

ASIA PACIFIC PHILANTHROPY CONSORTIUM

**STRENGTHENING PHILANTHROPY IN THE ASIA PACIFIC:
AN AGENDA FOR ACTION**

Background Paper: India

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CONTEXT OF PHILANTHROPY IN INDIA

DEVELOPMENT OF THE VOLUNTARY SECTOR

Voluntary effort has always been an integral part of Indian culture and social tradition. In a societal context, voluntary organizations constitute the “third sector,” the first sector being the government and the second sector being the market or private business. The “third sector” is also known as the “independent sector,” which emphasizes the important role voluntary organizations play as an independent force outside the realm of government and private business (though, in financial terms, this sector depends heavily on both the government and private business).

In India, the concept of *Daana* (giving) goes back to the Vedic period. The roots of the voluntary/nonprofit sector in India can be traced in philanthropic and religious obligations enjoined on individuals to help the needy. Charity inspired by religious beliefs and values continued to remain popular and fairly widespread in pre-colonial India.

Development of the voluntary sector during the colonial phase, which began during the late 18th century, is closely linked with the social reform and freedom movement. At the same time, the British colonial administration also supported some religious and private organizations engaged in providing social services. The activities in the voluntary sector during the late 19th century and early 20th century were shaded with nationalist sentiments. Institutionalized philanthropy also received an impetus with the industrial revolution in India, as corporate wealth began to be channeled towards welfare and development work. Volunteerism also found a new meaning in the wake of India’s struggle for freedom, with Mahatma Gandhi giving India a vision of *Swaraj* (self-rule), *Ahimsa* (nonviolence) and *Seva* (service).

Some experts in India believe that while India has an ancient and strong tradition of philanthropy, what it lacks today is “vision.” In 1922, Mahatma Gandhi enunciated his vision of the ideal state, which he called “Ram Rajya.” He conceptualized a society based on social and political order in which the poor could hope to get protection, women to live in safety and the starving millions to see an end of hunger. Some experts believe that since India’s independence the voluntary sector has been devoid of vision.

As far as law is concerned, the various Trusts Acts, the Societies Registration Act, and the Income Tax Act do not mention voluntary organizations specifically, but only refer to organizations of “Charitable Purpose.” A number of voluntary organizations, though forced to register under some of these rather archaic Acts, do not quite identify themselves as “charitable” or their work as being for “charitable purpose.” This is particularly the case with regard to modern development-oriented voluntary organizations.

Development organizations today encompass a wide-ranging field of activities, including designing and implementing innovative programs in various sectors of development. Their activities also include work in various areas of research, reporting, documentation, and

training to support grassroots initiatives, and also involve highly technical and technological outputs.

What is the key factor that distinguishes an ordinary organization from a “voluntary organization” in India? Largely, it is the significant input that **volunteers** give to the management and operation of the organization. It is this factor that gives voluntary organizations the other commonly used name “nonprofit” or “not-for-profit” organization (NPO). “Nonprofit” or “not-for-profit” emphasizes the fact that the organization does not exist primarily to generate profits for its owners, managers or members.

There are certain common factors that characterize voluntary organizations in India, which are typically:

- **formal:** institutionalized to some extent or, if not registered, demonstrating a definite program or aims and objects, as well as rules and regulations of governance;
- **private:** institutionally separate from the government;
- **self-governing:** not controlled by the government or any other outside entity;
- **not-for-profit:** non-profit-distributing;
- **voluntary:** involving some meaningful degree of voluntary participation, either in the actual conduct of the organization’s activities or in the management of its affairs;
- **non-religious:** not primarily involved in the promotion of religious worship or religious education. This automatically excludes from voluntary organizations any temples, churches, synagogues, mosques, and other places where religious worship takes place, but includes not-for-profit service organizations affiliated to religious institutions, e.g., schools run by the Arya Samaj or Christian missionaries;
- **non-political:** not primarily involved in promoting candidates for elected office, etc.

In other words, religious institutions/congregations, political parties, cooperatives (at least those controlled by government), mutual savings banks, mutual insurance companies, and government agencies fall outside the purview of our definition of voluntary organizations.

With the liberalization of the Indian economy, the enhanced focus on development, and the increasing awareness of the importance of human resource development, especially of women and children, there is a growing awareness amongst the government and the general public that the government machinery alone cannot adequately meet the demands of the situation. NGOs should not, however, be seen as the “extended arm of Government.” Their role is to create awareness and be the pathfinders in solving people’s problems. They can and should innovate and experiment with potential solutions. They have and shall continue to play a vital role in accelerating the process of social and economic development in the country.

SOURCES OF FUNDING

The following are some of the main sources of funding for any voluntary activity in this country: individuals; foundations/trusts (local and foreign); corporations; government; and religious institutions.

1. Individuals

Contributions from individuals have tremendous potential in India. However, it is perceived that most of it is contributed to religious organizations like temples and churches. Voluntary organizations in India clearly lack skills, methodology, and any strategic plan for tapping this very important source of funds. Many experts believe that, due to lack of transparency and accountability, voluntary organizations suffer from serious crises of credibility and this often deters individuals from contributing for welfare or developmental projects. Perhaps for these reasons, as well as lack of good communication, it has been observed that some of the poorest states in India like Bihar, Uttar Pradesh, Madhya Pradesh and Rajasthan receive much less from various sources (individual, corporate, local and foreign foundations) than Tamil Nadu, Karnataka and Kerala.

According to a national survey covering around 28 percent of urban India and concluded in August 2001 by Sampradaan Indian Centre for Philanthropy, 96% of upper and middle class households in urban India donate to a charitable cause. The total amount donated is Rs. 16.16 billion. Other findings of the survey include the following:

- In terms of average annual donation, the study indicates that Christians in India take the lead, followed by Hindus/Jains; Sikhs; and Muslims. Christians also give the highest average annual donations to other (non-religious) organizations (Rs. 301 per year).
- The most popular purpose for which money is donated is to relieve distress of victims of calamity, 21% donating for this purpose.
- The most important reason given for donating was a feeling of compassion (68%). The second most important reason was that the giver feels good (48%). Religious beliefs and practices (46%) are the third most important reason. 29% of respondents donated because they believed in the cause of the organization. The survey shows that donors see saving taxes as the least important reason.

This last finding needs to be taken with caution because often what people say and do varies. It is the experience of voluntary organizations that tax incentives do count for a lot when raising money, and that donors, especially big donors, always look for tax benefits.

One not so positive reason for donating money was that 37% found giving easier than volunteering time. This is clearly an urban phenomenon, where there is such a premium on time.

2. Foundations/Trusts (local and foreign)

According to a study by Charities Aid Foundation (India) and Voluntary Action Network of India, it is estimated that an aggregate Rs. 25,717 million (1997-98 data) comes into India by way of foreign funds to the voluntary sector. The study also revealed that, out of 18,700 organizations registered under the Foreign Contribution (Regulation) Act, 12,000 filed “nil” returns in 1998. In other words, only 6,700 organizations are recipients of foreign funds.

The same study estimates funds from government sources to voluntary organizations to be around Rs. 2,000 million. The bulk of foreign funds from bilateral and multilateral agencies are channeled through government and are, to that extent, indistinguishable from government funds. It is only the funds of foreign philanthropic organizations like Oxfam, Ford Foundation, and Terres Des Hommes which flow directly to private voluntary efforts, albeit with government permission.

In the year 2000, India received foreign contributions aggregating Rs. 4,000 crores.¹

Reliable data and information on funding agencies in India is not easily available. A Directory of Public Trusts and Societies in Greater Bombay Region was published in 1977. However, much of the information is now obsolete. A Directory of Foundations, Funds and Granting Agencies (national and international) has also been published by the Council on Foundations (India) in 1988 and more recently by Ms. Pushpa Sundar of Sampradaan Indian Center for Philanthropy.

Most Indian foundations appear to be operating without a clear vision or mission statement. There is no clarity with regard to their areas of priority and their expectations from the voluntary sector.

3. Corporations

Companies operating in India are increasingly recognizing the fact that the best way for their business to grow is by aligning themselves with the nation’s development objectives. Through good corporate citizenship initiatives, companies can help ensure a prosperous future for the country and for themselves.

According to a study of Indian companies with stated and unstated policies on philanthropic activity,² as many as 83% of the surveyed companies saw themselves as major players in everything from rural community development to running projects for the disabled, to upgrading infrastructure facilities for the underprivileged. The following are some of the reasons indicated by the survey companies for adopting a philanthropic policy:

- 70% believe they have an obligation towards the society upon whose resources they are drawing;
- 50% felt concern for a specific group;

¹ Rs. 1 crore = Rs. 10,000,000 and US\$1 = Rs. 47

² The study was commissioned by Action Aid India and conducted by the Indian Market Research Bureau.

- 40% felt concerned for the underprivileged;
- 23% cited benefits to the organization.

According to the same survey, the following are some of the “benefits” perceived by the companies for being philanthropic:

- satisfaction in fulfilling social obligations (45%);
- improved credibility with the general public and the Government (28%);
- builds confidence and pride in staff (19%); and
- tax benefits (9%).

Some of the factors influencing corporate giving in India include:

- Is the project for the community in which the industry operates?
- Is there scope for the company in projecting a “caring-sharing” image about itself?
- Is there any tax benefit?
- Is it a long term investment for the company? (E.g., economic growth of the community leading to increased consumerism or a better educated or technically skilled community leading to a better workforce for the company.)
- Is there a possible link between the company’s philosophy and goal and the project? (E.g., a pharmaceutical company supports a community health program or a housing development corporation supporting a project for low cost housing.)

Corporate houses in India are also realizing that money is not the only corporate resource that they can provide to social development initiatives. Some of the non-cash forms of support (executive time in management, marketing, accounts and technical areas, preferential purchase, support to ancillaries, usage of company facilities, etc.) have a value greater than their cash equivalent as they are long-term, sustainable, and mutually beneficial. Partners-in-Change is an organization that has built many a fruitful partnership between business and voluntary organizations in India.

Experts in India also suggest that voluntary organizations should look beyond large corporate houses to small traders, merchants, entrepreneurs and professionals.

Presently, corporate philanthropy in India is perceived to have become sluggish with a recession afflicted market.

Corporate giving in India during the year 2000 is estimated to be Rs. 200 crores.³

4. Government

There is no reliable information available on the volume or the specific areas in which funds are disbursed by Government for charitable purposes. The Central and state governments, however, have several schemes for assistance to voluntary agencies in the areas of human

³ Study by Charities Aid Foundation (India).

resource development, welfare of women, children and marginalized communities, health, family welfare, etc. Many voluntary organizations in India are not even aware of the various schemes.

5. Religious Institutions

Funds available with religious trusts are generally earmarked for general maintenance of the associated place or places of religious worship, rituals, and other activities connected with the place of worship, most of which are ameliorative, e.g., programs for feeding the poor, religious discourses, devotional songs and dance programs, etc.

Some temple trusts in the city of Bombay are parting with some of their funds for educational purposes. Examples that immediately come to mind are the Mahalaxmi Temple Trust, Mumbadevi Temple Trust and the Siddhi Vinayak Trust. In South India, Tirupati Devasthanam has also devoted some of its funds to secular activities such as establishing colleges and hospitals.

CURRENT ISSUES

DEVELOPING PARTNERSHIPS

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

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

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

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

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

BUILDING CIVIL SOCIETIES

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

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

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

In India, civil institutions, especially voluntary organizations, serve as important mechanisms for promoting fundamental social values such as individual and group freedom, diversity, a sense of community, civic activism, and philanthropy.

LEGAL AND REGULATORY ENVIRONMENT

The voluntary or not-for-profit or nonprofit sector is a large and important part of Indian society. Organizations/institutions belonging to this sector mainly include a) public charitable trusts; b) societies; and c) section 25 companies.

Nonprofit organizations in India are governed at the **state level** by the office of the charity commissioner (if the organization is a charitable trust) or the registrar of societies (if the organization is a society) and at the **federal or national level** by the income tax authorities. In case the organization receives contributions from a foreign source, the Home Ministry regulates the same.

Section 2(15) of the Income Tax Act, which is a federal/central piece of legislation applicable uniformly throughout the Republic of India, defines “charitable purpose” to include “relief of the poor, education, medical relief and the advancement of **any other object of general public utility**” (emphasis added). The qualifying line, “not involving the carrying on of any activity of profit,” in the last limb of section 2(15) was omitted by the Finance Act, 1983.

“Any other object of general public utility” is a very wide expression. Its exact scope cannot be defined. It would naturally exclude the object of private gain such as an undertaking of commercial profit, though the undertaking may serve general public utility.

All nonprofit organizations in India have to work within the framework of the state and/or federal law under which they are registered.

Investment of Funds (Liquid Assets)

Nonprofit organizations are generally allowed to park their liquid assets in scheduled banks, public securities, and units of Unit Trust of India. Investment in shares of private companies is strictly prohibited. The forms and modes of investment or deposit of funds of non-profit organizations have been clearly specified both in the Trusts Act and the Income Tax Act.

Foreign Contribution

All nonprofit organizations having a definite cultural, economic, educational, religious, or social program may accept foreign contributions only after being registered with or after seeking the prior permission of the Central Government in accordance with the rules made under the Foreign Contribution (Regulation) Act, 1976. Most voluntary organizations see this Act as a draconian one that has resulted in inordinate delays in granting permissions to receive contributions from foreign sources; refusals of permission without valid reasons; and excessive regulatory control.

The Foreign Contribution (Regulation) Act is a federal/central piece of legislation and affects all persons and associations uniformly throughout India.

Income Tax

The Income Tax Act, 1961 is a federal/central piece of legislation which affects all nonprofit organizations (trust, society or company) uniformly throughout India.

Out of 298 sections of the Act, only a few, namely sections 2(15), 10, 11, 12, 13, 35 and 80G are of special importance to nonprofit organizations.

An important principle under the Income Tax Act is that nonprofit organizations in India **are not liable to any income tax** provided certain conditions required under law are fulfilled. Some of these conditions include the following:

- The non-profit organization must utilize 75% of its income in any financial year (1 April to 31 March) on the objects of the organization. In case the organization is unable to spend 75% of its income in the previous financial year due to late receipt of income or any other reason, the trustees may exercise the option to spend the surplus during the immediately following 12 months. Surplus income can also be accumulated for a period ranging from 1 to 5 years, for specific projects.

- The funds of the organization are invested/deposited only in approved securities specified under section 11(5) of the Income Tax Act.
- No part of the income or property of the organization is used or applied directly or indirectly for the benefit of the founder, trustee, relative of the founder or trustee, or a person who has contributed in excess of Rs.50,000/- to the organization in a financial year.
- The organization files its return of income annually within the prescribed time limit.

Business Income

Section 11(4A) of the Income Tax Act, 1961 has been amended with effect from 1-4-1992 and, accordingly, if the income from business is incidental to the attainment of the objects of the nonprofit organization and separate books of account are maintained by such an organization in respect of such business, the profit is not considered for taxation. In other words, the profit is fully exempt from tax.

Income from a business undertaking which is itself held under trust for charitable purpose [under section 11(1) (a)] is also exempt.

Further, an activity resulting in profit need not always be treated as income from business. Income of a nonprofit organization from letting out halls (for private or public functions), rest houses, or auditoriums does not amount to business.

Special Exemption for Certain Institutions

The income of certain nonprofit organizations engaged in activities pertaining to scientific research, education, running charitable hospitals, etc., is exempt from payment of tax by various provisions contained in a group of different clauses of section 10 of the Income Tax Act.

Tax Rebate for Donors

A) 80G

A donor (whether an individual, association, company, etc.) is entitled to a deduction (in computing his total income) if he makes a donation to a nonprofit organization enjoying exemption under section 80G of the Income Tax Act. The amount donated, however, should not exceed 10% of the donor's gross total income as reduced by the deductions (other than the deduction under section 80G) for the purpose of rebate. If the donation is in excess of 10% of the donor's gross total income, the amount in excess of 10% cannot be considered for deduction under this section.

Donations in kind (such as computers, medical equipment, vehicles, etc.) are not eligible for deduction under section 80G. The donation must be a certain sum of money.

While donations made to various funds set up by the National or State Government (like the National Defense Fund, the Jawaharlal Nehru Memorial Fund, the Prime Minister's Drought Relief Fund, and the National Foundation for Communal Harmony) qualify for 100% tax rebate (i.e., the whole of the amount donated is allowable as a deduction) donations made to nongovernmental, nonprofit organizations exempt under section 80G (5) of the Income Tax Act qualify for only 50% tax rebate.

B) Section 35AC

Section 35AC was inserted in the Income Tax Act, 1961 by the Finance (No. 2) Act, 1991 and came into force with effect from April 1, 1992.

Contribution(s) made to a project/scheme notified as an eligible project or scheme for the purpose of section 35AC of the Income Tax Act would entitle the donor (individual, institution, or company) to a 100% deduction of the amount of such contribution.

Eligible projects and schemes for exemption under section 35AC include one or more of the following:

- construction and maintenance of drinking water projects in rural areas and in urban slums, including installation of pump-sets, digging of wells, tube-wells and laying of pipes for supply of drinking water;
- construction of dwelling units for the economically weaker sections;
- construction of school buildings, primarily for children belonging to the economically weaker sections of the society;
- establishment and running of non-conventional and renewable source of energy systems;
- construction and maintenance of bridges, public highways and other roads;
- pollution-control projects;
- promotion of sports; and
- any other program for uplift of the rural poor or the urban slum dwellers, as the national committee may consider fit for support.

C) Section 35(1)(ii) & (iii)

One hundred per cent deduction is allowed to donors for contribution(s) made to organizations approved under section 35(1)(ii) (such as scientific research institutes or a university, college, or other institution) specifically for "scientific research" and under section 35(1)(iii) specifically for "research in social science or statistical research."

Exemption from Customs Duty

Nonprofit organizations involved in relief work and in the distribution of relief supplies to the poor and needy without distinction of caste, creed, or race are one hundred per cent exempt from customs duty with regard to import of items like foodstuff, medicines, clothing, and blankets, whether by way of free gift from abroad or purchased out of donations received abroad, provided the items are for free distribution to the poor and the needy without any distinction to caste, creed or race.

Charitable and missionary institutions are also eligible to import utility vans, ambulances, wagons, jeeps, mini-buses, or passenger transport vehicles as gifts, subject to the condition that the institution is an established one, functioning for the common benefit of the community and subject to production of necessary clearance under the Foreign Contribution (Regulation) Act.

The Government of India, by a notification dated 28-2-1993, has exempted hospitals that run on a charitable basis from customs duty on various medicines, drugs, and hospital equipment.

The Central Government has also granted exemption from customs duty on the import of scientific/technical instruments, parts, components or accessories, and computer software to research institutes, provided they produce a certificate to the effect that the imported goods are essential for research, and they shall be used only for such purposes by the institutes. The institutes, however, should not be engaged in any commercial activity.

RESPONSES AND NEW DEVELOPMENTS

Experts in India are reexamining the meaning and scope of philanthropy. The term essentially means “love of human beings” and hence it is not just about increasing resources for voluntary organizations. Philanthropy does and should include caring, sharing, and promoting the right values.

USE OF INTERNET TECHNOLOGY

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

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

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

The Internet could be used as a platform to bring together all organizations working for the same social cause. These may be industries, social organizations, donors, etc. This expedites the work of organizations to achieve their goals and hence indirectly benefits the needy. The Internet provides also a platform for industry-NGO collaboration – ResourceLink, promoted by Hewlett Packard, and Aidmatrix, promoted by i2 Technologies, are two examples of such cooperation. Both of them pair food suppliers that have surplus food or products for donation with certified charitable organizations that can use the goods for their relief or disaster-response programs. The Internet also has a lot of potential to be used as a medium for setting up a virtual global forum for social workers and organizations, which could facilitate all possible interactions between them.

BUILDING PARTNERSHIPS

Experts in India largely agree on building awareness, values and partnerships within and across sectors in order to stimulate and motivate people in furthering the cause of philanthropy. Experts who met in Delhi on August 8, 2001, agreed to develop an Internet based “mailing list” of national and international philanthropies to share data and information, stimulate dialogue and discussion, and build partnerships. There is much to learn from each other’s experiences both at a national and international level.

Experts who met at the Delhi conference also felt the need for a “National Council of Voluntary Action,” which could serve as a think tank and forum for exchanging ideas among voluntary organizations in India. Mobilizing resources in today’s world needs a professional approach, proper training, and adequate guidance. It was perceived that a proper network would go a long way in motivating organizations and building a more favorable image. There is a felt need for better forms and quality of giving. The voluntary sector on the other hand needs to develop a nationally acceptable code of ethics and good practices.

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

There is also need for cultivating and promoting philanthropic values at the school and university level, and particularly in business management institutions.

Experts who met at the Delhi conference mooted the idea of influencing the government to establish a “National Philanthropic Day.”

VENTURE CAPITAL

Most voluntary organizations in India are under-resourced. There is considerable excitement about the advent of venture capitalists (VCs) in India. These VCs are calling for a new model for giving. They believe money should be “invested” rather than “donated” and that investors should sit on organization boards to help the organization grow. Like traditional VCs, they may plan and build management teams but the return from investment would be measured in terms of social, rather than financial gain.

NEXT STEPS

India has a long and rich tradition of philanthropy. It has thousands of voluntary organizations (there are more than four hundred thousand registered trusts and societies in the state of Maharashtra alone). What is required among these organizations is better coordination and networking. One participant at the National Conference remarked, “There are only ‘fiefdoms’ and no ‘networks.’” Many also require skills in developing capacity.

CAF India under the auspices of the Planning Commission of India has validated 1,350 voluntary organizations in India. Accreditation or rating of thousands of other organizations in the country would not only enhance general credibility of the sector but also professional excellence.

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

There are major research gaps concerning philanthropy in India. Some data on giving trends in India has just begun to emerge.

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

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

Experts who met at the National conference in Delhi strongly felt the need to develop a vision for the voluntary sector with a view to provide anchorage and a sense of direction that would fit the image of new India.

VISION FOR PHILANTHROPY SUPPORT ORGANIZATIONS

WHAT?

- 1) To stimulate a culture of philanthropy and change attitudes to giving
- 2) To improve the quality of giving

HOW?

- 1) Through building awareness of and rooting values associated with social responsibility
- 2) Through strengthening exchange and partnership within and across sectors around social responsibility

FOR WHAT PURPOSE?

- 1) To strengthen the civil society sector and independent initiatives in the social area
- 2) To democratize control over the process of identifying, defining and addressing disempowerment

CONCLUSION

A few steps are recommended for strengthening philanthropy in India:

- 1) Develop programs and strategies to build confidence in and tap individuals as a vital resource for philanthropy.
- 2) Encourage and promote dialogue with trustees of temple trusts to use their resources for welfare and development work.
- 3) Encourage and promote greater accountability and transparency in the philanthropic sector and establish a National Credit Rating Agency for voluntary organizations.
- 4) Build meaningful partnerships (not necessarily financial) between business and the philanthropic sector.
- 5) Inculcate values of philanthropy in schools, universities and, more importantly, business schools.
- 6) Develop Internet-based mailing lists for national and international experts to interact.
- 7) Sensitize the media towards philanthropy.
- 8) Continue to fill research gaps and particularly in areas of individual, corporate and government giving.
- 9) Work towards an enabling legal environment for philanthropy by pressing for either the repeal or reform of draconian legislation like the Foreign Contribution (Regulations) Act.

PARTICIPANTS OF THIS PAPER

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