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Number 49

March - April 2006



**FOUNDATIONS OF COMMUNITY**

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## Resurgence of the spirit and ethos of community

Today the global churning about the nature of development and its 'appropriate' forms is centred on the issue of people's participation in development management and its significance for sustainability of the very process of development.

The discussion about People's Participation in development is always ensconced in deep ideological perspectives about a desired state of existence of human society.

So, it is pointless to pretend about the objectivity of the views and evidence drawn in favour of competing perspectives. At most, one can only hope for fair chance and democratic spirit to prevail in the debates.

Indeed, there is a need to evolve a comprehensive understanding about the broad range of forms of participation to inform the debate on the changing nature of development.

Though the contemporary discussion about Participation in India centres around the issue of 'empowerment' of the masses, underlined by strong political overtones; a thicket of social

processes that are much more complex than the political terminology can interpret, constitute the ground reality.

from the  
editor's desk



The debate is set against the backdrop of concentration of power and wealth in the hands of a few; disparity between the different social and economic classes; and to top it all the state becoming a **fetish** than a collective **instrument** of social change.

We are living in a fragmented society. Increasing use of coercion - often through brutal violence - to keep society together has become a mark of the day.

However, we can never forget the lesson taught by history that the use of coercion by state and others, cannot keep a fragmented polity together forever.

Only the resurgence of the spirit, ethos and processes of **community based on harmony and exchange**, which was the basis of social organisation in our society since antiquity, can form the basis of the new alternative forms of social organisation.

Dr Sandeep Deshmukh

# Community Participation for Philanthropy in India

By Dr Sandeep Deshmukh

The concept of development needs to be put in a well-defined perspective for the sake of philanthropy in India, and more so for the purpose of nurturing Community Philanthropy in India. Certain common value premises in the community of intellectuals and development professionals emerge as discussion elsewhere indicates. These premises are based on certain principles that are expected to be the basis of policy-making related to development.

They are:

**i. Egalitarian development:**

No development strategy has the objective of expressly

creating inequality. Social and regional injustices are however normally accepted as an inevitable price for economic development. The egalitarian strategy of development, on the other hand, gives priority to redistribution on the basis of the principle of equity instead of gross economic growth.

**ii. Sustainable development:** The development processes must be characterised by the basic principle that present generations should use the resources in such a manner that future generations would not be deprived of them to satisfy their needs.

**iii. The territorial principle:** Regions and local communities should be developed in a multi-faceted manner. This development in no way should contradict the cultural and economic

features of the regions. As it has already happened on a large scale, if these regions are just treated as 'cells' in a hierarchy of a development machine geared to the task of increasing economic growth, then they face the risk of being destroyed and exploited. According to the territorial principle, therefore an ecological region carries an intrinsic development pattern which should become the basis of development planning and implementation.



**iv. Self-reliance:**

The theme of self-reliance has always occupied the centre-stage of development thinking, especially in the case of

developing countries that gained independence from the industrialised nations of the West. However, now the principle has acquired a different meaning in the sense that the focus has shifted from the nations to the local regions and communities.

**v. Ethno-development:** The cultural identity and self-esteem which an ethnic group should possess in order to survive culturally is an absolute precondition for real development. It is therefore, a matter of discovering and respecting the cultural dimension of development.

As an implication, the cultural pluralism itself is tried for and integration of the nation-state slides to second position in the rank.

## COMMUNITY: THE BASIS FOR SUSTAINABLE DEVELOPMENT

An integrated perception of human life is an inevitable consequence of the new thinking. This view sees the relationship between individual and society as interdependent, and seeks a harmonious integration between different dimensions of life of the individual and society. Nevertheless, even the new approach to development faces the problem of putting the development efforts on a sound social basis. To put it in more methodological terms, the critical strategic problem to be solved by the new paradigm of development is selection and building of viable units around which development planning and implementation could be organised. When present social reality in India is assessed against this view, it occurs that much needs to be done. There is still a wide gap in the access of different sections of our society to power and wealth. There are few signs that show that the economic and social disparity between urban and rural population are reducing; and this is all topped by the state becoming a **fetish** than an **instrument** of social change. Thus, we are essentially witnessing a fractured society. Only the use of force - often through brutal violence - has been able to keep the society together. However, we can never forget the lesson taught by history that the use of coercion by state couldn't keep a fragmented polity together for very long. Only the resurgence of the **community**, which was the basis of social organisation for a long time - not only in our society but almost in all parts of the globe, can form

the basis of the new alternative forms of society.

**EMPOWERMENT OF PEOPLE AND PROCESSES OF PARTICIPATION**

The resurgence of the community can begin only through a conscious, constructive criticism of the present state of affairs. However, the relevance of this criticism can only be realised through



‘empowerment’ of people. Empowerment of people must be understood in its process form. This empowerment happens through sharing of political power; reducing the dependence on the state by people; recognition of the naturalness of all forms of culture of people; and development and nurturing of self-sufficient productive communities. These conditions for empowerment of people have ‘participation of people in deciding their own form of life’ as an essential ideational element.

Again it needs to be brought to the notice of all those who are concerned about participation of people in the management of the development processes, that any attempt at building theoretical constructs defining the forms of participation would always fall short of covering all the subtleties of the actual processes of people’s participation in development management.

**PRACTICAL ADVANTAGES OF COMMUNITY PARTICIPATION**

**1. Adoption of Proper Techniques & Objectives in a Development Programme :**

It has been found that when **technologies** are imported from outside, then these are mostly not compatible with the local environmental degradation. Therefore, it is always helpful to select environment-friendly techniques. Sometimes, development agencies are prone to use highly complex technologies for development and people do not possess the skills required to handle these technologies; thus, consequently reducing their

participation. Many a times, the objectives of development programmes are not sensitive to the “felt needs” of the local people. In such an eventuality, the chances of local people not accepting the advantages of the programme are more. Therefore, it is always helpful to base the objectives of a development programme on the felt needs of local people.

**2. Cost-effective Resource Mobilization :**

Resource mobilization is a very important aspect of any development activity. And participation of people in resource mobilization is a prerequisite for a major impact of a development programme. The advantages of participation of local people in resource mobilization are as following: The resources can be mobilized more efficiently at local level. This saves costs on transportation and importing of skilled/unskilled manpower from outside. As well as, the resources can be cultivated in sufficient quantity locally. It has been proved that local people have a clear insight about the utility and management of resources available locally.

**3. Sustainability of Activity :**

It is a consistent experience that when the development agencies withdraw from a particular area, the programme launched by them come to halt. This is basically because of little involvement of locals in the evolution of any programme. On the other hand if people are involved in the programme then following advantages are perceptible:

- Internalization of the skills associated with a particular activity by locals.
- Creation of institutional forms conducive to the growth and sustenance of a particular activity.
- People become capable of anticipating the changes likely to take place in future and thus handle the changes more confidently.

**4. It is Possible to Prevent Hijacking:**

It has happened many times that the benefits of the development programmes have been misappropriated by the local elite. If wider sections of the population are involved in implementation of the programmes then it is possible to create checks on the “hijacking” of the benefits of the programmes.

**FACTORS AFFECTING PEOPLE’S PARTICIPATION IN DEVELOPMENT IN INDIA**

(i) **Class dynamics:** The phenomenon of class dynamics in India appears to be relatively complex than other societies for two main reasons viz. (a) Indian society is still in the process of transformation from a feudal social structure aligned with the caste system therefore, rendering any attempt at applying the ‘classical’ class typologies irrelevant; and (b) the factors of caste system and emerging ethnicities add to the complexity of change as one can see overlapping between the various social categories resulting into a much

complex interplay of social forces and consequent internal contradictions that lead the society forward.

**(ii) Caste dynamics:** One finds a complex hierarchy of caste groups in the Indian society based on the status ascribed to a caste group. The Indian caste system has always remained in a flux due to the continuing change in the relationships between different caste groups and a consequent change in their respective statuses. Even the tribal groups could not remain outside the influence of the caste system. Therefore, development professionals face the dilemma of externally induced change vs. primacy of local culture.

**(iii) Support mobilization of Interest groups:** It is a common phenomenon in Indian society. People are mobilized into 'semi-permanent' interest groups. We regard them as semi-permanent because there is a nucleus in the form of a person or a few individuals around whom the group is mobilized. May be some times the interest groups try to specifically define their temporary or long term interests and try to realize them through inter-group alliance. Thus, through the given specific interactions taking place among various interest groups at a particular time a network of communication emerges. The fragmentation of the community into interest groups poses a challenge to change catalysts since they pose a formidable obstacle in the process of attainment of the development goal.

**(iv) Local relationships:** The local populace with which development professionals are dealing definitely has its own social structure. People in that area interact with each other for satisfying social and economic needs related with those roles. Due to specificity and permanence of the interactions stable relationships emerge

between different individuals and sections. These relationships exist in the form of 'who will do what for whom in which situation' at all the times.

**(v) Disgruntled/ nuisance elements:** These are very similar to the interest groups. However, they possess an additional characteristic in the form of their hostile feeling towards the personal presence of the development professional or presence of development organisations in the area. These nuisance elements are hostile towards presence of change catalysts as they feel their interests threatened by their presence. Indeed they are bold enough to express their hostility openly towards the work of the development professionals.

**(vi) Power politics:** There are always more than one interest groups existing in an area. They are busy negotiating their interests with each other. Most of the time, political influence is used to determine the outcomes of these negotiations. An effective community strategy would try to draw the best benefits out of these inter-group negotiations for the project objectives.

**(vii) Common goals:** Many times other development organizations are working in the same area by us. They have their own goals for realizing which they carry out their own activities. People always evaluate the goals (and performance based on these goals) declared by them as well as us. If our goals are contradictory, it might cause tensions in the local population.

**(viii) Indigenous Leadership**

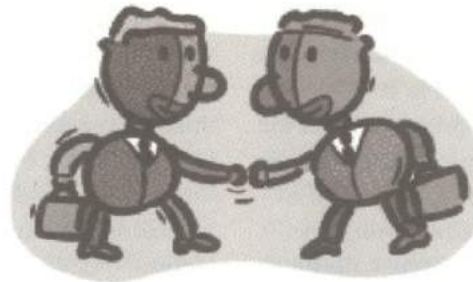
**models:** Local participants have their own ideas of a good leader. This goodness is characterized by certain qualities to be possessed by the person regarded as good leader. Often this idea of good leader is different from ours. Nevertheless, one should ensure that an optimal choice policy is followed by a community project with regard to people's expectations and project objectives.

**(ix) Norms of good and bad:** People have their own values of good and bad. These values are enforced through norms of behaviour. Development professionals should have a sense of respect towards these values and norms.

**(x) Perceptions about local resources:** It is not sufficient to merely know the resources existing in a particular area. More important is to know the strategies employed by the local people to use these resources. Indeed, the life style of the locals is strongly dependent on these resources. Thus, they have strategies for utilization of

these resources to the best of their value. These strategies employed by the locals originate in their experiences related to the use of particular resources.

The lessons related to the nature and use of these resources are reinforced over a period. These lessons form the content of the perceptions of the locals with respect to the local resources. It is important for the extension worker to understand these perceptions as the nature of local perceptions will determine the effectiveness of the new



strategies that he plans to introduce in the area.

**(xi) Economic incentives:** We should be able to clearly indicate the economic benefits to the participants in the programme. Nevertheless, the importance of the economic benefits must be counter-balanced by the importance of the moral education to the community. This two-sided treatment would ensure a steady treading towards improvement of quality of life.

### PERSPECTIVES ABOUT PARTICIPATION: APPROACH AND METHODOLOGY

A survey of the experiences narrated by the development professionals at various forums and the perceptions intrinsic to these give us an insight into participation among various sections of society as it is unfolding at the grassroots level in India.

#### (A) Perceptions

1. Participatory approach is a basic need of our society as a solution to the fragmentation rampant in it.
2. Participation is a programme of the people. It is a process of handing over the assets to the community. These assets might be created through a development activity or they may already exist in that community.
3. Participation is an expression of the collective strength of the masses.
4. One should understand the community in the light of participation as an entity:
  - consisting of people of a place,
  - those who have common interest,
  - embodied as a nation,
  - in the context of the voluntary, organizations, beneficiaries of any development effort.

#### (B) Methodology

1. The salient aspects of the

methodology of participation are:

- direct work among people,
- opinion building ,
- influencing decision making through collective strength,
- conceiving the development projects through people's participation and insisting in their participation in implementation.

#### (C) Issues central to participation

The issues associated with the problem of participation are deeply rooted in the diverse social, organisational, economic, political, and cultural conditions in which the development organisations in India find themselves. Based on the commonality of value premises, ideas, and concerns these issues may be classified into six broad categories viz.

##### Category 1:

How to reach to people effectively:

- i. What could be the nature of the participatory methodology for identifying felt needs of people?
  - ii. How to deal with problems like apathy of sections of populace or local government officials towards developmental concerns?
  - iii. In the event of an overwhelming proportion of developmental concerns, how to set the priorities for action?

##### Category 2

How to ensure participation in implementation:

- i. Methodology of organising people for participation in decision-making to execution,
- ii. How to evolve participation on the basis of equity considerations?

##### Category 3

How to institutionalize the participatory approach:

- i. How to institutionalize participatory approach at community level

and within the organizations (VOs and people's organizations),
 

- ii. Attitudinal changes among people and development workers required with respect to the need for institutionalizing the participatory approach.

##### Category 4:

Realizing participatory development:

- i. How to achieve convergence of different areas of development programmes viz. with respect to the three approaches to development?
  - ii. How to incorporate people driven initiatives in development programmes?
  - iii. Methods for sustenance of people-managed components of development programmes.

**Category 5:** Issues concerning the State:

- i. How to induce changes in the policy-making processes of the State?
  - ii. What changes are necessary in the present development policy of the State?
  - iii. Relationship of voluntary organizations (VOs) with bureaucracy.

**Category 6:** Participatory approaches in natural resource management:

The majority of VOs feel that the affectivity of the strategies for mobilising people can only be realised through ensuring their compatibility with the social and ecological settings in which they have to be implemented.

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# 'Community foundations can help small NGOs fulfill their goals'

*Dr Sandeep Deshmukh, Executive Director, Sampradaan Indian Centre for Philanthropy, in conversation with Dr. Nirmala Pandit, formerly faculty member of the Law Department of Pune University and founder member of - The Nav Maharashtra Community Foundation (Navam) in Pune. Excerpts:*

**Dr Sandeep Deshmukh: Why did you choose to start your work from Maharashtra?**

Dr. Nirmala Pandit: Maharashtra is considered as a developed state but the rural sector here is same as the other states, hence we decided to begin by working in rural Maharashtra. Also rural philanthropy at grass root level costs much less, therefore even with limited resources, one can see the change.

In the initial stage we have decided to support only innovative projects. Although it is easier to garner funds for ongoing activities, we have decided to support innovative rural initiatives, most would be unwilling to fund. Our areas of interest are health, education, human rights and public advocacy. We feel many of us are fortunate to have the best education and health services. We know our rights and how to exercise them. If we could give these privileges to everyone, whatever limited our scope may be, the changes will visible faster.

**Dr Deshmukh: This is a distinct beginning.**

Dr. Pandit: We evolved out of what people were looking for and what we thought we were capable of handling. Instead of Mumbai or Pune, we started working with second level developed cities like Kolhapur, Nashik, Aurangabad, Nagpur, Dapoli, Ratanagiri. We arranged network meetings in those cities with the help of local

NGOs. We spoke to the NGOs in that area explaining what we wanted to do. We tried to understand their needs, asked them about the areas in which they wanted outside support and that decided our future course of action.

**Dr Deshmukh: Could you share with our readers your background? Did it help you in setting up the Nav Maharashtra community foundation?**

Dr. Pandit: I come from the Human Rights background. I have taught Human Rights at the Law Department, Pune University, for 12 years. I was also the first director for the National Center for Advocacy Studies (NCAS). I learnt what kind of policy training a NGO requires. I worked with International Commission of Jurist in Geneva as a legal officer for Asia and the Pacific. I saw the struggle people have to go through at the grass root level. I did lot of lobbying at the UN at that time and also drafted a comprehensive document on trafficking in women and children. It was while working at the UN that I realized that no matter what you do at the international level or the state level, the real change has to happen at the grass root level. So I left UN to work at the grass root level. Although I don't think I am personally equipped to work at the grass root, it requires a different kind of training, but my background can help me strategize, device policies, give technical support and raise funds for

activities at the grass root level. It is not sufficient to bring changes in the cities. We need to change things at the grass root level to prevent people from migrating to the big cities. If we give them better options in the villages, people would happily stay there.

**Dr Deshmukh: But it is said that urban growth is inevitable and it is always linked with growth of opportunities.**

Dr. Pandit: If we can provide opportunities to the people in the rural communities then obviously development will reach rural level. We can correlate these with the help of technology. Take for instance our project on telemedicine in which we tie up with urban hospitals to provide medical facilities at primary health center in the villages with the help of Internet and transfer of images. By doing so we are saving the villager the trouble of taking leave from his work and taking a trip to the city for diagnostic tests. He can get medicine at his doorstep instead.

**Dr Deshmukh: Could you tell us about the beginning of Nav Maharashtra Trust?**

Dr. Pandit: In Pune many people are engaged in social work and philanthropy. I shared my ideas with some of them and 7-8 of us got together to form this body. They include Anu Aga, Prataprao Pawar, Rati Forbes, the then Vice Chancellor of Pune University

Ashok Kolaskar, Sharatchandra Gokhale of Community Aid and Sponsorship Programme (CASP). They are all well established in their field and are capable of guiding small organizations. This time we were talking about working in the villages.

**Dr Deshmukh: Tell us about your efforts to raise funds. How did you start? Was there any well-laid out strategy?**

Dr. Pandit: We started with the help of the Ford Foundation. Regarding our efforts to raise funds, we raise money through donations from the individuals, funding agencies, trusts, and companies. When we seek funds from the companies we do not necessarily receive the funds in our book of accounts but we make those funds available for the social cause. We help companies by designing their social responsibility initiatives and also help them in monitoring them.

**Dr Deshmukh: So at the moment yours is a conduit mechanism of sorts, transferring resources from one to another?**

Dr. Pandit: Well we raise funds for specific projects. The money we received from the Ford Foundation was meant for running our office, making small grants and encouraging organized philanthropy. However when we make grants from the funds we received from the Ford Foundation, the recipient organization too is required to have the necessary permission to receive the foreign contribution. However, since we want to help small organizations, many of which are located in the villages and do not have the necessary registration under the Foreign Contribution Registration Act, we use the money raised in India from our friends, companies and foundations.

**Dr Deshmukh: What about the mass of small organizations that**

**approach you for support? Don't they have FCRA registration?**

Dr. Pandit: No, small organizations which are two or three year old, are not registered under the FCR Act.

**Dr Deshmukh: Do you foresee an opportunity to have a national level chamber or network of grant makers in India?**

Dr. Pandit: A chamber has to be a collective effort. We have a network of NGOs, however, foundations are not just NGOs. They have other functions to perform, for example, fund raising, investing the funds and creating a chest of available resources.

We believe that people must be given some sort of an incentive to donate money for philanthropy. While in India you get tax benefits on just 1/3 amount that you have donated, in countries like the US you get tax benefit on the total donation. The middle class and companies in India, by and large, will be motivated to be philanthropic only if they are given some incentives.

**Dr. Deshmukh: Sampradaan is planning a workshop on philanthropy in collaboration with S. P. Jain Institute of Management, Mumbai and the Center for Philanthropy and Social Investment at the Swinburne University in Australia. Do you think the need for closer communication among donors could be satisfied through these kinds of workshops?**

Dr. Pandit: At least we will get platform to share our common concerns and also develop as a council of foundations.

**Dr Deshmukh: How do you manage and monitor your grant?**

Dr. Pandit: First of all we request proposals from the small NGOs, we ask for a concept note and budget line in

Marathi. Once we have this, we give our inputs and suggestions and also seek further information. The proposal is presented by the NGO to the entire board of Trustees of Navam, which finally decides on the funding issue. We usually give money in installments. The NGOs are expected to furnish detailed narrative and financial reports. Right now we are promising grants for a year, after which we review the situation. Some institutions are good and some projects can gradually become self-sustaining. We conduct frequent and regular visits to the projects sites, receive periodical reports from the NGOs, and give technical support when necessary.

**Dr Deshmukh: What about the sustainability of the foundation?**

Dr. Pandit: People have different views on sustainability. I believe a foundation is sustainable when its founder walks out but its activities still continue. In many cases it is not possible to be totally sustainable, specifically if you are working in the field of health, education and human rights. In Satara, we have just started a project in which we train a woman from a cluster of 2-3 villages as a barefoot doctor. She goes to the villages, visits the homes, talks about health and hygiene and even dispenses medicines. The organization pays the bare foot doctor and the people pay for the medicine they receive at their doorsteps.

**Dr Deshmukh: You cannot have one solution for sustainability. It differs with the sector, circumstances and activities.**

Dr. Pandit: Very true.

**Dr Deshmukh: Are there many opportunities for the community foundations to become self-sustainable in India?**

Dr. Pandit: Yes there are. It depends on how you project your activity. If you





are competing with every other NGO for raising funds, then it is not going to sustain, because then other NGOs will become your major competitors. But if we emphasize that our main interest is to channelize resources, which any way would be coming to you, then the NGOs will be ready to join hands. Community organizations help in organized philanthropy. Right now this is how a donor thinks: "I know this organization and I know that person working there so I will give money to them, no matter what kind of work they are doing. I have faith that these people will utilize my money for a good cause and will not misuse it." Now even people, especially youngsters think, 'I must pay back what the community has given me'. Earlier, this kind of attitude was common at the retirement age but now young people especially in Pune want to do something for the community. They are ready for voluntary work. They are ready to share their time and money. Soon time will come when people from the IT sector will say take Rs. 15,000 annually (that much one can spare) and use it when they will become Rs. 200,000. That is precisely what we would like to promote. Set up Donor Advise Funds. This gives you the liberty to choose whom you want to help. On the one hand community foundations can do something in the name of the person you desire and

on the other hand they can ensure that money is spent judiciously, reports are submitted to donors regularly on the usage of their donation. For example, Navam may have a Mrs A B Fund. Her son may advise Navam how to spend the fund in memory of his mother. He does not have to set up a trust, which is long drawn process. A community foundation gives different options for organized philanthropy.

In cities like Pune and Hyderabad one member from almost every middle class family lives abroad. The families have surplus money which they want to give in charity. They can give money as an endowment. Unfortunately up till now, we are not in the habit of making any plans for the use of our money and assets after our death. Most people don't make a will. Time has come to talk about it now.

**Dr Deshmukh: What will be the potential plans for community foundations?**

Dr. Pandit: First, it is important to address the following questions: Why do people want to set up a community foundation? Who are the beneficiaries? Which projects would people like to fund?

People like to give money for soft non-conflicting issues like health and edu-

cation. You can assess its impact and it will give some relief to people. But if I want to work on issue of violence against women, I don't think people will give money as easily. We can work on any issue in the world but we must see which issue will get funded. In India there are lots of issues we need to work on, however ordinarily donors may not give money for all of them. On the other hand, in the matters of advocacy initiatives, it will be difficult for the organization to show any results in a short span of time. This is why we need to set up big foundations that have endowment money and can give money for specific projects with varying durations.

At the primary stage I would not like to work on conflicting issues with long activity periods. I would like to establish our credibility. People should have faith that we are doing transparent work and spending money for a good cause. As for our future plans, this year we have selected 10 young social entrepreneurs who have 5-6 years of experience and want to do something unique. We have asked them to give us three days in a month for a period of one year. We will introduce them to experts in the development sector and expose them to innovative projects. At the end of the year we will assess their readiness and ask them to go ahead with their innovative project by supporting them.

### ON CREATIVITY

The man, who follows the crowd, will usually get no further than the crowd. The man who walks alone is likely to find himself in places no one has ever been before.

Creativity in living is not without its attendant difficulties, for peculiarity breeds contempt. And the unfortunate thing about being ahead of your time is that when people finally realize you are right, they'll say it was obvious all along. You have two choices in life: you can dissolve in the mainstream or you can be distinct. To be distinct, you must be different. To be different, you must strive to be what no one else but you can be...

### Definition of a COMMITTEE

A committee is a crowd of people that individually can do nothing, but collectively can decide that nothing can be done!

- Anonymous

# Social Entrepreneurship: Obstacles and Solutions

According to a recent study presented at the annual World Economic Forum in Davos, Switzerland, the major issues faced by social entrepreneurs in India during start up derive from certain tax provision, and, in particular, restrictions on foreign donations under the Foreign Contributions Regulations Act (“FCRA”).

Although a complete deregulation of the FCRA would be ideal, the report suggested that a softening of its requirements would be seen as a positive step forward.

This was part of a first of its kind study presented by Linklaters identifying barriers to social entrepreneurship and offering practical solutions to help it flourish. Linklaters is a law firm which specialises in advising the world’s leading companies, financial institutions and governments on their most challenging transactions and assignments. The study was product of a year-long, multi-jurisdictional pro bono project, in partnership with the Schwab Foundation for Social Entrepreneurship.

The report identified, for the first time ever, the legal, regulatory and taxation obstacles that are currently hindering social entrepreneurship in six selected countries across a broad geographical and economic spectrum: Brazil, Germany, India, Poland, UK and USA. The report also advised how to overcome these problems and

highlighted the opportunities which could encourage social entrepreneurialism.

The vital role played by social entrepreneurs around the world - particularly in the education, healthcare and environmental protection sectors - has been increasingly recognised over recent years. Just as business entrepreneurs create and transform whole industries, social entrepreneurs act as change agents for society, seizing opportunities that others miss to improve systems, invent and disseminate new approaches and advance sustainable solutions that create social value. For example, Isaac Durojaiye is transforming Nigeria’s deficient health and sanitation system by manufacturing, installing and maintaining thousands of public toilets through a franchise system that provides job opportunities to members of youth gangs who oversee the daily maintenance of the facilities and keep 60 per cent of the profits.

The World Economic Forum brings together leaders from business, government, international institutions, non-governmental organisations and universities to address the key global challenges facing the world. At the Forum this year, Anthony Cann, senior partner of Linklaters, said: “The part played by social entrepreneurs in improving society around them is huge, both in the developing and developed world. This report is the culmination of a year-long project involving more than 50 Linklaters lawyers around the world, building on our Community Investment theme of encouraging enterprise. It is a pro bono initiative



that can be called truly global in its reach and we hope it will stimulate interest in how governments and companies around the world can engage in this area to promote development and effect change.” Pamela Hartigan, Managing Director of the Schwab Foundation, said: “These highly unconventional capitalists are solving some of the world’s great economic, social and environmental problems, but the systems that are in place to oversee and regulate organisational practice haven’t caught up with these new hybrid models.”

Social entrepreneurs combine innovation, opportunity and resourcefulness to transform social systems and practices in a wide variety of fields, including, for example, health, employment, education, environment, housing and technology. While social entrepreneurs have existed throughout history, the concept of social entrepreneurship is a relatively recent one.

The term “entrepreneur” made its first appearance in the English language around 1475 as “one who undertakes; a manager, controller; a champion” (OED 2003). Unlike Adam Smith, whose “invisible hand” de-emphasised the value of the entrepreneur, JB Say celebrated the entrepreneur as a value creator who shifts economic resources out of an

area of lower and into an area of higher productivity and greater yield. Social and business entrepreneurs share common traits including an innovative, risk-taking approach to a challenge, the ability to seize opportunities, transforming “business as usual” and mobilising scarce resources towards that end. The economist Joseph Schumpeter called business entrepreneurs the “change agents in the economy”.

He wrote that “by serving new markets or creating new ways of doing things, they move the economy forward”. Social entrepreneurs are the change agents in the social sector.

However, in contrast to business entrepreneurs, the way to best measure their success is not how much profit they make, but the extent to which they improve the lives of those they mobilise through their actions. Social entrepreneurs can set up their initiatives as for-profit or not-for-profit organisations, and that choice will be a function of their vision and theory of change. Most social enterprises are hybrid organisations. That is to say, they operate along business lines and may indeed aim to make a profit, but their primary goal is to promote social change.

There are many factors which may potentially enhance or inhibit the development of a social enterprise in a particular country. These include social attitudes, religious beliefs and prevailing cultural factors. In addition, legal, regulatory and taxation rules also play an important role. One of the challenges for governments wishing to encourage social enterprise is that the legal, regulatory and taxation environment can operate as a restraint on its development. For example, an organisation established

for “social” profit may make a financial or accounting profit which may give rise to a tax liability unless a specific exemption (for example, charitable status) applies. In most countries there is no “in between” type of legal entity (i.e. an entity falling somewhere between a fully commercial organisation and a registered charity), and thus social entrepreneurs can be faced with a difficult choice as to the most effective legal vehicle through which to carry out their activities.

Furthermore, a wide range of regulations (often designed largely to protect employees and consumers against unscrupulous business operators and employers) can constrain the establishment or development of imaginative and worthwhile social enterprises. Examples include financial regulations such as minimum capital requirements which can apply to microfinance organisations, and telecommunications regulations which can affect businesses such as helplines.

#### **Key conclusions drawn by this report were as follows:**

- Consideration of tax exemptions or tax subsidies for social entrepreneurs,
  - Consideration of a commonly recognised and standardised model of social entrepreneurship in each country, somewhere between a charity and a full profit company,
  - Tools to deal with the effect of bureaucracy and regulation, which is in some cases heightened by a lack of standardised models,
  - Improved access to finance, whether it be debt or equity funding
- Information and awareness for social entrepreneurs.

**Tax issues:** The issue of the extent of tax exemptions available for social entrepreneurs and the availability of

any tax credits or subsidies was a common issue in all jurisdictions. Under the Brazilian tax legislation not-for-profit entities are entitled to certain tax benefits provided they meet certain requirements. As in other jurisdictions, generally, gains derived from financial investments made by a not-for-profit entity are not exempt from tax - which make cash flow and self-sustainability for the institutions more difficult. Although social enterprises may have access to some tax advantages, the fulfillment of the requirements to qualify are time consuming and expensive. As an exception to the six countries reviewed, Germany, as yet, has relatively few social entrepreneurs and those that there are perceive that the greatest barrier to social entrepreneurship is the difficulty of raising funds for establishment and growth. Traditionally, activities that have not been regarded as being sufficiently profitable for entrepreneurs (hospitals, kindergartens, care of the elderly etc.) have relied heavily on the state and the support of large church foundations. These church foundations have not relied on charitable or voluntary donations as their main sources of income but have instead been financed predominantly through taxes imposed upon the members of the Lutheran and Catholic Churches in Germany. In India, the major issues faced by social entrepreneurs during start up derive from certain tax provisions, and, in particular, restrictions on foreign donations under the Foreign Contributions Regulations Act (“FCRA”). Although a complete deregulation of the FCRA would be ideal, the report said that it would view a softening of its requirements as a positive step forward. The tax

consequences for an entrepreneur willing to conduct social activities are generally positive. There are numerous ideas for new solutions that could be implemented. These are broken down into ideas with respect to the beneficiaries of the work of social enterprises, including a 0% VAT tax rate and tax exemption for organisations providing nongratisuitous "common interest services" which could enable such organisations to offer their services at cheaper rates. With respect to the personal income tax of the donors, it would be advisable to increase the percentage given to the CIOs Community Interest Organisations ("CIOs") as the 1% of the tax due may be too low to be effective, the report suggested. Funding is the key issue facing social entrepreneurs in the UK. The study therefore proposed that consideration be given to further tax concessions being granted to providers of equity finance. The new Community Investment Tax Relief ("CITR") rules do go some way to encouraging loan finance but entrepreneurs understandably often prefer equity financing. The study proposed that all taxes on capital gains (as an aspect of any corporation tax payable) be waived for social enterprises and that a capital gains tax concession should be offered to equity investors in social enterprises. It also made specific recommendations about the new CITR regime to make it more effective by increasing the current cap of £250,000, reducing the need to fund Community Interest Companies through a Community Development Finance Institution and enabling those who fund through a loan (or shares) to be entitled to a tax concession as above. The time limit of five years should be extended and that some

kind of roll-over should be permitted to allow lenders to transfer tax concessions from one loan to another, the study suggested. Section 501(c)(3) of the Internal Revenue Code allows not-for profit organisations to be exempt from taxes on any revenue generated by their business activities to the extent that any such income is related to a not-for-profit public purpose. However, the distinction between unrelated and related business income can be fairly tricky and income generated by a not-for profit entity which is unrelated to its public purpose is taxed at the applicable corporate rate. The study recommended normalisation of tax benefits so that not-for-profit organisations are not excluded from the eligibility criteria. **Standardised model:** In most jurisdictions, no specific coherent legal model has been developed for the establishment of social enterprises. The upshot of this has been that those that do exist have sometimes been weighed down by excessive bureaucracy and regulation, and have sometimes not benefited from any favourable tax treatment in their respective countries. Both Poland and the UK have tried to address this by creating new forms of entity, Community Interest Organisations and Community Investment Companies respectively, but critics of these contend that neither of these provide a clear enough structure for the future growth of social enterprise. In the other jurisdictions, social entrepreneurs have had to choose between a range of legal frameworks ranging from for-profit companies under a traditional corporate structure through to entities with charitable status. A separate legal form for social enterprises which are trading

commercially for profit does not yet exist in any jurisdiction. In India, the availability of a vast range of legal frameworks has led to the development of microfinance institutions. In most jurisdictions, the ability to attain charitable status is restricted to entities that are adjudged to fulfil strict public benefit criteria (for example, whether their purpose is linked to education or healthcare). In India, social enterprises have developed in the telecommunications and microcredit sector. **Bureaucracy and regulation:** A common thread throughout the analysis of social enterprise in all the jurisdictions reviewed is the burden of regulation and bureaucracy which is often regarded as excessive. This stems from the fact that regulators may be unsure as to how to treat social enterprises since they are not exclusively profit driven and are sometimes not sufficiently charitable in their purpose. In this regard, employment legislation, in particular, is a major burden for social entrepreneurs, especially when it comes to the issue as to whether those who are effectively volunteers can be remunerated for their services. In Poland, further detailed work has revealed that, with respect to Community Interest Organisations and other social enterprises, a number of legal requirements could potentially be changed. Amongst other things, it would be better if a single government body were the recipient of all performance reports (at the moment they have to go to at least three different bodies), accounting rules and requirements could be simplified with respect to CIOs and that there could be an obligation on donors to social enterprises to use a small percentage (for example between 1 and 3%) of



donations for administrative expenses. One of the biggest issues facing social enterprises in the UK on a commercial level is the fact they are often excluded from taking part in the activities they seek to promote because they have insufficient financial reserves and quality assurance measures in place to be eligible for the local council procurement process. Local councils are often restricted by European procurement legislation from including social enterprises in the contract procurement process. It would therefore be helpful for social enterprises if such restrictions were to a greater or lesser extent removed, the study said.

#### **Access to finance:**

For all entrepreneurs access to finance is often a major issue and the results of the questionnaires have borne this out. To an extent, India, where social enterprise has developed over a longer period of time, has seen the growth of micro-financing which is now widely recognised as an important source of funding for social enterprise in India. There are also private initiatives in the form of self-help groups which are encouraged by the government. There is, however, no legal framework in place for specific governance and, as such, microfinance institutions are not required to follow standard rules. Although this approach has enabled enormous innovation, particularly in the design of new products and processes, the management and governance of microfinance institutions remain weak as there is no compulsion to adopt widely accepted systems of procedures and standards. The main source of finance comes from private individuals, either the entrepreneurs themselves or private donors. In

Poland, for example, the local and central government authorities provide around 30% of the financing for social enterprises while 20% of the income of social enterprises is generated by the business activity of the enterprises themselves. Funds may be collected either through deductions from income (up to 10%) or by way of public canvassing. Although funding from private individuals is the most popular source of funding, social entrepreneurs identified the lack of adequate information on access to funds as a problem.

#### **Information and awareness:**

Lack of access to information is a problem in several countries. Social entrepreneurs often do not have access to the information or awareness to know how best to set up their enterprises, what vehicle to consider, the consequences of each, and then how to navigate their business through the regulatory and bureaucratic environment as well as how to obtain the most efficient tax exemptions, subsidies or credits. In this respect, for the UK report, the study recommended a think tank along the lines of the model of "Wall Street without walls" as in the USA. The "Wall Street without walls" idea is a vehicle for lawyers and financial institutions to work together to provide advice, support and assistance to social entrepreneurs. Poland and Brazil (amongst others) could also benefit from educational promotion programmes aimed at improving communication between local governments and social entrepreneurs as well as a general educational effort to inform society. Taking a closer look at India, the study mentioned that the major issues faced by social entrepreneurs when initiating business seem to derive

from the FCRA and certain tax provisions.

At present, the Home Ministry administers the FCRA. However, if the responsibility for its functions was transferred to the Finance Ministry, the obstacles posed by the FCRA would be significantly diminished, as it is in the interests of the Finance Ministry to encourage social enterprise. A re-assessment of the existing tax provisions as regards promoting social enterprises would be beneficial, the study suggested.

#### **Common legislation:**

According to the study, there are various laws dealing with social enterprises which pose complications for the operation of social enterprises. At present, there are several pieces of legislation concerning the formation and regulation of social enterprises and this legislation is overseen by a number of different bodies. In order to simplify matters, existing legislation for the incorporation of social enterprises should be reviewed, consolidated and amended on a national level so that the regulations governing social enterprises can be standardised and more easily understood by those who want to become involved in this sector. It should then be possible to register any social enterprise under that law. In addition, all the compliance procedures that are required to be adhered to by social enterprises should be explicitly mentioned in this common legislation and preferably there should be a single window clearance mechanism.

#### **Institutional structure:**

The monitoring and regulation of social enterprises is done by different government departments which creates problems for the social enterprises. A charities directorate or similar body carrying out the same functions should be created under

# Mewat Foundation set up to save Meos and their culture

By Dr Munshi Khan Balot and Rahul, Founder Trustees of Mewat Foundation

When we were in the process of setting up the Mewat Foundation, many people questioned the need for such a foundation in the region. To answer this question, it is important to understand the socio-economic and cultural aspect of the Meo community and the region.

Looking back historically, we can start with the period when Balban was the king of Delhi. During this period Kakurana Balot started organizing the tribes living in the forests surrounding Delhi, against the ruler. According to one version, this led to a great confrontation in which Balban killed more than one lakh people to suppress this movement yet failed miserably and Kakurana Balot emerged successful in organizing people of Mewat.

Kakurana Balot, resident of village Gadh Dhameni, near Delhi, brought together 13 major *pals* or groups and 52 minor *gotras* or minor groups to fight guerrilla warfare with the rulers of Delhi.

The 13 major *pals* were:

- 1) Yaduvanshi - five,
- 2) Surya Vanshi/ Tomar – four
- 3) Chouhan – one
- 4) Rathore – one
- 5) Kushwaha – one
- 6) Badgujjar – one

*Continued from page 13*

provisions contained in the new legislation, the study suggested. This body would be the main regulatory agency and would oversee compliance with the legislation by social enterprises. There should be state-level registering offices created under the aforementioned legislation and these offices would perform the function of registration only. In addition, it would be advisable to have a not-for-profit organisation (“NPO”) advisory group, which would advise the charities directorate or similar body on issues including policy guidance, the functioning of social enterprises and the mechanisms for review. This advisory group should consist of representatives from social enterprises, professionals (for example, lawyers and accountants), and experienced officials who have worked with social enterprises.

**Restriction under the FCRA:** Social enterprises cannot, at present, receive any foreign contribution unless they are registered with the government under the FCRA. The

restriction that only associations registered with the central government under the FCRA are eligible to accept foreign contributions should be removed. The Home Ministry (which is currently in charge of registration) does not consider applications from organisations, which have been in existence for less than three years. An immediate solution, before the deregulation of the FCRA, would be to transfer the responsibility for registration to the Finance Ministry as it is in the interests of the Finance Ministry to encourage the growth of social enterprise.

### Registration and other compliances:

Social enterprises are incorporated under various laws and the registration of these enterprises is complicated and time consuming. It is therefore recommended that under the common legislation the registration process should be simplified and that applications for registration should be processed within a fixed period of time.

### Tax issues

Social enterprises have to file

applications for exemption certificates under the Income Tax Act, 1961, in order to obtain an income tax rebate. Delays in obtaining such certification leads to the delayed payment of refunds. A re-assessment of tax provisions with regards to promoting social enterprises is required.

### Training and capacity building:

Social enterprises find it difficult to access information relating to compliance procedures amongst other things. This information should therefore be disseminated by government agencies in the form of simple information booklets, written guidance on government websites, seminars and discussions. Moreover, there has to be an effective dialogue between social enterprises and governmental agencies, the report said.

\* The Indian section of the report was compiled with the support of Indian law firm J.Sagar Associates; New Delhi. Sampradaan Indian Centre for Philanthropy thanks them for sharing the bound copy of the report with Sampradaan.

Many historically important wars were fought between Meos and the rulers of Delhi, for example the war between Hasan Khan Mewati (Yaduvanshi) against the Mughal king Babar.

Resistance by Meo people to a centralised, despotic power was part of the historical struggle by peasants against feudals and tax collectors.

During the Mutiny of 1857, Meos played an important role and many were sent to prison or "Kala Pani". Many Meos were executed in this Uprising. There is a saying in Mewati which talks about this scenario:

*"Gadar Huyo Mewat mein, Merrut aur Jhansi,  
Lagi Chandni chowk mein, Mewan ku Phasi".*

Migration of Meos from Mewat took place because of many reasons including natural calamities, but it was mainly because people could not accept anybody's rule over them.

Mewati culture is very rich and colourful. Meos trace their lineage to the winning Pandav faction of Mahabharat.

The major groups at the time of Mahabharat were Kaurava and Pandavas (Tomars). Four *pals* among the Meos belong to the 'Tomars'. They not only participated in Mahabharat but also followed Mahabharat, which was also known as Panduon ka Kada, culturally. Sadulla Meo narrated *Mahabharat* in Mewati language, consisting of thousands of couplets.

Some of the examples are as follows:

*"Satra So Sataven, Baras Gaya He Beet, Janee Pandu Ab Huya, Enki Jagat Kari Parteet."*

In the above couplet, Sadulla Meo says that 1757 years have passed since the Pandavas, but it looks like it happened only yesterday. The whole society loved them dearly.

*"Ke Koi Kadak Bijli, Ke Arjan Ko Baan, Ke Pahad Bhida Bhuchal Mein, Ke Phat Gaya Pakan."*

"The mighty Arjun's bow and arrows were as described in the couplet. Their effect was like the light in the clouds, mountains colliding with each other and sky falling on the ground."

The above examples give a glimpse of Mewati culture, which is so diverse that it becomes almost impossible to put it down in black and white.

At the time of the Partition of the country, when Meos were forced to leave for Pakistan, Mahatama Gandhi lay down in front of moving caravans of Meos in the village Ghaseda in Harayana and stopped them from migrating. He said that "Meos were the backbone of Indian culture of the 'Ganga Jamuna Tehzeeb (culture)', if they migrate from India, the backbone of Indian culture will be destroyed."

After 1947, the Tableeq Movement shifted focus of this "Ganga Jamuna Tehzeeb" towards fundamentalism.

The tradition of donation or "Daan" was prevalent in the Meo community since times immemorial. The following couplet explains the tradition:

*"Daan Diyo Hasth Su, Na Kadi Bhaiyan Ko Kwayo,  
Dushman Ke Khatoko Nahi, Kyon Duniya Mein Aayo."*

*"Roti Kwae Daan De, Sadat Ke Par Kaaz,  
Jami Aur Asman Tak, Rahiyo Meo Jana Ko Raaz."*

This explains the tradition and tendency of Meo to donate or give *daan*. This habit of donation was turned into a religious practice by the name of Jaquat. In Jaquat, 2.5 percent of the total moveable and immovable property has to be given for Jehaad and religious purposes.

Before 1947, there was no fixed percentage of *daan* and this was solely dependent on the person who used to donate. This *daan* used to go to poor and for the social developmental works. One guesstimate suggests that Meo community resides in 13 districts of Rajasthan, four district of Haryana, all constituencies of Delhi, 23 districts of Uttar Pradesh, 13 districts of Madhya Pradesh, eight districts of Maharashtra, five districts of Gujarat and one or two districts in the rest of India. The total number of Meos in India is in millions.

In the above context, the Mewat Foundation was constituted for saving the original culture of Meos, to guide and help them in social development.

In addition to this, Mewat Foundation appeals to every reader of this article:

*"Kabira Baadi Ujad Ge, Gaya Balda Khya,  
Ab Bhi Yaki Gaur Kar, Jasu Kush Palle Padh Jaye."*

## International Resources for Community Foundations

*Starting in the late 1970s, the modern community foundation concept began to spread around the globe. To date community foundations, with vastly different backgrounds and traditions, have been established in at least 46 countries on every inhabited continent. Community foundations are successfully adapting local traditions of charity in order to build and mobilise resources for the benefit of their communities.*

**Global Funders:** Perhaps the most important of the international resources for community foundation development has been the steadfast and continuing leadership of major international funders, especially the Charles Stewart Mott Foundation and the Ford Foundation. Their support is more than just financial. The creativity they have shown in funding a range of programmes to support individual community foundations and community foundation development, and their belief in the power of the community foundation concept to make a difference in local communities, has sustained the community foundation movement around the world. Without their encouragement and financial support, it is certain that the community foundation concept would not have spread as far and as fast as it has. These two foundations are now increasing the impact of their grantmaking by collaborating on large global projects, such as the Community Foundation Symposium in Berlin and the World Bank's Community Foundation Initiative and the new Global Fund for Community Foundations.

**Charles Stewart Mott Foundation:** The Mott Foundation based in Flint, Michigan (US), has been a consistent supporter and promoter of community foundations in the United States and around the world since the late 1970s, taking its lead from its President, William S White, and his personal commitment to the community foundation concept.

The Mott Foundation takes a long-term approach to community foundation development. It realises that there are no short cuts to creating strong community philanthropy organisations at the grass roots level, and that community foundations need more than just financial resources to be successful. It has provided direct grants and challenge grants to community foundations to help build their endowments and for innovative grants programmes. It has also recognised the benefit of building strong infrastructure by its core funding for grantmaker associations and their programmes for technical assistance, information provision and networking opportunities.

The experience the Mott Foundation gained in encouraging the growth and development of community foundations in the US through its technical assistance programmes led it to provide international consultancy services to new and emerging community foundations in many countries around the globe including the UK, Central and Eastern Europe, South Africa, Russia and Mexico.

**Ford Foundation:** The Ford Foundation's interest in community foundations goes back at least to the 1960s when it took notice of community foundations and their potential to be a force for social change in American society. At that time the Ford Foundation embarked on a national programme of major grants to selected US community foundations to promote more innovative grantmaking and foundations that were more socially

active. The Ford Foundation spearheaded the effort to form the Puerto Rico Community Foundation in the mid-1980s in order to develop a local funding partner and to improve its grantmaking on the island. The success of the Ford Foundation's foundation-building strategy in Puerto Rico led it to provide direct support for the development of other community foundations around the globe, including community foundations in Kenya, South Africa and India. Today the Ford Foundation, often in conjunction with the Mott Foundation, is providing

major support for global community foundation initiatives, such as the Berlin Symposium and the World Bank's Community Foundation Initiative. It has made major infrastructure grants to support organisations around the world. Its grants to community foundations tend to focus on areas where it has a programmatic interest, such as poverty and rural development, racism and inclusiveness, and peace and social justice.

**World Bank:** The World Bank is becoming a major player in the global community foundation movement. In 2003 the World Bank, with major financial support from the Mott and Ford foundations, began its Community Foundation Initiative. The first phase of the project was aimed to identify "three to six community foundation pilot projects in a variety of countries to demonstrate the model's ability to empower communities to enhance and sustain community driven development" and to build "internal knowledge and interest within the World Bank in community foundations as a development tool." The Bank is currently entering Phase II of the Initiative. Phase II will continue to raise awareness about community foundations within the World Bank, integrate the community foundation concept into the Bank's planning and operations, and assist community foundation start-up in





selected countries. This will be done by ensuring that pilot community foundations start well, by expanding the number and areas of pilot countries, by deepening the World Bank's own understanding and expertise, and by broadening the scope of tools and mechanisms within the World Bank to advance community foundations.

**USAID:** The United States Agency for International Development (USAID) has been instrumental in supporting community foundation development, although thus far it has had no defined community foundation strategy. Its efforts are decentralised, and decisions are made on a country by country basis. Within the headquarters of USAID there is a growing interest in the community foundation concept and its potential for democracy building and for community development, even though currently it must rely on its local in-country offices to request assistance for community foundation development. USAID's support for community foundations has often taken the form of an exit strategy, when countries "graduate" from USAID programmes, but the ways the support is delivered has taken several forms.

**Open Society Institute** (the Soros Foundation): OSI and the Soros national foundations have played a significant role in promoting and developing community foundations in a number of Central and Eastern European countries, including Poland, the Slovak Republic, Bulgaria and in the Baltic states, through the Baltic American Partnership Fund, which it created in conjunction with USAID.

#### **Foundations supporting community foundation development internationally:**

*There have been a number of national and regional funders which have taken an interest in supporting community foundation development. Some of the most prominent include:*

**The William and Flora Hewlett Foundation** is supporting the US-Mexico Border Philanthropy Partnership and has

made another grant to the Synergos Institute for community foundation capacity building in other parts of Mexico. However, the core focus of the Foundation's work in Mexico is not on community foundations, but on improving the enabling environment for philanthropy.

**The W K Kellogg Foundation** has been a major supporter of community foundations in the US, and especially in Michigan through support for the Council of Michigan Foundations and its community foundations group. It has programmatic interests in Latin America and has made grants to several community foundations there as partners in advancing its programme interests.

**The Freudenberg Stiftung**, a private foundation in Germany, has been working in the Simin Han area of Tuzla in Bosnia and Herzegovina. It helped create the Community Foundation Simin Han to continue the projects it had initiated and to "place further development measures into the hands of the citizens".

**The Charities Aid Foundation (UK)** was an early promoter of community foundations in the UK and provided support for community foundation development there. Its Russian office, CAF-Russia, brought the community foundation concept to Russia and helped establish the first community foundations there under extremely difficult circumstances.

#### **Organisations that support the development of community foundations:**

*In addition to funders, there are other types of organisations that support community foundation development.*

*Many of these are member-based associations, but others are not. These organisations, collectively known as support organisations, undertake a range of services including promotion of the community foundation concept and provision of technical assistance, training, written material and other resources, such as access to information technology. Some have also handled pass-through grants for funders interested in working through community foundations with their*

*grantmaking, and they have organised challenge grant programmes to assist community foundation growth.*

**Support organisations with transnational scope:** Several support organisations operate transnationally. One of these is the European Foundation Centre's Community Philanthropy Initiative (CPI). This programme is a reference point for community philanthropy in Europe and works to promote and sustain community foundations. CPI offers assistance to developing and newly-established community foundations and related initiatives in areas where no infrastructure or support organisations currently exist.

**Another transnational support organisation is the Synergos Institute** which works primarily in Africa, Latin America and Southeast Asia. Synergos has been responsible for providing technical assistance to a number of emerging community foundations on an individual basis and to support organisations in the areas where it is active. It manages the US-Mexico Border Philanthropy Partnership and provides technical assistance to the participating community foundations. Synergos is helping to spread the community foundation concept globally through its Senior Fellows network, and by organising and participating in workshops and conferences in places like the Philippines, Thailand, South Africa, Brazil and other countries in the global south.

**The Council on Foundations** supports global community foundation development through its International Programs group. International Programs' main contribution is to coordinate the Advisory Committee for the World Bank's Community Foundation Initiative.

**(Excerpt: International Connections: Resources that support the growth and development of community foundations globally – a Report)**

Demonstrating that even among communities deprived of basic rights and resources children can and should receive a high quality primary education, Yogendra Singh, winner of the Ashoka Fellowship in 1998, developed an alternative educational program for children in slums, grafting it onto the formal state school system and forming a partnership with the government to improve teaching and learning on a large scale. Known as the Bodh Shiksha Samiti (BSS), the organization that Yogendra has built pushes the notion of "individualized attention" to a new extreme, with programmes that include child-centered teaching methodologies, alternative forms of assessment, unique teacher training sessions, and, most impressively, very low student-teacher ratios. BSS is an NGO with a mission to participate in

inculcation of democratic norms as part of child's personality; **Sustainable** involvement of the community in school affairs; and **Quality**, equitable education. Since conceptual development is a continuous process, BSS does not adhere to any rigid philosophical formulations. Its philosophy and way of working undergoes continuous experimentation, innovation and testing to evolve its own system of appropriate school education.

In the spirit of the above stated characteristic features, BSS has aimed at realizing the objective of providing quality education for deprived children through: \* Innovations and experimentations in the realm of elementary education for deprived children.\*Community mobilization and empowerment for educational endeavors with emphasis on sensitization and gender equity. Mainstreaming Bodh's innovative

### KNOW YOUR NGO - Bodh Shiksha Samiti

the formation of an egalitarian, progressive and enlightened society by contributing in the evolution of a system of equitable and quality education and development for all children.

According to Baseline Assessment (BAS) findings, the number of government schools in slum areas is grossly inadequate. Coupled with another grass root reality that children living in these areas are not only deprived of education but also suffer from other deprivations, viz., emotional, physical and mental, arising out of poverty, scarcity and exploitation, led to the emergence of the concept of Samudayik Janshala or alternative learning centres. Run by the BSS in a joint effort by the Central and State governments, along with five UN agencies, including UNICEF, UNDP, UNFPA, UNESCO and ILO, and local NGOs, Samudayik Janshalas have been established in a slum area where there is no government school. BSS's educational philosophy is the outcome of a gradual process of evolution of thought in the realm of elementary education for deprived children. It has worked to create a system wherein children and the community are fully involved in school activities at all levels of the program- children's learning, school administration, curriculum development and transaction. The objective is to make the school environment child friendly and attractive to students and establish an education system capable of manifesting their inherent creativities.

BSS's educational philosophy is rooted in the three principles of: **Democracy**: A sense of equality among children and between children and the community and

practices for quality improvement in the larger school education system.\* Curriculum development based on innovative practice and experiments.\* Development of Teaching Learning Material and resources. \* Raising and running integrated community schools (Bodhshalas) providing direct intervention for providing quality education to deprived children.\* Teacher education and training with Bodh's innovative inputs. \* Networking for dissemination of Bodh's pedagogic innovations.\* Research, consolidation and further refinement of Bodh's concepts, approaches and strategy. The objectives and functioning of the Janshalas has encouraged enrolment of children from the deprived sections of the society to such an extent that nearly 50 per cent of the students are those have never attended school before. Janshalas are full-time schools runs for four hours a day where the timings are decided by the community.

The flexibility of the Janshala system allows girls to bring younger siblings under their care to school and with the timings decided by the community, the children do not have to give up their work or household chores, major reasons for dropping out of school. Spurred by the success of the Samudayik Janshalas, the Rajasthan Government has adopted the same pattern of involving the community for Government-run schools in the city, called Rajkiya Janshalas. The success of the community-based approach to schooling has won accolades for the programme with the UN Social and Economic Summit held in New York voting Janshalas as the best practice programme worldwide. With the popularity of Janshalas growing, the dream of universalisation of primary education may just be one step closer.

## 'Ruggedised' PC platform for rural India

New Delhi: In a bid to take computers to the rural communities in India, global chip major Intel recently unveiled a new Ruggedised Personal Computer platform designed to withstand adverse weather conditions including heat, dust and humidity and run on alternate power sources, including the car battery.

Based on the platform design, the Ruggedised PCs would be manufactured by original equipment manufacturers (OEMs) like HCL Infosystems and Wipro. "The PC platform design has been created in India, in collaboration with other Intel worldwide centres, and we now plan to take it to other countries too. This Intel-powered PC platform — which includes microprocessor, motherboard and software — is equipped to operate in a community setting," Mr R.K. Amar Babu, Managing Director (South Asia), Sales and Marketing, Intel Technology India said at a conference here. Mr Ajai Chowdhry, Chairman of HCL Infosystems, said his company would make these PCs available in a month. Intel's solution partners for the initiative include NIIT, Microsoft, TCS and Red Hat among others. Although Intel declined to divulge the price of the proposed product, saying the OEM vendors would finalise this in due course, sources said the community PC range may be priced at Rs 20,000 to Rs 30,000.

The PC can operate on an alternative power source such as the car battery under disruptive power environments, and can function in hot and dusty environments. It has a removable dust filter and an integrated air fan to regulate the temperature of the motherboard. The chassis is designed to keep the motherboard cool at temperatures as high as 45 degree Celsius, and resistant to humidity levels of 70-85 RH (relative humidity). The total power consumption of all the peripherals is less than 100 watts. The platform comes installed with a Certificate-based access, allowing banks to verify the validity of instalment payments against the purchase of the PC. At the event, HCL also demonstrated a model of a Ruggedised PC that can be charged by pedalling a 'special cycle with a dynamo' connected to a car battery. With an output ratio of 2:1 (one hour of pedalling would run the system for half an hour), the PC can be used in the most difficult of power situations in the country. Such a PC would be used for communication (e-mail); e-governance applications including online bill payment, processing and submission of Government documents; delivery of agriculture, healthcare and entertainment services; in education, research and information sharing; and for e-commerce activities including commodity price information, online trading and banking transactions. Intel expects many of these Community PC platforms to be deployed in Internet kiosks. (Source: [The Hindu Business Line](#), March 29, 2006)



## Anonymous no longer, NGOs must pay tax

Charitable institutions other than an institute or a trust run wholly for religious purposes, will now have to pay income tax on donations received from anonymous and pseudonymous donors. The 2006 Budget introduced Section 115 BBC in order to tax unaccounted money being contributed to these institutions by way of anonymous donations at a marginal rate of 30 percent. Also donations made to any institution with reference on the manner it is to be used, for instance donations directed towards any university or a hospital run by a trust will be included under this section. The amendment is seen as a positive step but not a very robust one. According to Ranjan Yerdoor, CEO, Credibility Alliance, Consortium of NGOs, "This amendment might affect charitable institutes which have donation boxes in places like shops, airports, hotels and have absolutely no method by which to keep a tab on their donors." Anonymous donation here is referred to as black money brought in. In order to check such malpractices, accepting donations through cheques should be made mandatory. Cash donations should be restricted. Adds Noshir H.Dadrawala, CEO, Centre for Advancement of Philanthropy: "NGOs issuing expensive 'Donor Cards' for charity events will also have to keep a record of who these cards are issued to against donations, failing which the collections will be taxed." Some people in the industry have welcomed the proposal and are waiting for further clarifications. "Earlier, people donated their black money to the trust then took grants against it thereby making their black money white; the institutes also gained money from it," said Mathew Cherian, CEO, HelpAge India. As far as donations from donation boxes are concerned, that sum is fairly small he added. These amendments will come into effect from April 1, 2007.

## Uttaranchal Governor Helps a Family Smile

### *Funds Education of all the children of a Prisoner Serving Life Term*

Dehra Dun: For the Bhatt's - Anita, Kopal, Komal, Shikha and Shikhar Bhatt - Uttaranchal Governor Sudarshan Aggarwal is like God. But for his support, Anita's children would have had to give up their studies and face a bleak future. For this family of Kankhal in Hardwar district, their future seemed to be dark when Ashok Bhatt, Anita's husband was sentenced to life imprisonment in a murder case. It was then that the governor took up the responsibility of the education of the four Bhatt children under the aegis of Himjyoti Foundation. He is the president of this foundation. Recounting his meeting with Anita Bhatt, Aggarwal said she approached him in 2003 with a petition seeking a pardon for her husband. "I examined the case and advised her that it was too early to grant pardon to a life convict. By 2003, he had completed only three years in jail." But she persisted. She came to him again after a few months with the same request. The governor again expressed his inability to grant pardon to her husband. It was then that the distraught Anita told him about the plight of her four children without a breadwinner at home. "I was moved and told her that I would take responsibility of the children's education," said Aggarwal. Till 2005, a sum of Rs 25,000 was given to the Bhatt family for meeting school and college fee of the children. "In June 2005, Anita Bhatt came to me to inform me that the two older girls had graduated and the third one had finished her schooling with a first division," the governor said. He requested the executive director of BHEL at Hardwar to provide employment to the two older Bhatt girls on a temporary basis. "Komal and Kopal are working there while, their younger sister is training to be a nurse," the governor said. When Komal and Kopal received their first salary, they came to the governor and offered to donate the entire sum to the Himjyoti Foundation. "I looked at their beaming faces and kept Rs 100 for the Foundation. These are small gestures but they can make a huge difference to lives. Sharing pain and suffering of others and the ability to give something of one's own self, be it money, time or even plain concern, makes us uniquely human, said Aggarwal. (Source: The Times of India, February 11, 2006)

**Website on local governance launched:** Union Minister for Urban Development S.Jaipal Reddy inaugurated the Global Network of Local Governance (GNLG) website (<http://www.gnl.org>) at the Institute of Social Sciences (ISS), New Delhi, early this year. The website is a one-stop platform to learn about all "trends and developments" in the field of local governance at the global level. ISS is the secretariat for the Global Network on Local Governance.

In an interactive session later, Reddy gave a call for a 'holistic' approach to planning, taking into consideration: \* Urbanisation as an inevitable outcome of economic change, \* Urbanisation as a measure of development in terms of job creation, poverty reduction and clean environment, \*Urban areas as engines of growth. Referring to the recently launched Jawaharlal Nehru Urban Renewal Mission, he said that the Mission is not populist but visionary and gigantic in terms of finances. It also links reforms to funding. Reddy also said that the government was prepared to make "Viability Gap Funding" for states and cities for providing mass transport systems.

### **Announcements: Civicus World Assembly**

*The next CIVICUS World Assembly will be held in Glasgow, Scotland, from 21 – 25 June 2006. Scotland is ideally placed to provide a stimulating and enriching conference environment for the CIVICUS World Assembly, one of the largest annual civil society conferences. The theme is: "Acting Together for a Just World" - a theme inspired by events leading up to the G8 Summit, which showed both the massive global commitment from ordinary citizens for a better and more just world, and the absolute necessity of continuing the struggle to achieve it. The CIVICUS World Assembly's sub-themes of social, economic, political and civic justice remain elusive goals and it has never been clearer to us that the best way to achieve them, and to create a more just world, is by acting together. Past CIVICUS World Assemblies have shown the creativity and dynamism that civil society can bring to address issues of justice and equity, including issues of poverty, HIV/AIDS, gender equality and youth empowerment amongst others. These CIVICUS World Assemblies have served as venues through which civil society organisations (CSOs) can articulate and exchange information about important victories they have achieved and critical issues they, and the societies in which they work, face.*

For details log on to: <http://www.civicassembly.org>



## Senior IFP Fall 2006

The Center on Philanthropy and Civil Society's Senior International Fellows Program provides an opportunity for the professional development of Third-Sector practitioners from outside the United States who are decision-makers in their professions. The program is designed to help build Third-Sector capacity in the Fellows' home countries. Fellows are based at The Graduate Center of The City University of New York, where they attend weekly seminars, explore the work of key agencies and foundations, meet with nonprofit representatives, and study U.S. and international community foundation models. The topics for the year 2006 will be community foundations, as well as corporate and diaspora philanthropy.

Fellows will participate in a 1-month seminar on the U.S. and international voluntary sectors. The program will run from October 15, 2006 through November 11, 2006. Each Fellow will produce a position paper with recommendations for the development, adaptation or expansion of community foundations, or on corporate or diaspora philanthropy in his/her country or region. Each fellowship covers the cost of tuition and includes a \$1,300 stipend to cover living expenses. The Center will also provide accommodations proximate to The Graduate Center on 34th Street, as well as round-trip air tickets for travel to and from the United States. **Eligibility and Selection** The program is open to senior-level practitioners over the age of 35 who are citizens of countries other than the United States. Applicants must speak and write English fluently. Candidates must have a strong institutional

base and a clear interest in working with the community foundation concept or with diaspora or corporate giving.

There is no application form. To apply, prospective candidates should submit the



following materials in English: a) a résumé or c.v. identifying past and present employment, as well as educational experience; b) a list of publications, if applicable; c) a 3-5 page research proposal for the position paper, indicating research focus and questions; d) a statement outlining a plan to implement the recommendations developed in the

position paper; and e) how the fellowship will contribute to the candidate's professional development. Any overseas experience should also be described. A cover sheet must accompany the proposal and include the following information: name, country of origin, country of residence, date of birth, current organizational affiliation and position, title of proposed paper, current address, home/work/cell telephone numbers, fax numbers, and e-mail address(es). Two original, signed letters of recommendation are required from scholars and/or staff members of NGOs, nonprofits or donor agencies. An optional writing sample may be included. Please submit materials electronically and by mail. Send to [cpcs@gc.cuny.edu](mailto:cpcs@gc.cuny.edu); and to Dr. Kathleen D. McCarthy, Director / Center on Philanthropy and Civil Society, The Graduate Center, CUNY / 365 Fifth Avenue, Suite 5401 / New York, NY 10016-4309 / USA. Electronic submissions must be formatted for 8.5 x 11 inch paper. Please note that original signed letters of recommendation must be on official letterhead and sent by the referee via post. Application must be received no later than June 12, 2006. Awards will be announced by July 7, 2006.

## Resource Alliance - University Of Geneva Launch Scholarship Scheme For The International Organisations MBA

The International University of Geneva is offering a free place on its International Organisations MBA programme for an individual to be nominated by the Resource Alliance. The course is aimed at voluntary sector leaders wanting to develop their managerial skills so as to be able to better serve the development community. The University will provide one full tuition scholarship for the course starting September 2007. The scholarship covers the tuition fee and the selected candidate will need to cover his/her expenses for living in Switzerland for the year, which would be approximately \$10,000. The International Organisations MBA (IOMBA) is taught in English. The broad selection criteria requires that you have at least 5-6 years professional experience in the development sector, senior management potential, international exposure and good communication skills. The IOMBA prepares alumni for international jobs with the non-profit sector anywhere in the world. Applications to be considered for this scholarship should be sent to the Resource Alliance. Please complete the attached questionnaire and return it to [jerrold@resource-alliance.org](mailto:jerrold@resource-alliance.org) by 30 November 2006. All shortlisted applicants will be required to complete the Graduate Management Admission Test (GMAT) and Test of English as a Foreign Language (TOEFL). The bursary will be awarded to the applicant achieving the highest pass scores in these tests.

**Application Form:** Please answer the following questions and return to the Programme Support Officer, Resource Alliance, 56-64 Leonard Street, London EC2A 4JX or email to [jerrold@resource-alliance.org](mailto:jerrold@resource-alliance.org).

1. Name

## International Workshop on Resource Mobilisation

The 7th International Workshop on Resource Mobilisation (IWRM) was held in Bangkok, Thailand on 5th - 7th May 2006. The IWRM, as the event has become known, has developed a reputation over the last six years for building the capacity of voluntary organisations in the global South through enhancing their accountability, credibility and fundraising abilities. This year's programme carried on that tradition with a dynamic mix of international and cross-regional case studies, panel sessions and participatory workshops designed to equip the participants with practical insights and the essential skills to raise funds for their cause. These sessions were facilitated and led by regional and international speakers each of whom is a leading authority in their respective field. The speakers included Neelam Makhijani, Programme Director, Resource Alliance, Ezra Mbogori, founding Executive Director of MWENGO – a reflection and development centre for NGOs in eastern and southern Africa, Usha Menon, Director of Resource Development and Regional, Program for Habitat for Humanity International – Asia and the Pacific, Michael Norton, founder and director of Centre for Innovation in Voluntary Action; Gwendolyn Pang, Director of Fund Generation of the Philippine National Red Cross; Gen. Surat Sandhu, international development consultant



based in India and currently the Executive Director of Concept Consultants; and Dr Ian Fenwick, Professor of Marketing, Sasin Graduate Institute of Business, Bangkok. The IWRM also provided a unique opportunity to network, debate and share information on a truly international scale making friends along the way. It was organized by The Resource Alliance, an international network helping to build the capacity of not-for-profit organisations worldwide to mobilise local support for their causes and achieve greater financial sustainability. The organization achieves this

through our two international events, the IWRM and the International Fundraising Congress, flagship event, renowned as the leading international conference for fundraising professionals worldwide. They also organize with partner organisations around six regional workshops each year in different parts of the globe. The training

initiatives include foundation courses in resource mobilisation, as well as knowledge sharing via our website, e-newsletter and publications and through our networking activities worldwide. In this way the NGOs around world are equipped with the skills, knowledge and resources to mobilise local support.

The Resource Alliance is a UK registered charity with 501c3 status in the US with the head office based in London.

For more information log on to: [www.resource-alliance.org](http://www.resource-alliance.org)

### Funds & Scholarships...

Continued from page 21:

2. Address and contact details
3. State your educational background starting from the recent qualification
4. Present or most recent post, including job role
5. Employment record
6. Other relevant experience (community/voluntary work)
7. Supporting statement (this should cover aspects of your experience, skills and any other factors you consider will enhance your selection for the sponsorship. How do you feel that the IOMBA will help you in professionalizing the work of the organisations you are with). Please do not exceed 500 words.
8. How do you plan to source the \$10,000 for living expenses in Switzerland?

## New Software to Help Small NGOs Track and Trace Humanitarian Aid, Disaster Pledges



The Fritz Institute has news of the availability of its web-based supply chain software, HELIOS.

Responding to concerns of logisticians in the field during the Tsunami and using lessons learned from Humanitarian Logistics Software (HLS), the Institute has developed HELIOS to enable even small NGOs to have sophisticated tracking and tracing capabilities at a minimal cost. Built for the rigors of the field, with the

accountability requirements of donors incorporated into its logic, HELIOS will also have robust offline capabilities.

Currently under testing by 20 NGOs, user-friendly HELIOS can also be evaluated by others or explored by contacting: [Mitsuko.Mizushima@fritzinstitute.org](mailto:Mitsuko.Mizushima@fritzinstitute.org).

## LETTER TO THE EDITOR

Dear Editor,

There were some gross errors in the printing of the INTERVIEW on Page 7 of the Sampradaan, No.47, November – December 2005.

There is no such thing as Royal Society of Spectroscopy, London. It should read – Royal Society of Chemistry, UK.

With reference to column TIME MACHINE:

*Chemistry:*

1) In 1905 Charles Barkla devised the nomenclature namely K, L, M, N, O, P series, by analogy with series in optical spectra. This nomenclature is used even to this day.

2) In 1895 W.Röntgen of Würzburg, Germany discovered X-ray accidentally. In recognition of his work he was awarded the First Ever Nobel Prize for Physics in 1901.

3) Mikhail Tswett discovers the chromatography in 1906.

*Physics*

1) W.Nernst presented the Third Law of Thermodynamics in 1906 - *The Nernst Heat Theorem*. Awards Section was difficult to comprehend.

The list of Nobel Prize winners may be correct, but I wonder why include only these names. If they belong to the same year, then it would make sense. Otherwise the information is kind of all over the place!

Dr Karkhanis

## 2006 Distinguished Grantmaker Award

The 2006 Distinguished Grantmaker is Barry Gaberman, senior vice president of the Ford Foundation. Mr. Gaberman began his 35-year tenure at the Ford Foundation as a specialist in Southeast Asian affairs and advanced as Ford's deputy vice president for U.S. and International Affairs. He also has channeled his dedication to philanthropy as board member for several foundations, founding

member of Worldwide Initiatives for Grantmaker Support (WINGS) and Ford's International Initiative to Strengthen Philanthropy.

The award recognizes lifetime achievement in philanthropy.

"Barry Gaberman has demonstrated a lifelong commitment and vision in addressing the importance of being a participant in the global arena, and he is truly a global citizen," said Steve Gunderson, president and CEO of the Council on Foundations.

## 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. 50/- 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.

Make the payment in the name of "Sampradaan Indian Centre for Philanthropy" payable at New Delhi by DD/Cheque and send it to our office.



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**Published by:** Sampradaan Indian Centre for Philanthropy, Sector - C, Pocket - 8 / 8704, Vasant Kunj, New Delhi - 110 070, INDIA  
Phone: 2689 9368, Telefax : 011-2612 1917, E-Mail : [icp@ndb.vsnl.net.in](mailto:icp@ndb.vsnl.net.in), Web : [www.sampradaan.org](http://www.sampradaan.org)

The views expressed in this newsletter are those of the authors (and sources) and not necessarily those of SICP.

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