Cultures of Giving Country Profile

India

Dr. Abhijit Prabhughate and Dr. Madhulika Tyagi

Ashoka University Centre for Social Impact and Philanthropy

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About WINGS

WINGS is a network of more than 190 philanthropy associations, networks, academic institutions, support organisations, and funders in 58 countries around the world whose purpose is to strengthen, promote and provide leadership on the development of philanthropy and social investment.

About this report

This report has been prepared for the WINGS Cultures of Giving Working Group by Dr Abhijit Prabhughate and Dr Madhulika Tyagi at the Ashoka University Centre for Social Impact and Philanthropy (CSIP). The WINGS Cultures of Giving Working Group explores and shares the many different types and ways philanthropy exists in the WINGS network, as well as the diverse cultures of giving around the world.

The members of the Cultures of Giving Working Group have created a series of country profiles that provide a general overview of the culture(s) of philanthropy in different countries. While this report may include a historical backdrop, the information included reflects a snapshot in time. The authors draw on multiple sources, which may include secondary literature, surveys and/or information gathered from colleagues in the sector. Given the challenges of preparing such a broad overview, this publication should not be construed as either definitive or exhaustive. The contents of this report and any opinions expressed are the authors own. They should not be taken to reflect the views of WINGS, the Cultures of Giving Working Group, or any others who supported WINGS in this project.

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To know more about WINGS or the Cultures of Giving Working Group please contact info@wingsweb.org or visit www.wingsweb.org

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Section I: Country Context



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The scale of India, and its diversity stretch the limits of comprehension and imagination. While the map above depicts the political boundaries of India and its states, the maps below compare the population, GDP, and per capita GDP of each state in India with the equivalent country.

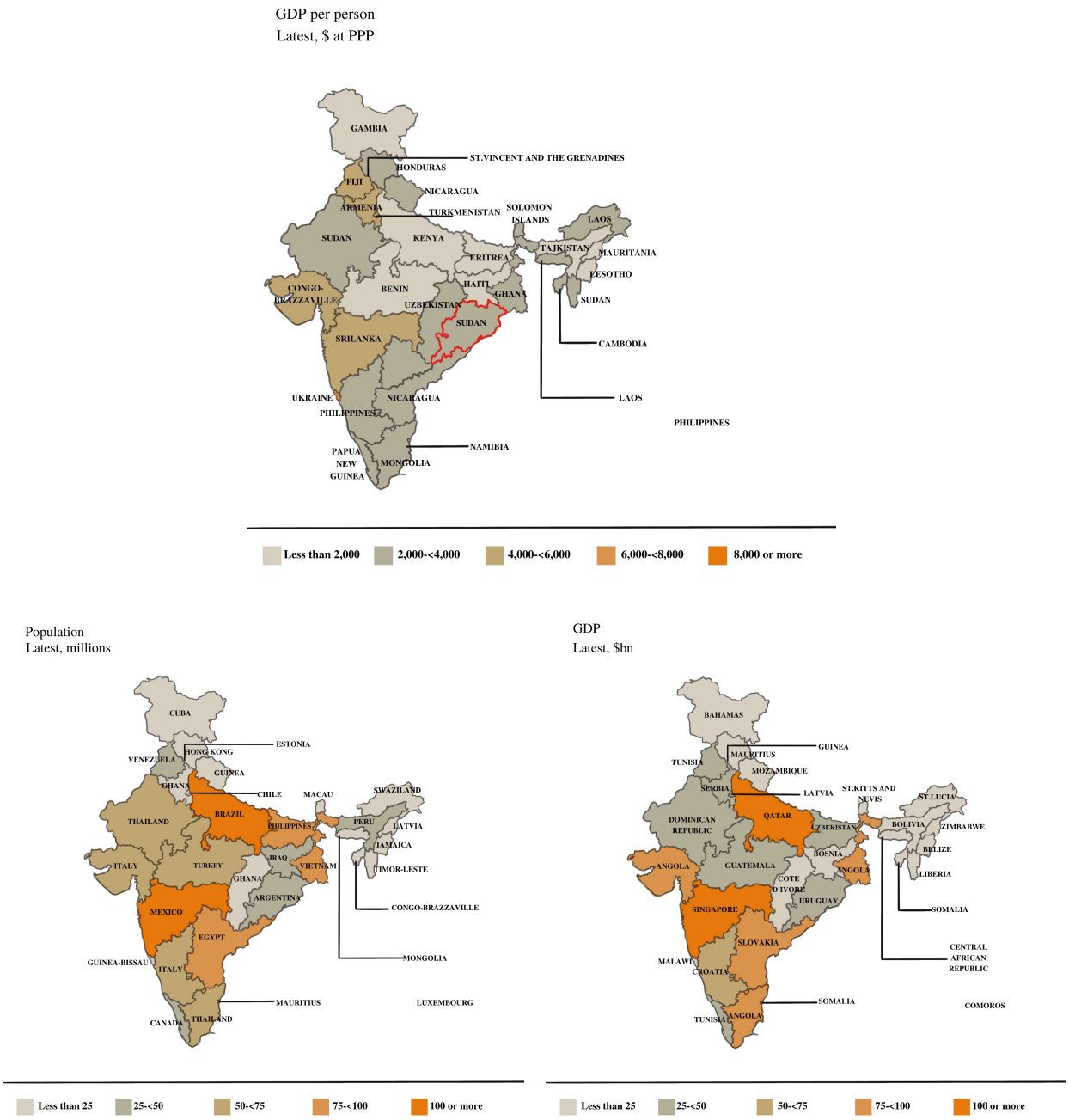

Image Credits: Adapted from The Economist[1]

[1] The designations employed and the presentation of the material on this map do not imply the expression of any opinion whatsoever on the part of WINGS concerning the legal status of any country,

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Governance Data

Indicator	Description
Total Population	1,339.2 million[2]
Capital	New Delhi
Largest City	Mumbai (by Population, area)
Administrative Divisions (States/Districts/Provinces)	India is a federal union comprising of 28 states and 8 union territories. All states, and the union territories of Puducherry and the National Capital Territory of Delhi have elected legislatures and governments. Many Indian states are subdivided into divisions, which have official administrative governmental status and each division is headed by senior Indian Administrative Services (IAS) officer called the Divisional Commissioner. Currently, administrative and revenue divisions exist in all states except Gujarat, Kerala, Andhra Pradesh, Telangana, Tamil Nadu, Sikkim, Manipur, Tripura, Mizoram, and all union territories apart from Delhi. States and territories (or divisions) are further subdivided into districts (zilla), of which there are 727 (as of 2019). Each district is headed by an Indian Administrative Service (IAS) officer called the District Magistrate. The districts are further sub-divided and referred with either of these titles in various states – sub-division / tehsil / taluka / mandal / circle / sub-division / community development block / rural development block[3]. These subdivisions, headed by a Tehsildar or Talukdar, comprise of several villages or village clusters. The governmental / elected bodies at the Tehsil level are called the panchayat samiti. Villages are often the lowest level of subdivisions in India. The governmental bodies at the village level are called Gram Panchayat, of which there were an estimated 2,56,000 in 2002. Each village has a Gram Sabha or general assembly of all the people of a village, who have attained the age of 18 years and whose name is entered in the voter list. The executive committee of the Gram Sabha is known as Gram Panchayat which consists of the representatives elected by the Sabha.

territory, city, or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The Economist, https://www.economist.com/content/indian-summary

[2]United Nations Development Programme, *Human Development Reports, India*, http://hdr.undp.org/en/countries/profiles/IND

[3]Government of India, Ministry of Home Affairs, Office of the Registrar General & Census Commissioner, *Statement showing the Nomenclature and Number of Sub-Districts in States/UTs*, http://www.censusindia.gov.in/Tables_Published/Admin_Units/Admin_links/subdistrict_nomeclature.html

Government Structure	India is a federal republic and has a parliamentary democracy that operates under the Constitution of India. There is a Council of Ministers with the Prime Minister as its head to advise the President, who is the constitutional head of the country. Similarly in states there is a Council of Ministers with the Chief Minister as its head, who advises the Governor.
Major Alliances	India has a history of collaboration with several countries and holds representations in global affairs through its participation & alliances such as: • Association of Southeast Asian Nations • Asian Development Bank • BRICS • Commonwealth of Nations • G-20 • G8+5 • SAARC and BIMSTEC

Social Data

Indicator	Description
Total Population	1,339.2 million[4]
Population Density	450/Sq Km (2017), as per World Bank[5]
Major Ethnic Groups	The major groups in India are Indo-Aryan: 72%; Dravidian 25%; Mongoloid and other: 3% (2000)[6]. Indo-Aryans form the predominant ethno-linguistic group in India (North India, East India, West India, Central India), Dravidians form the predominant ethno-linguistic group in southern India. Indian society is traditionally divided into castes or clans, not ethnicities. The majority of the population falls within two large linguistic groups, Indo-Aryan and Dravidian but these categories have had no official status since independence in 1,947, except for the scheduled castes (SC) and scheduled tribes (ST), which are according to the schedules created as per constitutional provisions. These groups are further subdivided into numerous sub-groups, castes, and tribes. Minority groups not falling within either large group mostly speak languages belonging to the Austroasiatic and Tibeto-Burman language families, and mostly live around Ladakh and Northeast India.

[4]United Nations Development Programme, *Human Development Reports, India*, http://hdr.undp.org/en/countries/profiles/IND
[5]The World Bank, *World Bank Open Data*, https://data.worldbank.org/indicator/EN.POP.DNST
[6]Central Intelligence Agency, *The World Fact Book*, https://www.cia.gov/the-world-factbook/countries/india/

Major Languages	Hindi is the most commonly spoken language in India today (44% of the population uses Hindi, or related dialect, as their mother tongue). English enjoys the status of subsidiary official language, but is the most important language for national, political, and commercial communication. The Eighth Schedule of the Indian Constitution officially recognizes 22 languages, (scheduled languages) including: Assamese, Bengali, Bodo, Dogri, Gujarati, Hindi, Kannada, Kashmiri, Konkani, Maithili, Malayalam, Manipuri, Nepali, Odia, Punjabi, Sanskrit, Santali, Sindhi, Tamil, Telugu, Urdu; Hindustani is a popular variant of Hindi/Urdu spoken widely throughout northern India but is not an official language[7]
Literacy Rate	74.04% (80.9% for men and 64.60% for women) as per 2011 census[8]
Largest Religious Groups	79.8% of the population of India practices Hinduism, 14.2% adheres to Islam, 2.3% adheres to Christianity, and 1.7% adheres to Sikhism. (According to the 2011 census)[9]
Life Expectancy	68.5 Years
HDI [human development index]	HDI for India was 0.640 in 2018

Economic Data

Indicator	Description
GDP (PPP) + Rank*	3rd Rank[10]
GDP (per capita PPP) + Rank*	GDP (per capita PPP): USD 7,761 in 2018[11] 156th Rank[12]
Unemployment rate	6.1%[13]

[7]Central Intelligence Agency, *The World Fact Book*, https://www.cia.gov/the-world-factbook/countries/india/
[8]Census Organization of India, *Census 2011*, *Literacy in India* https://www.census2011.co.in/literacy.php
[9]Census Organization of India, *Census 2011*, *Religion Census 2011*, https://www.census2011.co.in/religion.php
[10]StatisticsTimes.Com, *Projected GDP Ranking*, http://statisticstimes.com/economy/projected-world-gdp-ranking.php
[11] The World Bank, *World Bank Open Data*, https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD?locations=IN
[12] Central Intelligence Agency, *The World Fact Book*, https://www.cia.gov/the-world-factbook/countries/india/
[13]Government of India, Ministry of Statistics and Programme Implementation, Periodic Labour Force Surveys, http://mospi.nic.in/Periodic-Labour-Surveys

Population below poverty line	According to estimates from the 2018 global Multidimensional Poverty Index (MPI) released in Sept 2018, by the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI), the incidence of multidimensional poverty was 27.5% in 2015/16. Different definitions used to determine poverty in India, have resulted in widely different estimates of poverty from 1950s to 2010s. For example: The World Bank, in 2011 based on 2005's PPPs International Comparison Programme, estimated 23.6% of the Indian population, or about 276 million people lived below $1.25 per day on purchasing power parity. According to the United Nation's Millennium Development Goals (MDG) programme 270 million or 21.9% people out of 1.2 billion of Indians lived below the poverty line of $1.25 in 2011-2012.[14] [15]
Inflation Rate	3.05%, end of May 2019 As per the data released by Central Statistics Office, Ministry of Statistics and Programme Implementation, all India (combined, provisional) Inflation rates (%) based on Consumer Price Index (General) In India CPI (combined) is declared as the new standard for measuring inflation (from 2015). CPI numbers are typically measured monthly. India uses changes in the CPI to measure its rate of inflation[16]
Debt	As of December 2018, India's external debt was placed at US$ 521.2 billion[17]
Deficit	INR 6.45 trillion in absolute numbers (fiscal deficit at the end of March 31, 2019) As per the data released by the Controller General of Accounts, Ministry of Finance, (Government of India). This was 3.39% of the country's GDP.[18]

[14] Wikipedia, the free encyclopedia, *Poverty in India*, https://en.wikipedia.org/wiki/Poverty_in_India#cite_note-rbi2192-5
United Nations Development Programme, *Human Development Reports, India*, http://hdr.undp.org/en/countries/profiles/IND
[15] United Nations Development Programme, *271 million fewer poor people in India*, September 20, 2018, http://www.in.undp.org/content/india/en/home/sustainable-development/successstories/MultiDimesnionalPovertyIndex.html
[16] Consumer price index, https://mospi.gov.in/documents/213904/0/CPI-Changes_in_the_Revised_Series.pdf/a558cbf8-afa8-3711-112b-4da6b6ce0124?t=1595850076188
[17] Government of India, Development of Economic Affairs, *External Debt*, https://dea.gov.in/external-debt
[18] Press Trust of India, 'Govt meets its interim budget fiscal deficit target of 3.4% for 2018-19', *Business Standard*, 2019, https://www.business-standard.com/article/pti-stories/fiscal-deficit-lower-at-3-39-pc-in-2018-19-119053101078_1.html

Section II: The Philanthropic Context in India

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There is very little reliable data on most aspects of philanthropy in India. Research studies have therefore used differing methodologies and definitions to estimate philanthropic capital in India. For example, while the India Philanthropy Report 2017 by Bain and Dasra[19] is based largely on secondary data and does not present detailed data on individual (retail) giving, a report by McArthur and Intellecap[20] uses estimates based on the level of per capita giving and the adult population of India to estimate the quantum of individual giving. The 'India Giving'[21] report uses a different approach by conducting a primary survey to measure the quantum of individual giving. Reports estimating Corporate Social Responsibility (CSR) spending, on the other hand, use public data available on the website of the Ministry of Corporate Affairs to conduct analysis on corporate philanthropy. However, most of the reports base their analysis only on partial data, due to the difficulty in accessing public data in their current format. A recent report by the Centre for Social Impact and Philanthropy on philanthropic flows in India[22] provides a comparative matrix on data from different sources, which is replicated below.

Table 1. India's Philanthropy Capital 2018-19

Giving Source	CSR	Foreign	State	Individuals	Ultra-High Net Worth Individuals	Total (in Rs Crores)
Value in Rs Crores	18,653	16,343	5,784	6,013	4,391	51,184

Source: Estimating Philanthropic Capital in India, 2021, Centre for Social Impact and Philanthropy, Ashoka University

[19] A. Sheth, D. Sanghavi, A. Bhagwati, S. Srinivasan & P. Dastoor, '*India Philanthropy Report 2017*', Bain & Company, 2017, https://www.bain.com/insights/india-philanthropy-report-2017/
[20] Intellecap and the John D. and Catherine T. MacArthur Foundation, '*Strengthening philanthropic giving & impact investing for development in India*', https://www.macfound.org/media/files/macarthur_report_-_single_pages_-_updated.pdf
[21] CAF India, '*India Giving: Insights into the nature of giving across India*', November 2012, https://www.cafonline.org/docs/default-source/about-us-publications/india_giving_2012_v2.pdf
[22] The Centre for Social Impact and Philanthropy, 'Estimating Philanthropic Capital in India 2021' http://csip.ashoka.edu.in/research-and-knowledge/

Institutionalised philanthropy

Philanthropy by family and corporate foundations has existed in India for several decades. Historically, the most notable example has been of the Tata family's philanthropy, which since the early 19th century has donated through various non-profit trusts. Jamsetji Tata, the late founder of the Tata Group, has been named the world's most generous individual of the last century, Tata made total donations worth $102.4 billion, mainly for education and healthcare, according to EdelGive Hurun's list of the world's top 50 philanthropists of the century[23]. Presently, Ratan Tata is the chairman of Tata Trusts (comprising Sir Ratan Tata Trust and Allied Trusts, and the Sir Dorabji Tata Trust and Allied Trusts). The trusts have contributed to social development, supported civil society organisations and funded large development programmes in partnership with the government.

In addition to Indian foundations, international foundations such as the Ford Foundation and McArthur Foundation have also been funding social development programs in India. While a list of all operational foundations in the country is not easily available, the most recent Global Philanthropy Report[24] revealed that India had 583 philanthropic foundations, which collectively had assets worth 0.8 billion USD. Four signatories to the Giving Pledge[25], created by Bill and Melinda Gates and Warren Buffett are Indian philanthropists.

[23] EdelGive Foundation and Hurun Research Institute, '2021 EdelGive Hurun Philanthropists of the Century', *Hurun*, 2021, https://www.hurun.net/en-US/Info/Detail?num=UWAVNABGQMKW
[24] P. Johnson, 'The Global Philanthropy Report: Perspectives on the Global Foundation Sector', *Harvard University's John F. Kennedy School of Governmen*t, 2018, https://cpl.hks.harvard.edu/global-philanthropy-report-perspectives-global-financial-sector https://cpl.hks.harvard.edu/files/cpl/files/global_philanthropy_report_final_april_2018.pdf
[25] The Giving Pledge, https://givingpledge.org/About.aspx

High Net Worth Individuals (HNWI)

The rapid economic growth of India in the last few decades has created many High-Net-Worth Individuals (HNWI). However, limited transparency and methodological issues result in a blurring of boundaries between personal and corporate philanthropy as well as between giving to endowments and grant-making. As per the World Wealth Report (2018)[26], in India the number of individuals having investable assets of US$ 1 million or more were 2,19,000 in 2016 and 2,63,000 in 2017. The India Philanthropy Report (2019)[27] estimated that individual philanthropists contributed INR 43,000 *crore* in 2018, which accounted for 60% of the total private funding in the social sector. The report also estimated that individual philanthropy grew by 21% every year in the five years preceding 2018. Many of these HNWI who have acquired their wealth from the IT and allied industries have started engaging in philanthropic activities over the last few decades. The top 10 philanthropists during the period of April 2019 – March 2020 according to the EdelGive Hurun India Philanthropy List 2020[28] were:

Table 2. Top 10 Indian philanthropists during the period of April 2019 – March 2020

Rank	Name	Donation (INR crore)	Age	Primary Cause	Company	3yr Donation (INR crore)
1	Azim Premji & family	7,904	75	Education	Wipro	9,143
2	Shiv Nadar & family	795	75	Education	HCL Technologies	2,391
3	Mukesh Ambani & family	458	63	Disaster Relief	Reliance Industries	1,297

[26] Capgemini, '*World Wealth Report 2018'*, https://www.capgemini.com/wp-content/uploads/2018/06/Capgemini-World-Wealth-Report.pdf
[27] A. Sheth, D. Sanghavi, A. Bhagwati, S. Srinivasan & P. Dastoor, '*India Philanthropy Report 2017*', Bain & Company, 2017, https://www.bain.com/insights/india-philanthropy-report-2017/

[28] EdelGive Foundation and Hurun Research Institute, '*EdelGive Hurun India Philanthropy List 2020*', https://www.hurun.net/en-US/Info/Detail?num=J1RIWTAVLKMO

4	Kumar Mangalam Birla & family	276	53	Education	Aditya Birla	374
5	Anil Agarwal & family	215	67	Healthcare	Vedanta	352
6	Ajay Piramal & family	196	65	Education	Piramal	596
7	Nandan Nilekani	159	65	Sustainable Development	Infosys	N.A.
8	Hinduja brothers	133	84	Healthcare	Hinduja	N.A.
9	Gautam Adani & family	88	58	Education	Adani	248
10	Sudhir Mehta & Samir Mehta	81	66, 57	Healthcare	Torrent	138

Source: Hurun Research Institute; EdelGive Hurun India Philanthropy List 2020

The Hurun Report also showed 7 women philanthropists in the list of top 100 philanthropists:

Table 3. Women philanthropists during the period of April 2019 – March 2020

Rank	**Name**	**Donation (INR crore)**	**Age**	**Primary Cause**	**Company**
1	Rohini Nilekani	47	61	Environmental Sustainability	Rohini Nilekani Philanthropies
2	Anu Aga & family	36	78	Education	Thermax
3	Kiran Mazumdar Shaw	34	67	Education	Biocon
4	Manju D Gupta & family	19	77	Rural Development	Lupin
5	Renu Munjal & family	17	65	Education	Hero Motocorp
6	Leena Gandhi Tewari	9	63	Healthcare	USV
7	Kavita Yadupati Singhania & family	5	60	Rural Development	JK Cement

Source: Hurun Research Institute; EdelGive Hurun India Philanthropy List 2020

Five Indian billionaires, Nandan and Rohini Nilekani, Azim Premji, Kiran Mazumdar Shaw and P.N.C. Menon are also signatories to the Giving Pledge initiative[29], under which they have committed to donate half their wealth.

Research suggests that the newer generation of philanthropists donate directly to non-profit organisations or consult intermediary organisations for investing strategically. Many HNWIs have also started their own foundations; prominent among these are the Azim Premji Philanthropic Initiatives (APPI), Shiv Nadar Foundation and the Central Square Foundation. Their approach to philanthropy is different from the traditional charity approach. Some of the distinctive features of their approach revealed in Hartnell's research[30] include: a) an impact focused orientation that emphasizes on scale and maximum impact, efficiency, return on capital and impact measurement, b) a more progressive approach that addresses structural issues that drive poverty and social problems, which is taken by philanthropists such as Azim Premji and Rohini Nilekani, and c) a recognition of the need to work with systems and the government to bring about changes at scale.

Social enterprise

Social enterprises (SE) have existed in the form of community-owned business models, such as Anand Milk Union Ltd. (AMUL) and FabIndia, in India since the 1950s. Social enterprises, which can be registered either as for-profit or not-for-profit organisations, are estimated to be around 2 million in India. Numerous SE have emerged since the early 2000s to address issues of low-income and underserved populations and have attracted interest from investors in sustainable and scalable SE. A study of more than 600 SE engaging with low-income populations to address challenges of access and

[29] The Giving Pledge, https://givingpledge.org/
[30] C. Hartnell, '*Philanthropy in India: a working paper*', Philanthropy for Social Justice and Peace, 2017, http://www.psjp.org/wp-content/uploads/2017/10/Philanthropy-in-India-October-2017-1.pdf

affordability in critical sectors revealed that most SE in India cluster around 7 high impact sectors: agriculture; clean energy; health; financial inclusion; water and sanitation; and education. Other key findings of this study were: a) around 60% of these SE are in growth stage – scaling in terms of new customers and markets and refining their business models, c) 60% of SE are focused on providing access to basic services and products in an affordable and effective manner and 40% supported by focusing on skill building for employability and building awareness and bringing about behavioural change, c) technology played an increasing role in the business models of recently (2015-18) started SE in agriculture, healthcare and financial inclusion, and d) most SE are headquartered in metropolitan cities, with a strong presence in west and south Indian states.

An important reason for the spurt in growth of SE over the last two decades has been the fast pace of economic development in India. India attracted USD 5.2 billion from 2010-16 and presently there are more than 50 impact investors in India that actively invest in various SE across key impact sectors. Some of the well-known funds include Acumen Fund, Aavishkaar, India Innovation fund, and now foundations such as Tata Trusts/Social Alpha, Michael & Susan Dell Foundation and Shell Foundation have also leveraged impact investing to support SE. In 2015, Educate Girls pioneered the first development impact bond (DIB) in India, which aimed to increase enrollment of schoolgirls and improve learning outcomes. Educate Girls showed impressive results in 2018 by exceeding both targeted outcomes encouraging adoption of the instrument by other funders. Overall, a well-formed ecosystem has developed for SE in India, which consists of supportive government policies that promote and provide incentives for SE, and several intermediary organisations that have emerged to play the role of incubators and accelerators for SE.

Corporate philanthropy

Corporates in India have been involved in philanthropy through their own foundations or even through direct implementation of programmes on the ground for many decades. The inclusion of mandatory corporate philanthropy in the Companies Act 2013, commonly referred to as the Corporate Social Responsibility (CSR) Law, however, changed the role and scale of corporate philanthropy in India. In 2013, India became the first country that mandated companies having net profit of at least INR 5 *crore*, or INR 1,000 *crore* turnover or INR 500 *crore* net worth to spend 2% of their three-year average annual net profit on CSR activities in each financial year. The contribution through CSR is expected to bring in efficiency and innovations of businesses to generate public good in the country. The latest available official data from the Ministry of Corporate Affairs reported an expenditure of INR 24,689 *crore* by 22,531 corporates in FY 2015-16 bringing the total cumulative spend since the law's introduction to over INR 1 trillion.

Culture of philanthropy

Religious giving

Giving in kind or monetarily to people in need is deeply rooted in Indian culture and religions followed in India. The concept of giving is embodied in each of the major religions followed in India, e.g., *daan* (giving) and *seva* (service) among Hindus, *bhiksha* (food given as alms) among Buddhists, and *zakat* (almsgiving) and *sadaquaat* (voluntary offerings) among Muslims. The data from the 72nd round of National Sample Survey of Household Expenditure for 2015[31] on religious donations showed two types of

[31] Government of India, Ministry of Statistics and Programme Implementation, '*Key Indicators of Household Expenditure on Services and Durable Goods*', July 2014- June 2015, http://mospi.nic.in/sites/default/files/publication_reports/ki_durable_29june16.pdf

donations from each religion – charity (donations to religious institutions) and donations to priests and individuals. The total donations to religion were highest by Hindus, which amounted to INR 15,600 *crore* as compared Muslim, Sikh and Christian religious donations of INR 2,580, INR 1,716, and INR 420 *crore* respectively. However, when each household's donation to charity per month was examined, it was seen that Christians donated INR 296 every month, followed by Sikhs, Muslims and Hindus donating INR 154, INR 126, and INR 82 respectively. The continuing influence of these practices was confirmed by two recent studies. In a Charities Aid Foundation (CAF) study[32] 72% of the people surveyed reported giving a median amount of INR 5,000 in the past 12 months. They donated usually to church/religious organisations or sponsored someone in need, and 68% of these donations were made in cash.

Everyday giving

Giving by individuals who are not HNWIs or UHNWIs is also widely prevalent in India. In fact, noted experts such as Pushpa Sundar have opined that these givers are not concerned with self-promotion and are often contributing to a social cause, and hence supporting a change in the inequities in society. A recent study, called The Everyday Giving Study[33] estimated that everyday givers (including Indian residents and the Indian diaspora) donated a total of INR 3.2 - 3.5 thousand *crore* (USD 484-528 million) to social purpose organisations. This was however only 10% of the total donations by this group and the remaining 90% were religious contributions. The study estimated that 90% of ordinary Indians residing in the country donated through informal channels. Their donations constituted INR 21.5 thousand *crore* (USD 3.2 billion) given to individuals in need, INR 8.8 thousand *crore* (USD 1.3 billion) given directly to religious or spiritual causes and institutions, and only a small fraction of INR 0.3-0.6 thousand

[32] CAF India, '*India Giving 2019: An overview of charitable giving in India*', April 2019, https://www.cafonline.org/docs/default-source/about-us-publications/caf-india-report-2019.pdf
[33] Sattva, '*Everyday Giving in India: Harnessing the potential of a billion givers for social impact: A Research Study*', 2019, https://www.sattva.co.in/publication/research-everyday-giving-in-india-report/

crore (USD 44-88 Million) given to social purpose organisations through community associations, friends, and families. Giving Tuesday was launched in India in 2017 and has shown encouraging levels of interest and growth, despite online giving being relatively underdeveloped in India, accounting for a tiny fraction of overall giving. A new study by the Centre for Social Impact and Philanthropy will make comprehensive data on giving by households available in early 2022.

In addition to donating money, giving in kind is also highly prevalent in India. The most notable initiative in this regard is "*Daan* Utsav'', earlier called the Joy of Giving Week, which has been celebrated every year from October 2nd – 8th since 2009. During this week millions of people engage in acts of kindness by participating in thousands of events of their choice, which are organised by volunteers across various parts of the country. People get involved by giving their time, money, resources, and skills back to society. Even though the event was started by a few volunteers in its initial years, in its current form it is not owned by anybody and can be celebrated by anyone across the world.

Another notable example of such giving is illustrated in the success of Goonj, a non-profit organisation, which has put in practice a "circular economy'' that transfers massive amounts of surplus under-utilised material from urban areas into a resource for solving difficult challenges for the most marginalised communities across rural India. Goonj has set up numerous drop-in centres and collection camps across urban India where it collects surplus resources donated by people and converts these into kits for neglected basic needs of people. These kits are given as a reward for efforts taken by people to solve any of their neglected issues. In the year 2017-18 alone, Goonj distributed 1,40,000 "family kits'' that comprised of basic essentials like clothing, and other utility items, 39,416 "school kits'' that include books, toys, stationary, uniforms, and other materials, "*rahat* kits'' (relief kits) for families hit by disasters, more than 240 wedding kits that provided new couples with major expense items such as wedding clothes, "*vaapsi* kits" (return kits) that included material for small enterprises like

carpentry or masonry, more than 3,600 “labour kits’’ that can be used by migrating labour and their families for sustaining themselves in new geographies, and more than 1,04,100 “menstrual dignity packs’’ that include menstrual packs and information on healthy menstrual practices.

Role of government

The government plays a dual role of fostering philanthropy in the country as well as regulating the flow of money to specific areas of its preference. On the one hand, the government has made provisions in tax law that enable individual and corporate donors to get tax benefits on their giving. However, these incentives have been progressively withdrawn over the last few years. India is also the first country to pass a Corporate Social Responsibility (CSR) law in 2013, which mandated corporations with earnings above a particular level to invest in social development programmes. Contrary to this, the government strictly regulates and restricts funding through foreign channels under the Foreign Contribution Regulation Act (FCRA) amended to include more stringent provisions and restrictions in 2020. In recent years, governments at the federal and state levels have solicited funding and active involvement of foundations and corporations in its national programmes such as the *Swacch* Bharat campaign and the Aspirational Districts programme.

Section III: Civil society and community foundations

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Civil society organisations in India include a range of organisational types. These include NGOs, foundations (both grant-making and operating), social enterprises, networks of CSOs and foundations, ecosystem support and intermediary organisations, research bodies, community-based groups[34], social movements[35] and faith-based organisations[36]. There is no clear, widely accepted estimate of the number of CSOs in India. However, two figures are frequently cited. First, is an estimated number of 3.3 million NGOs prepared as a response to a Supreme Court case by the Central Bureau of Investigation (CBI). This is a gross estimation calculated by aggregating the number of NGOs registered under the Societies Act across all Indian states and may also include defunct and inactive organisations. It also does not include CSOs registered as non-profit companies. A second figure is that of 6,94,000 'traced societies'[37]. This is based on a 2012 study undertaken by the Ministry of Statistics and Planning (MOSPI) in which CSOs were physically verified. However, this number also captures only a limited section of the CSO sector in India. The study only included societies and trusts registered under some state-level trust laws. Those registered as section 8 companies and under trust laws not covered by the study are not included. There is no estimate available for all foundations in India. However, the Global Philanthropy report by the Harvard Kennedy School lists 583 foundations in India[38]. Community foundations and local grant-making foundations are present in the country. However, there is no accounting of their numbers.

[34] UNICEF, Our partners, https://www.unicef.org/india/our-partners
[35] UNICEF, Our, partners, https://www.unicef.org/india/our-partners
[36] UNICEF, Our partners, https://www.unicef.org/india/our-partners
[37] Government of India, Ministry of Statistics and Programme Implementation, '*Non Profit Institutions in India A Profile and Satellite Accounts in the framework of System of National Accounts (including State-wise Comparison of Profiles)*', http://mospi.nic.in/sites/default/files/publication_reports/Final_Report_Non-Profit_Instiututions_30may12.pdf
[38] P. Johnson, 'The Global Philanthropy Report: Perspectives on the Global Foundation Sector', *Harvard University's John F. Kennedy School of Governmen*t, 2018, https://cpl.hks.harvard.edu/global-philanthropy-report-perspectives-global-financial-sector

Legal and fiscal environment

NGOs can be registered under any of these laws.

- Registration of Societies Act, 1860
- Indian Trust Act, 1882 (for states which don't have a public trust act)
- State level public trust acts such as the Maharashtra Public Trusts Act, 1950
- Indian Companies Act, 2013

Registering an NGO can take anywhere between 10-15 days to 60-75 days depending on the particular law under which registration takes place. The statutory reporting requirements also vary according to the law. CSOs registered under the Societies Act have limited statutory regulation. These are largely related to provisions on how to govern property, alter objectives, dissolve societies etc. The Indian Companies Act places many more reporting requirements on CSOs. CSOs are required to conduct board and general meetings, file annual accounts with the Ministry of Corporate Affairs, and maintain requisite registers, among others.

Regulation of CSOs primarily takes place on their financial transactions and fundraising activities. The Income Tax Act, 1961 Goods and Services Tax (GST) Act, 2017 and the Foreign Contribution and Regulation Act, 2010 (FCRA) are the key government instruments. Under the Income Tax Act, CSOs engaged in activities of charitable purpose, as defined under section 2(15) need to be registered as charitable organisations under section 12(AA). They have to file annual tax returns. Such organisations can also apply to offer their donors tax exemptions on up to 50% of their donations under Section 80G. Other provisions relate to audit of CSOs and investment in government securities. Under the GST act, CSOs having an annual income of over INR 2 million (USD 2,700) need to register under the GST Act. Only a small section of CSOs have been exempted under the act based on a definition of charitable purpose as given in the GST act. This is a narrower definition than that provided in the IT act.

The FCRA regulates access to foreign funding. CSOs interested in raising funds from foreign donors are required to register with the Ministry of Home Affairs, which, if approved, remains valid only for five years. Other commitments include the need to file and publicly disclose quarterly receipts of all foreign contributions received. For one-time foreign grants for specific projects and activities, CSOs need 'prior permission' from the Ministry of Home Affairs. The ministry has also withdrawn FCRA permits from a number of non-profit and require some of these to seek 'prior permission' for each grant they make or receive. Banks are required to report all transactions by these organisations to the ministry before completing the transaction. Amendments to the law in 2020 require all funds to be routed through a particular branch of the State Bank of India, caps spending on 'administrative expenses' at 20% of the sums received and prohibits onward granting of funds from international donors to other organisations even if those organisations have the requisite clearance to receive funds under the law.

Section IV: Challenges

Legal and regulatory environment

- The legal and regulatory framework for CSOs in India is fragmented. There are multiple regulatory entities and laws and different provisions, and the compliance provisions are inconsistent. This inhibits CSOs from meeting compliance requirements, adds to their costs of completing compliance in a timely fashion as well as hinders access funds from a wide variety of sources, national and international.
- Many provisions of the legal and regulatory environment are at odds with the contemporary realities of the civil society sector in India. New forms of CSOs have emerged and their scope and scale of work has increased significantly. A regime which significantly enables CSOs to flourish has to be consciously created.

Political and economic factors

- In order to avail charitable tax exemptions, registered non-profit organisations have to pursue a "charitable purpose'' as defined by the Income Tax Act. Accordingly, NPOs can register their charitable purpose under different thematic areas (e.g., relief of the poor) or under a provision stating, "advancement of any other object of general public utility". Many NPOs that registered under the latter provision have been at risk of losing their tax-exempt status because several amendments to the Finance Act in the last decade have limited the permissible scope of economic activity under this provision.[39] An updated taxonomy of organisation types as well as types of tax-exempt activity is urgently needed.
- While Indian NPOs or CSOs are not legally allowed to engage in political campaign activities, they are not prohibited from communication with legislators or government officials or media. They can also lobby for non-political causes with the intent of promoting general public utility and achieving the charity's objectives. However, what activities are considered "political'' under "general

[39]N. H. Dadrawala, '*Current Legal Framework for Civil Society in India*', International Center for Not-for-Profit Law (ICNL), May 2019, https://www.icnl.org/wp-content/uploads/Legal-Framework-for-Civil-Society-in-India-Dadrawala-vf.pdf

public utility'' is not clearly defined in the laws governing the three forms of registration of NPOs, permitting harassment of non-profits by various authorities. [40] In March 2020, the Supreme Court held that support to public causes by resorting to legitimate means of dissent like bandh, hartal etc. cannot be enough to deprive an organisation of its legitimate right to receiving foreign contributions.

- Access to foreign resources is getting increasingly challenging for CSOs as India is now categorised as a middle-income country for many foreign donors.

Weak social capital markets

- Despite the 'social sector stock exchange' proposed by the government in 2019, there are no reliable, inclusive platforms permitting discovery by philanthropists or social investors of potential partners. The government's Darpan portal hosted by the Niti Aayog, Guidestar India's database of about 9,000 organisations and Give India's platform are some of the better-known databases. The lack of public access to data from non-profit reporting, and the lack of standardised reporting norms for either non-profits or philanthropies limit the availability of reliable data on the sectors.

Fragmented nonprofit networks

- The sheer size and diversity of India is such that multiple CSO networks focusing on a wide range of the aspects of civil society are needed. For example, networks of ecosystem providers, intermediaries, fundraising organisations, and others are needed for a strong and coherent civil society space. Dedicated and active networks are also needed at the state and regional level. However, at present there are only a few active networks of CSOs in India such as VANI, Credibility Alliance, Voluntary Health Association of India (VHAI) networks. The membership in these groups either focuses on thematic areas or

[40] N. H. Dadrawala, '*Current Legal Framework for Civil Society in India*', International Center for Not-for-Profit Law (ICNL), May 2019, https://www.icnl.org/wp-content/uploads/Legal-Framework-for-Civil-Society-in-India-Dadrawala-vf.pdf

only on prominent, well-networked organisations. Smaller, grassroots, community focused organisations often have limited platforms and networks.

Young, relatively new organised/professional philanthropic culture

- Partnership with civil society/NGOs is a mandate of CSR. After the CSR law was passed in 2013, it was expected that existing CSOs/NGOs that had rich experience and expertise in conducting social development programmes would receive funds from corporates and become equal partners. However, the trend since has been different. Most CSR work is being undertaken by the corporates' own foundations, through employee engagement and via contribution to funds such as government funds and comparatively little is done in partnership with CSOs/NGOs.

Competition, rather than collaboration amongst NGOs

Issues of trust

- The evolving landscape of the civil society sector in India means new organisational forms are taking root, new strategies and areas of fundraising have emerged, CSOs are also bringing in expertise in areas of technology for social issues. Till the legal and regulatory environment evolves to address this state of affairs, significant mistrust among both CSOs and government bodies remains. While CSOs seek an enabling and facilitative legal regime, the government bodies focus on timely and precise compliance and reporting of activities.[41]

Closing or expanding civil society space

- A slew of actions taken by the government against CSOs since 2012 have threatened the freedoms of expression, association, and assembly. Several

[41] Corporate Responsibility Watch, *CSR in India*, 2016, http://www.corporatewatch.in/reports/235-csr-in-india,-2016.html

organisations registrations were either suspended or cancelled under dubious charges, e.g. Ford Foundation was charged to be promoting communal disharmony and Lawyers Collective was charged with using foreign funds for organising rallies with "political hue and colour".[42] While around 20,000 FCRA registrations were cancelled or revoked or denied in the period of 2011 – 2017, around 15,000 of these were from 2014 to 2017.[43] A recent report showed that the general perception among civil society stakeholders is that the brunt of government's structures and actions is faced by foreign funded non-profit organisations engaged in rights and advocacy work and who had questioned the government in some way.[16] Twenty international donors including the Open Society Foundation, Compassion International, HIVOS and Greenpeace International were put on a watch list by the government by 2017.[16] The result of this was that by 2016-17, the funding to rights-based organisations, which in India was predominantly from foreign funders, dropped to INR 9 *crore* (USD 1.2 Million) from an estimated amount of INR 150 *crore* (USD 20.2 Million).[16]

Underdeveloped ecosystem

- Given the age, size, and complexity of Indian philanthropy, the philanthropic ecosystem remains severely under-developed. Basic infrastructure, including philanthropic networks, research bodies, self-regulatory mechanisms, capacity building organisations etc., is largely absent or inadequate. One consequence of this gap is the lack of voice for the sector in policy discourse. Another is an absence of networks or fora for the development of sector norms and standards, peer learning or other forms of collaboration. In comparison with other countries, which might have several specialist networks for various types of philanthropy, India has one network, the India Philanthropy Initiative, which has limited membership.

[42] N. H. Dadrawala, '*Current Legal Framework for Civil Society in India*', International Center for Not-for-Profit Law (ICNL), May 2019, Pg 20, https://www.icnl.org/wp-content/uploads/Legal-Framework-for-Civil-Society-in-India-Dadrawala-vf.pdf
[43] The Centre of Social Impact and Philanthropy, *Advocacy, Rights and Civil Society: The Opportunity for Indian Philanthropy*, http://csip.ashoka.edu.in/research-and-knowledge/

Section V: Update on philanthropy in response to Covid-19

As in many other countries, it fell to philanthropy and civil society in India and in the Indian diaspora to compensate for the huge inadequacies of systems of public health and social protection when the Covid-19 pandemic struck in early 2020. With everything from food and oxygen to ICU beds, healthcare staff, protective equipment, even crematoria and cemeteries in dire short supply, the role India's nonprofit sector and ordinary citizens played in alleviating distress and saving countless lives by providing critically needed healthcare and livelihood support, as well as by shining a light on the plight of the most marginalised groups, has been universally recognised. Significant changes observed during the pandemic include huge surges in mutual aid, online giving and diaspora contributions as well as massive redirection of funds from corporate and HNWI donors to Covid-19 relief. The pandemic also accelerated giving by new philanthropists.

Unlike other countries, however, India's non-profit sector was not included in any official relief packages that the government offered to industry, small scale enterprises and other sectors to help them tide over the crisis. Nor was there any increase in tax incentives for philanthropy or any relaxation of the rules on foreign contributions. Further, a new fund called the Prime Minister's Care and Relief in Emergency Situations (PM-CARES) attracted a large proportion of available philanthropic contributions leaving many NGOs struggling to survive. CSIP's reports on the impact of the pandemic on Indian non-profit organisations provide detailed analysis.

As the second wave of the pandemic waned, there was some evidence of changes in philanthropic norms to embrace giving to institution and capacity building, especially to grassroots organisations.

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