr. Helmut Anheier, formerly of University of California at Los Angeles, and Dr. Volker Then, formerly of the Bertelsmann Foundation (a WINGS participant). For more information go to http://csi.uni-hd.de/index_e.html.

Continued from Page 7

in the Princely states.

Well, there is another side of the story, too. During the British rule, Indian rajas and maharajas indulged in public welfare activities in a big way. Even the Depression period of the thirties in last century failed to hamper their spirit. Most of the royalty of native states not only reorganized their strength through the formation of Chamber of Princes

but also tried hard to project their image as the constitutional and benevolent kings of India. In their statements they showed their



willingness to improve the lives of people in their states, that too along the lines of the constitutional development and reforms. Actually the princes were keen to find a place in the future federal structure of India and continuity of their rule. But the resources of the states with historical weakness and traditional administrative structure did not back their plans. Therefore these authorities approached the native businessmen and merchants who under the Pan

Britannica had become prosperous in the different parts of the sub-continent and the neighboring nations. They got a favorable response from them, as a result of which building of educational institutions, hospitals, canals and even development of the energy sector started. In return, these merchants received rare royal honors and titles, which were otherwise reserved for members of the royal family and leading nobles of the state. These merchants were also granted several facilities and privileges for the smooth running of their business and enhancement of their position in their respective societies. Feudal aura really worked wonderfully and became an attraction for these merchants. It also raised their appetite for rewards and honors from the British government too.

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Foreign Donors and Their Impact on Indian Philanthropy

By Ajay S. Mehta

This essay looks at the interplay between foreign assistance and voluntary organization in terms of its impact on State policies, and Indian philanthropy. It also looks at the role of the State and the voluntary sector in shaping the discourse on development and engaging domestic and foreign philanthropy in contributing to democratic and egalitarian agenda. The observations in the paper are based on my subjective experience of working in the voluntary sector over the last two decades and not from any systematic study of the subject.

Broadly my sense is that foreign assistance has played an important role in helping the voluntary sector gain in autonomous capacity and diversity of perspectives. Both shallow and substantive works have found favour with foreign assistance. The reason for this was not so much because of their lack of knowledge about ground level conditions, but more because the discourse regarding participatory approaches to development within the country failed to acknowledge the problems that were encountered in the course of working to this paradigm. Indian philanthropy, which was slow to support development work in the post independence period, is now increasingly invested in its promotion. As the country grows wealthy and a large number of corporate houses and the Indian Diaspora, commit substantial

resources to development issues, the critical question will be discerning between shallow and substantive discourses on development and directing their efforts to activities that will make our society more equal and democratic.

During the pre-independence period as part of the national movement, voluntary organizations were active in bringing about social reform and providing services designed to advance the wellbeing of people. Under Gandhiji's leadership, voluntary action or constructive work as it was known, was a means to creating the social base for self-governance; the idea of responsible citizenship and community efforts at self-reliance. A great many institutions, based on this philosophy; of citizens taking responsibility for solving the problems faced by society, came up during this period. In all this indigenous philanthropy played a vital role. The house of Tatas, the Birlas, the Bajaj¹ family and many ordinary people contributed to the voluntary sector. Even some feudal princes did.

After Independence the vision and the vitality of the sector appears to have waned. Many leaders of the voluntary sector movement moved into government. Because the government itself became the locus for a great deal of social and political transformation, it was understandable that the voluntary sector lost some of its

motivation and momentum for autonomous initiatives. In partnering the State, on many nation building initiatives, the voluntary sector's links to private philanthropy atrophied. This was to have unfortunate consequences for the future when the state became over bearing and it was important for voluntary sector to have alternatives to state funding. One of the important initiatives taken by the voluntary sector in the post independent period was the Bhoodan movement under the leadership of Vinobha Bhave. Had the Bhoodan movement been more successfully organized, it could have created the imagination for the voluntary sector to enable the poor to come together and lay claim to the management of common property resources vested with the state. Not having created effective organizations that could support the poor to make Bhoodan lands productive, an opportunity was lost by the voluntary sector to build a constituency for participatory development both amongst the poor and among indigenous philanthropists.

Into the decade of the 70s there was a resurgence of voluntarism. The success of the JP movement was to revitalize the self-confidence of the older generation of voluntary workers on the relevance of the sector and it also inspired a younger generation of grass-root activists to get involved in political and social work. At another level a



number of people with privileged educational backgrounds started new voluntary organizations. The disenchantment with the performance of the state in alleviating poverty and upholding democratic norms gave rise to a great deal of intellectual churning in society also. Eminent social scientists like Rajini Kothari and D.L. Sheth gave conceptual support to the idea of people associating with each other and creating new forms of political and social work that would give deprived communities voice and autonomy in managing their own affairs. In their formulations, perhaps not enough thought was given to how these now associational formations would become viable and capable of resisting the centralizing and authoritarian tendencies of the State. Nevertheless, their conceptual formulations helped the members of the voluntary sector to think ambitiously about their relevance to advancing democratic and egalitarian agendas. It was left to foreign assistance to create opportunities for serious institutional building work around the idea of people's participation and community self-governance. One of the decisive elements in attracting foreign assistance to the sub-continent was the Chipko movement. The movement, which started in the remote hills of Garhwal in the early 70s, too helped shape an



international discourse, which showed that environment protection and sustainable livelihoods for were compatible objectives. This helped foreign donors to rally support from their own governments and citizens for large-scale investments in forestry and environmental regeneration in developing countries.

The resurgence of the voluntary sector was also greatly assisted by the policies of the government in the immediate aftermath of the emergency. The Janata government launched two major nation wide initiatives in the field of health and education that sought the cooperation of voluntary organization and local bodies. These initiatives resulted in many voluntary organizations expanding their operational areas, recruiting staff and gaining fresh experience in constructive work.

During the early years of Independence, bilateral assistance and private foundations like the Ford Foundation worked largely to support government initiatives. Around the 70s they also started to support voluntary organization. Through the decade of the 80s and the 90s a great deal of foreign assistance became available to the voluntary sector. NORAD, SDC, SIDA, GTZ, the Ford Foundation and many other

foundations and bilateral agencies gave funding support to voluntary organizations in the fields of social forestry, women's issues, health, education and the strengthening of voluntary organizations as such. They also played an important role in extending support to newly created institutions such as the Society for the Promotion of Wasteland Development and the National Foundation for India. Dr. M.S. Swaminathan's idea of creating a foundation to direct domestic philanthropy towards development causes received fulsome support from the Ford Foundation, and subsequently from the Rockefeller Foundation also. Apart from assistance from foreign foundations, NFI also received generous support from the house of Tatas and from the National Dairy Development Board. As a result of both, domestic and foreign philanthropy, NFI was able to emerge as viable institution. Bilateral agencies like SIDA did a lot to promote social forestry through the decade of the 70s and 80s. They also supported innovative educational programs like the Lok Jumbish and Shiksha Karmi programs in the state of Rajasthan. These programs broke new ground in terms of creating institutional arrangements within the government set up to work with voluntary organizations on a partnership basis. SDC as far back in as the early 80s, drew attention to the importance of watershed development and gave generous support to include voluntary organization to experiment with these ideas. Many church based, non-government donor organizations, in Europe around this time extended their support to secular voluntary

organizations in the country. This enabled a large number of voluntary organizations to become significant players in the voluntary sector. Their support to NGOs was often of a long-term nature and oriented to fulfilling the particular needs and perspectives of their partner organizations, both small and big. As result it gave these organizations an opportunity to evolve in an organic way and to adapt their thinking to their experience on the ground. Foreign donors not only provided finances but they also brought in new ideas and perspectives, and they encouraged a culture of innovative thinking within government institutions and the voluntary sector.

During this period voluntary organizations such as Eklavya, based in Madhya Pradesh; working to improve the educational system of state schools and the Uttara Khand Paryavaran Seva Nidhi based in Almora working on environmental issues, chose not to take foreign assistance and succeeded in doing pioneering work through indigenous support.

The Central government and State governments played an important role in nurturing these initiatives. These organizations were able to catalyze a great deal community support and in the case of EKLAVYA, they also attracted nation wide support from the academics community.

These were also highly successful organizations like Pradhan working on livelihood issues who took foreign assistance, but were at pains to cultivate domestic philanthropy and access government resources for development.

While some organizations were successful in raising funds domestically, overall the experience of dealing with the state in raising funds has not been satisfactory. Support from domestic philanthropy during this period for development work appears to be muted compared to foreign assistance.

Through the decade of the 80s and 90s the State did a great deal to catalyze foreign assistance to the voluntary sector. Rajiv Gandhi as Prime Minister, in 1985, created the National Wasteland Development Board (NWDB) to support NGOs to mobilize peasants to green the country. Like during the Janata government period, voluntary organizations were supported to help the state implement its vision of greening the country through large-scale afforestation programs. For a brief period the NWDB, under Dr. Kamla Chowdhury's leadership, provided generous support to the voluntary sector. This apart, the pivotal role envisioned for the sector by the state not only galvanized the voluntary sector but it also stimulated large-scale foreign assistance for the sector.

There was however, a negative side to this generous support to the voluntary sector. In order to justify getting support, voluntary organization felt it was incumbent upon them to show

good results and reaffirm the efficacy of civil society based initiatives and people's participation in development. Donors had their own reasons to

endorse such claims given their own ideological preferences for civil society initiatives over state centered development. The exaggerated claims on behalf of people's participation were to have serious negative

consequences for the overall discourse on development issues. Government, in buying into the discourse of people's participation, absolved itself of the disciplining its own functionaries to perform their roles properly and its responsibilities for good governance. Voluntary sector supporters and activists in turn also let the state off the hook by claiming that people's participation was succeeding even in places where community solidarities had been undermined by state patronage.

Amita Baviskar, in her ethnographic essay the Dream Machine² describes in some detail the how metropolitan organizations, academics, environmental activists and the state concurred in presenting Jhabua as an example of successful participatory watershed work, when little about the project was either participatory or successful. The successful watershed development work at Ralegaon Siddhi and the much acclaimed large-scale



water conservation work done by Tarun Bharat Sangh failed to problematise the propensity of local communities to become complicit with state structures in destroying common property resources through its informal privatization. Government policies were formed on the basis of narratives that claimed successful land development even when evidence for these claims were not well grounded. It would be disingenuous to blame foreign assistance for the spread and persistence of a shallow discourse on the efficacy of people's participation as an effective alternative to state centered development. Government after government even when no foreign assistance was involved waxed eloquent about the virtue of community based approaches to health, education and land management only to abandon these strategies in time to come. Well-conceived programs such as the National Participatory Watershed Development program initiated in 1994 failed to have an impact on the ground and faded away from public and state attention. Exaggerated claims about the effectiveness of people's participation on the part of the state and voluntary organization was to create the illusion that voluntary organizations could engender people's participation in the absence of a well functioning state and fair and well defined property rights over public lands.



Foreign funding into the late 90s also began to distance itself from participatory development initiatives connected to health, education and livelihood generation. Its own preferences shifted to supporting work based on a rights based approach to development. Within the voluntary sector itself there was disenchantment with its methods and impact. Aruna Roy as early as the late 80s left the well established voluntary organization SWRC, to find new ways to empower deprived people. She and her colleagues sought to raise support locally for their campaigns to fight corruption and the local power structures. They eschewed taking any kind of institutional funding be it foreign and domestic. Over time her organization, the Mazdoor Kisan Shakti Sangathan was to crystallize a rights based approach to development, beginning with the right to information campaign and later joining hands with other rights based campaigns to gain rights to food security and employment. As mentioned earlier, foreign funders also began more away from constructive work as a means to empowering people and enabling them to gain the capacity to service their own development needs. They came to prefer providing funds to voluntary bodies for a rights-based approach to

development. A striking example of the shift in foreign assistance priorities is the large support provided by DFID to voluntary organizations to work to a rights-based approach under what is called the Poorest Areas Civil Society Initiative. DFID has committed lose to Rs. 175 crores to help voluntary organizations do rights-based work in the 100 poorest districts of the country. While there is no denying the fact that the participatory approaches to development did not yield the desired results be it in education, forestry or health provision, many voluntary organizations engaged in such work were able to recognize the constraints to effective peoples participation early in their development journey and adapt their work and thinking to address such constraints systematically. Organization like Seva Mandir, who had participated in the large-scale efforts of the NWDB in the mid 80s, to bring about a people's movement to afforest degraded lands realized that participatory approaches to land management were not finding resonance amongst village communities.

While recognizing the lack of enthusiasm and leadership on the part of the State machinery to operationalise their own progressive policies, by the early 90s, Seva Mandir chose to concentrate on helping peasants to give up their encroachments on common property resources and instead cooperate with each other to rehabilitate their degraded common property resources. It also drew attention of the state government to direct their staff not to collude with peasants and allow them informal access to public lands. After

more than fifteen years of work up this strategy, there is evidence of appreciation among village people and public representatives about the value of accessing resources legally and cooperating with each other and with state officials to use public lands for their stated purpose. In the field of education and health, also Seva Mandir has attempted to create facilities where village people can experience the benefits of decent health care and education so as to make it worthwhile for them to engage the state to provide similar services to deprived communities. What has been a salutary experience for Seva Mandir is the enormous time and resources it takes to create sites where people can experience the value of their participation and engage their public representatives and state officials to cooperate with them to promote the common good.

Over the last few decades, a great deal of public action has been stimulated by State policies, foreign assistance, domestic philanthropy and the voluntary sector. A great deal of what has been tried did not succeed but there are important lessons that domestic philanthropy can learn from these experiences. This apart the sheer capacity built up in the voluntary sector over the last few decades need to be creatively and constructively engaged. The state played an important role in the 80s and 90s to create space for the voluntary sector and people's participation. It did not however, provide leadership in creating the conditions within society and amongst its staff to make good the promise of people's participation as the locus for poverty alleviation and development in society. The incumbent government is contemplating a National Policy for the Voluntary Sector, where it sees the sector playing a valuable role in collaborating with the state and with local communities to empower them and government staff to solve the problems that affect deprived sections of society. Domestic philanthropy needs to help the state

and the voluntary sector create a critical mass of practice such that it becomes attractive for the private sector, state agencies and local communities to work together to empower and benefit the most disadvantaged sections of our society. There are many examples of how this might be done. Domestic philanthropy needs to identify these practices and help mainstream these into the discourse of corporate social responsibility and state policy. At this juncture our society offers rich menu of practices and discourses from which to choose a strategic thrust to alleviating poverty and making society more just. It is important that the intellectuals, activists, policy makers and corporate leaders come together to share their experiences honestly and learn from each other on how their combined efforts can bear fruit. It is too early to tell whether the rights based discourse will succeed where the participatory approaches to development failed. What is critical is that as foreign funding for development work in the country begins to ebb and new discourses are beginning to dominate the development discourse, be it liberalization and globalization on the one hand and the rights based approach to development on the other, sight is not lost of strategies that have been honed for decades on the ground and are beginning to show results.

Indian philanthropy during the course of the national movement, connected with its vision for a just and democratic society. At this juncture in our country's history, it is equally critical that domestic philanthropy connects with efforts that hold the potential for steady progress in favour of building a just society.

(Footnotes)

1 Beyond business, From Merchant charity to corporate citizenship, by Pushpa Sundar, Tata McGraw Mill.

2 Baviskar, A (ed) Waterscapes: The cultural Policies of the Natural Resources, Oxford University Press.

About the Author: Ajay S. Mehta is Executive Director of National Foundation of India and SICP Governing Council member.

In government informal parlance, we have GONGOs (government oriented NGOs), PRONGOs (project oriented NGOs), IONGOs (International funding oriented NGOs), PONGOs (people oriented NGOs, but which people?), UNENGOs (unemployed youth looking for jobs NGOs), POLONGOs (politically initiated NGOs) etc....officers have to negotiate this minefield.

(Source: Dr. Janaki Rajan, Director, SCERT, Delhi in NGO-Government Relationships, in Partnerships for development from different perspectives, Deepalaya, 2004)

Challenges Facing the Philanthropic Sector in India

By Noshir H. Dadrawala

The term 'Philanthropy' means "love of human beings" and hence it is not just about increasing resources for voluntary organizations. Philanthropy does and should include caring, sharing, and promoting the right values.

Civil society on the other hand is an evolving network of associations and institutions. Civil society is based on individual freedom and responsibility, and on limited and accountable government. It protects the individual from the intrusive state and connects the individual to the larger social and economic order.

Both grant-makers and voluntary organizations are seen as civil society institutions, forming social glue between the forces of "power" (commanded by the state) and the forces of "profit" (commanded by the market).

Apparently, civil society fosters individual initiatives and free associations of individuals to share and advance some common faith, mission, public purpose, or social agenda. Human beings, by nature, are social before being political or economic beings. Civil society is a corrective to political and market extremities and domination; it tempers the influence of state and commerce.

In India, civil institutions, specially voluntary organizations,

serve as important mechanisms for promoting fundamental social values such as individual and group freedom, diversity, a sense of community, civic activism, and philanthropy.

There used to be a time, not too long ago, when "grant-making" and "fund raising" were all about a "benevolent giver" and a "grateful receiver." Today, the emphasis is more on "partnership." Grant-makers, like foundations and companies, are increasingly beginning to look upon grantees (i.e., voluntary agencies) as their partners in bringing about social change.

Voluntary organizations have the ideas and the capacity to solve problems, but little or no money with which to implement them. Grant-making foundations and corporations, on the other hand, have the financial resources but hardly the time, inclination, skills, or human resources to create, implement, and sustain programs. When the two come together, the result is a dynamic collaboration.

Today, the role of a grant-maker in India has graduated from a *giver* (of funds) to an *investor* in social change and community development. Consequently, voluntary organizations are now increasingly being viewed as the grant-maker's *partners* in change. The relationship is symbiotic.

Some experts in India feel that partnerships with international donor

agencies are unhealthy. Indian nongovernmental organizations (NGOs) tend to become "donor driven," pursuing agendas set by international agencies that often have poor understanding of India's real needs. Sharing of data, information, and experience with international donor agencies is seen as healthy. However financial dependence on foreign funding is considered unhealthy. A popular slogan in some philanthropic circles in India is, "Share and interact globally but think and act locally."

It is also perceived that government, business, and foundations cannot be expected to play the role of "givers in perpetuity". Individuals, on the other hand, can often be cultivated to become life-long partners in change.

In India, the Internet as a technology tool has the potential to transform social service initiatives and in a few years the Internet could be utilized as a potent technology platform to network social work activities across the world. It is clear that advanced technologies and practices could be directly or indirectly used to transform the daily lives of underprivileged social communities. However, economic distortions create hiatus between the resources and the communities who need them most. There is a need to build an Internet platform to bridge the gap between the resources and



the needy communities.

Quite a few not-for-profit organizations in India have a presence on the World Wide Web to help create awareness about their activities. The question is how effective are they? How many “hits” are generated by these sites and how many “hits” have led to sustainable partnerships or networks?

The social work portals, such as Indiango.com have provided global collaborative platforms for social organizations, donors, government organizations, voluntary organizations, and social activists. However, the Internet has not been harnessed fully for its applications in servicing the needy communities. For example, the emergence of “voice over Internet” technology could be combined with the support of counseling services available around the clock, and could provide online live global counseling to a distressed person at home 24 hours a day, seven days a week.

The Internet could be used as a platform to bring together all organizations working for the same social cause. These may be industries, social organizations, donors, etc. This expedites the work of organizations to achieve their goals and hence indirectly benefits the needy. The Internet also has a lot of potential to be used as a medium for setting up a virtual global forum for social workers and organizations, which could facilitate all possible interactions between them.

Experts in India largely agree on building awareness, values and partnerships within and across sectors in order to stimulate and

motivate people in furthering the cause of philanthropy.

There is a felt need for a “National Council of Voluntary Action,” which could serve as a think tank and forum for exchanging ideas among voluntary organizations in India. Mobilizing resources in today’s world needs a professional approach, proper training, and adequate guidance. A proper network would go a long way in motivating organizations and building a more favorable image.

There is also a felt need for better forms and quality of giving. The voluntary sector on the other hand needs to develop a nationally acceptable code of ethics and good practices.

There is need for sensitizing the media and making radio, television, and the print media in India partners in social change. Some members of the media carry negative feelings about voluntary organizations and are more interested in exposing scams within the sector than in human interest stories about social change. “Voluntary organizations may be trustworthy but not trusted,” is the opinion expressed by several experts.

There is need for cultivating and promoting philanthropic values at the school and university level. Perhaps we should also consider a “National Philanthropic Day.”

India has a long and rich tradition of philanthropy. It has thousands of voluntary organizations (there are more than four hundred thousand registered trusts and societies in the state of Maharashtra alone). What is required among

these organizations is better coordination and networking. Sadly, today there are more ‘fiefdoms’ than ‘networks’.

There is also need for proper personnel policy and self-regulating mechanism within the voluntary sector.

There are major research gaps concerning philanthropy in India. Some data on giving trends in India has begun to emerge but that is not enough.

There is also need for reforming certain laws to create a more enabling environment for developmental organizations.

Organizations like the Indian Centre for Philanthropy, the Centre for Advancement of Philanthropy, Charities Aid Foundation (India), the National Foundation for India, and Society for Service to Voluntary Organizations are serving as vital resource and service centers, offering a wide range of services from data and information to stimulating research and a forum to network. These organizations should also develop programs and strategies to influence the mindset of the people in India toward enlightened philanthropy and development of the nation.

A few steps are recommended for strengthening philanthropy in India:

1) Develop programs and strategies to build confidence in and tap individuals as a vital resource for philanthropy.

2) Encourage and promote dialogue with trustees of temple trusts to use their resources for welfare and development work.



Diaspora Philanthropy - Real Potential or Seeming Aspirations...

By Priya Viswanath & Abha Manchanda

Much has been written and talked about in recent years regarding the prospective role and impact of diaspora Indians on the development landscape in India. In the past decade the Government of India has also moved from indifference to the diaspora to that of pro-action. They have distinctly followed a multi-prong strategy, pursuing portfolio investment, direct investment, technology transfer and trade links through the diaspora.

Creating the Environment

In September 2000, the Indian government set up a High Level Committee on the Indian diaspora to analyze the location, situation and potential development role of the estimated 20 million non-resident Indians (NRIs) and Persons of

Indian Origin (PIOs) under the Chairmanship of the eminent jurist L. M. Singhvi. The report of the High Level Committee on the Indian diaspora was released by the Government of India in January 2002. The report recommended a "new policy framework for creating a more conducive environment in India to leverage these invaluable human resources."

Interestingly the Report in addition to generic issues included a section on "Philanthropy". The Committee made several observations:

§ PIOs/NRIs were eager to donate generously for worthy development causes in India. It further noted that the active encouragement of such donations by Chinese authorities at all levels had cleared the way for the flood of later investments by the Chinese diaspora.

§ Conversely, the adverse experiences of many members of the

Indian diaspora in trying to send donations to India, instances of which were brought to the Committee's attention, had led to their diverting subsequent investments to other destinations.

§ The Committee found that a plethora of rules and regulations, indifference and even hostility of the government machinery frustrated the efforts of genuine PIO/NRI philanthropists.

Hence the Committee made several recommendations to deal with the problem as follows:

§ Highest priority to be accorded to the creation of a single point for contact with the diaspora in the office to handle Philanthropy/NGOs under the concerned Member of the proposed central organisation dealing with the diaspora.

§ Creation of a foundation to receive charitable and philanthropic donations in the proposed

Continued from page 15

3) Encourage and promote greater accountability and transparency in the philanthropic sector and establish a National Credit Rating Agency for voluntary organizations.

4) Build meaningful partnerships (not necessarily financial) between business and the philanthropic sector.

5) Inculcate values of philanthropy in schools, universities and business schools.

6) Develop Internet-based mailing lists for national and international experts to interact.

7) Sensitize the media towards philanthropy.

8) Continue to fill research gaps and particularly in areas of individual, corporate and government giving.

9) Work towards an enabling legal environment for philanthropy.

About the author: Noshir H. Dadrawala is Executive Secretary of the Centre for Advancement of Philanthropy.



organisation, which should be allowed to generate funds through sponsorships from private individuals and corporations.

§ The early simplification of the Foreign Contribution (Regulation) Act (FCRA), 1976, to enable India to receive more remittances from PIOs for philanthropic activities. Donations from PIOs/NRIs should be placed either under an automatic route or under a Fast Track Mechanism, on the condition that these should be only for secular and developmental purposes and should be for PIO cardholders only.

§ At the State level, empowerment of the offices to be created for dealing with the diaspora - to resolve harassment cases, to process efficiently PIO/NRI applications for donations and assist/ support the implementation of such projects.

§ The central organisation should have the facility to receive complaints regarding corruption. It may have representation from or a direct link with the Central Vigilance Commission.

§ The list of educational and health institutions eligible for automatic registration without enquiry should be expanded and updated in order to provide an additional stimulus to the health and educational services sector in India.

§ Exemption of customs duty on all donated materials, especially for national emergencies.

§ Raising of income tax exemptions on donations by overseas Indians from their incomes in India for developmental/ secular/ educational/ medical purposes -to 100per-cent.

§ The provision that foreign contributions can be received in only one designated bank account and cannot be transferred to other parts of the country, should be liberalised. Registered NGOs should have the facility to transfer their funds for their activities anywhere in the country with only a reporting requirement to the RBI/Ministry of Home Affairs.

§ Programmes to encourage idealistic PIO/NRI students who wish to come to India for voluntary work, should be institutionalized.

Attracting Investment

Despite this proactive stance and a series of new legislations, the 20 million Indians abroad who generate an annual income equal to 35percent of India's GDP, yet have generated less than 10 per cent of India's rather modest £2.2 billion of FDI — in contrast to the overseas Chinese, who have contributed half of China's £26 billion. The focus of debate in India too about the diaspora's contribution to the development scenario has been on direct investment, portfolio investment, and humanitarian or other philanthropic assistance. Relatively little is said about remittances, despite the fact that India is the world's largest receiver of remittances in absolute terms.

Several research studies have focused on concerns of diaspora Indians in giving back for philanthropic/development reasons. There are variations from region to region. For instance Shahnaz Taplin's study on diaspora (NRIs) in the Silicon Valley are pertinent to an understanding of high end philanthropic

giving and fund-raising vis-a-vis the Indian American community for instance.

§ NRI entrepreneurs strongly prefer the term "social entrepreneurship" over philanthropy and charity. Two primary definitions of social entrepreneurship emerged: giving grants to innovative individuals and organisations to stimulate grassroots social change and investing in economic development to create employment and a higher standard of living.

§ NRI entrepreneurs are bi-cultural philanthropists — they give both to India and the US, though proportions vary. While most NRIs believe India has more pressing needs, they also retain their cultural proclivity towards "backyard giving".

§ NRIs are idealistic, innovative, results-oriented philanthropists. They approach philanthropy with the same dedication, resolve, and focus as they would any business venture. Motivated by their dreams of transforming India, NRIs believe in sound ideas, individuals, and innovation. They are risk-takers and pioneers. In short: they dare to dream, dare to pursue, dare to fail, dare to pick up and move on.

§ NRIs favor using the business approach to social issues, showing a strong preference for a business plan, accountability, and results. They believe in backing viable ideas with dollars and sweat equity, particularly for high-leverage interest areas and programmes.

§ NRI entrepreneurs dream of realising fundamental, structural change in India. They want to make sure that "no child goes hungry and



every child gets an education". Although they can find the scope of India's problems a barrier, seeing the measurable impact of their involvement and support on individuals' sustains their motivation.

§ Education is a key priority for NRI entrepreneurs, who see it as a high-leverage area and an essential component to creating a better future in India. Currently, wealthy NRIs focus on giving to higher education but NRIs are also strongly receptive to primary education as well as women's issues, children's issues, disaster relief and prevention, as well as art, cultural preservation and enhancement.

§ The primary challenge in engaging NRIs in philanthropy is to move NRIs from personal giving to institutional giving. NRIs expressed a resistance to institutional giving and "writing checks" preferring instead to give to people they know. However, high-profile NRIs have become more comfortable with this pattern in the context of giving to their alma mater universities and trusted "name brand" non-profits such as the Red Cross, United Way and Amnesty International.

§ Bridges between NRIs and NGOs need to be built in order to create better two-way communication. Overall, NGOs must design and tailor their communication with NRIs based on understanding of who they are and the criteria they employ for funding projects. Specifically, NGOs need to understand the profile and characteristics of the NRI, their

mindset, their mantras and the issues and projects they care about. Further, NGOs also need to focus on NRIs' philosophies, styles and preferred mechanisms for giving, as well as the barriers to giving.

§ In order to capture the attention of NRIs, key social issues need to be visible on their radar screen.

§ In order to attract and retain NRI donors, NGOs must do the

following: research and understand their specific donor targets; develop a detailed business plan that demonstrates innovation, high leverage value, effective management and low overhead; and cultivate trust through developing a sustained relationship with skilled staff. (Taplin, S., 2001: 2)

These findings may be echoed by diaspora members in other parts of the world too.

However, government and legislation notwithstanding, there have been a handful of serious initiatives over the last couple of years. Several high net worth diaspora members have taken their creativity, drive, acumen and passion for the homeland and become catalysts for social change, others have remained passive and cynical.

Gravitas & Potential

There are 20 million Indians living outside of India. India can view them as traitors and defectors who deserted India in search of

greener pastures for themselves, or India can see them as an asset. ... As individuals grow and have the capabilities to influence the surroundings, they would like to make a difference. Typically, they first focus on their families, then friends, then the communities in which they live and finally the world at large. As soon as the diaspora Indians start to look at influencing the surroundings beyond the communities in which they live, they are drawn to the country of their origin. Some of the 20 million Indians have now been long enough in their new surroundings to feel comfortable with themselves and are now ready to reach out to India. Those who receive have a lot to learn as well. Somehow culturally, receiving help in India is considered a weakness. Asking for help is a last resort. This attitude needs to change. To build institutions and to make difference in a large scale, one needs an enormous amount of resources. The person who is committed to his vision and is driving things to make his vision a reality should be very aggressively soliciting help from all over the world. This behavior is so prevalent in United States. The President of MIT personally solicits donations for the Institute. His humility and his ability to beg and plead for his cause enable him to build a great institution. However, he begs and pleads with pride because he knows that he is doing it for a great cause.

Gururaj Deshpande
Sycamore Networks

(in Viswanath,P.,2003:xi-xii)

Transformed environments today provide enormous scope for



philanthropy. The Indian diaspora is considered an affluent segment in most of its adopted countries — a target for marketers and an influence in local business and politics. The median income of an Indian-American family is 50 percent higher than the national average. UK Indians have the highest household income among the minority groups. The per capita income of Singapore Indians tracks the national Singapore average. The diaspora has the credibility to raise capital in world markets and drive trade in Indian products.” (McKinsey & Co., 2003).

Partnerships between the diaspora and the Indian development sector will foster change and improve the lives of the poorest of the poor in India. It is recognised by government and the development sector that there is need for financial resources in the social development space, and there are diaspora Indians who have the desire to contribute for India’s development. The boom years of the US economy impacted on giving patterns. After the Gujarat Earthquake and 9/11, pace of giving increased further as did sentiments for a variety of reasons. The two events not only shook the world literally and figuratively, it impacted on the way many immigrants thought. *Backyard Giving* thereafter directly complemented *Giving Back to the Homeland* or *Diaspora Philanthropy*.

Professionally, spiritually and culturally, NRIs have come of age. In the US, we display a natural proclivity to “giving back” to our communities both in India and in our “back-

yard.” We NRIs are at home in the US, but our heart lies with Mother India, where we spent our childhoods flying kites, eating roadside chaat and enjoying the tight embrace of family life. In the last few decades many diaspora NRIs in the US – doctors, engineers, cyberwallas – worked 24/7 and succeeded. Today, we have a new quest: we want to find meaning in our lives, to reconnect with our roots and “to make a difference” in one person’s life, in educating children and in improving village life.

Shahnaz Taplin

Shahnaz Taplin & Associates
(in Viswanath, P., 2003: xiii)

Crossing the Barriers

Several initiatives in recent years both from the diaspora and India have aptly shown the breakdown of the barriers - of mistrust, issues of accountability and transparency and have set improved standards in fundraising and grantmaking. Profiled below are some successful case studies of groups that have moved ahead and reflect the aspirations of diaspora seeking to invest and non governmental organizations that have moved ahead in their quest of diversifying streams of funding. There are lessons to be learnt perhaps from these experiences and in fulfilling our further aspirations of engaging the diaspora in India’s development.

ASHA for Education

Mission: Asha for Education is a secular organization dedicated to change in India by focusing on basic education in the belief that education

is a critical requisite for socio-economic change.

In keeping with this focus, their volunteers are involved with and support projects that are secular and have an education-related component to them. The objectives of this group are:

1. To provide education to underprivileged children in India.
2. To encourage the formation of various local groups across the world to reach out to larger sections of the population.
3. To support and cooperate with persons and groups already engaged in similar activities.
4. To raise the required human and other resources to achieve the group objectives.
5. To provide opportunities to individuals living outside India who wish to participate in Asha activities in India.
6. To address, whenever possible, other issues affecting human life such as health care, environment, socio-economic aspects and women’s issues.

Asha’s focus on children’s education has galvanised a number of volunteers across the globe. Today, there are over 66 Asha chapters worldwide: 45 in the US, 14 in India, and 7 in Europe, Singapore and Australia. Volunteers in each of these chapters take personal interest in identifying education-related projects in India, and supporting them through funds and other means.

Total contributions received by Asha for Education focusing on basic education in the year 2003 have been for the amount of approximately Rs. 23 Crore.¹

Child Relief and You (CRY)

CRY's mission is to enable people to take responsibility for the situation of the deprived Indian child and so motivate them to confront the situation through collective action thereby giving the child and themselves an opportunity to realise their full potential. With the NGOs they support, CRY plays a role of a partner with infusion of funds accompanied by the non-financial inputs in training, materials, infrastructure, organisation development and moral support.

In 2002-2003 alone CRY enabled 2347 communities across 13 Indian states to work towards addressing the root causes that denied their children their rights to survival, development, protection and participation. By mobilising these communities CRY and its 174 project partners were able to change the lives of 92,549 more children. Today the CRY movement comprises over 1.25 lakh individuals and organizations.

In the current year 2005 – 2006 CRY has generated Rs. 38 crores and 20percent if this is through diaspora contribution which amounts to Rs. 7 crore 68 lakh.²

Last year, CRY America collected over half a million dollars, primarily through 22 Action Centre events, online donations and direct mailers. \$200,000 in grant money was disbursed to 13 child development projects.³

The American India Foundation (AIF)

AIF is dedicated to accelerating social and economic change in India. AIF's mission is to contribute to:

- build an India where all people can gain access to education, health care, and employment opportunities and where all Indians can realize their full potential.
- build a trusted bridge between the dreams and aspirations of individuals who care about India and



their realization.

- provide a secure channel for philanthropic funding in the United States and its effective investment in the best Indian non-governmental organizations that have innovative and scalable projects.
- build a professional organization that is secular, transparent, credible and accountable for all its activities.

AIF is funded by private citizens of Indian origin in the United States. It is "devoted to accelerating social and economic change in India by connecting communities and resources across the United States

and India. AIF's grants are focused on education and livelihood projects with a particular emphasis on primary education and women's empowerment."⁴ Its programs include a Service Corps that organizes opportunities for Indians in the diaspora to spend a period of volunteer service in India. Another program, called "Digital Equalizer" is helping to provide information technology at the village level in India.

AIF, raised \$ 8.4 million⁵ (pre audit figures) in 2004-05 for a broad range of programs.

VIDYA Integrated Development for Youth and Adults

VIDYA's mission is to educate and empower underprivileged women and children through integrated methods and to bring about progressive social change. For 20 years VIDYA has been educating and empowering women and children in Delhi, Mumbai and Goa.

VIDYA's main aim is to provide for the education and social awareness of the underprivileged and to work towards their welfare and upliftment. In the process, it aims to design a system of education so as to integrate the handicapped with the normal children from the very beginning. Vidya also uses art and music and drama as means for personality development.

The main activities of VIDYA are: Bal Vihar (Children's Paradise), a primary school educating 340 students from Nursery through Class V, is VIDYA's largest and longest-running project. Since its opening in



1985, the school has produced over 6,000 graduates, equipping students like Badarsen, a former child laborer now working as a computer engineer in Los Angeles, with the confidence, skills and resources to pursue their dreams.

At VIDYA, Bridge Courses (in Delhi and Mumbai) to help such children complete their schooling through the National Institute of Open Learning. Regular classes to guide them through their lessons, mid-day meals to meet their nutritional requirements are provided. In Delhi these children are assigned mentors who will guide and encourage them to become responsible citizens of India.

Remedial School Operating since 2001, the school is currently housed as afternoon school at the Shri Ram School, Aravali, Gurgaon. This year, as the original two classes were promoted, a third class was added, bringing the total number of students in Nursery, Kindergarten and Class I & II up to one hundred. As these children progress, the number of classes will continue to expand. Students from the slum areas are usually first generation learners whose parents/families are unable to give any guidance in their studies. In addition there are children who are not attending school - either because they have dropped out or because they never enrolled at all. At VIDYA it is our endeavour to encourage these children to join our remedial education classes.

In the year 2005-2006, VIDYA in Delhi received Rs.13.60

Lakh through diaspora donations from the organisation Indians for Collective Action in San Francisco, U.S.A. against their total budget of approximately Rs.111.2 Lakh.⁶

Conclusion

Diaspora Philanthropy is certainly not what it was 10 years ago and unlikely that flows will remain the same 10 years hence. Several donors have realized the potential of diaspora communities. They however need to research, analyze and evaluate diaspora engagement on development and its existing impact on the poverty matrix.

One of the most important issue here is that of *ownership* and both the diaspora and the NGO sector must have a common objective in order for projects and programs to be successful. As Gururaj Deshpande says:

... there is a lot to be learned by both the parties; those want to offer help and those who want to receive help. I have usually found that the intentions of those who want to help are very genuine and they are very interested in making a big difference in whatever cause that they are committed to. However, often the stumbling block appears to be their assumption that they know what is good for those that they want to help. Very often people who have been away from the country for years don't fully comprehend what the current priorities should be.

Trying to influence and help India from a far away land is a little

bit like trying to help your own kids. Very often you presume that you know what is good for your kids and try to force it on them. Unfortunately, it rarely works. You have to be there, but have to let them decide what is good for them.

The other issue is that of donor /investor friendly legislations. The development sector and the diaspora need to push the government on reviewing the FCRA as it directly impacts on diaspora investment into the Social development sector. Perhaps the setting up of a nodal agency on the lines of The Investment Information Centre (IIC), a free "single-window" agency for advice on nearly all issues associated with investing in India.

There are of course age old issues of mistrust, accountability and transparency that the development sector needs to take cognizance off. This of course applies not just to diaspora philanthropy but to domestic philanthropy as well.

(Footnotes)

1 www.ashanet.org

2 In conversation with Ms. Amita Puri, Head – Global Operations CRY, 18th January 2006, New Delhi

3 www.cry.org

4 www.aif.org

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6 In conversation with Rashmi Misra, Founder, VIDYA

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Rural Philanthropy: Etching A Public-Private Partnership

By Dr Nirmala Pandit

1. What is rural philanthropy?

2. Why rural philanthropy?

3. What is peculiar about the rural philanthropy?

4. Current problems/ challenges before rural philanthropy?

5. What is the need for a different approach?

6. What are the different approaches?

7. Conclusion

1. What is rural philanthropy?

The dictionary meaning of philanthropy refers to 'love of mankind', practical sympathy, benevolence, and helping others who are poor or in trouble. When this philanthropy focuses towards those disadvantaged people from the rural areas, it becomes rural philanthropy. Unlike charity, which is often *ad hoc* in nature, rural philanthropy gets at root causes or changes basic conditions. It tends to move beyond charitable care to developmental objectives. It addresses economic inequalities and empowers the rural population by

ensuring better living conditions. This is done by providing better facilities for education, creating and offering job opportunities, organizing child-care facilities, assuring better health services, etc. In short, rural philanthropy ensures longer lasting social change in the rural communities.

2. Why rural philanthropy?

Rural philanthropy is important in a country like India, where more than 70% of the population lives in villages and where majority of them live below the poverty line. Large numbers of the youth has either migrated or dream to migrate to the cities in search of livelihood. Generally the rural communities are represented by the concentration of retirees and older people, decline in agriculture, fall in economic prosperity, excessive reliance on natural resources for livelihood, slow inroads of modern technologies, fewer industries and lesser infrastructure development.

For the Indian people to reap the benefit of its present status as the State on the verge of becoming a global leader in information and bio technology, chemical and auto industry, India cannot afford to neglect the development of rural communities. The rural communities must participate in the social change movement. The policy-makers, and

civil society organizations including funders must proactively promote community driven development in rural India. The resources, both the public and the private, must move towards the rural communities. Empowerment of the rural poor has to be the focus of rural philanthropy. Every one would benefit from such an initiative, whether one lives in the rural or the urban communities. Benefits to the rural communities would spill over to the entire region.

3. What is peculiar about the rural philanthropy?

Traditionally, philanthropy has taken a vertical form, where funds flow from the rich to the poor and from the urban to the rural communities, where there is desire to help the unfortunate. This desire to help others, generally arising out of the compassion or the 'feel good' factor, there is desire to stop the in-flux of rural youth to the urban centres. It brings large sums of money to achieve fast track transformations in the rural communities. Unfortunately, this benevolent effort rarely takes into consideration the views, aspirations and dreams of the rural beneficiaries.

For a sustainable social change movement, based on social justice, philanthropy has to move in a horizontal frame. Unlike the traditional philanthropy, where the resources

flow from the rich to the poor in a vertical frame, in horizontal philanthropy, the beneficiaries are both the donors and the beneficiaries at the same time. Here philanthropy is not based on mere compassion but on interdependence and arising out of mutual survival. Here the views, aspirations, dreams and concerns of the rural communities are heard and addressed.

Even when the funds come from outside of the beneficiaries, the grant makers will have to become braver about seeking and supporting people with unfamiliar approaches and stick with them long enough to learn about them. As donors become more strategic in tackling important and difficult problems, they will need good advice from people who know how to bring about change, including the most disadvantaged men and women who are likely to be the beneficiaries.

There would be no single solution to address issues concerning rural communities. Each case will be unique and will have to address as such. No quick solutions would be found nor would they be appropriate for the rural communities. Strategies, plans, actions and solutions of rural philanthropy will vary with each community. A larger vision with holistic approach should be the theme of rural philanthropy. The change agents, be they public or private, will have to bear in mind that their actions are likely to ruffle the feathers of the existing power

structures, which would not appreciate the empowerment of the poor. Sustaining rural transformation may not be a quick and smooth transition, unless it is achieved through transparent, gradual, inclusive and participatory process.

4. Current problems/challenges before rural philanthropy

We started The Nav Maharashtra Community Foundation, to support small, innovative, rural initiatives, in the field of health and education to ensure empowerment of rural population. We believed, based on the available information and our understanding, that fewer funds are available for rural philanthropy and almost nil for the innovations in social transformations. Quickly we sent out requests for proposal, seeking support for innovations. Within the first few months, we received more than 500 proposals. To our dismay, very few qualified as innovative proposals.

What did we learn?

i. Availability of funds for rural transformation

There is no paucity of funds available for rural transformation. A large amount of funds are available through government projects and schemes, bi-lateral assistance and large funding agencies. Some funds are also available through the corporate social responsibility (CSR) initiatives and individuals. To a large extent, the CSR funds are available

for the benefits or their employees or for specific geographic areas, generally adjacent to their facilities and therefore primarily catering to the needs of urban poor.

ii. People's participation

The government and the bi-lateral funds are available for pre-determined schemes and projects. Many a time, the beneficiaries have no say in deciding the focus, the priority, the process or the results. The community never shares the sense of ownership of such projects. Beneficiaries become silent recipients of the dole. Some funding agencies determine the issues, scope and focus of their interventions so as to maintain uniformity in their operations.

Sometimes when large funds become available following a natural calamity like earthquake, flood or tsunami, the beneficiaries get used to receiving support for everything for an extended period. It sometimes kills the desire of people to struggle and they become dependent on the external support. Even the NGOs justify this tendency of the beneficiaries to seek support from others rather than encourage them to take initiative to change their current status

iii. Role of civil society organisations/NGOs

b. Implementing agents

When the government projects and schemes are implemented through the civil society organisations, sometimes these organisations become government agents to implement the projects. Rarely do they have any say in the



manner in which the project is conceived or executed. For some NGOs it becomes a matter of survival. They are interested in quick implementation of the project, so that they can engage in the next project. Some NGOs mechanically implement the projects and dissociate themselves from the beneficiaries. Sometimes the NGOs are simultaneously engaged in implementing projects with contradictory objectives. One of the NGOs was engaged in implementing two projects supported by two independent funding agencies. Under one project, they were training school dropouts so as to bring them into the main stream of education. While under the second project, they were emphasising the futility of school education and encouraging school dropouts to self learn from the experience and interactions with the peer groups.

c. Compulsions of survival of NGOs

A NGO was implementing a project on an issue that was not relevant to a locality. But the topic and the issue were relevant in another part of the state and the funding agency was interested in implementing the same project throughout the state. Here the NGO knew that the topic was irrelevant yet it continued to implement this project, since the agency remuneration was precious for its survival and existence. The NGO did not feel the commitment towards the cause and the beneficiaries lacked the interest.

d. Dependence on outside support

Following a natural calamity, sometimes-unprecedented funds arrive from all quarters arising out of compassion, charity, and genuine desire to help those in crisis situations. Sometimes the support comes in such huge quantities that the NGOs get used to having access to a very large fund. They no longer want to work frugally or attempt to raise funds from among the community. They become dependent on the outside support and get used to unindented lavish pattern of expenditure.

e. Increased corruption and inflatory budgeting

Particularly when the NGOs are engaged in implementing government projects or schemes, they are cornered by the governmental red tape and corruption. The officiating authority sometimes mischievously delays approving the sanctioned budget, or releasing the funds in time, unless their palms are not greased. NGOs are generally working on the tight budget and therefore do not have any means of supporting such mal-practices. If they are to continue with the project, they are forced to inflate the budget so as to share the funds with the corrupt officials. Sometimes the NGOs get used to making inflatory budgets whether they have to accommodate for the corrupt practices or not. Some NGOs make inflatory budget in matters of food and accommodation. Here they use the excessive amount for raising their corpus value.

f. Losing sensitive creativity

When the NGOs are engaged in implementing projects for the funding agencies, be it private or

public, they tend to lose the sensitivity and creativity in action. They no longer apply their mind to improve their working or to find out ways of ensuring better service delivery to the beneficiaries. They are interested in merely implementing the projects. Many approached us stating that they would like to be associated with the projects, which we may give for implementation. Since we had none, and believed that the NGOs working in any sphere of activities for a period of time, must as a rule of thumb come across with innovations that they may like to implement in the course of their activities.

iv. Conflict of interests

The huge funds that are available through the government projects pose difficulties and conflict of interest for the NGOs, particularly when they are engaged in human rights issues or when they take a stand contrary to that of the government policy. In such a situation the NGOs find it difficult to accept government support and fear that their independence and freedom may be jeopardised.

5. What is the need for a different approach?

All the above-mentioned topics pose challenges for the future development of philanthropy in rural communities. However there are a few NGOs that have found ways to override these difficulties. They do raise funds from among the communities and from the donors who give without any strings attached. Role of community foundations is emerging as a viable alternative to achieving

rural philanthropy. Community foundations encourage organised giving where donations come from within the community, from individuals or corporates. These donations may come in money, in kind, volunteering, etc. At the same time, engaging in a constructive dialogue with the beneficiaries has a positive impact on ensuring success in rural philanthropy. Since rural philanthropy happens from ground up, it helps the entire community to come together, articulate their dreams and bring a positive culture.

6. What are the different approaches?

The purpose of philanthropy as the Chinese saying goes, '... is to teach a man to fish'. The rural philanthropy helps a man to think, provides him with the clean and healthy environment, ensure conditions so that he lives a life with dignity, get sufficient opportunities of livelihood, seek empowerment and learn to change the orbit of his life. The expected impact of rural philanthropy can be achieved through some of the following approaches.

a. Community Foundations

Community Foundations take the lead and are in the position to change the landscape of rural philanthropy. They can be effective change makers. Mobilising resources and encouraging community-based philanthropy in an innovative and inclusive way. Making people responsible to the community and not accountable to the funder alone, where the donors come as part of the community and not merely to sign cheques.

b. Corporate Social Responsibilities

A large number of companies take pride in engaging in social philanthropy. Though they are primarily engaged in areas closer to their facilities, however the trend is changing. The companies have realised that the brand equity gets well-established when they are positively engaged in philanthropic activities. Some are interested in addressing the pressing issues of equality, discrimination, women's empowerment, education, health services, etc among the rural communities. Some companies adopt a village or the region to ensure better living opportunities to the rural population. Some of the companies are also giving opportunities for the rural women to enhance their income, either by making them

partners in selling their products, or by purchasing their produce or raw material for agro based industries or purchasing their products like handicraft items.

c. Multiple resource channels rather than one single large support

The development sector requires huge funding support. Instead of depending on a single large funding source, it is advisable to have multiple resource channels. By introducing several partners, multiple benefits can be made available for the community. These can come from the government, bi-lateral assistance, funding agencies, NGOs, Community Foundations, local civil society organisations, individuals and others. A variety of support comes from these bodies, in the form of funds, services, advice, contacts, technology, etc., which are all very relevant to strengthen rural philanthropy.

d. Usage of technology

Rural philanthropy must access modern technology, in order to achieve what it needs to achieve for the benefit of rural communities. The information technology, brings information and knowledge at the doorsteps. It makes available the relevant information, be it in the fields of water conservation, rainwater harvesting, alternate energy sources, and also spreads awareness about the experiments in the field of development sector.

e. Public private partnership

Rural philanthropy builds upon an inclusive philosophy, where each can be a donor and a beneficiary at the same time. It focuses on the existing assets and not on what the rural community is lacking.

Rural philanthropy is proving to be a powerful tool and is here to stay. It involves combining assets and hidden resources, connected to strategic and long-term vision, driven by economic gains and carried through diverse groups of residents. Rural residents engage in actions, which contribute to rural transformation. Some residents take the lead and that could be any one, a teacher, a preacher, political leader, social worker, a retiree, or a doctor. The importance lies in the fact that there is partnership between the actors.

The funder needs to find people taking on some of



Magsaysay Award for Delhi social activist

Arvind Kejriwal won the award for empowering the poor to fight corruption

NEW DELHI: It was a moment of pride for Delhiites. Local activist Arvind Kejriwal bagged the Magsaysay award for emergent leadership in “empowering New Delhi’s poorest citizens to fight corruption by holding government accountable to the people.”

A mechanical engineer from IIT who passed his civil services exams and opted for the IRS, Kejriwal later set up Parivartan, a

Delhi based citizens’ movement. Kejriwal says he is both happy and sad at receiving the award. “This means international recognition of our fight against corruption. At the same time, I’m saddened that nothing has been done about the Right To Information Act. The government is killing it with all the amendments,” said Kejriwal. While naming the awardees for 2006, the Manila-based Magsaysay awards committee said: “The brazen corruption of the high and the mighty may grab headlines, but for ordinary people it is the ubiquity of everyday corruption that weighs heaviest

and that demoralizes. Arvind Kejriwal, founder of India’s Parivartan, understands this, which is why his campaign for change begins with the small things.” In 2002, Kejriwal set up Parivartan. He put the RTI law to use in Sundernagari, a New Delhi slum where Parivartan was working among the poor. They initially obtained official reports on all recent public works projects in the area and then led residents to conduct a social audit, thereby stirring the community to action. The Ramon Magsaysay awards was conferred on August 31.

Continued from page 25

society’s most intractable problems, the kind that others turn away from. Donors need to be experimental in addressing those tough problems and support people with good ideas, particularly those coming from the marginal members of the society, who might not otherwise have a chance to be taken seriously. The government must listen to the needs, concerns, aspirations and dreams of the beneficiaries while drafting policies and planning schemes and projects. For a successful implementation of a project for rural transformation, public and private partnership must be envisaged.

f. Adequate legal structure

The existing legal structure is based on antiquated laws and stringent government control. There is need to treat the philanthropic organisations differently from the rest of the NGOs. Attracting donations for the much-required funds in rural communities, long-term endowments are to be sought after. Such endowments can come to the rural communities if they are tied to the tax incentives. Special permissions and concessions are essential to achieve this.

7. Conclusion

In conclusion, rural philanthropy is the need of the day. It is essential to bring about social change among the disadvantaged rural population. Such a transformation requires huge resources. The necessary basket of resources can be raised from the various sources, like the government, private sector, individuals, funding agencies and many others. These resources could be in the form of funds, donations in kind, advice, and volunteering time. The sustainable social change can be achieved if a partnership between the public and the private efforts is encouraged. This partnership must evolve out of a symbiotic relationship between the acting partners. It could be in the form of infrastructure support, networking among the stakeholders, media publicity to the genuine efforts. We all must accept and remember that the rural philanthropy is here to stay.

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Corporate Philanthropy in Japan

A survey of Japanese philanthropic activities (July 1997) conducted by Keidanren (Economic Federation of Japanese Companies) of 429 companies revealed that total expenditure on philanthropic activities by Japanese corporations was 162 billion yens. However, many more supported voluntary activities and an increasing number of companies are promoting the concept of volunteer time-off systems.

Seven Japanese overseas corporations have systems for leave in case their employees wish to do voluntary work, while five have systems that consciously recognize the contribution of employees as volunteers. Most major foundations have been set up by corporations and not by wealthy individuals.

Traditionally they supported academic institutions and research, now they are increasingly moving into other areas like environment, care for the aged and contemporary arts. Corporate-community partnerships are not so visible, many of the foundations work overseas e.g. Sasakawa, Hitachi, Toyota, Nippon and they are increasingly taking to pooling resources.
Sampradaan March – May 1999

Community Foundations: A model for Community Building

Zimbabwe's first community foundation opens a window to the history and basic ingredients of this powerful community building model. Instead of walking the five to six miles between people dying of AIDS, the women caregivers in Zimbabwe's rural western region now ride bicycles. With no one else to care for the country's many AIDS patients, this was a critical change, made possible by a small grant from Zimbabwe's first Community Foundation, established just three years ago. Zimbabwe's Western Region Foundation (WRF) began with a contribution of a modest US\$ 5,000 from more than 50,000 people. This fund grew rapidly after adopting the Community Foundations fund raising model and totaled US\$70,000 at the end of the first 12 months. The WRF shares Community Foundations' two central characteristics. First, they raise money from far and wide but only give grants locally for local initiatives and community building projects. The second and defining characteristic is that the donated funds keep growing over time because only the interest earned from the money is given away as grants.

Sampradaan, no 15, July – August 2000

Giving in the USA

In 1996, private giving for philanthropic activities reached a record high of \$150.7 billion in USA. The amounts derived from different sources were as below:

Sources of private charitable giving:

Source	Amount (in \$billions)	%
Individuals	119.92	79.6
Bequest	10.46	6.9
Foundations	1.83	7.8
Corporations	8.50	5.6
Total	150.70	

As is clearly seen, donations from individuals account for the largest share of private giving. Corporate giving is only 6% of the total. It will also be seen from the table below that the uses to which the funds flow are not very different from those in India. *Sampradaan, No 3, December 1997 – February 1998.*



Implications of the Legal and Fiscal Regime for Indian Philanthropy and Accountability

By Sanjay Agrawal

Robert Lingat (1892-1972) studied traditional legal systems in India and South East Asia for more than thirty years. He produced several insightful works. In one¹, he argued that the Indian system of *Dharma* was not quite on the same footing as the system of Roman law. *Dharma* does not start off with the coercive element, which is an essential ingredient of the Roman law.

As India moved through the 20th century, it gradually left behind its own traditions and embraced Anglo Roman model of law. This model was designed for (or emerged in) sparsely populated nations. Is it relevant or practical in a country teeming with a billion people? Prof. Amartya Sen's Argumentative Indian seems also to be very fond of proving his point in a court—and he is accompanied by a hundred crore of us. This has strained our courts to near-breaking with overload of case-work.

It is with this perspective that we look at the word 'regime'. The word conjures up images of a uniformed regiment, marching smartly in step to a military tune. Neither Indian society, nor its civil society, is ever likely to march in step. We are all different, and we enjoy the

difference. This is perhaps the reason why the civil society is always up in arms at the slightest mention of a new law to regulate its behavior.

The Context of Philanthropy Laws in India

Regime or not, how do our laws affect development and accountability of Indian philanthropy? Essentially, these laws can be divided into three categories: first, those that provide identity to an organisation or effort; second, those that seek to affect the growth and direction of charity; and, third, those that seek to regulate its behavior. We have termed these organizational, facilitative, and regulatory, respectively.

1. Organizational

These laws are designed to provide a legal identity to a charitable organisation, and help referee the relations between its constituents.

However, we must not forget that all charity does not fall into an organizational framework. Thus, an enormous amount of private, direct giving occurs across the country, which does not require any organizational identity. A part of this giving goes to charitable organisations, while another part is spent directly by the donor.

One of the earliest models of

organizational laws is the Societies Registration Act, 1860. In its original form, it was relatively simple, requiring little paperwork or formalities. However, over the years, many states have replaced this law with new statutes. Without exception, the new laws have tended to be more interventionist and combine some kind of regulation along with basic registration. There have been calls for moving the subject of societies to Central list. However, this appears unlikely, given the overall federal structure and the activities in which societies are involved.

2. Facilitative

Benevolence begets benevolence—the philanthropy sector is no exception to this rule. Across the world, Governments have tended to be charitable to the charities, some more so than others. The main form of encouragement appears to be that of exemption from income tax, which has created its own complexities. A second form of encouragement has been tax incentives to encourage giving to charities.

In many countries, Governments also encourage charities by providing them with financial support. Increasingly, this is seen partly as a question of economics and outreach (where charities have an edge over



the Governments), especially where the State is delegating its welfare role to charities.

3. Regulatory

As charities have grown in size, sophistication and reach over the past few decades, they have also tended to attract increasing amounts of regulation. This regulation has essentially taken two directions. The first involves regulations to protect the interests of the donors, living or dead. This may take the form of oversight regulations over disposal of assets or of public audit and disclosure.

The second form of regulation has been a direct fallout of the cross-border movement of charity funds. As international agencies and charities have become involved in political, national or cultural issues, there have been calls for restricting their reach. This attitude is more visible in poorer countries, which are mostly at the receiving end of international aid, in more ways than one! A unique example of such a law is Foreign Contribution Regulation Act, 1976. Curiously, shades of this law appear in rich countries such as US and UK² and have recently surfaced in Russia³ as well.

Sense and Sensibility

The relationship between the philanthropic sector and Indian public (including the State), has by and large, been a positive one. We have not seen any significant persecution of one by the other. The

sector has also played a very balanced and responsible role, and has been a disciplined spender. However, the sector has seen phenomenal growth in its size, influence and prestige over the last twenty years. A question therefore arises: Is the Indian legal system equipped to deal with the sector's needs?



Before going into specifics of this question, let us go back to insight which Robert Lingat has offered, this being especially relevant in the matter of laws relating to the civil society. Recently I remember watching with surprise a BBC news bulletin. The bulletin mentioned that in Scotland, a lady was breast-feeding her baby while traveling in a public bus. Some of the gentlemen passengers on the bus objected to this. And they persisted in their objections till the lady was forced off the bus! This caused an outcry in the media. The matter reached the Scottish

Parliament. They then drafted and passed a law – anyone who allowed such a thing to happen on their premises will be fined upto 2,000 pounds⁴.

Clearly, Robert Lingat had hit the nail on the head. The West prefers to coerce its citizens into behaving. I can't say what the Eastern response would have been in a similar case – it's difficult to visualize a mother

being forced out of anywhere in India because she is breast-feeding a child.

The question for us, then, is how coercive should our laws be? Is common sense and *dharma* enough to hold our civil society on to the right path? Or do we need something more directive and forceful, such as the Scottish Breast-feeding law? I am sure that the

answer need not be spelt out for an Indian audience.

A Creaky System

Let us now look at the important legal and accountability issues that perplex and confound us when dealing with philanthropy in India. It is possible to argue, these are partly due to the nature of our society and culture, and partly due to the legal structure that we have inherited. A listing could look like the one below:

1. Multiplicity and diversity of laws



2. Ineffective administration of the laws
3. Misuse of fiscal incentives
4. Lack of transparency and accountability
5. Outdated and out of tune with real operating conditions
6. Lack of vision

We take up each of these in the following paragraphs:

1. Multiplicity and Diversity

The diversity of India's cultures and geography has also led to an expected diversity in its laws. This causes a certain amount of confusion. The laws change as you move from one state to another. This is especially a problem for people located in the bordering regions of a state – their work with communities does not conveniently follow the lines drawn by the State cartographer.

This also sometimes creates a mirage of multiplicity of regulation. Many people in the philanthropic sector feel that they have too many laws to deal with. In reality such is not the case.

This impression arises really out of a lack of harmonization of the different state laws. In fact it could be argued⁵ that this diversity really leads to more choice for an organizational form – you could shop around and choose the state and organizational form which you feel comfortable with.

2. Ineffective administration

Kahlil Gibran once wrote of the people 'to whom life is rock, and the law a chisel with which they would carve it in their own likeness⁶.' It is useful to keep this thought in mind when we talk of ineffective

administration of laws in India. Would we really be happier if the marshals were watching us carefully all the time, ready to pounce on us at the slightest misstep? Perhaps not. From this perspective, perhaps it is all the better that our law enforcement machinery is not well-oiled – it may become unbearably efficient if it was.

Yet there is a difference in letting people break the law in minor ways, as a matter of policy, and in being unable to do anything about it because of inefficient systems. We all know that the Registrars' offices across India are unable to even file the documents that people keep submitting to them. In such a case, can we really expect them to provide an oversight or any systematic record-keeping? It would seem that what works well in a country of 49 million may not work at all in a country of more than a 1000 million. Yet such is the system we inherited from the British and constantly struggle to implement.

3. Misuse of fiscal incentives

This is one of the most serious challenges we face. It is also an issue about which relatively little is understood by the common person. In January 2002, 93% people voted in an internet survey to have the tax exemptions to charities withdrawn⁷. This is perhaps a good example of the popular British proverb: 'Give a dog a bad name and then hang it'.

What are the real issues involved here? Mainly two. One, the tax-exemption, which is seen by most charities as a natural privilege and recognition of their non-profit

character is seen otherwise by corporate tax-planners. Many see it as an attractive tax-shelter, which could help them save crores in income tax or wealth tax⁸. This leads them to set up shell-charities, which could be used to park taxable funds.

In order to thwart their plans, and to prevent loss of revenue, the Government needs to walk a fine line. It wants to ensure that genuine charities are not inconvenienced, while making sure that shell-charities are unable to use the tax-exemption for saving tax or laundering funds. This leads to a gradual narrowing of the financial management space available to the genuine charity. An example of this is the gradual increase in the minimum expenditure requirements from 60% to 75% and thence to the current 85%.

The second issue is the tax incentive offered to donors who contribute to charities. Such a donor could deduct an amount ranging from 50% to 125% of the amount donated from their taxable income. This means that for every rupee donated, they could save anything from 15 paise to about 40 paise in tax payment. However, they would still have to shell out a net amount of 60-85 paise. How wonderful would it be if they saved the tax, and yet did not have to give a donation at all? They could do this by either finding an obliging charity (which is not easy), or still better, ask their tax adviser to set up one, which would just issue paper receipts, without any money changing hands.

We can see, therefore, that real charities are not really involved in any significant way in this tax-evasion.



However, they end up taking all the blame, because of the invisibility of the real culprits.

4. Lack of transparency and accountability

This is, by far, the most common accusation against charities. And no doubt, there is a significant amount of truth in it. Most charities that one comes across are reluctant to open up their accounts or share financial information with the public. In recent years, there have been some systematic moves to change this, but these have not met with any real interest on part of charities.

However, we also need to understand the reasons for this reluctance. It would seem that most charities do not see any real utility in sharing this information – in fact many feel that it would be an invasion of their privacy. From this perspective, lack of transparency does not really stem from a desire to hide information, rather from an inability to appreciate the need for it. Yet another aspect is that this demand for transparency and disclosure often comes from their most vocal critics – this leads to fears among charities that their financial information will be used to tar them with black. A prime example of this fear psychosis is that of the Church bodies coming together in 2002 to force the Government to withdraw tax provisions requiring publication of accounts for larger charities⁹.

With regard to accountability, the issue is much more complex. Strictly speaking, it is not correct to say that charities are not accountable. They are very much so in principle and in

practice – most donor agencies ask for audited accounts, even conducting their own audits, to ensure that their partners are honest. Yet, the accusation is made again and again.

How does one resolve this paradox? It seems that there could be two reasons which drive this popular perception. One is that the attitude towards accountability varies from one agency to another. While some are very strict, others do not bother at all. Second, the effectiveness of the accountability system is as good as the audit techniques that support it. Auditors need to revisit their audit techniques, and assess whether the current techniques of paper-based audits are good enough.

5. Outdated

The legal structure regulating philanthropy sector in India is very old and is now showing its age. The registering laws were made nearly 150 years ago, and have remained more or less unchanged in approach. The fiscal laws have seen more changes, but have failed to consider the massive socio-economic changes that have occurred in the last decade. These have tended to merely tinker with the old structure instead of trying a new, bold approach.

As a result, the laws are mostly out of tune with reality of the philanthropy sector. For instance, the Societies Registration Act was designed for small organisations, consisting of friends or colleagues, contributing a little bit of money periodically to run the society. Today's societies are spending crores of rupees, raised from the

Government, agencies or the public, using the same basic structure. It is a little like using a bi-cycle to transport a rhinoceros!

6. Lack of vision

However, today the most critical problem the sector faces in terms of regulation is lack of a vision on part of the Government, for the sector's growth and role. For instance, we have not seen the kind of regulatory innovations in this sector, as were seen in exports or in information technology. As a result, the sector has remained dependent on foreign institutional funds. This aspect has created its own downstream dynamics in terms of image, independence, issues and sustainability of the philanthropic effort.

Another unique feature of Indian legislation has been a uniquely discriminatory approach against religion-based charities. Across the world, Governments do not discriminate against religious charities – quite often they are provided additional facilities or privileges. For instance, in USA, churches (and other non-Christian denominations) are allowed to keep their accounts confidential, whereas other charities must make these available to the public. In Germany, the Government helps collect funds on behalf of the Christian churches. In almost all the Western countries, donations made to churches or other religious institutions, are treated at par with other public-benefit charities. Sweden, which had recently given up collecting church taxes, is planning to start collecting again.

This distinction between religious and non-religious groups has also led to a divide in the sector in operational terms. Public-benefit charities in India rarely interact or cooperate with religious charities. This weakens the sector as a whole, and also creates distrust. Further, NGOs are also unable to assess and use successful charity models developed by religious groups.

A Regulatory Framework

What kind of a regulatory framework do we then need for India's philanthropy sector? It is not within the scope of this article to lay out a detailed prescription for reform. We will, therefore, limit ourselves to identifying three key features that could be woven into the legislative fabric so far as the philanthropic sector is concerned:

1. Public versus Private

Structurally, we need to make a distinction between public and private in at least two ways:

One, whether the charity's benefit is open to general public or is it restricted to a few persons. This distinction will then drive the nature of facilitative legislation. Clearly, where the public good is being served, we could offer more facilitation, more fiscal incentives to encourage the work.

Two, whether the work is supported with public funds, or with private funds.

In the first case, more regulatory oversight is called for. In the second case, very little is required.

This would essentially mean that a public-benefit charity, supported with public funds, would get more incentives and be guarded more closely against misuse or mis-governance. On the other extreme, a private benefit charity, supported with private funds would get little or no tax incentives and would not be subject to much oversight.

2. Geographic Footprint

The second aspect is one of geographic footprint. The present system of regulating charity through state borders or national borders has really become redundant, in this age of globalization and electronic media. In such a situation, we need to look at more porous state borders within the country, so far as philanthropic work is concerned. This would allow charities to provide their expertise and skills across state borders, without any legal obstacle.

Secondly, we need to look at allowing Indian charities to spend money abroad, without any tax or fiscal prohibitions. This would allow them to share their culture and understanding with the rest of the world. This is also what is perhaps meant by '*Vasudev Kutumbkam*', the Indian mantra of universal family.

3. Religious or Secular

Third, we need to do away with the legislative prejudice against religious charities. All religious groups (irrespective of their religious affiliation) should be allowed to raise tax-deductible funds in the same manner as the rest of public-benefit charities. After all, it is religion itself, which pioneered the concept of

giving in the first place! And as we all know, charity knows no religion.

This is unlikely to increase the real amount of funds being raised by such groups, as tax-incentives have little effect on religious giving. However, this move will bring such donations out of the *hawala* channels into the account books, thus allowing religious groups to introduce more transparent ways of managing their finances.

Conclusion

Indian philanthropy has a glorious and long history. However, over the ages, it has forgotten itself, and is today seen as dependent on foreign funds. This is far from the truth. Yet it is also true that we need to rediscover the true Indian spirit of giving, defined so succinctly in *Shreemadbhagwad Geeta*, as *sattvic dan*¹⁰.

Will the law help us in this journey? The present Government is seriously working to develop a National Policy for the Voluntary sector. Let us then hope optimistically that it will be as visionary in its approach to philanthropy, as it has been in other areas of India's material development.

(Footnotes)

1 The Classical Law of India, Tr. J. Duncan M. Derrett, Munshiram Manoharlal, New Delhi, 1993.

2 AccountAid Capsule 70, 71 (Feb-02), www.AccountAid.net

3 AccountAid Capsule 183 (Nov-05), www.AccountAid.net

To Blog or Not to Blog

By Suzanne E. Coffman

Nonprofits, Julie Moran Alterio reported in the May 29, 2006, *Journal News*, are “starting to tap into the power of blogs, podcasts, news feeds and social networking sites.” The March of Dimes, Share Your Story, Leukemia & Lymphoma Society, and American Cancer Society are a few of the organizations that have embraced these new forms of outreach.

GuideStar’s own Bob Ottenhoff noted in the story, “Blogs are a great way for the nonprofit to talk about what they do and tell stories, which is always a great way to communicate.”

Which led us to wonder: how widespread is blogging in the nonprofit world? Which led to the question: “Do you ever read or post material or comments on nonprofit blogs?” (Blog, by the way, is short for Web log, and

individuals and businesses are posting them all over the Net. Enter blog into an Internet search engine, and you’ll probably find at least one for every topic under the sun.)

The Few, the Proud, the Bloggers

Nonprofit blogging is in its infancy. Only 29 percent of our Newsletter readers said they blog. Asked what they liked about

blogs, these readers cited, “like minded people” (anonymous participant);

“information, community, insight” (Rob Johnston, Wilson Center for Social Entrepreneurship, Pace

University); and “insight into what motivates people to pursue their mission with passion” (anonymous participant).

“Blogs are less static and more personal than a standard website,” Laura Kaplus of the Cora L. Brooks Foundation stated. They need to be current,

however: “Blogs are only good if there are new posts at least 3 times each week—current information. Program-providing nonprofits’ blogs are great for feeling like you’re visiting the organization, like you have more insight into their programs and mission. If part of their activities involves sending people into the field, you have a better idea of what they are accomplishing and how. ... Blogs are effective for quick, honest, personal reporting or reflections. Not only a good way to provide more insight and ideas to your public (including funders) but also with others in your organization (if you have a large organization).”

Blog, Blog, Who Has the Blog? Among the blogs readers mentioned were:

- ALA (American Library Association), <http://www.ala.org/>—enter “blog” in the search box to find the blogs on the site



Continued from page 32

4 ‘Breastfeeding Bill Gains Approval’, http://news.bbc.co.uk/2/hi/uk_news/scotland/4021137.stm; See also ‘End public breastfeed prejudice’, http://news.bbc.co.uk/2/hi/uk_news/politics/4418370.stm for news about a similar bill in UK

5 *Philanthropy and Law in South Asia*, Mark Sidel and Iftekhar Zaman, Ed., APPC, Philippines, 2004

6 *The Prophet*, Kahlil Gibran

7 AccountAid Capsule 61, 9-Jan-02, www.AccountAid.net; Economic Times ‘ET Insta Poll’ of 8-Jan-02 at <http://economictimes.indiatimes.com/>; The Times of India, New Delhi, 9-Jan-02, p.15]

8 See AccountAble 91 (www.AccountAid.net) for more on this

9 AccountAid Capsule 84, 1-March-02

10 Shreemadbhagwad Geeta, Chapter 17, verse 20.

- Gristmill Blog, <http://gristmill.grist.org/>
- 4Nonprofits, <http://4nonprofits.org/>
- NRC (National Recycling Coalition), <http://www.nrc-recycle.org/default.htm>
- Mission Based Management (Peter Brinckerhoff), <http://missionbased.blogspot.com/>
- Raising More Money Weblog, http://alanaxelrod.typepad.com/raising_more_money/

For more blogs, go to <http://rpc.bloglines.com/> (search “nonprofit” to find nonprofit blogs) or <http://4nonprofits.org/NP-blogs>.

The Many, the Equally Proud, the Nonbloggers

Lack of time was the most common reason participants gave for not blogging. “Too busy to surf and read blogs. Small agency ED and chief bottle washer,” one anonymous respondent explained. Another anonymous reader lamented, “I barely have time to respond to e-mail every day, let alone check out blogs that are often just personal rants and not that useful.”

Several readers noted that they didn’t know which blogs would be useful to them. As Chuck McClaugherty of the Environmental Education Council of Ohio wrote, “Too busy and not aware of good ones.” Kerry C. Stackpole of Neoterica Partners

commented, “Finding the ‘right’ blogs that match my professional interests is a significant challenge and having the additional time to then contribute is equally difficult.” One anonymous participant spoke for several readers when he or she wrote, “Never encountered an NFP blog.” A few anonymous readers questioned blogs’ usefulness—“Think they can be harmful or misleading”; “Not aware of any good ones”—and one cited lack of technical savvy as well as time constraints: “No understanding of blogs—who, what when where how to find—not techy in touch with the latest, just techy enough to maintain—too small of a nonprofit to find time for blogs.” Volume, however, may not be the measure of success for blogs. As Bob Ottenhoff noted in the Journal News article, “There used to be a time when everybody read the same newspapers and watch the same TV programs. That’s no longer the case.” As mass media continues to decentralize, nonprofits may find it more important than ever to establish one-to-one connections with their constituents and supporters. Blogs may turn out to be an effective way to do just that.

About the Author: Suzanne Coffman is GuideStar’s director of communications and editor of the Newsletter. Before she can even think of starting to blog, she needs to clean off her desk.

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CASE STUDY

NGO + Corporate + Local Government = Slum Networking Programme

This is a three way partnership in which SAATH was invited to join a pilot phase of the Slum Networking Project (SNP) by Arvind Mills Ltd., where it was to provide inputs for community development in two slum areas. In turn the company was to provide inputs to upgrade physical assets in two areas where SAATH was implementing a programme. The Ahmedabad Municipal Corporation (AMC) was the third partner.

- Some lessons learnt from SNP:
- The basic fact is that NGOs at the grassroots levels are usually accountable to the community not so corporations and government bodies.
 - Long term commitments have to be made from the side of industry and AMC towards SNP.
 - AMC should take the financial responsibility in case industry backs out.
 - Industry and NGOs cannot replace municipal bodies like AMC.
 - Clarity of the roles of each partner is needed.
 - Slum residents should have a say in the project. They should not have to wait endlessly because of the lethargy of any of the partners.
 - High technology is not needed to bring about upgradation of physical facilities.
 - Efforts should be made to make a low cost credit available.

Source: *The Slum Network Programme, SAATH Sampradaan, December 1999*



Philanthropy in The 21st Century

“I am wedded to Mahatma Gandhi’s philosophy – nothing belongs to you. You are the trustee of what you have got,” says D.N.Chaudhari, 80, Honorary Counselor, National Society for the Prevention of Blindness India and former Director General, Income Tax.

Philanthropy has taken strong roots in the 20th century. Although it is as old as mankind, the biggest impediment is that although there are philanthropists with tons of money, they don’t know where to give and how much. Many of them are attracted to religious approaches like giving money for construction of temples, gurdwaras, mosques and churches. They give plenty of money for such constructions, and a lot of this money gets filtered out by those who undertake such constructions. Giving money for noble causes, which help the poor and downtrodden, handicapped and underprivileged, is much better than doling out for religious purposes.

There are important areas like education which helps empowerment of women. Women’s empowerment helps in improving the lifestyle of the woman herself, the lifestyle of the family which she creates and finally helps in family planning and population control.

I am not a rich person, but I believe in Mahatma Gandhi’s philosophy that whatever you have is not your personal wealth. You are only a trustee of the same to donate to good causes which help a large number of people, particularly the poor and underprivileged.

In the field of education, I have made substantial contribution towards building halls, and institutions in the

name of my wife Samyukta Chaudhari who passed away in 1997. Such buildings include, the Samyukta Chaudhari Memorial Seminar hall at Miranda House college in New Delhi, built in my wife’s memory keeping in mind her close ties with the college. With the sitting capacity of 140 people, built at a cost of Rs. 16-17 lakh, this hall is the only such air conditioned facility in Delhi University. It is being used to conduct important meetings and activities. Another example is a hall built in a school in Una, Himachal Pradesh, where inter-school meetings are being conducted, and the Sanyukta Chaudhari Himotkarsh Women’s Polytechnic Institute in Una which has been doing pioneering social service for over 20 years by imparting professional training to around 200 girls every year, thus enabling them to get jobs or be self employed. So far over 3,000 girls have benefited from the vocational training.

Similarly I have donated substantial money to set up a women’s college near Una, to impart free education to girls from rural background. This college too has a huge hall built in the memory of my wife and it can accommodate over 400 people.

In the area of health, my focus has been on prevention and cure of

blindness under the National Programme for the Control of Blindness (NPCB). I have been contributing substantially towards this programme which has helped clearing the ‘blindness backlog’ from Himachal Pradesh over a period of six to seven years. Himachal Pradesh is now the second best state in reducing the blindness rate to 0.7% as against India’s over 1%.

In Himachal Pradesh, under students’ eye check up programme (SES), over six lakh students in the age group of 10-16 years have been covered and spectacles have been given to over 10,000 students and more than equal number of students have been given eye care treatment. The same kind of work is now being done in Uttaranchal. In Uttaranchal, this work is being done at the Ramakrishna Mission Seva Ashram in Haridwar, and in Delhi I have donated over Rs 6 lakhs to Venu Eye Institute for setting up of the Samyukta Chaudhari Memorial Pediatric Ophthalmology OPD for children, with the condition that they send me a six monthly report about the free treatment offered and number of children treated.

Similarly donations have been given to various organization doing public service with condition that they will give us regular report of their activities.

Some other areas of extending philanthropy are helping the handicapped including physically handicapped and mentally challenged, hearing and speech impaired, visually handicapped and spastics. There is an organization called Mangalam which has been working with the physically handicapped over 60 districts in the country for over 25 years. It provides hearing aids and bicycles and artificial limbs. Recently I donated over Rs 5 lakhs and helped

raise more funds to set up meeting halls in Mangalam Sadan in Karkardoma in East Delhi. This organization has assisted over two lakh physically handicapped persons to date. Donations have also been made for the treatment of heart diseases among adolescents and young at the All India Institute of Medical Sciences and other places. Finally another area for my philanthropy is senior citizens, people falling in the age group of 65 and above, who require special attention for health, physical and mental problems and need to be pre-occupied with social issues. I am the vice president of one such forum for senior citizens that them helps in solving their income-tax matter,

medical treatments, legal issues like drawing up a will, electricity and water issues etc.

I identify organizations and institutions for donations on the basis of my personal knowledge or sometimes after verification. With a large number of these organizations, I have been personally working or been associated with like Mangalam. I have personally donated money to this organization, and also raised funds from them with the help of my relatives and friends in the US. In

“I am not a rich person, but I believe in Mahatma Gandhi’s philosophy that whatever you have is not your personal wealth. You are only a trustee of the same to donate to good causes which help a large number of people, particularly the poor and underprivileged.” -- D.N.CHAUDHARI

fact, my adopted daughter Sudha Upadhyay from Chicago has also opened a branch of Mangalam in the US.

To assess whether the money donated has been put to good use, I get reports about the progress or performance from these organizations. There may have been some mistakes, but minor ones. On the whole this personal assessment

has worked satisfactorily.

I have mostly donated cash, except sometimes in kind, in the form of books for the libraries or CDs, computer or printer etc.

Although I have been involved in philanthropy all my life, but I started doing it on a large scale since I retirement from the post of director general (Income-tax) in 1984. This became bigger when we sold our first house in 1994 for Rs two crore, ten times the money we had spent buying it. After that we purchased

two houses, our present house for Rs 54 lakhs and another in Gurgaon for Rs 65 lakhs which was later sold for Rs 77 lakhs.

Now I am giving away all that I have for charity. Till date I must have donated around Rs 1.2-1.5 crores.

I am wedded to Mahatma Gandhi’s philosophy –

nothing belongs to you. You are the trustee of what you have got. And this shall be donated wholly to the poor, the underprivileged and the needy.

That is what I am trying to live up to. I am 80 years young! And I will go on donating to all worthwhile causes as long I live. My priorities include providing education, health, care of the handicapped and senior citizens.

Library for grantmakers: New online library for international grantmakers: The United States International Grantmaking (USIG) project has unveiled a new online library of reports, papers, books and other publications that contribute to the field of international grantmaking. The resources include publications from the Council on Foundations, member foundations and colleague organizations. This library has pull-down menus and allows users to search for resources by topic, funding area and geographic focus. Short abstracts with hypertext links lead straight to resources. USIG is a project of the Council on Foundation in partnership with the International Center for Nonprofit Law and primarily serves grantmakers in the United States.



GRASSROOT PHILANTHROPY

The mine worker's hospital

The tiny mining town of Dalli Rajhara, located deep in the jungles of Chattisgarh, houses the Shaheed Hospital – built and run by barely educated mine-workers. The origins of the hospital can be traced to the year 1977, when 9,000 contract workers of Dalli Rajhara mines formed their own organization, the Chattisgarh Mines Shramak Sangh (CMSS). With the help of the CMSS, the workers set up two dispensaries and got a doctor to treat them regularly, the only hospital in Dalli being reserved for permanent employees of the Bhilani Steel Plant. But what the workers really wanted was their own hospital. Their dream came to fruition when they persuaded several contractors owning them dues, to contribute money or material for building a two-storey hospital. Over 400 workers pitched in to build the entire ground floor. Shaheed Hospital was inaugurated on June 3, 1983, so called for the 11 people who died in police firing in 1977, during the worker's agitation to form the CMSS. Today the hospital is a 50-bed, two-storey building which provides healthcare at a nominal cost – a bed in the general ward costs Rs 5 per night. The hospital has three doctors who are paid a stipend. The workers have built houses near the hospital for them and the other staff and food is provided daily from the collective kitchen that the CMSS runs. Many workers have been trained in health care and they work in hospital after their shifts in the mines are over. Public awareness campaigns about hygiene, prevention of disease and home remedies for common illnesses are conducted. The aim is to avoid health emergencies. The hospital also provides free medical care to workers on strike, it organizes relief work during droughts and floods and other disasters – the 1993 Latur earthquake and the Union Carbide gas leak in Bhopal being two examples. And all of this volunteer work is done by the mine workers alone.

Shaheed Hospital stands as a tribute to the collective will of a group of impoverished workers with a vision, and the determination to make it come alive.

Sampradaan, No 12, January – February 2000

Local Hero- Rajaram Anandrao Bhapkar Gundegaon taluka in Ahmednagar district was till recently, completely isolated from the rest of civilization. It did not have proper access roads to connect it to the nearest village/ market/ place/ hospital etc. Despite repeated efforts and appeals by the villagers to make the village more accessible, government authorities/ agencies were completely indifferent and apathetic to the existing situation. That was until May 1957, when Rajaram Anandrao Bhapkar, a 67-year-old teacher began a single man's mission to pave the way for the future of his village. He began to dig a much needed seven km ghat road in the Santosh range between Gundegaon and Kolgaon village. Previously the villagers had to travel a 30 km long circuitous route around the hill range. Despite opposition from family members, dire economic conditions, ridicule from the villagers he went on to divert a large portion of his meager earnings for the construction of the road. Till date he has spent about Rs. 5 lakhs from his own pocket, including money from his provident fund, gratuity and other savings, for his noble deed for the good of his community. It has been a long and strenuous process with many hardships and difficulties – But Bhapkar's resolution to complete the project before his dying breath has seen it through. He has done it. An ordinary man doing extraordinary things, not for personal gain for the larger good!

Sampradaan, No 1, June 1997

Nishtha: A youth volunteer group

Nishtha consist of children in the age group of 6-18 years, who sweep the roads, distribute vitamins to the aged, visit old people in their houses, report ill health so that action can be taken. Kishor Bahini (young boys) refers abusive language of men to the women's council. This is one way the youth of this village – Matsyakhali in south Bengal have started working for themselves, since they seldom see a functional government agency. The action group Nishtha taught the women to tailor and make candles i.e. traditional roles. However the youth wanted faster change. They initially faced opposition and were often abused, politely referred to as 'women who had gone astray'. Now they undertake small development activities – pond embankment, road paving etc.

Sampradaan December 1998 – February 1999.

KNOW YOUR FOUNDATION K.K.BIRLA FOUNDATION

About 17 years ago in consultation with some of his friends and well wishers the well known industrialist K.K. Birla, former MP, established the K.K. Birla Foundation. The Foundation started functioning in March 1991. The objects of the Foundation are to engage itself in charitable and welfare activities particularly in the fields of education, higher learning, culture, art and music, scientific research, and sports, etc. The Foundation considers that successful implementation of well thought out programmes in these fields makes significant contribution to the academic and cultural activities in the country.

Over the years the activities of the Foundation have developed in various fields. In the field of literature, the Foundation is now operating four high level awards: The Saraswati Samman, Vyas Samman, Bihari Puraskar and Vachaspati Puraskar. Of these four, the Saraswati Samman instituted in 1991 is most prestigious and is given every year to an outstanding work of an Indian citizen published during the last 10 years in any of the languages mentioned in Schedule VIII to the Constitution of India. In the first two years works in 15 languages were considered. But now books in Konkani, Manipuri and Nepali, which were included in Schedule VIII in 1992, are also being considered for this Samman. Apart from the creative literature, the award is open to other genres of literary writing such as history of literature and language, criticism and essay, biography, autobiography etc. The award money is decided by the

Foundation, from time to time, it is Rs 5 lakhs at present. In view of the meticulous and objective process of selection the Samman has come to be recognized as the highest literary award of the country.

Like the Saraswati Samman, the Vyas Samman is given every year for an outstanding work in Hindi published during the last 10 years by an Indian citizen. The award money in this case too is determined by the Foundation from time to time. Currently, it is Rs.2.50 lakhs.

The Bihari Puraskar is meant for the Hindi writers of Rajasthan. However, the definition of a resident of Rajasthan is quite liberal. In addition to the original residents of Rajasthan (they may be residing anywhere) a person who has been living in Rajasthan for more than 7 years is also eligible for the Puraskar. The scheme envisages recognition of an outstanding Hindi work of a Rajasthani writer published during the last 10 years. The award money is Rs 1 lakh.

The Vchaspoti Puraskar was started in 1992 to honor a writer for his work in Sanskrit published during the last 10 years. The award money is Rs 1 lakh. The book may be an original literary work or any other work in Sanskrit or even a translation from any other languages to Sanskrit. In 1992, the Foundation instituted the 'Shankar Puraskar' named after Aadi Shankarcharya, for a book in Hindi on Indian philosophy, culture and art published during the last 10 years by

an Indian citizen, the award money is Rs 1.50 lakhs.

The selection for these Samman and Puraskars are made by high level committees according to laid down rules and procedures.

Another award scheme relates to scientific research. The main objective of the scheme started in 1991 and known as 'The G.D. Birla Award for Scientific Research' is to accord recognition to high caliber scientific research undertaken by Indian scientists preferably below the age of 50 living and working in India. The award money is Rs 1.50 lakhs. It is like all other awards given every year and is available in any branch of science including medical sciences, basic as well as applied. The emphasis is on the work done by a scientist during the last 5 years. The selection is made by a Board presided over by the president of Indian National Science Academy and includes 4-5 other eminent scientists appointed in consultation with him.

Another scheme started in 1991 is to encourage the outstanding performance of sportspersons known as the K.K. Birla Foundation Awards for Sports. Two awards of Rs. 1 lakh each are given every year to sportspersons, coaches and on occasions, to renowned media persons connected with sports. The criterion for assessing the merit of sportspersons is outstanding performance and achievement in the year for which the award is meant supported by consistently good



performance over a reasonable period of time. The selection board is presided over by Sunil Gavaskar. Over and above the annual awards, the Foundation has announced, as a one time measure, two awards for the outstanding sportspersons of the century - one for all time great persons and the other for the living legends, to: i) Late Shri Dhyhan Chand – the hockey wizard, ii) Sunil Gavaskar the renowned cricket player and Vishwanathan Anand, the outstanding chess champion. These awards carry an amount of Rs 1 lakh each for all the three recipients.

In the field of journalism, the Foundation started a programme in 1991 which seeks to provide to exceptionally talented journalists, opportunities to develop their professionalism through study and research. The Foundation considers that promising journalists need to be encouraged to take a break from their routine in order to devote themselves to the enrichment of their intellectual capabilities. The programme called the K.K. Birla Foundation fellowship today provides for 6 fellowships each year, two in Hindi, two in other Indian languages and two in English. The selected Fellows receive a monthly stipend of Rs 12,000 for a year and contingency grant of Rs. 40,000 per annum.

As an adjunct to the Saraswati Samman, the Foundation instituted two high level fellowships in the field of comparative Indian literature in 1994.

Later in 1996, the Foundation also started a scheme of Fellowship in Economics. The object of the Fellowship was to provide opportunity to eminent scholars, teachers and others concerned with economic administration in the central and state governments to undertake in-depth study of serious subjects in economics. The duration of Fellowship is one year, the stipend money being Rs 15,000 per month along with a contingency fund of Rs 40,000 per annum.

In 1992, the Foundation started giving financial assistance for publication of original Hindi works on non-literary subjects, such as sociology, political science, economics, current affairs etc. The main idea is to encourage writers and publishers to take up subjects which have generally remained ignored in Indian languages. Its scope has been widened to cover other Indian languages. The Foundation has also started two annual lecture series since 1994. One series is by an eminent Indian scholar in Hindi and other by a foreign writer or scholar

Post-Reform Corporate Social Responsibility

To tackle social problems every company should contribute something concrete and need-based to the local community.

- Give money, material and skills to broader regional and national causes.
- Build partnerships with others such as government, its agencies and NGOs.

Challenges for companies

- To optimize the positive economic impacts so that they are shared
- To minimize the negative economic impacts
- To maximize social impacts and share the benefits of growth
- To minimize the social impacts by providing mini private safety nets

Companies can offer local community safety mini nets in the form of:

- Vocational skills
- Education: school, college
- Creating community assets for offering services & allowing employees to volunteer.

Companies can set aside 1% of pre tax profit for philanthropic purposes.

Companies can start social partnerships with

- NGOs for projects which are community based regional or national
- Foundations which can allocate and provide feedback on their philanthropic contributions
- Employee clubs to encourage them to contribute in some way
- Other companies and chambers to strengthen the habit of giving

In conclusion organizations and individuals can evaluate and locate themselves on the following spectrum

- *Swartha* – pure self interest
- *Swartha parartha* – self interest with service
- *Parartha swartha* – enlightened self interest
- *Parartha* – pure service

Practice of philanthropy brings in the element of *parartha* alone which is very necessary at this stage of India's development. Sampradaan – June- August 1999.

**Community Trusts:
For promoting local
solutions to local problems**

The idea of voluntary pooling the community's surplus in cash or kind for emergencies or for those unable to look after themselves has existed in most traditional communities since olden times. Very often the community chest held contributions of grain donated after harvest for needy times and persons.

A community trust is an institution set up by leading members of the community to take care of the needs of that community over a period of time in a planned and impartial manner. It usually serves a geographical area such as a city or a region and its broad purpose is to promote and support local charitable and community activity through a programme of constructive grant-making. The Trust serves three constituencies: donors, local, voluntary and community organizations, and the wider local community.

- Pushpa Sundar, Reprinted from The Times of India, July 16, 1998.

Trust Worthy

Bombay Community Public Trust (BCPT)

BCPT was established in July 1991, primarily to address various social, human resources development, educational, health and environmental problems in Mumbai. It aimed at supplementing and adding to the efforts of the private charities on an organized and professional basis, and in particular facilitating the corporate sector in meeting its social responsibilities towards the city. It is the first city based community trust of its type in the country.

Sampradaan, No 3, December 1997 – February 1998.



ICP News: *ICP in collaboration with the Centre for Advancement of Philanthropy organized a workshop in Pune, from 23rd to 25th March, 1997 on the theme of "Enhancing Effectiveness of Foundations". The objective of the workshop was to bring trusts and foundations together for a professional exchange; provide them information on best practices adopted in India and abroad; and explore ways for collaboration and networking. Twenty-five representatives of different trusts and foundations in India, including the Tata Trusts, the Modi Foundation, the Mahindra Education Trust, and the National Foundation for India participated. Amongst other things, the workshop recommended the creation of a national network of Indian foundations and trust; meetings for orientation of trustees; production of a video documenting the achievements of Indian Philanthropy; and establishing fellowships for professional staff of foundations to visit good NGOs or see the work of leading foundations in India and abroad.* Sampradaan, No. 1, June 1997.

Mission to Educate

Every November, Dr Giriwar Narain Das, an NRI living in the US, returns home to Bhagalpur to educate the underprivileged in his hometown. His goal – to educate everyone in his village. Dr Das took the first steps towards achieving his goal in 1983, when with a meager sum of Rs. 15,000 he constructed three huts at Daryapur and started a school. Today 200 boys and 100 girls study in the Dr. G.N. Das High School, the only institution providing education in the area. Dr Das also runs schools in the backward Musahar slums in Bhagalpur, in some of which he distributes educational materials like pencils, slates and books as well. Dr Das's humanitarian effort is inspired by the hardships he underwent as a child, in order to educate himself. Born in Daryapur panchayat, 80 kms away from Bhagalpur in Munger district, he had to walk a long distance every day to reach his school located at far-off Kharagpur village. As the area was crime-prone, he was one of the few children who received an education since most parents preferred not to send their wards to school for the fear of a kidnapping for ransom. The girls particularly remained illiterate. Besides the physical effort, the 71-year-old former civil surgeon has spent over Rs. 10 lakhs of his own in bearing the annual expense of paying salaries to teachers and other necessities. The school charges a token tuition fee of Rs. 10. Lately he has received support for his literacy mission from two American organizations – American Organisation for Development of Bihar and Indian Literacy Project. No help is forthcoming from the Indian government, however. Even his request to the education minister of Bihar, Jayaprakash Yadav, who incidentally belongs to the same area, to grant recognition to his school has fallen on deaf ears. As a result, the students have to take the final matriculation examinations from other recognised schools. In addition to this, Dr Das sometimes also provides free medical care. Sampradaan, No 14, May-June 2000

GRASSROOT PHILANTHROPY

Jhoola Nirman Samiti

When even after five decades and 2,000 memorandums, no action was taken by government officials to build a much needed bridge to connect Chamba and Malaun, the villagers of two dozen villages in Solan District in Himachal Pradesh had stopped expecting any miracles. They had been suffering for a long time. In the summers and winters they had to wade through waist deep water to go to Ramshahr and during the monsoons they were completely isolated due to the overflowing of the Ghambar river. The 105-odd children had to stop attending school during these times and because of the annual flash floods, they could not sell their crops in time in the big markets, their income was less than it could have been. Finally the villagers could take no more and decided to take matters in their own hands, believing that "God helps those who help themselves," they formed a 25 member Jhoola Nirman Samiti and approached two local contractors to build the required 173-foot long and 5-foot wide bridge. A wide scale community mobilization took place with donations starting from Rs 5 to Rs 500; others offering their labour by chiseling stones, mixing mortar, doing odd jobs, carrying 12 tonnes of building material. In the miraculous short time of 105 days and at a cost of Rs 7 lakhs the bridge was ready. It is a fine example of what local resource mobilization can achieve if people decide to help themselves without waiting for government assistance. Sampradaan No 2, September 1997

Fund raising- some methods

The traditional fund raising methods are occasion related, purpose related, sacrifice related etc.

Occasion related:

- Birth, marriage, birth anniversary, wedding anniversary
- Education day: offerings are received from students for having succeeded in their exams.
- Mission day, Zonal Day, Diocesan: These are collections celebrating the success of specific missions.

Purpose related:

- Bring and Buy sale: youth groups etc, make food that they sell. These proceeds go towards activities they carry out.
- Raffle: prizes are normally resourced and not bought
- Souvenir
- Bhoo Bhavana Danam: Annual collection to provide housing for the poor.
- Mite box: A small box is kept by individuals in their homes. The collections of these boxes are then made available for the support of destitute in institutions.
- Pension Fund: For people who otherwise do not have a pension.
- Building fund, scholarship fund
- Evangelist fund, school fund, choir fund, convention fund, medical fund, Bible society fund, destitute fund: Collections for these purposes are taken up on a fixed day of the year. Targets are fixed and the offertory envelops inscribing the purpose of collection is given to each member prompting them to give generously.
- Endowments: Usually such funds are created by exhorting people to make such funds as a memorial for family members.
- Distress/ Aid Charity fund, kidney transplant, open heart surgery fund.

Sacrifice related

Tithe: a percentage of their income is given up.

Self denial fund: contributions collected through self denial.

Uposhanara varam (self denial week): Collections from the last week of Lent.

Institutions support

- Membership, monthly subscription, offertory, special offertory
- Nullari: a collection made from Sunday school students to teach them sharing and caring at a tender age.
- Pidiyari: a handful of rice is removed while cooking each meal. This is then made available to the Church.
- Rassisa: A token contribution and a pledge of allegiance to the head of the institution.

Festival related

- Harvest festival
- Christmas festival
- Lent campaign: Collection during the 50 days of Lent especially the sacrificial giving.

Special projects

These are specific to a particular group, while targets are set for collections the actual fund raising methods vary. **Sampradaan September- November 1999.**



Stop the Stopgap Measures!

Taking a Long-range View toward Fundraising and Creating a Plan That Fulfills It

By David G. Phillips

Raising money is a constant, enormous task for most nonprofits. In a survey last year of GuideStar's Newsletter readers, nearly half of them (46 percent) said this was their greatest challenge. Perhaps it is time to take a step back from the day-to-day operation (and bills) of your organization and focus on the horizon. Rather than spending your time on the frustrating struggle with the "annual fund," would it not be better to use that effort to develop a multi-year, comprehensive fundraising plan that would meet all of your needs through longer-term, perhaps even five-year, commitments? Those who take the time to create a vision, assign dollar goals to carry it out, and send forth energized volunteers to excite donors will find this a much more efficient approach than scrambling to make ends meet. What better way to impress and motivate current donors and attract new ones than to show them your thoughtful, integrated blueprint for your organization's future? So how does one begin to create a five-year plan? Start with your annual operating budget needs over five years. If you would like to increase programs or services, add in that cost. Perhaps those programs and services will mean new buildings or capital

improvements; add that cost in. Finally, include an endowment goal to build your nest egg for the future. This dollar total will represent your overall fundraising needs for five years. Now think beyond the dollars to those intangibles that will generate excitement and momentum for your campaign. Fundamentally, you will want to make sure you have considered the very purpose of your work and the nuts and bolts of daily operational effectiveness:

- **Operations:** Audit your office infrastructure and make whatever changes are necessary to ensure efficiency, accountability, and cost-effectiveness.
- **Service delivery:** Are you doing the best job possible at delivering what you were established to deliver in the first place? You know who to ask—your clients or constituents.
- **Board strength and resolve:** You need board members whose attitude is "We mean business" and who will bring the financial commitment and community visibility to prove it. Building a strong board is one of most valuable services that fundraising counsel can provide.
- **Informed constituency:** Most donors do not really know what your organization does. Sometimes even the staff and board members do not really know. Certainly your

community may not know. You need a good PR plan. These days much of it can be carried out electronically, which saves paper and mailing costs. To give yourself something to hook people's attention, consider creating something new, not terribly expensive, that would excite people. What is the most compelling aspect of what you do? Think of how you could package the sexiest part of what you're all about (e.g., saving animals, nurturing young musicians, feeding the hungry), do something new with it, get the community's attention, and pull on those heartstrings.

· **Cultivated donors:** You must devote the time and staff (or volunteers) to thank and inform your donors and constituents. By the way, corporations and foundations certainly are an important part of your cultivation mix, but you should know that individuals give roughly 90 percent of the charitable contributions made in this country each year. And of those individuals,



\$1 million animal rights law:

Bob Barker, host of the TV game show "The Price Is Right," has contributed \$1 million to Georgetown University Law Center for the study of animal rights law. "All of us interested in making the world a better place for animals are delighted to have law schools of the stature of Georgetown University Law Center becoming increasingly involved in animal rights law," said Barker.

What other organizations could enjoy Barker's largesse? People for the Ethical Treatment of Animals, come on down!

Guilt-ridden U.S. businesses shelled out \$10 billion in 2005 to charities, an increase of 14% over 2004, according to the Committee to Encourage Corporate Philanthropy's annual corporate philanthropy survey — the Corporate Giving Standard. The sanctimonious do-gooder alliance co-founded by actor Paul Newman estimates the \$10 billion figure — based on data provided by 91 companies — represents more than half of all U.S. corporate philanthropy. Of those 91 companies, 44 are in the Fortune or Global 100, while 87 meet the revenue level of the Fortune 1000 or Global 500, according to the group.

Is Google funding MoveOn.org? Say it isn't so. According to the American Spectator, the popular search engine is funding leftwing MoveOn.org to build grassroots support for "Net Neutrality" legislation, a form of protectionism for online companies like Google and Yahoo! A bill in Congress would prevent high-speed network operators such as Comcast and ATT from offering services such as video downloads or enhanced email, thereby competing with internet giants like Google. Reportedly, Google has become MoveOn.org's largest corporate backer, to the tune of \$1 million.

Continued from page 41

10 percent of them will give you 90 percent of your campaign goal. Now you know where to focus your attention initially.

Involved donors: The basis of any major gift program is the building of a long-term relationship with donors. This means learning how they would like to be involved in your organization and extending the appropriate invitations. Understand that this process will take time.

Personal approach to asking for gifts and recruiting volunteers: What's the most effective approach for obtaining a significant gift? Experience tells us it is the personal visit followed by a thank you letter. In a department store, the top-tier customers find the best service and the most pleasing atmosphere on the upper floors. Give your major donor prospects top-floor treatment.

What's the least effective approach? Special events, cocktail parties, and

phone calls. Save them (and direct mail) for smaller gifts at the end of your campaign.

Now you have a package, something truly visionary to take to your community and your donors. Ask them to help you realize your plan by making a commitment to a pledge that they will pay off over the five years. During those years, your fundraising volunteers can go to new donor prospects and expand your donor pool instead of exhausting themselves on the same donors year after year. At the end of the five-year period, perhaps you will have 600 committed donors rather than the same 100 your agency has exhausted each year before—the same ones who wonder why you don't expand your donor pool. That is good news for everyone and especially for the viability of the organization.

When all is said and done, it is no secret that good planning makes priorities clear. The less time you spend worrying about the light bill, the more time you'll have to involve people who will be important to your future.

About the Author: David G. Phillips is president and CEO of Custom Development Solutions, Inc. (CDS) in Charleston, S.C. CDS, which is among America's fastest growing fundraising consulting firms, specializes in the strategic planning and tactical execution of fundraising campaigns for nonprofits large and small throughout North America.

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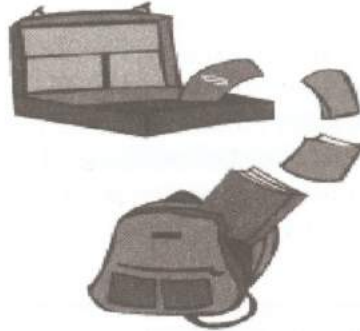
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Soros' Foundations:

Leftist meddler extraordinaire George Soros has changed his mind and decided that his social-engineering foundations should live on after he has shuffled off this mortal coil, the Wall Street Journal reported June 23. Previously, the billionaire speculator had wanted his worldwide network of foundations to close their doors upon his death, but he has since reconsidered. Soros explains in the prologue to his new book, *The Age of Fallibility: The Consequences of the War on Terror*, that although he did not originally want his foundations to survive him, he later came to feel that allowing the foundation to lapse with his death would be "selfish" because "many people are devoting their lives to the foundation. Why should their work be terminated with my death?" Soros also reportedly intends to create an oversight board to look after his cherished Open Society Institute and the other tentacles of his philanthropy empire. His son, Jonathan, will be a member of the board.

The Left's preeminent funder discloses his future philanthropic plans in *The Age of Fallibility*. Because America has failed "to exercise the right kind of leadership," the time may be right "for launching a European open society foundation," he states in the book's prologue, a dreary recitation of the philanthropist's increasingly tedious and predictable critique of the United States. "The main obstacle to a stable and just world order is the United States," he writes. Soros also writes he is establishing "an Arab Cultural Fund," and is considering new political adventures in countries near Russia. Soros writes he is "ready to do what I can to help the countries of the 'near abroad' that have been able to hold free elections to maintain their independence from Russia."



No Funds for Harvard: With the ouster of their favored university president, at least four donors who pledged \$390 million to Harvard University apparently believe that nothing safeguards donor intent better than revoking a donation. In late June Oracle Corp. CEO Larry Ellison put the kibosh on a \$115 million gift to the wealthy Ivy League bastion of wrongheaded thinking as then-president Larry Summers was being shown the door. An Ellison spokesman said his boss reneged because Summers, who was axed in part because of past politically incorrect comments he made to the easily outraged faculty, would not be around to manage the global health foundation that Ellison had wanted to create. Three other donors upset at Harvard – Mortimer Zuckerman, Richard A. Smith, and David Rockefeller— have since followed suit and canceled plans to donate to Harvard, which already has a whopping \$26 billion endowment, the Wall Street Journal reported July 13. "It is quite normal in situations of leadership transition in any not-for-profit organization for donors who are considering very major gifts to wait for a new leader to be in place before finalizing and announcing a major commitment," said Donella Rapier, the university's development director. Zuckerman had planned to give \$100 million for a neuroscience institute, while Smith wanted to fund a \$100 million science complex. Rockefeller chopped \$65 million from a planned \$75 million gift to fund study-abroad trips for needy students. The four philanthropists' moves ensure in a dramatic way that the future powers-that-be at Harvard will have no opportunity to use their money in a way they disapprove.

Novel role of non-profit: Robert Egger, president of D.C. Central Kitchen, publicized some of his strange ideas about the proper role of non-profit social service organizations in a letter to the editor published in the June 1 issue of the *Chronicle of Philanthropy*. In his mini-manifesto, Egger urged other nonprofits to go on strike. "Nonprofit organizations employ one-tenth of the work force and contribute an equal amount to the economy, yet they are expected to scramble, year after year, for meager resources," wrote the author of *Begging for Change: The Dollars and Sense of Making Nonprofits Responsive, Efficient, and Rewarding for All*. "The time has come for charities to stop being willing to 'soldier on' and slowly bleed ourselves emotionally and financially dry when no for-profit business in America would ever be expected to do the same," Egger pontificated. Perhaps Egger's sense of entitlement arises from his group's heavy reliance on government grants — which has arguably turned his nonprofit into a *de facto* arm of government.



A Younger India Is Flexing Its Industrial Brawn

PUNE: India's economic advancement no longer rests on telephone call centers and computer programmers. Among villages with thatched-roofed huts and dirt roads on the outskirts of this city in central India, John Deere and LG Electronics have recently built factories turning out tractors and color television sets for sale in India and for export to the United States.

In Hazira, in northwestern India, where some residents still rely on camels to carry traders' goods, the Essar Group is making steel to be used for ventilation shafts in Philadelphia, high-rise structural beams in Chicago and car engine mountings in Detroit. For decades, India followed a route to economic development strikingly different from that of countries like Japan, South Korea or China. While its Asian rivals placed their bets on manufacturing and exports, India focused on its domestic economy and grew more slowly with an emphasis on services. But all that is starting to change. India's annual growth in manufacturing output, at 9 percent and accelerating, is close to catching growth in services, at 10 percent. Exports of manufactured goods to the United States are now rising faster in percentage terms than China's, although from a much smaller base. More than two-

thirds of foreign investment in the last year has gone into manufacturing in India, not services.

"Saying we are a back office and China is a factory is a backhanded compliment," said Kamal Nath, India's minister of



commerce and industry. "It's not really correct."

Indeed, in interviews at 18 Indian factories and other businesses in 10 cities and villages scattered across the length and breadth of the nation, the picture that emerges is of a country being driven by advances in manufacturing to a much brisker pace of economic growth. A prime reason India is now developing into the world's next big industrial power is that a number of global manufacturers are already looking ahead to a serious demographic squeeze facing China. Because of China's "one child" policy, family sizes have been shrinking there since

the 1980's, so fewer young people will be available soon for factory labor.

India is not expected to pass China in total population until 2030. But India will have more young workers aged 20 to 24 by 2013; the International Labor Organization predicts that by 2020, India will have 116 million workers in this age bracket to China's 94 million.

India's young population will also make it a huge and growing market for years to come, while the engineering skills and English skills of its educated elite will make it competitive across a wide range of industries. So even though India remains a difficult place to do business, several multinationals have been placing big bets on India in hopes of taking advantage of this shifting global dynamic.

General Motors and Motorola are preparing to build plants in western and southern India. Posco of South Korea and Mittal Steel of the Netherlands have each announced plans to erect giant steel mills in eastern India, where Reliance of India will soon construct one of the world's largest coal-fired power plants. They are finding India's labor force well suited to their goals. When LG set out in 2005 to fill 458 assembly line jobs at its factory here at a starting wage of \$90 a month, it required that each applicant have at least 15 years

of education — usually high school plus technical college.

Seeking a young work force, the company decided that no more than 1 percent of the workers could have had any prior work experience. Despite the limitation, 55,000 young people met its criteria for interviews. “In the villages there is little income,” said Siddu Mathepattu, 24, in between applying sealant to refrigerator frames. “Here I can earn more.” By contrast, cities in the export-oriented Guangdong Province in southeastern China raised monthly minimum wages this summer by 18 percent, to \$70 to \$100 a month, after factories reported that they had one million more jobs than workers to fill them. Factories elsewhere in China face less severe labor shortages, but they also are being forced to raise wages. As India has deregulated its economy, output has gradually accelerated to a growth rate of 8 percent a year, feeding a national euphoria and a few hopes of someday even beating China’s annual growth of more than 10 percent.

Plenty of obstacles remain, however, notably India’s weak infrastructure. China invests \$7 on roads, ports, electricity and other backbones of a modern economy for every dollar spent by India — and it shows. Ports here are struggling to handle rising exports, blackouts are frequent and dirt roads are common even in Bangalore, the center of the country’s sophisticated computer programming industry. Pervasive corruption has slowed many efforts to fix these problems. India’s labor laws, little changed since they were enacted just after independence in 1947, also continue to discourage companies from hiring workers, by making it very difficult to lay off employees even if a company’s fortunes sour or the economy slows. Still, a new optimism prevails in India, bordering at times on euphoria. “The Chinese are very good at copying things, but Indians believe in quality work, we believe in meeting pollution norms,” said S. S. Pathania, the assistant general manager of the Hero Honda motorcycle factory in Gurgaon, 30 miles south of New Delhi. “I think India will pass China very soon.”

Source: New York Times, 1 September 2006

A Small Charity Takes Lead in Fighting a Disease

PATNA: The drug that could have cured Munia Devi through a series of cheap injections was identified decades ago but then died in the research pipeline



because there was no profit in it. So Mrs. Devi lay limp in a hospital bed here recently, her spleen and liver bulging from under her rib cage as a bilious yellow liquid dripped into her thin arm. The treatment she was receiving can be

toxic, and it costs \$500.

But it was her best hope to cure black fever, a disease known locally as kala azar, which kills an estimated half-million people worldwide each year, almost all of them poor like Mrs. Devi.

Soon, however, all that may change. Institute for OneWorld Health, a small charity based in San Francisco, has conducted the medical trials needed to prove that the abandoned drug, paromomycin, which research found promising in the 1960’s, is safe and effective. Now it is on the verge of getting final approval from the government. A course of treatment with the drug is expected to cost just \$10, and experts say it could virtually eliminate the disease. If approval is granted as expected later in the year, it will be the first time a charity has succeeded in ushering a drug to market. This novel way of helping people whose needs have not been met by for-profit pharmaceutical companies is gaining traction. Several partnerships are working to develop drugs to fight neglected diseases, underwritten by the Bill and Melinda Gates Foundation, Doctors Without Borders and other groups. Another nonprofit agency, the Aeras Global TB Vaccine Foundation, is searching for a means to prevent tuberculosis.

Source: New York Times, 31 July 2006

No Cheque Book Charity This

Satyam Foundation goes global like its parent company:

It's a case of reverse globalisation. With perceptible regularity, Indian companies are making inroads into foreign markets. So far so good. But, perhaps for the first time, they are also demonstrating their corporate social responsibility in the markets they operate in. Consider this. After Satyam Computer Services went global, its CSR arm, Satyam Foundation, is following the parent. Having made significant presence in five cities in India — Hyderabad, Chennai, Bangalore, Bhubaneswar and Pune — the foundation will soon be spreading wings to the US, Europe, China and Australia in a couple of quarters. Balaji Utlia, director of the foundation, says that the organisation is going global with a commitment to serve the urban poor and less privileged people. "We are working on a pilot project in the US to provide primary education to the inner city people." The project is being worked in Chicago and aims to set up one school for these people. He adds: "Currently, we are discussing with a few NGOs to figure out how to offer supplemental teaching to the poorest and hope to start the school in the next two quarters." Satyam Foundation, an umbrella organisation that brings together Satyam associates, spouses and volunteers, works in the areas of health, HIV/AIDS, education, environment, livelihood, street children and slum development in the

country. The company started its UK chapter and hopes to develop partnerships with the government, NGOs and volunteers. There are about 4,500 registered volunteers and the foundation claims to be the largest voluntary movement in the country. "We wanted to create a voluntary movement and deliver services to the urban population in all

the places where our parent company, Satyam is present," he says. He adds, "We are not into cheque-book charity and our initiatives are driven by three core values that include involving people, applying knowledge and making things happen." On an average, the foundation receives about \$3-4 million every year, both in the form of kind and cash, he points out. Source: www.financialexpress.com

A GIFT FOR NGOS!

Sampradaan Indian Centre for Philanthropy is pleased to announce that we have brought out the third edition of "**Directory of Donor Organisations**". It costs Rs. 300/- only. A postage of Rs. 60/- for destinations outside New Delhi is to be added to the price of the directory and purchasers from New Delhi to give Rs. 10/- for postage. We have reduced the price of the directory to suit the paying ability of our valued partners in the voluntary sector. There is a new feature to help the reader in the form of subject wise index of organisations. It consists of four types of data:

1. Indian Trusts and Foundations
2. Foreign Donor Organisations
3. Organisations giving Scholarships and Fellowships
4. CSR- Corporate Social Responsibility Organisations.

Limited copies available, so please place your order today.

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