

# Big Philanthropy in India: Perils and Opportunities

*A framework for philanthropy to make  
informed decisions*



## **Big Philanthropy in India: Perils and Opportunities**

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## Note from editors

Philanthropy in this report refers only to personal philanthropy. It does not include corporate giving or Corporate Social Responsibility (CSR) spend. The term ‘big philanthropy’ is used for the philanthropy of Ultra High Net Worth Individuals (UHNWIs). Throughout the report, ‘philanthropist’ refers to Ultra High Net Worth Individual philanthropist. This usage is only for brevity, as the scope of this study is focused on philanthropy of the very wealthy, rather than the entire universe of remarkable philanthropists who come from all walks of life, and are equally, if not more generous than the subjects of this study. This should not give an impression that the authors and editors believe that only Ultra High Net Worth Individuals can be philanthropists.

The study recognizes the right of the philanthropist to deploy her own wealth. The intent is to aid her thinking and decision making so that assessing potential risks and pitfalls of proposed philanthropic interventions becomes integral to the act of philanthropy. Suggestions made here should be considered by philanthropists in the context of their work.

This study emphasizes the need to detail the social risks and pitfalls of big philanthropy before funding or implementing large interventions. Many experts speak of the need for wealthy philanthropists to take more financial risk and use their philanthropy as risk capital towards ambitious social goals. While highlighting the need to minimize social risks, this study, in no way implies that philanthropists should not take financial risks. While the study touches upon a third kind of risk – personal or reputational risk to philanthropists, it does not examine it rigorously.

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### **Additional Research and Editing by the Office of India Philanthropy Initiative**

**This report is an edited version of the final submission by VikasAnvesh Foundation and has an additional section on Covid-19.**

## Disclosures:

The sponsors, authors and editors of this study either presently work or have in the past worked closely with several Ultra High Net Worth philanthropists, their families and foundations. The primary research, analysis and synthesis of findings was done by VikasAnvesh Foundation, an initiative of Tata Trusts. The study was commissioned by India Philanthropy Initiative, an informal effort driven by leading Indian philanthropists to promote and enable thoughtful, informed and increased philanthropy by the wealthy in India. The Office of India Philanthropy Initiative, that facilitated many interviews for this study, added the section on Covid-19 and edited the final draft, is housed in Azim Premji Foundation.



## Who is this report intended for?

While this report would be informative to a wide range of readers, it has been written with a focus to aid the thinking and decision making of:

- ◇ Philanthropists and Foundations with an existing significant footprint of work in India.
- ◇ Philanthropists, Foundations and decision makers who are in the process of refining, reviewing or expanding their philanthropic work.
- ◇ Individuals, families and institutions who are contemplating significant new philanthropic interventions.

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## Foreword

We started India Philanthropy Initiative in 2012 as a platform for philanthropists to share their experiences and learn. Our systematic engagement with people with deep expertise, years of experience of real action, and unflinching commitment to the causes that energize and move most of us, has also enriched our learning. Our objective has been to encourage and enable thoughtful, informed and significant philanthropy in India.

For philanthropy to maximize its potential contribution to society, it is important that we understand the implicit risks and possible pitfalls of our philanthropic impulses and actions.

What are these risks and pitfalls? For example, philanthropists may have an implicit assumption that their success in business, means that they have the expertise to judge and make decisions in almost any other sector. This is a flawed assumption, though it seems to be not so uncommon. The study that you are going to read, arose from discussions and debates about such matters. It is an attempt to explore systematically these issues and then put them in a framework which can both educate us and inform our actions.

You will find this study useful; I certainly have. The study strongly validates what I have felt for long -- that the most important characteristic for a philanthropist is genuine humility. This is not a silver bullet to tackle all risks and pitfalls – but it is certainly the basis on which other effective steps can be taken. The absence of humility is a sure recipe for eventual problems. This is not only because humility is a virtue, but also because in the wide expanse and complexity of this world, we philanthropists have a lot to be humble about – and we should not forget that.

The study comes out as the world deals with a pandemic that has ravaged the globe. It will certainly be useful as we all try to contribute our utmost to the unprecedented crisis that we face. This situation demands that Indian philanthropy do everything it can. Whether we work in education, health, livelihoods, poverty alleviation or in assuaging any form of vulnerability – there is an opportunity to contribute meaningfully in this world reeling from Covid-19. We cannot just continue what we were doing one year ago. We must certainly contribute and do so with humility and understanding, as many of you are already doing.

Wish you all safety and the very best.

**Azim Premji**

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## Executive Summary

The 1990s saw liberalization of the Indian economy. This eventually led to significant wealth creation by entrepreneurs and the emergence of many Ultra High Net Worth Individuals (UHNWIs) with the capacity and intent to give away large amounts for philanthropy. Many of these philanthropists have very ambitious goals. Some have professionalized and institutionalized their personal philanthropy by creating Foundations and mandating professional teams to execute their philanthropic intents. Such big philanthropy in India is slowly emerging and has been influenced in varying degrees by American billionaire philanthropy trends. There has often been a sense of unmixed good associated with the act of giving. But, as critiques of billionaire philanthropy in the US have shown, such big philanthropy comes with its own risks and pitfalls for the society.

Three kind of risks merit attention when making decisions on one's giving – financial, social and personal risk. Big philanthropy should take financial risk towards ambitious social goals. It should do what no other means of funding can easily do. Risk of failure is inherent in attempts for innovation in all fields of work. That should not deter philanthropists from taking financial risks. Social risks, on the other hand are those that could have adverse impact on society. Social risks are often implicit, unintended and are not investigated much. These should be investigated in advance and avoided. The third category of risk – personal risk to philanthropists – arises when supporting seemingly 'controversial' or 'activist' issues, many of which straddle the thin line between upholding democracy and countering government. While this risk is discussed briefly under different aspects of decision making, it is not analysed in detail in this study.

By its very nature and size, big philanthropy has the power to influence the development agenda and work of civil society. How this power is used for achieving development goals of the society depends on how well philanthropists understand real ground issues and the interplay of different factors in social change.

As Indian UHNWIs increase their engagement in philanthropy, it is useful for them to have a framework for assessing possible risks and pitfalls and identifying opportunities. The Actor-Methods-Activities-Recipients (AMAR) framework, by detailing key choices, decision points and associated risks, helps the philanthropist in making informed decisions. These include deciding the area and approach of philanthropy, what kind of teams to build and invest in, what activities to undertake, what timelines to adopt and populations for whom to prioritize work.

Like in business, politics and any other domain of work and life, all decisions carry some risk.

*Three kind of risks merit attention when making decisions on one's giving – financial, social and personal risk.*

A few core principles are useful in weighing risks and making decisions.

- ◇ Being clear about one's objective and timeline expectations. For instance, expecting results immediately, when philanthropic intervention has been designed for long term improvements, will lead to disappointment. Expecting long term impact of a programme that is meant to address only immediate requirements is not practical. Expectation mismatch with reality creates the risk of unplanned changes or end of programmes, which can adversely affect communities.
- ◇ Understanding ground realities and dynamics of people and places of work.
- ◇ Understanding what true expertise is, in a context and seek or develop it. UHNWI philanthropists can be biased towards use of business methods, technology, strategy consultants and over-emphasize on metrics – approaches that do not always work quite as well in social development work.
- ◇ Owing accountability to the core principles of the Constitution of India, and to communities where work is intended.

Identification and elimination of possible unintended negative impacts and taking on informed risks that are integral to any kind of innovation, are both necessary. Big philanthropy should aim to co-create, collaborate and co-learn with the civil society rather than aiming to be the sole agency of change.

Four key opportunities exist for big philanthropy.

- ◇ Bring critical, but underfunded areas in focus, and with continuous work pave the way for State to take up some of these.
- ◇ Create an ecosystem of shared learning that enables continuous learning and helps develop understanding of issues. Shared knowledge of engagements

of philanthropies in different regions can help in some prior analysis to help philanthropists guard against unintended consequences.

- ◇ Enable a vibrant civil society by supporting organizations with different strengths, doing good work in different pockets and at different scales. By consciously guarding against the bias of being influenced only by (1) the scale of operations and (2) sophistication of presentation of a non-profit, philanthropists can help discover and enable many outstanding organizations.
- ◇ Use voice and expertise for social development.

*Big philanthropy should aim to co-create, collaborate and co-learn with the civil society rather than aiming to be the sole agency of change.*

The framework of the study, when applied to philanthropic response to the Covid-19 crisis in India yields some interesting takeaways. A widespread crisis of this nature offers big philanthropy many opportunities to engage across different domains. Immediate humanitarian support and medical supply support has been very important. Learning from these experiences can build expertise for philanthropies who want to engage deeply and long term in improving public health infrastructure or disaster management and recovery in India. Livelihoods, financial security of the most vulnerable sections of the Indian society have been affected, as has been learning for children.

Philanthropists can engage and support different interventions across health, education, livelihoods, vulnerability and overall development in the aftermath of the Covid-19 crisis. The key is to be clear about what outcomes are expected and over what period. Big philanthropy in India has an opportunity to play an important role in inclusive social development in the country. A good understanding of the changing situation, continuous learning and informed decision making will enable it to make a huge difference to the country.

*The key is to be clear about what outcomes are expected and over what period.*

## Introduction

The cumulative wealth of the hundred richest people in India has grown by over 50<sup>1</sup> per cent in the past decade. Several Indian Ultra High Net Worth Individuals<sup>2</sup> (subsequently referred to as UHNWIs) have been prominent for their enterprise, and commitment to philanthropy. The rise in wealth creation, and the complexity and diversity of social developmental issues in India that need attention, combined with the global interest in, and critique of UHNWI philanthropy has created a ripple of dialogues<sup>3</sup> on UHNWI philanthropy in India.

*Often, there is a sense of unmixed good associated with the act of giving. What has not been discussed at length in the Indian context is whether big philanthropy of this nature might also have some adverse impacts on society, and if the planning of large-scale initiatives with huge investment of resources considers unintended and second order consequences.*

In the absence of empirical data, it has been estimated<sup>4</sup> that the philanthropic funds in India have grown by over four times between 2010 and 2018. As younger and new generation philanthropists are getting engaged in the sector, approaches and perspectives on giving are evolving. In the recent times, the discourse on philanthropy has frequently been influenced by Western thought leaders. Often, there is a sense of unmixed good associated with the act of giving. What has not been discussed at length in the Indian context is whether big philanthropy of this nature might also have some adverse impacts on society, and if the planning of large-scale initiatives with huge investment of resources considers unintended and second order consequences. This study was triggered by the need to understand and present the risks, pitfalls and opportunities for big philanthropy in India.

1 Appendix 1

2 The Knight Frank definition of Ultra High Net Worth Individual is generally accepted globally and implies net investible assets of at least USD 30 million (Rs. 210-230 Crores). Knight Frank is one of the world's largest global property consultancies that publishes an Annual Wealth Report which looks at global prime property trends and wealth and focuses heavily on the investment activity of global single and multi-family offices.

3 Bridgespan India, Dasra, Asian Venture Philanthropy Network have been facilitating many of these dialogues. The Giving Pledge, a global philanthropic movement of billionaires to help address society's most pressing problems by inviting the world's wealthiest individuals and families to commit more than half of their wealth to philanthropy or charitable causes either during their lifetime or in their will, has resulted in increased interest in UHNI philanthropy in India as well, with several Indian signatories. The sponsor of this study India Philanthropy Initiative is an indigenous effort to bring together Indian UHNI philanthropists for experience sharing and learning.

4 Bain Philanthropy Reports

## Assumptions

1. The intent of philanthropy is constructive, and it intends to do good for others.
  - ◇ Philanthropists decide to invest their wealth and time for those towards whom they do not have any legal responsibility, and in most cases, do not directly materially benefit from such welfare of others.
2. Philanthropy can have deleterious effects, despite noble intents.
  - ◇ The assumption emerges from studies and critiques of billionaire philanthropy in the US, where such big philanthropy has been prevalent for significantly longer than in India. Some instances of philanthropic support and development spending in India leading to unintended negative consequences have also contributed to the core assumption of this study.
3. Reduction in inequities in wealth, resource and opportunities are important for inclusive social progress and development.
  - ◇ This assumption is based on many globally accepted paradigms of development. This is also the basis of the next assumption.
4. There is a need for big philanthropy in India.
  - ◇ Philanthropy is one of the ways in which inequities in wealth, resource and opportunities can be reduced. While State and community action are the most important factors in driving such reduction in inequities, big philanthropy also has an important role.
5. The next several decades will see many instances of big philanthropy in India.
  - ◇ The emergence of many Ultra High Net Worth Individuals (UHNWIs) and a continuous growth in wealth of the wealthiest in India, along with a general trend of UHNWIs engaging in philanthropy is the basis for this assumption. This study was done with this assumption and the hope to help such philanthropy that India expects to see in the next couple of decades.

## Chapter 1

# Big Philanthropy

## 1.A Evolution of big philanthropy in India

An individual's perception of what she thinks is good philanthropy and how she does her philanthropy is largely influenced by their belief systems and life experiences. To understand someone's philanthropy, it is important to understand these beliefs and life experiences.

For centuries, in India, religion has guided people of wealth to contribute to the wellbeing of their fellow creatures, appealing to their compassion. Traditionally people gave out of compassion and did not deliberate too much on the approach or complexity of the process of giving. Giving to religious institutions was important and remains important today. Prior to the emergence of modern philanthropy, the most important sources serving the public and the poor were institutions such as temple trusts, waqfs<sup>5</sup> and gurdwaras<sup>6</sup>. In many parts of the country<sup>7</sup> such institutions are still significant.

The nineteenth century saw the formulation of the concept of 'constructive philanthropy' by JN Tata, which refers to building up the innate abilities of human beings and creating conditions for them to grow and succeed; so that they would, in turn, become excellent and contribute on a larger scale to the society and the nation. This was a clear shift from compassion to enablement, inclusion to excellence; from doing general good to laying the foundations for the future. India stands out as one of the few countries in the world where the philanthropy

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5 Endowments set up under Islamic law for charitable purposes

6 Religious places for the Sikh community

7 Tirumala Tirupati Devasthanams (TTD), the trust managing one of the most revered temples in southern India and by some accounts one of the wealthiest trusts in the world, established schools in the area as far back as 1876.

of wealthy families<sup>8</sup> has played a critical role in its foundation as a modern independent state.

Almost a hundred years after this, in the 1980s, a rights-based approach emerged in the Indian social sector. This approach advocates empowering people to claim and realise their entitlements and assert their rights. Through this lens, good philanthropy would empower people by building their organizations and strengthening the overall civil society. This disrupted the ideas of compassionate and constructive philanthropy. The State was considered responsible for constructive human capacity building, and if philanthropy started doing it, the State would no longer need to do it. This lens viewed good philanthropy as the one empowering people by building their organizations and strengthening the overall civil society.

Wealth creation in India in the 1990s led to increased giving by the wealthy. A study<sup>9</sup> revealed that of the 3.17 million societies registered in India in 2008, over 70 per cent were set up after 1990. A similar pattern is visible on the donation side. An analysis by UBS in 2011 revealed that among the foundations and trusts set up by India's current generation of billionaires, the vast majority of first trusts were started after 1990.

## 1.B Current trends in India

Over the last several decades, there has been a gradual move from 'compassion centric giving' to 'development centric impact investment'. This is in line with trends globally. In the last decade, Philanthrocapitalism, a new form of big philanthropy which emerged in the late noughties<sup>10</sup> in the context of big philanthropy in the US, has pervaded the world of billionaire philanthropy globally. Philanthrocapitalism focuses on impact at scale, metrics for measurements and promotion of social enterprises to achieve sustainability. Often these get compounded with heavy reliance on technology and solution delivery. While these concepts have a natural appeal for many wealthy philanthropists, such metric and business driven concepts often fail to factor in social complexity and immediate local context.

In India, UHNWI philanthropy has started to become professionalized, more structured, and gradually more diverse than it was three decades ago. There is

8 Tata, Bajaj and Birla families

9 Nonprofit Institutions Survey conducted by Central Statistical Organisation (CSO), 2009

10 The term Philanthrocapitalism was coined by Matthew Bishop and Michael Green in their book "Philanthrocapitalism: How the Rich Can Save The World" in 2008.

greater involvement of younger generation and women, leading to a diversity of perspectives. Philanthropists prefer a hands-on approach to giving, either setting up implementing foundations to ensure control of programmes or using a hybrid model of grant-making and implementing directly. This is different from the West, where philanthropic Foundations are purely grant-making institutions.

A study of existing literature<sup>11</sup> on UHNWI philanthropy in India reveals some other trends:

- ◇ Defining impact and being able to measure it is becoming more important.
- ◇ Concept of venture philanthropy has gained traction.
- ◇ While inclinations are shifting to strategic philanthropy, the Indian regulations are largely focussed on charity as only mode of giving.

*In India, UHNWI philanthropy has started to become professionalized, more structured, and gradually more diverse than it was three decades ago.*

There has been a recent trend of philanthropies wanting to build platforms to facilitate delivery, rather than delivering directly. This way of working combines the principles of philanthrocapitalism with an effort to ‘strengthen systems’ working in close partnership with the State on delivering on the Sustainable Development Goals (SDGs). This also demonstrates an implicit acceptance of the rights-based approach.

## Geographic skew

The inclination to only give to a few select geographies and problems has always been present. While data on geographic giving is not explicitly available for personal philanthropy, trends in Corporate Social Responsibility (CSR)<sup>12</sup> spend by state and sector give an indication of the skew. According to a 2016 study, four states viz. Maharashtra, Tamil Nadu, Karnataka and Gujarat, which are doing reasonably well on socio-economic parameters account for 44 per cent of CSR projects. These states have about one-fourth of the Indian population. Further, 46 per cent of the CSR funds are spent on health and education.

<sup>11</sup> Summarized in Appendix 2

<sup>12</sup> Appendix 3



## Chapter 2

# Perspective on Perils: Risks and Pitfalls

## 2.A Risks and pitfalls of big philanthropy

Risks for and from big philanthropy can be of three different kinds.

1. Financial risk: Risk of programme and outcome failure, and philanthropic investment not achieving its purpose
2. Personal risk: Risk of alienating powerful or critical stakeholders, or sullyng one's image
3. Social risk: Risk of impacting society adversely because of unintended negative consequences, wrong priorities or any other reason

Financial risk is closely intertwined with innovative approaches in philanthropy and is an integral part of any new or innovative approach. Philanthropists and teams usually account for personal risk when planning work. However, discussion and debate on social risks of philanthropic interventions are relatively muted.

The United States is quite further along in the trajectory billionaire philanthropy and offers some useful lessons on understanding and addressing risks and pitfalls.

## 2.B Takeaways on risks and pitfalls: American philanthropy

Philanthropy of UHNWIs in the United States has been studied and critiqued from several different perspectives in the recent years. Understanding these perspectives help us in guarding against some apparent risks and pitfalls in India. Multiple studies<sup>13</sup> in the US have cautioned on three different kinds of negative consequences. All the three are risks to society, the most critical category of risks to assess and address when planning large philanthropic interventions.

### I. Development agenda

Small number of large donors dictating the development agenda in its extreme form could potentially undermine democratic processes by shifting decision-making from the public to an elite-driven private realm of the very rich and very powerful. For instance, donor-advised funds are the fastest-growing recipient of charitable dollars in the United States. This trend is gradually replacing local non-profits with donor-driven private foundations and donor-advised funds – illustrative of the phenomenon of ‘wealth warehousing’.

### II. Civil society

Increased reliance on large funds from a smaller number of donors may lead to fluctuating and conditional funding for non-profits, making their operations staggered, as well as forcing them to tweak their mission and work to suit their donors’ preferences.

### III. State

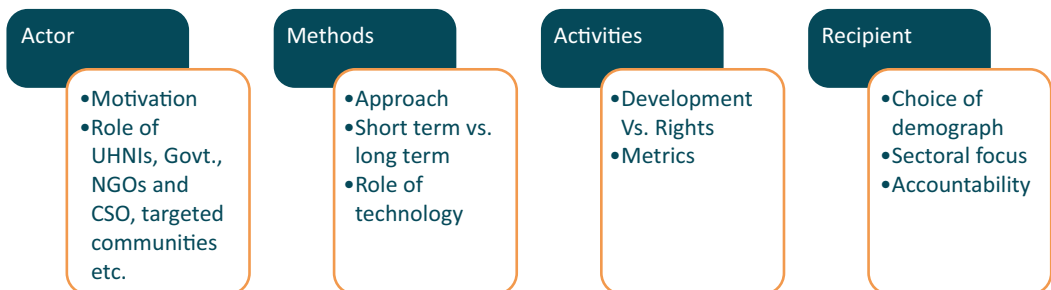
Private foundations in the United States allow the wealthy families to receive both tax advantages and a form of income from their donations while still retaining a significant amount of control and benefit from donated assets. They need to spend only a small portion of assets as direct donations to public charities. This allows for possible abuse of the charitable entities themselves and the use of their funds for tax avoidance, resulting in loss of tax dollars to the state. Studies have also stipulated that charitable giving is being strategically used in the United States in order to form political connections, secure legacy admissions in elite colleges, and for advocacy and promotion of policies that are personally beneficial to the rich.

13 Appendix 4

## Chapter 3

# Framework and Methodology

A framework to capture the process of philanthropy was designed. This framework has four components viz. Actor, Methods, Activities and Recipients (subsequently referred to as the AMAR framework) as shown in the figure. This helped capture and analyse the key available choices in each component.



This synthesis of different studies and interviews combined with analysis of responses from different groups helped in identifying key choices available to the philanthropist. Potential gaps, risks, pitfalls, unintended consequences and opportunities emerged from this analysis. This helped in creating a simple framework for informed decision making to minimize unintended consequences and pitfalls of big philanthropy.

Detailed methodology is provided in Appendix 5. Synthesis of various interviews and workshops is provided in Appendix 6.

## Chapter 4

# Understanding Risks and Pitfalls: Choices and Decisions

## 4.A Key decision areas

The belief that philanthropy is always salutary becomes untenable for a philanthropist as she starts studying and understanding the complex dynamics of social development. The questionnaire ‘Assessing Complexity’ in Appendix 7 (A) enumerates the different parameters that add to the complexity of decision making for the philanthropist. Some guiding questions for philanthropists are provided in Appendix 8, deliberating on which could help those in the nascent stages of their philanthropy decide on a broad approach and course.

This chapter attempts to lay out key elements of decision making for philanthropy using the Actor-Methods-Activities-Recipients (AMAR) framework. The AMAR framework has been used to identify 17 key choices and decision-making opportunities. Deliberating on extremes of the possible choices helps in highlighting the inherent risks and opportunities.

Making such choices is an integral part of any kind of work – business, politics or philanthropy. In that sense, such a situation is not unique to philanthropy. Many of these are non-exclusive choices. A philanthropist’s inclination may not be different from subjects of national priority. One can do transformative work to address acute needs. A team of trusted lieutenants can also have diversity and ground expertise. Support to hardware and infrastructure can and in many cases should happen simultaneously along with behaviour change efforts. Immediate agility can be combined with developing deep expertise gradually. None of these

are either-or discussions. This study does not prescribe one choice over the other. It does emphasize the need to be clear on the objective when making a choice and understand the ground conditions and context in which the work is being planned.

*Making such choices is an integral part of any kind of work – business, politics or philanthropy. In that sense, such a situation is not unique to philanthropy. Many of these are non-exclusive choices.*

These choices are not exhaustive, there are several other points on which decisions might need to be made, and many more choices available to the philanthropist. The extreme choices discussed and choices available in the continuum of the two extremes aren't the only ones available. For example, when deciding on methods and activity, service delivery and rights-based approaches aren't the only two distinct possibilities. One can look at activities as duty-based, neither delivering a service to anyone, nor focusing on the citizen's rights, but maintaining like Gandhi<sup>14</sup> that everyone needs to understand and do their duty. In this case, the producer of the service is neither the NGO nor the State, but the community themselves.

An illustration of opportunities, risks and pitfalls for a specific philanthropic project of running a novel school for Dalit girls in villages using the Actor-Method-Action-Recipient (AMAR) framework is provided in Appendix 9. These illustrations help in navigating across philanthropic interventions of varying complexity.

#### 4.A.1 Actor component

Any individual or organization initiating, driving, enabling or supporting philanthropic work is an Actor. The philanthropist, civil society organizations, State and communities are all actors. For the purpose of this study, the philanthropist has been considered the primary actor and the choices outlined for the Actor component pertain primarily to the philanthropist. Four key decision-making parameters have been identified for the Actor.

14 Mahatma Gandhi's "Constructive Program: Its Meaning and Place" the book where he laid out the constructive agenda for Civil society: <https://www.mkgandhi.org/ebks/construct.pdf>

**Decision 1:** Philanthropy as a purely voluntary act **vis-à-vis** a moral imperative

**Decision 2:** Philanthropy by choice **vis-à-vis** on subjects of national priority

**Decision 3:** Sanitized choice **vis-à-vis** tough grounds

**Decision 4:** Principal-agent issue: I tell **vis-à-vis** I support

### **Decision 1: Philanthropy as a purely voluntary act vis-à-vis a moral imperative**

- a. Conventionally it has been held that philanthropy is purely a voluntary act<sup>15</sup>.
  - i. If considered a purely voluntary act, then everything can be chosen by the philanthropist to suit her own predilection.
- b. Alternate ethical discourses hold philanthropy as a sacred duty of the person who has earned wealth beyond her needs.
  - i. If philanthropy is viewed as a moral imperative, it brings in accountability and makes the philanthropist accountable to the society.
  - ii. This admits the legitimacy of the views of others: government, society leaders, members of the community and other stakeholders in making choices.

The philanthropist should be aware that her choice can substantially influence the philanthropic activities and its impact in society. Two key considerations should be borne in mind.

First, the purely voluntary stance seems appropriate at a smaller scale of giving. When philanthropists commit huge<sup>16</sup> resources, it would be difficult, if not impossible to spend it completely on the subjects chosen through a very narrow personal point of view.

Second, consistent giving to an area can change the landscape of that area or issue, irrespective of the amount. This is particularly true for areas that are not

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15 Undertaken by the philanthropist out of motives such as her affiliation motive, her sense of compassion for those less fortunate, her solidarity with her community, her patriotism, her love for culture or arts etc.

16 Philanthropic organizations like Tata Trusts or Azim Premji Foundation that spend hundreds of crores every year.

Government<sup>17</sup> priorities, where the philanthropist can influence the field more than the Government. For example, one individual Dr YL Nene, Founder of Asian Agri-History Society, with his own modest means has done most of the work in the space of documenting agricultural history to promote research on sustainable agriculture.

Studies in the context of United States indicate that billionaire philanthropists can influence the development agenda with large scale giving. It will be no different in India. The opportunity for big philanthropy here is to be cognizant of its influence and use it with caution and knowledge.

*Associated risk: Risk to society.*

## **Decision 2: Philanthropy by choice vis-à-vis on subjects of national priority**

- a. If viewed as a purely voluntary act, philanthropy by personal choice is a natural approach.
  - i. Many activities<sup>18</sup>, while not being national priorities, contribute to making our society better.
- b. Some boundaries should be applied to personal choices dictating philanthropy when the giving is substantive, or when the nation encounters precarious situations like natural disasters, pandemics or wars.
  - i. The philanthropist, as a conscious and responsible citizen, owes allegiance to the Constitution of India and should not be working counter to the Constitution.
  - ii. While she has a free choice to decide from among a very broad range of activities, the philanthropist should align what she does with the national priority as it relates to her chosen field.
  - iii. If she believes that the priorities are not right, she can help shape the priorities in the direction she thinks is right.

<sup>17</sup> It is commonly held that no one can ever match the resources of the Government. However, with its huge resources, the Government also carries huge responsibilities. As such, the amount which the Government invests in a specific activity can possibly be matched or surpassed by philanthropic resource, and the philanthropist can influence the society more than the Government in that respect.

<sup>18</sup> Real life instances from UHNI giving include support for liver transplants, cancer treatment (when the national priority is for diseases that affect much larger populations such as TB, malaria), traditional performing art forms like Dhrupad form of music, or Katai-kuttu dance forms.

*Studies in the context of United States indicate that billionaire philanthropists can influence the development agenda with large scale giving. It will be no different in India. The opportunity for big philanthropy here is to be cognizant of its influence and use it with caution and knowledge.*

An interesting philanthropic intervention<sup>19</sup> by one philanthropist interviewed for this study demonstrates the potential of philanthropic pilots to showcase value of interventions to the Government, who can then scale it up.

Associated risk: Risk to society.

### **Decision 3: Sanitized choice vis-à-vis tough grounds**

- a. The government encourages philanthropy for national priorities such as education, employability, health, nutrition, sanitation and poverty alleviation, while also funding these significantly itself. These are sanitized and acceptable areas to give to.
- b. There are other areas like ensuring independent and bias free journalism, protecting the democratic rights of all groups of citizens, including undertrials, convicts, marginalized, minority communities and supporting a vibrant civil society, some of which could be viewed as borderline confrontational with the Government, yet considered important for a functional democracy.
  - i. Work in several of these areas could amount to advocacy and activism, sometimes against Government policies and actions.
  - ii. This kind of work is not likely to see Government investment. Supporting such work might sometimes be interpreted as a challenge to the Government's authority<sup>20</sup>.

<sup>19</sup> This instance involved installation of certain medical equipment in District General Hospitals that made a huge difference to their operations.

<sup>20</sup> A senior executive of a philanthropic organization cited that they were under constant radar of government agencies when they funded a media organization which is often critical of government policies. This eventually led them to cut their support to avoid conflicts.



India has a diverse range of issues that need support. The combination of issues a philanthropist chooses to fund would depend on how they perceive their philanthropy and the kind of risks they might be willing to take.

A critique of UHNWI philanthropy globally has been its relative reluctance to support areas that are considered important for a democratic society, in order to protect their personal or business interests and avoid being viewed as confrontational by the Government. There are risks on both sides – supporting such work may pose a risk for the philanthropist and her business, or give impetus to some disruptive groups; while completely avoiding investing in such work may result in a lack of support for civil society engaged in constructive work on ensuring democratic rights and processes in the country.

*Associated risks: All three – risks to society, financial risks of philanthropic investment and personal risks to the philanthropist.*

#### **Decision 4: Principal-agent issue: I tell vis-à-vis I support**

- a. Traditionally, philanthropists and philanthropic organizations in India have supported dedicated social workers and organizations working on the ground with deep understanding of the lives and issues of people they were trying to help.
  - i. Philanthropy supplemented the resources of such change-makers recognizing that they were knowledgeable and had legitimate authorship of the programs.
  - ii. Support was extended as grants by philanthropists and while their utilisation was checked and accomplishments watched, the implementation was largely with the recipients. This was how the Tata Trusts also functioned till 2014.
- b. Recent years have seen a trend of big philanthropy in India taking ownership of designing interventions and using social workers and organizations as agents for implementation. This is likely due to two factors.
  - i. Huge amounts at their disposal, along with the inability of existing dedicated individuals and organizations to absorb that quantum of support available; and

- ii. A belief held by UHNWI philanthropists and reiterated by many thought leaders that because of their success in business and wealth creation, UHNWI philanthropists can evolve better methods of addressing problems of the people than those working on the ground.

Often, dedicated social workers on the ground are very narrowly focused on communities' immediate needs and require support in ideation, conceptualization of programme designs and planning implementation. Sometimes, they may be holding on to a program that has lost its relevance over time. On the other hand, a philanthropist might be very disconnected with the possible unintended negative consequences of a strategically planned intervention, several of which are illustrated in the section on unintended consequences (4.B.3).

For a philanthropist, it is important to dissociate wealth with expertise and keep an open mind on learning the best way to use her wealth for the betterment of society. Nobody has all the answers, and only by continuously learning and assimilating learnings into work can philanthropy be effective.

The power and the magnitude of big philanthropy has the potential to influence the development agenda. Used constructively, it can add enormous value. There is also a big risk of this power being abused and big philanthropy tweaking the development agenda to suit their preferences.

Secondly, it is important for Indian philanthropists to bear in mind that many organizations could tweak their model to adhere to funder preferences to get funding. Small non-profits doing very good work in small pockets may find themselves at a disadvantage when dealing with big philanthropy.

The studies on American philanthropy referred to in this report have highlighted both the above risks. This is an important takeaway for philanthropists in India, and they should ensure that their large-scale philanthropy, augments, rather than weakens the development agenda and civil society.

*Associated risks: Risk to society, financial risks of philanthropic investment.*

## 4.A.2 Methods component

Methods refer to how philanthropic intent gets translated into a strategy and approach of work. Six key decision points have been identified under the Methods component.

**Decision 1:** Focus on transformative vis-à-vis acute needs

**Decision 2:** Service delivery vis-à-vis rights-based

**Decision 3:** Trusted lieutenants vis-à-vis new and diverse team

**Decision 4:** Intellectual-led vis-à-vis field reality-based

**Decision 5:** ‘My teams’ vis-à-vis supporting civil society organizations

**Decision 6:** Agility vis-à-vis gradually developing expertise

*For a philanthropist, it is important to dissociate wealth with expertise and keep an open mind on learning the best way to use her wealth for the betterment of society.*

**Decision 1: Focus on transformative vis-à-vis acute needs**

- a. Philanthropy in India has supported and continues to support work to enable people to heal or to help them come out of very difficult situations. Such work is largely curative and addresses an immediate situation.
  - i. For instance, a woman who has suffered domestic violence can be provided medical treatment along with a short-term shelter.
- b. It is possible for philanthropy to support work aimed at creating such conditions in the long term that the number of people needing curative help decreases drastically.
  - i. In many cases, such work is transformative and requires that power equations, deep-rooted social customs and socialization processes borne out of dearly held traditional beliefs, all be challenged.
  - ii. In the case of the domestic violence victim, the family allowing domestic violence can be deterred from it by strong social norms.
  - iii. There are also instances especially where transformative work does not challenge establishments. For example, philanthropist may support a daily care of mentally challenged persons or design programs that would change the societal mindset and integrate these people in the society.

The impact of work to address immediate and acute needs is easy to observe. Transformative work, on the other hand, is long term, high risk and fraught with uncertainties, challenges, lack of clarity on direct impact. The philanthropist has a choice to adopt either approaches. Many consider that both approaches should be pursued in parallel by negotiating a balance between immediate, desirable and sustainable impact.

*Associated risk: Risk to society.*

## **Decision 2: Service delivery vis-à-vis rights-based**

- a. Providing direct assistance to those in need has a clear benefit that is easy to observe.
  - i. Till 1990, such direct service delivery was the dominant mode of philanthropic support in India, in the form of support for food, books, education, healthcare needs and relief.
  - ii. When philanthropy and civil society provide such service delivery, it eases the burden on the Government, is very useful and is welcomed by the State.
  - iii. During the course of this study, in an instance of service delivery approach, it was found that a District Civil Hospital in Odisha was sending all their serious patients to a charitable hospital run by Christian Missionary organization in the district, although the latter received no grants from the Government.
- b. Rights based approaches, on the other hand, assert that individuals in the specific groups have unassailable rights and the State is duty-bound to deliver on them.
  - i. This often involves recourse to pressure group activities, use of Right to Information Act, escalation of specific cases through the echelons of bureaucracy and courtroom battles, and inevitably has a degree of confrontation with the State.
  - ii. One UHNWI philanthropist interviewed for the study stated that supporting rights-based approaches for the well-being of people with mental health issues was their stated policy. The rationale is that making the State deliver will result in benefits for all those who need it,

while service delivery only benefits those who can be reached within the limited bandwidth of the philanthropist and the social workers supported by her.

Empowering respective groups and enabling them to realize their rights and effective delivery of services has emerged as the superior option to directly delivering on welfare services. That said, service delivery has great utility in many situations.

To illustrate this further, the choice between supporting service delivery by providing financial resources to an NGO for mid-day meals in schools vis-à-vis supporting social activists campaigning for efficacious delivery of hot and nutritious meals to school children by the State, is easy at one level if the philanthropist wants to avoid being seen as supporting activism. However, if the rights-based campaigning efforts result in the State regularly delivering mid-day meals, then a long-term issue would be addressed.

*Associated risks: All three – risks to society, financial risks of philanthropic investment and personal risks to the philanthropist.*

### **Decision 3: Trusted lieutenants vis-à-vis new and diverse team**

- a. Often, when building professional teams to drive their philanthropy, UHNWI philanthropists are likely to appoint professionals who share their world view and reiterate their ideas.
  - i. Such teams can be personally comfortable and satisfying to work with, but eventually become echo chambers without significant diversity of opinions and experiences.
  - ii. Building diversity within a group of trusted lieutenants is ideal but may not be very easy to accomplish.
- b. Alternatively, the philanthropist could constitute a new and diverse team that would offer new ideas, perspectives and constructive criticism.
  - i. Such diverse teams could be uncomfortable and challenging to deal with but could open many new and effective avenues for philanthropy to be useful.
  - ii. However, with a completely new team, establishing trust might take significant time.

A workable approach is to have a mix of trusted and new professionals and gradually build diversity.

*Associated risks: All three – risks to society, financial risks of philanthropic investment and personal risks to the philanthropist.*

#### **Decision 4: Intellectual-led vis-à-vis field reality-based**

- a. Ultra High Net Worth Individuals (UHNWIs) have a disproportionately high number of people of excellent academic credentials and international experiences in their social and professional circles.
  - i. It is natural for UHNWIs to seek ideas and confirmation of programmes from such high achieving and intellectual individuals.
  - ii. While there is merit in getting such inputs, these may be disconnected from the ground reality.
- b. Field social workers are connected to the reality on the ground, and understand social and cultural factors, but they might lack the larger canvas strategic thinking and communication skills that resonate with UHNWIs.

UHNWI philanthropists should be conscious of the possible gaps and disconnects if they rely solely on academic and intellectual experts who do not have a ground connect.

An understanding of what expertise is, plays an important role in identifying an 'expert'. In most situations, expertise comes from a combination of empirical knowledge, on the ground experience, understanding of principles and frameworks, and the ability to successfully apply knowledge, experience and insights to work practically under different situations. Expertise increases and evolves with continuous relevant work. The one thing a philanthropist should try to avoid is to have a stereotype image of an 'expert' and rely solely on such experts for defining philanthropic approach.

In the last couple of decades, there has been increasing faith in technology to solve society's problems. In many cases, this belief is forwarded by technology experts who do not have a good understanding of field realities. While in several contexts, technology can be a very useful tool for analysing and scaling, it is dangerous to imagine that technology can solve all our problems. Expertise in detailing out technology's role in social development would come from a good understanding

of all three factors – technology, field reality and interplay of different factors and stakeholders when using technology.

*Associated risks: All three – risks to society, financial risks of philanthropic investment and personal risks to the philanthropist.*

### **Decision 5: ‘My teams’ vis-à-vis supporting civil society organizations?**

- a. There is an increasing trend among Indian philanthropists to set up implementing organizations to carry out their philanthropy, rather than fund existing civil society organizations. Many current philanthropists are successful first-generation entrepreneurs, who, having built very successful businesses, believe their skills and leadership would transfer equally well to social development.
  - i. There is a higher trust in one’s own teams vis-à-vis supporting external organizations. However, there is a risk of creating echo chambers and having teams that find it difficult to critique or debate the philanthropist’s ideas.
  - ii. The second prominent risk in having only trusted lieutenants drive philanthropy is an over-reliance on such professionals, sometimes leading to the philanthropy being driven and identified by the core beliefs of such professionals than the philanthropist herself.
- b. Working through credible civil society organizations can add enormously to the philanthropist’s learning, but the degree of control is lower. Working through multiple organizations and individuals also allows diversity in thinking.

*In most situations, expertise comes from a combination of empirical knowledge, on the ground experience, understanding of principles and frameworks, and the ability to successfully apply knowledge, experience and insights to work practically under different situations.*

When the amount of resources is huge, a hybrid model can be considered, where an operating and implementing philanthropic organization works in tandem with other CSOs financially supported by the organization. This allows a philanthropy to have control over its work as well as tap into the experience and expertise of other organizations. Even when supporting other CSOs, it has been seen that big philanthropy prefers to support relatively larger organizations that can articulate their work and vision well. This has emerged from the studies of American philanthropy as well.

This practice often leaves excellent, but small non-profits bereft of support from big philanthropy. By trying to consciously focus a portion of their giving to small organizations doing great work in small pockets, Indian philanthropy could go a long way in ensuring a rich, vibrant and diverse civil society. Diversity is one of the important tenets of democracy. A small number of large donors can disproportionately affect the rubric of democracy if they don't exercise the power they have carefully.

*Associated risks: All three – risks to society, financial risks of philanthropic investment and personal risks to the philanthropist.*

### **Decision 6: Agility vis-à-vis gradually developing expertise**

- a. Agility in action is critical in times of crisis. In a crisis, going in with detailed planning and predicting accurate outcomes is impossible. Situations need to be addressed with limited know-how and understanding. Flexibility and dynamic planning, while continuing to build understanding and expertise is key to responding effectively to a crisis.
  - i. The Covid-19 pandemic has illustrated this.
  - ii. If philanthropies spend too much time in developing expertise on the issue before responding, often they would miss the opportunity to offer help that is immediately required.
  - iii. Immediate philanthropic response in such circumstances must factor in some risks of programme failure and not achieving intended outcomes. The focus must be to minimize social risks.
- b. In most other situations, and particularly when trying to work on long term systemic issues, it is much more important to spend time to understand the



background of the issues and dynamics between different stakeholders in the intended area of work before initiating any intervention.

Balancing speed and time to respond based on the context is very important.

*Associated risks: Risks to society and financial risks of philanthropic investment.*

### 4.A.3 Activities component

Activities refer to the actual work that strategy translates into. Four key decisions have been identified under the Activities component.

**Decision 1:** Hardware and infrastructure *vis-à-vis* behaviour changes

**Decision 2:** Programmatic support *vis-à-vis* building institutions

**Decision 3:** Supplement and collaborate with State *vis-à-vis* do your own thing

**Decision 4:** Flexibility *vis-à-vis* insist on real-time, online metrics of progress

#### Decision 1: Hardware and infrastructure *vis-à-vis* behaviour changes?

- a. Philanthropic support to create or supply infrastructure (buildings, equipment) has a very visible outcome and the advantage of providing lasting attribution to the philanthropist's support.
- b. Philanthropic support for communication, behaviour change, motivation and capacity building of human resources while critical for the success of interventions, do not normally offer a very easily observable outcome. The question of impact can be vaguely addressed at best.

One without the other may only do limited good. We consider two examples here.

A primary health centre (PHC) needs good infrastructure – building, lighting, ventilation, equipment and residential quarters for medical and para-medical staff. It also needs dedicated staff that is trusted by the community. It is easy to see the result of contributing to the infrastructure immediately, but hard to see the results of investment in capacity building and motivation of staff and behaviour change programmes in the community in the short-term. Even when there are outcomes, these cannot be totally attributed to the philanthropist. Philanthropic contribution might be a trigger, but ultimately people change behaviour only if

they see value in it. Acknowledging personal agency of the targeted populations is critical. However, even when the staff in the PHC is very dedicated, if it does not have good infrastructure, the ability of the staff to deliver outcomes will be hampered. Both aspects need investment.

A government primary school in a far-flung rural area needs decent classrooms, reading facility, place for children to play and clean toilets. It also needs driven and dedicated teachers who understand the learning process and can encourage learning in children. Without either of the two, the primary school will only be a sub-optimal place for learning. Great infrastructure without good teachers will not do anything for learning among children. Very poor infrastructure, even with great teachers will likely be a dampener in the motivation of students, parents and teachers.

In both the above cases, optimal outcomes can be achieved over a period, when investments in hardware and behaviour changes are combined with policy advocacy with the state.

However, engaging end to end in everything together can be a huge drain on time and resources and would yield results over time. It is important for the philanthropist to be clear about the end goal she wants to see and over what time period she desires to see those results before deciding on the activities she will support. Even when planning long term outcomes, it is good to combine some concrete short-term objectives, which keeps the philanthropist encouraged and provides a sense of purpose and being on the right track to the team.

*Associated risks: Financial risks of philanthropic investment.*

## **Decision 2: Programmatic support vis-à-vis building institutions**

- a. For decades now, philanthropists and donor organizations have supported civil society organizations (CSOs) for well-defined programmes. When providing only programmatic support, it is easy for donors to think of CSOs as only service delivery agents, rather than institutions that need to attract and nurture talent.
- b. Philanthropists can invest in building a few select CSOs who do good work and have the potential to do great work if suitably supported to enhance their strategic planning, implementation and organizational capacity and capability.

The former approach is common, while the latter still needs traction from big philanthropy, as it entails being able to look beyond ‘minimizing overheads’ and consider CSOs as institutions capable of planning and delivering on important social improvement goals rather than mere service delivery agents.

Associated risks: Financial risks of philanthropic investment.

*Even when planning long term outcomes, it is good to combine some concrete short-term objectives, which keeps the philanthropist encouraged and provides a sense of purpose and being on the right track to the team.*

### **Decision 3: Supplement and collaborate with State vis-à-vis do your own thing**

- a. The prevalent and popular belief that the State is the only actor that can bring about large-scale development makes it appealing to philanthropists to collaborate and supplement the work of the State<sup>21</sup>.
- b. Philanthropy can also adopt an approach of focusing only on issues that do not get State attention.
  - i. The State is not able to focus significantly on issues of conservation of ancient art and literature forms, prevention of cruelty to animals, problems of the elderly because of demands on its resources from other areas.
  - ii. Areas that involve rights-based advocacy, independent media are naturally unlikely to get State funding.
  - iii. The opportunity for philanthropists to support impactful work in both these categories is immense. Based on the issue and approach of work, such interventions also have the potential of becoming Government programmes at some point<sup>22</sup>.

21 While the Government allocates a huge budget for its flagship schemes like Swachh Bharat Mission, it is observed that many philanthropists and corporations tend to supplement such flagship schemes with their contributions. An RTI filed by Indian Express revealed that INR 777 crores from private contributions has gone to Swachh Bharat Mission. Details available in Appendix 10.

22 A study done in Gujarat reveals that many current Government programs like watershed development, ground water recharge structures, participatory irrigation management and several others find their origin in some action or program of civil society supported by some proactive philanthropy.

*Associated risks: All three – risks to society, financial risks of philanthropic investment and personal risks to the philanthropist.*

#### **Decision 4: Flexibility vis-à-vis insist on real-time, online metrics of progress**

When supporting CSOs in their work, it is natural for the philanthropists to expect to know that their money is being used prudently, is put to the same use as it was meant to be and is achieving the end results targeted.

- a. At one extreme, the philanthropist may not insist on any detailed reporting, allow significant flexibility to the partner to use the funding as they feel useful and report loosely as per their convenience. This offers room to the partner to experiment and work without pressure but could lead to lack of accountability, and in an extreme form, a misuse of funding.
- b. At the other extreme, the philanthropist may insist on real time online reporting of metrics of progress.

Not all activities have a direct and perfect relationship between action and its consequences, and there is a time, resource and opportunity cost in very detailed reporting. It is important for philanthropists to apply their judgment on having a judicious mix between the demand for reporting<sup>23</sup> and allowing flexibility to the partner. Caution should be exercised when transferring practices from the business world and, for instance, requiring recipients to granularly report the last household or individual benefitted.

*Associated risks: Financial risks of philanthropic investment.*

### **4.A.4 Recipients component**

Recipients are groups that philanthropy intends to benefit. Three key decisions have been identified under the Recipients component.

**Decision 1:** ‘My people’ *vis-à-vis* the most vulnerable people

**Decision 2:** ‘Places I can visit’ *vis-à-vis* remote yet needy places

**Decision 3:** Helpless and desperate *vis-à-vis* the harbingers of change

<sup>23</sup> Hofstede (1981), in his seminal paper, has elaborated the circumstances under which granular, numerical information on performance makes sense, though this is not intended to be collected a real-time on-line.

### Decision 1: 'My people' vis-à-vis the most vulnerable people?

- a. It is natural for wealthy individuals and families to contribute to people and communities who live near their native places or workplaces, or who they can relate to.
  - i. A well-known Indian philanthropy foundation works on supporting causes which help people living in their 'janmabhoomi'<sup>24</sup> or 'karmabhoomi'<sup>25</sup>.
  - ii. While this contributes to the development of these geographic areas, in some cases communities living in native or work places of philanthropists may not need such support the most.
- b. The other approach for philanthropists is to invest in people where they see the maximum social return, irrespective of their geographic location or clan affiliation.
  - i. In this case, philanthropists support people who, in their view, are the most vulnerable, rather than communities in their native or work areas.
  - ii. Maximizing social return could be a reason why many Mumbai based Parsis do not support any activity in Umrao or Navsari, the ancestral place for many of them.

Philanthropy is hardly ever purely clinical, and the idea of maximizing social return by identifying the most vulnerable can be very subjective. It is good when people give back to their *janmabhoomi* and *karmabhoomi*, and while this practice should be encouraged, the vulnerability and need of communities should be factored in when making decisions.

*Associated risks: Risks to society.*

### Decision 2: 'Places I can visit' vis-à-vis remote yet needy places?

- a. It is natural for philanthropists to want to visit areas where they are providing support, understand programmes and interact with those implementing the programmes, as well as those benefitting from them. The inclination to concentrate funding in certain geographical areas that are easily accessible from large cities, is possibly a consequence of this desire.

<sup>24</sup> Native or ancestral place

<sup>25</sup> Geographic areas where they do business

- i. A location that is a few hours' away by car from their homes or offices is convenient.
  - ii. It is not surprising that suburbs of Mumbai, particularly the Jawahar Mokhada<sup>26</sup> area is saturated in philanthropic contributions.
  - iii. Such peri-urban locales are better off in almost every facet of human life compared to communities in far-flung places like Jehanabad, Bonda Hills or Saranda.
- b. Many remote places in difficult terrains lag peri-urban and even rural areas in fulfilment of basic human needs.
- i. These places could benefit enormously from philanthropic support.
  - ii. If the need to frequently connect with communities directly benefitting from philanthropic work is given excessive importance, then communities in the most challenging areas would be left out of consideration by all UHNWI philanthropists.

*Associated risks: Risks to society.*

### **Decision 3: Helpless and desperate vis-à-vis the harbingers of change?**

The choice between supporting the very vulnerable and very bright is often quite naturally inclined towards the former.

- a. Extremely vulnerable populations need continuous support. Some groups, like those who have physical or mental disabilities and do not have family support, might continue to need help from philanthropists and 'entitlements' from Government for a foreseeable time.
- b. On the other hand, bright, enthusiastic and capable people from communities in similar places could, with some support and mentoring, become harbingers of change in the community. They would need training, exposure, tool kits and support, but once they are able to gain these and work on the issues, the change can be very organic and sustainable. Social enterprises<sup>27</sup> set up by such people would have a much higher probability of success.

*Associated risks: Risks to society and financial risks of philanthropic investment.*

<sup>26</sup> Appendix 11

<sup>27</sup> Appendix 12

## 4.B Perspective on three types of risks

Three categories of risks need to be assessed and addressed for effective philanthropic interventions. It is useful to assess risks against the seventeen choices in decision making in the AMAR framework. A middle path<sup>28</sup> of judicious mix of the two binary extremes seems sensible in many cases.

### 4.B.1 Risk of programme and outcome failure: Financial risk

Chosen modes of implementation might fail to yield projected outcomes because of several reasons. Addressing some of the dilemmas discussed earlier under the Actor (Principal-Agent issue) and Methods (Inclusive teams, accounting for field reality) component can help manage and minimize this risk. While this is largely a financial risk of the philanthropic investment, depending on the intervention, this can also be a risk to society.

Social development processes are inherently complex and are not amenable to direct measurement metrics, unlike business. Philanthropists should recognize this and evaluate their theories of change prior to implementation. A flexible design of the implementation process, monitoring of progress on the ground and learning from the experience can mitigate this risk. Sometimes innovative and ambitious programmes might fail to yield desired outcomes despite factoring in for all conceivable risks. Such inherent risk exists for any innovation. It is important to document and share lessons from such failures. A shared understanding of risks can inform future attempts by other philanthropists quite substantially.

### 4.B.2 Risk of alienating powerful or critical stakeholders: Personal risk

Social development work involves a wide range of stakeholders – intended recipient individuals, families and communities, local leaders and influencers and the Government at different levels. Interventions require buy-in and cooperation of all stakeholders.

Philanthropists are usually aware of the risk of alienating Governments when deliberating on funding work that might be perceived as confrontational to the

<sup>28</sup> A tabular summary of what the middle path could look like is provided in Appendix 13.

State. Equally important is paying attention to the risk of alienating local leaders, communities and families.

Transformative work for changing societal power equations between genders, castes, communities automatically is automatically loaded with this risk. Such work invariably displeases some stakeholders. This does not mean that philanthropists should not attempt it. Rather, they should be mindful of it and build in avenues to address it.

### 4.B.3 Risk of unintended negative consequences: Social risk

The risk of unintended consequences is the most ignored risk. It is at times possible to argue that these unintended consequences could not have been anticipated in advance. For instance, the tragic conditions that millions of migrant workers had to live through was an unintended consequence of the lockdown. While many analysts have blamed the Government for not anticipating this, it does not appear that anyone anticipated such a scenario to unfold. The first criticisms started coming in only along with the stories of misery.

Several examples of programs and their unintended consequences have been provided in the following table. These demonstrate a failure of programme and intervention designers to understand the ground reality and assess the risks. At times this inability stems from incomplete and imperfect information. Good program design focuses on gathering relevant information and asks counter-factual questions about suggested interventions prior to deciding.

*Good program design focuses on gathering relevant information and asks counter-factual questions about suggested interventions prior to deciding.*



*Table: Unintended consequences*

	<b><i>Designed program</i></b>	<b><i>Unintended consequence</i></b>	<b><i>Remarks</i></b>
1	Closure of surface drinking water sources to eliminate guinea worm.	Excessive reliance on ground water has led to huge crisis of dissolved salts and fluorosis with disastrous consequences in Rajasthan.	This program was supported by UNICEF and implemented by the Government and NGOs.
2	Groundwater irrigated paddy crop in dry season to boost self-sufficiency in Assam through the Million Well Program.	Huge withdrawal of ground water accelerated the incursion of iron and arsenic in water, contaminating it heavily.	This was implemented towards end of 2000 by World Bank and had to be withdrawn when the iron problem became huge.
3	Introduction of a cash crop to boost farmers' income.	Surge in portfolio risk if the new crop has the same risks as the current portfolio.	This was experienced by farmers in parts of Eastern India when cash crops recommended flopped in the early 2000s.
4	Building a 'state of the art' school for chosen number of children from a rural area.	A new gap, which did not exist before, is created between those who got it and those excluded.	This is a common program across the country with many past and current instances. Consequences continue to be ignored.
5	Supporting SHGs and income generating programs exclusively for women.	Economic insecurity among men exacerbates domestic violence issues.	This is observed in many geographies across the country, wherever self-help groups (SHGs) are active.
6	Supplementary nutrition to pregnant and lactating mothers.	Supplementary becomes the main and the home ration is often withdrawn.	This is a common observation and a few alert organizations provide double the quantity of protein to pregnant women to address this.
7	Placing a large-scale production order for local art to promote livelihoods of artists.	Quality of delivery deteriorates because of the rush, and then the art form gets a bad quality sobriquet.	Madhubani paintings in the '80s is an example. This happens every time scale is increased suddenly anywhere.
8	Push for shelters and similar social safety net for migrant workers in cities to avoid the tragedy that is currently unfolding.	Gate keepers who control the delivery of safety nets can abuse their power. There is further informalisation in workplace.	In many places was where migrant shelters were tried, they were captured by goons who sought and earned rents with the connivance of local administration.

	<i>Designed program</i>	<i>Unintended consequence</i>	<i>Remarks</i>
9	Involving residents to offer lodging and breakfast to promote eco-tourism or rural tourism	Absence of screening of guests can lead to huge trouble as irresponsible tourists could make unreasonable demands including sexual favours from household women.	Very tough screening and allowing only families or couples to come as guests has been mandated by promoters of such tourism in many places now.
10	National lockdown to prevent spread of Covid-19 in India	Mass misery of stranded migrants, whose livelihoods disappeared and who did not have access to money, food, care and shelter.	This was an unprecedented situation, where assessment of the needs and challenges of migrants could have helped to some extent.

## 4.C Accountability of big philanthropy

The ethics of intervention is usually discussed in the context of those who intervene (work) on the ground, and only consequentially in the context of their funders. However, in India, many philanthropists undertake direct implementation themselves, and it is important for them to take accountability. Even when not implementing directly, some notion of accountability helps in keeping efforts grounded and purposeful. Accountability to three different entities is proposed here.

### I. Accountability to the Constitution of India

As citizens of India, it is appropriate that philanthropists abide by and feel accountable to the Constitution<sup>29</sup> of India. Any philanthropic effort that has the potential of detracting or deviating citizens<sup>30</sup> from their Fundamental duties as stated in the Constitution, is not advisable. It is also important to note the subtle difference between accountability to the Constitution and accountability to the State or Government. Governments are temporary and have political compulsions. While they function under the guidelines of the Constitution, it is possible that all actions of the State are not always aligned with the spirit of the Constitution.

29 Article 51A of the Constitution that covers Fundamental duties of all citizens: 'It shall be the duty of every citizen of India (a) to abide by the Constitution and respect its ideals and institutions, the national Flag and the National Anthem'.

30 intended recipients or a larger group of citizens

## II. Accountability to intended recipient communities

Intentions of improving lives of communities, if not accompanied by understanding of their lives, culture and challenges, can end up doing more harm to the communities than good. It is important that philanthropists and donor teams working to improve lives of communities feel accountable to them for their intervention. Should evidence of harm be brought to their notice, philanthropists must consider correcting it.

Big philanthropy is often encouraged to take risks and innovate. While innovations are important, it is equally important to note that new risks accompany new innovations. If communities are not hedged against risks of new innovations, they could end up feeling like guinea pigs in an experiment. For instance, if a philanthropist supports cultivation of medicinal herbs to enhance income of farmers and to reduce pressure on the forest resources from which the herb is extracted, the philanthropist could consider offering a hedge in the form of guaranteed income support to all those who agree to cultivate the herb, if the agronomy, demand, market price, and sales mechanism have not been crystallised.

*Governments are temporary and have political compulsions. While they function under the guidelines of the Constitution, it is possible that all actions of the State are not always aligned with the spirit of the Constitution.*

## III. Accountability to one's own conscience

This third element of being accountable to one's own conscience treads into the realm of ethical living and core values of a good person. A philanthropist makes a choice to give to and for others, rather than consume herself. Philanthropy should not do harm. Philanthropists should take care to see that the intervention they have designed minimizes negative consequences and the changes they seek to bring about are beneficial to the community.

## Chapter 5

# Opportunities

A study of the potential risks and pitfalls presents unique opportunities for big philanthropy. Four big opportunities are highlighted here. Under different situations, many different opportunities would exist. As philanthropists and their teams spend time on understanding ground realities, debating different approaches for their decision, it is likely they will discover many more opportunities.

## 5.A Bringing critical underfunded areas in focus

As has been discussed in the chapter on Choices and Decisions, by choosing to focus on an underfunded, but critical area that does not get government attention, a philanthropist could create huge interest in the issue. Impactful interventions could also have the potential of becoming a Government programme at some point.

This study came across a notable idea being driven by a young philanthropist, who has decided to fund organizations that are committed to working on mental health issues of physically and mentally disabled individuals. This is one idea that merits attention for many decades to come. While the country is waking up to the dangers of untreated mental health issues, and as a society is becoming more acceptable of the needs of the disabled persons, there is no conscious attempt to look at the intersectionality of the above two issues. One philanthropist has thought about it and is attempting to address it.

Perhaps one day, the Government will be able to implement everything that is critical to this area. Such an exploration is fraught with many potential risks. There must be a lot of experimentation, identification of the right approaches to engage with this issue, identification of right individuals, civil society organizations and execution of the plan, with the expectation of successful outcomes.

## 5.B Enabling an ecosystem for shared learning

Shared learning from interventions can assist philanthropists in avoiding obvious risks and pitfalls in their efforts. There are two critical requirements for this to work. First, it requires openness amongst philanthropists and their teams to share experiences of successes, failures and surprises due to negative consequences of well-planned efforts. Second, it requires an ecosystem that all philanthropists trust, irrespective of their ideologies and approaches. It would require painstaking efforts from the team that operates this ecosystem to document and critique different experiences objectively.

At the very basic level, a database of philanthropic work organized by donors' details, geography, intended recipient communities and thematic area of work themes would be useful. Such a database could offer possibilities for collaborations, supplementary and complementary work and would avoid duplication.

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The ecosystem could also help in identifying the relative merits of diverse methods of working and could act as a sounding board for philanthropists. Such an ecosystem can co-create standards, information and databases. It can study risks of different philanthropic designs and interventions and help mitigate it. Finally, the ecosystem with knowledgeable individuals from different domains of social development work can offer credible and evidence-based advice to philanthropists, reducing the risk of echo-chambers within their own teams.

## 5.C Increasing impact of social development work by civil society

Philanthropists have a huge opportunity to partner with social development sector talent across the country and co-create the development agenda. India has hundreds of committed social organizations – big and small. These civil society organizations have accumulated tremendous intellectual and social capital over multiple years of patient, persistent toil. Philanthropists have the opportunity shorten their own learning curve and expand understanding of the societal issues and contribute to the sector’s approach on efficiency, transparency, processes, goal focused activities and governance.

Feedback from several civil society organizations during this study revealed their angst about being treated as a vendor or outsourced petty contractor by big philanthropy in India. The ‘vendor’ mindset has reduced the ‘agency’ of the organization to a franchisee and a retail outlet. This erodes the huge social capital assiduously built over the years.

The development agenda is too complex to be over-simplified in annual projects and deliverables tied down to every quarter. Behavioural changes in a community carrying hundreds of years of deficits in social-economic-political and cultural space cannot be brought about quickly, with the flip of switch. It is important for philanthropists to remember that civil society organizations, non-profits are not vendors to be given a contract to implement social change.

## 5.D Extending expertise and voice

Most philanthropists are also significant wealth creators, who have built successful enterprises and have great influence across echelons of power. Their engagement with philanthropic activities has great potential to go beyond financial contributions. Their voices and influence can create awareness among masses and give a boost to change agents. Their professional networks can be a great value to social interventions. Philanthropists can use their influence in the government to advocate development models that prove inclusive and effective and enabling policy environment for civil society organisations.

Many new generation philanthropists come with deep knowledge of technology. Their exposure to development process will equip them better to manoeuvre and balance the emphasis on technology with that of human and structural components for efficient and effective reach of interventions. For example, technology is found to be promising in the recent Jan Dhan-Aadhar-Mobile trinity initiative of the Government of India, which has increased the efficiency of subsidy delivery system. These philanthropists have the potential to suggest, design and pilot several similar interventions.

*It is important for philanthropists to remember that civil society organizations, non-profits are not vendors to be given a contract to implement social change.*

Philanthropists can leverage their experience in building businesses to build institutions for development research and application. The large social capital enabled by their philanthropy across the country can be used to create learning pieces on diverse sectors and geographies. Research on subjects that are generally not discussed much, for instance, 'private bathing spaces for women in rural India', will help bring attention to neglected development discourse. Research on recurring problems, for instance, multiple facets of 'development interventions in flood-prone areas, will help better design and build synergies among interventions.

Apart from knowledge generation, research initiatives through civil society organizations will also increase the rigour and capacity of the grassroots agencies. A holistic ecosystem to learn, share, and collaborate can be built to harvest the potential of tremendous grassroots experience and innovation.

## Chapter 6

# Using the AMAR Framework: Covid-19 Response

The Covid-19 pandemic outbreak in India has created an unprecedented crisis on multiple fronts. India had reported its first case end of January 2020. Subsequently, in a few months, while preventive measures to control spread led to tremendous humanitarian and economic crisis across the country, the infection also spread widely, putting immense pressure on the meagre public health infrastructure. Over eight months after the first case, the crisis is still unfolding at the time of publication of this report.

This outbreak has laid bare the fragility of our public health and governance infrastructure, and the precarity in which a large percentage of our population lives. These issues are not new. The pandemic outbreak only compressed timelines in unfolding of a humanitarian, health, economic, social and governance disaster that continues to affect the entire world. It is important for philanthropists to take note of these issues.

Here, we apply the AMAR framework, and our understanding of opportunities, risks and pitfalls to enumerate a few suggestions for big philanthropy in responding to Covid-19 in India. Many social sector leaders have suggested relooking at all existing philanthropic support from the context of Covid-19 response, because this pandemic, even after the infection spread comes under control, will have far-reaching impact on the lives of the most vulnerable – their health, livelihoods, financial security, children’s learning and overall vulnerability.



*The pandemic outbreak only compressed timelines in unfolding of a humanitarian, health, economic, social and governance disaster that continues to affect the entire world.*

## Applying the AMAR framework in Covid-19 response

### A. ACTOR

Outbreak of the Covid-19 pandemic and measures to control its spread have affected society on all fronts – humanitarian, health, social, economic, governance. A crisis of this nature puts the onus on the philanthropist to do something immediately. This situation is still unfolding. The varied fronts on which this pandemic has affected us allows philanthropists a wide range of domains to choose to work in the long term. While this is a great opportunity for philanthropy to contribute, the immediate gratification of making a perceptible difference in such crisis situations can lead philanthropies down the trap of perceived expertise. If immediate efforts have achieved desired immediate outcomes, it may lead philanthropies to believe that they have developed deep understanding of the situation and know exactly what to do. This can, in its most harmless form result in ineffective philanthropy with the financial risk of failure, and in its most harmful form have adverse impacts for the society.

It is very important for philanthropies to continuously observe, study and learn from the situation that is unfolding, with an open mind, and get a diversity of opinions from people who have expertise in different related domains. For the Covid-19 situation, it is important to bear in mind that there are no overall experts, and there are no perfect solutions yet. Philanthropists can selectively use their experience, entrepreneurial expertise and informed voices in many ways.

### B. METHODS

The most important element in response to a crisis of this nature is agility. Some response is needed for the immediate crisis. Subsequently, many complex aspects need work through long term interventions.

The mass migrant misery that resulted from lockdowns in March and April, for instance, called for immediate humanitarian relief to many hundred thousand migrant and vulnerable populations. This relief could have been in the form of cooked meals, dry ration, personal hygiene materials, transportation or shelter support. The key was to ensure that support reached those who needed it as soon as possible. While philanthropies can continue to plan transformative work on the side-lines on addressing systemic issues that cause such misery, solving the immediate, acute misery is the first essential step. No organization can accomplish such work by itself. It requires deep ground presence and understanding, and an ability to act fast.



The suffering resulting from the pandemic has not been limited to an immediate humanitarian crisis, though. Covid-19 is the greatest world-wide public health crisis in a century. For India, it is a call for huge systemic improvements in our public health infrastructure. Such improvements cannot be affected instantly. They require assiduous

work and a deep understanding of demography, epidemiology, health, resource gaps and human well-being. They require strong governance structures at the community level. These cannot be constructed in a few weeks or months.

This situation offers an opportunity to big philanthropy to work actively towards improving the public health infrastructure in the country, going way beyond supporting medical equipment, infrastructure and healthcare workers costs only for Covid-19 work. The most critical piece is the frontline of public health. Several philanthropies have been augmenting frontline healthcare capacities by supporting volunteer led work and providing safety kits for the frontline. This is very helpful in the time of need. However, it should be remembered that volunteer led work is good for short periods during times of crisis. This will not lead to sustainable long-term improvements.

Similarly, several philanthropies and corporate Foundations have supported testing and tertiary care across states. While this has helped in identifying Covid positive cases and treating them, this also will not lead to sustainable long-term

improvements in the overall public healthcare infrastructure. If the philanthropies are very engaged in the process of providing such support, then this experience enriches their understanding. This is how slowly expertise can be built.

Using such learning to work on long term public health improvements is an opportunity. A philanthropist who has been motivated by the Covid-19 crisis to contribute in a significant way to improving healthcare capacities in India should consider investing deeply in understanding the different components that will enable systemic improvements.

Institutional closures due to the pandemic have resulted in loss of learning for children and loss of livelihoods for adults. Philanthropic interventions can play an important role in helping children make up for the loss of learning caused by long periods of school closures and the charade of online classes. Philanthropy can support livelihoods and basic income of the most vulnerable, ensuring they are able to access their entitlements.

In the long term, there is an opportunity to plan and experiment with innovative designs, encourage young, dynamic and grounded entrepreneurs.

### **C. ACTIVITIES**

Response to a national crisis needs to be supplementary to State efforts. Any philanthropic response to Covid-19 should keep in mind the activities and requirements of the State. Direct monetary support like supply of material and equipment, and non-monetary support like extending expertise and advice where necessary, are both important.

It is straightforward for philanthropies to supply sophisticated medical equipment, but such support should look at the entire chain of the use and applicability of such equipment. For example, if supplying testing equipment for Covid-19, it is worth asking if there exists expertise to use the equipment and what the next steps after testing are. If there is no expertise or required infrastructure to use the equipment, and if next steps after testing have not been planned systematically, then merely supporting testing machine supply will not achieve much. Similarly, when supplying intensive care equipment for treatment and care, if the required

skilled personnel (intensive care specialists and intensivists<sup>31</sup>) are not available, then such equipment is not likely to save lives.

A very strong focus on activity can be a risk in such a situation. Philanthropies can get consumed in providing piecemeal support or engage on multiple fronts – awareness communication, volunteer mobilization, equipment, technical support – without assessing if these are really making a positive impact.

More importantly, when supporting government with supplies or resources, it is important for philanthropies to consider if such continued action might make the government complacent and too dependent on philanthropy. Such situations, over a period can result in implicit quid pro quo and messy nexus between public and private players as well.

A significant opportunity for philanthropy in health for the next two years is to enable vaccinations<sup>32</sup> for Covid-19 across the country. While this will be the primary responsibility of the Government, experience shows that Government will likely need significant support from philanthropy and corporate giving to achieve vaccination goals.

Behaviour change in hygiene practices, wearing masks is an important element of Covid-19 prevention. Philanthropies should consider what kind of communication and messaging is most effective. Banking only on fear of Covid for prevention has backfired in many places and has led to stigmatization of the disease. When investing in softer behavioural change efforts, it is crucial to weigh in pros and cons of different styles of messaging.

While optimism has its virtues, in situations like the ones we are encountering in India in the face of the pandemic, planning for worst case scenarios and developing resilience is very important. Our failure to plan for a massive outbreak in pockets that had good control in early months has led to poor control and management even in these pockets. The city of Bangalore is an apt example. While it had cases under control till early June 2020, when the cases increased, it struggled in the same manner as other metropolises which had huge outbreaks early on without

31 An intensive care specialist is a medical specialist trained and assessed to be proficient in the comprehensive clinical management of critically ill patients as the leader of a multidisciplinary team. Some of the procedures that intensivists perform include intubations, center line placements, arterial line placements, thoracentesis, lumbar punctures and bronchoscopies.

32 Subject to confirmation on availability of strong and effective vaccines. Deployment of a marginally effective vaccine can do more harm than good, as per a paper published in The Lancet by a few members of the World Health Organization Solidarity Vaccines Trial Expert Group [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(20\)31821-3/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(20)31821-3/fulltext)

any time to plan. Smaller towns and villages are also facing challenges in case management and control. Philanthropists, with their voice and influence, can advocate with the State, and invest to plan for worst case scenarios.

*While optimism has its virtues, in situations like the ones we are encountering in India in the face of the pandemic, planning for worst case scenarios and developing resilience is very important.*

Long term activities in addressing public health, livelihoods, education and other issues would need close monitoring of the situation and understanding of these issues. Where such expertise does not already exist, this is a good time to start developing it.

#### **D. RECIPIENTS**

Any philanthropic response to a crisis like the Covid-19 pandemic, that affects the most vulnerable most acutely, should consider prioritizing the basic needs of those groups in the short term. That is where the highest immediate need resides. Long term work should consider all aspects, geographies and innovations.

## In Conclusion

Decision making, perils and opportunities for big philanthropy have been discussed at length in this study. To sum up, this study makes a case for big philanthropy studying and minimizing social risks and negative consequences of their interventions, as they take informed bold financial risks. Informed decision making is aided by knowledge and shared learning. Building and enabling a trusted ecosystem for sharing experiences from work and lessons from both successes and failures, would go a long way in enhancing the knowledge of philanthropists.

The timing of this study coincides with one of the biggest global challenges for humankind. The Novel Coronavirus 19 (Covid-19) pandemic has been an unprecedented, unplanned for disaster. The pandemic has created uncertainties for everyone and derailed the lives of the most vulnerable sections of the society. Even when the infection subsides, vulnerable communities would be scarred for a long time. This is an opportunity for big philanthropy in India and globally.

We hope that this report will be of use to philanthropists in India in planning impactful interventions where they are most needed, whether for Covid response, or other work. We also hope that this study encourages philanthropists and their teams to think of the risks, pitfalls and unintended consequences of their work in a way they might not have thought of before.

# APPENDIX

## *Appendix 1: Growth in wealth of richest Indians*

<i>Year</i>	<i>Top 100 richest Indians (in billion \$)</i>
2010	300.29
2011	241.28
2012	250.66
2013	258.01
2014	295.10
2015	345.32
2016	379.34
2017	479.04
2018	418.40
2019	452.35
% Change 2010 to 2019	50.64%
CAGR	4.7%

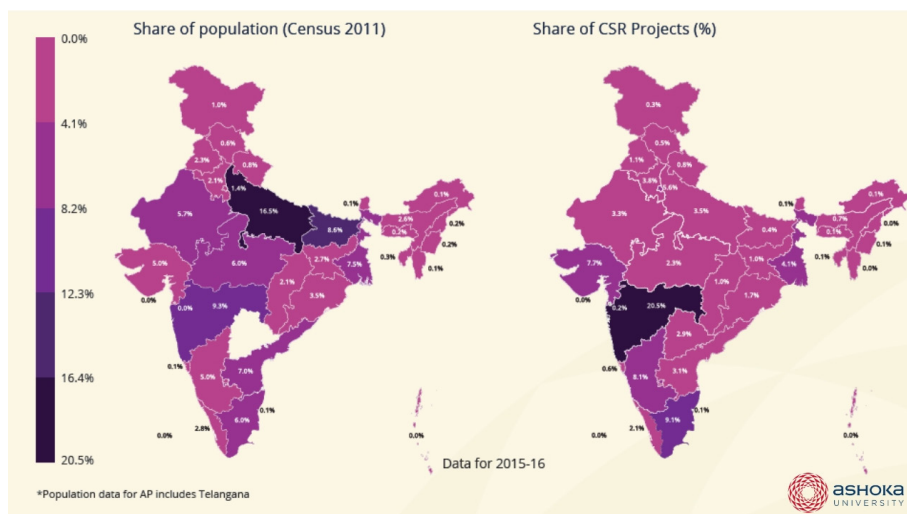
*Source: Forbes India*

**Appendix 2: Literature review: Overview of philanthropy in India Kassam et al., 2016; Schervish, 2003; Walker, 2019**

<b>Aspects</b>	<b>Synthesis from books</b>
History of Philanthropy	<p>Religious, social, cultural, economic and political underpinnings.</p> <p>Communal service charity to public projects and initiatives</p> <p>Idea of trusteeship: Wealthy to grow and manage the wealth for public welfare.</p> <p>Ethos of giving is personal, unlike the institutionalized charitable giving practiced in the West.</p>
Resources with UNHIs	<p>UHNWIs are endowed with material resources and have cognitive dispositions to enable engagement in philanthropic activities.</p> <p>Possession of wealth grants a special form of empowerment, to influence the lives of others as well contribute to the overall welfare discourse and having the sense of power to do so, both at an individual and collective level.</p>
Approach to Philanthropy	<p>In India, UHNWIs prefer a 'hands-on' approach.</p> <p>UHNWIs assume three types of roles while engaging in philanthropic activities viz., managerial, entrepreneurial or a venture capital role.</p> <p>The emphasis is on engaging and running philanthropic activities in social sector using the models and principles of their business ventures.</p> <p>Preference for their own foundations to ensure greater control over operations and be connected to programs.</p>
State and CSOs	<p>In the West, both have developed simultaneously and become independent of each other.</p> <p>Progressive philanthropy: Working with the State to shape public infrastructure along with systems-level work to address multi-faceted social problems.</p> <p>CSOs as partners in philanthropic discourse.</p>
Regulations	<p>Multiple viewpoints see regulations in India as archaic and excessive regulatory.</p> <p>Nine different laws in the country to regulate the giving practice.</p> <p>While the philanthropy discourse is shifting to strategic philanthropy, the regulations are focused on charity as the only mode of giving.</p>
Emerging Trends in Indian Philanthropy	<p>Increase in giving.</p> <p>Venture philanthropy.</p> <p>Increased interest in impact.</p> <p>Emergence of philanthropic foundations.</p> <p>Women UNHIs increasing role in philanthropic activities.</p> <p>UHNWIs starting philanthropy young rather than waiting for retirement.</p> <p>Increased professionalization of philanthropy.</p>



### Appendix 3: Geographic skew



Source: Study by Centre for Social Impact and Philanthropy, 2019 on state-wise distribution of CSR funds on various projects during the year 2015-16

### Appendix 4: US studies

In the United States, charitable giving has increased over the years and charities are relying on large donations from small numbers of high net worth individuals. The report, *Warehousing Wealth: Donor-Advised Charity Funds Sequestering Billions in the Face of Growing Inequality*, found that donor-advised funds are the fastest-growing recipient of charitable dollars in the United States, with contributions growing from \$13.98 billion in 2012 to \$23.27 billion in 2016 — a 66 percent jump, compared with a 15 percent increase in overall individual giving across all recipient categories. This trend is leading to ‘wealth-warehousing’ in the form of creation of donor-driven private foundations and donor-advised funds replacing the local non-profit entities. Studies have cautioned of a range of risks posed by the big philanthropy:

- ♦ **Mission drift:** A small number of big donors can gain greater decision-making power in an organization’s activities. This could create pressure and shift from the state vision and mission of the organization, towards the interests of the donors.

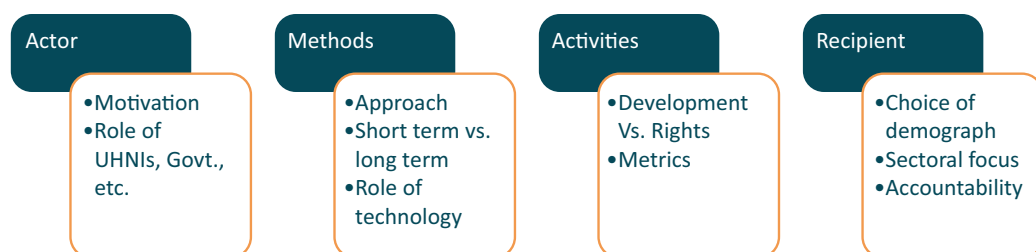
- ♦ ***Increased unpredictability in funds:*** Increased reliance on large funds from a smaller number of donors may lead to fluctuating revenue streams for the non-profits, making their operations unpredictable and risking needs of the intended beneficiaries.
- ♦ ***Bias towards donor-directed agencies:*** Donor-directed agencies are sophisticated in operations, possess the infrastructure to manage the different activities and are customized as per the wishes of large donors. This puts the small non-profits working closer to the ground at a disadvantage. They may never be able to access the funds from these big donors. This, thereby, leads to an unaccountable and undemocratic philanthropic sector, driven by few donors and programmes implemented by few non-profits.
- ♦ ***Self-dealing within foundations:*** While most foundations adhere to voluntary governance guidelines and are prudent stewards of resources, there are loopholes that allow abuses and tax avoidance.
- ♦ ***Philanthropy as an extension of power and privilege protection:*** Private foundations have emerged as tools for safeguarding personal power and privilege in the United States. Charitable giving is being strategically used for forming political connections, legacy admissions in elite colleges, promoting personal policy agendas and to seek similar such favors.

*Table: Literature review on risks and pitfalls of UHNWI philanthropy in the United States*

<i>Aspects of philanthropy</i>	<i>Risks highlighted</i>
Market-World approach to philanthropy (Giridharadas, 2019)	<ul style="list-style-type: none"> <li>◊ Social change pursued through the free market and voluntary action, under the supervision of the winners of capitalism.</li> <li>◊ The mindset that every social problem can have a technological data-driven solution.</li> <li>◊ Giving justifies the means of capitalism.</li> </ul>
The new mode of giving and strategic philanthropy (Kassam, Handy, & Jansons, 2016; Sundar, 2017)	<ul style="list-style-type: none"> <li>◊ Philanthropy is private, voluntary, and accountable to no one.</li> <li>◊ Private actors governing public good and welfare may not lead to desirable results and have the potential to become disruptive for democracy.</li> <li>◊ Philanthropists and foundations tend to speak of themselves as social innovators; innovation always implies the existence of risk.</li> </ul>
The rising tide of philanthro-capitalism (Edwards, 2008)	<ul style="list-style-type: none"> <li>◊ A belief that business principles can be successfully combined with the search for social transformation.</li> <li>◊ Wealth accumulation in the hands of few with no accountability is the symptom of a disordered and unequal world and poses a risk to the society.</li> <li>◊ A strong power centre shaping society's agenda, thus surpassing government.</li> </ul>
Venture philanthropy (Deboskey, 2012)	<ul style="list-style-type: none"> <li>◊ Venture capital model has found success in the new economy but applying the same principles in a complex social sector may pose greater risks of uncertainty and efficacy.</li> <li>◊ The idea of 'capacity building – going to scale' can conflict with principles of non-profits who start operations in the first place to meet the highly differentiated social needs of local communities they serve.</li> <li>◊ Risk of conflict between venture capital philanthropists and non-profits recipients due to the difference in culture and values.</li> <li>◊ Risk of limiting the measurement of performance of non-profits using the business measurement methods, given that they operate in complex social environment.</li> </ul>
Risks for philanthropists (von Schnurbein, 2014)	<ul style="list-style-type: none"> <li>◊ Risk of loss of wealth or reputation for philanthropists where programmes fail to deliver the intended results</li> <li>◊ Risk of public exposure of philanthropists.</li> </ul>
Risks for third parties (von Schnurbein, 2014)	<ul style="list-style-type: none"> <li>◊ Unintended changes in life situation, risk of simplification of complex social problems, donor-controlled philanthropy, risk of societal misallocation.</li> </ul>

### ***Appendix 5: Framework and methodology***

1. In order to draw on the experience and to learn from the philanthropic initiatives, semi-structured interviews were conducted with over 30 UHNWIs and their teams.
2. Successful and eminent entrepreneurs who are inclined towards philanthropy were interviewed. These individuals were approached through the India Philanthropy Initiative (IPI) or VikasAnvesh Foundation (VAF) contacts.
3. Two workshops were conducted with the leaders of non-Civil Society Organizations (CSOs), philanthropy research organizations and executives of philanthropy advisory organizations.
4. A framework was designed to capture the process of philanthropy, starting with the different actors (stakeholders) and culminating in the intended recipients of the intended philanthropy. These four components viz. actor, methods, activities and recipients are shown in Figure below.



5. A set of guiding questions was prepared based on the framework to capture the perspectives and approaches of UHNIs and executives over these components that would in-turn help in identifying the risk and pitfalls in philanthropy.
3. Actor component covered the personal motivations and perceived roles of various stakeholders like the government, CSOs, and the philanthropist.
4. Methods component covered their approach, timeframe, and role of technology in interventions.
5. Activities component focused on their choice of a development or rights-based agenda and the use of metrics for impact monitoring.

6. Recipient component covered the choice of sector, demography, and the perspectives on accountability.
7. The guiding questions were circulated to the UHNIs and executives a few days before the personal interaction.
8. Workshops with CSOs were conducted to understand their perspectives over the evolution of philanthropic agencies in the development sector along with their challenges and pitfalls.

### ***Appendix 6: Synthesis from UHNWI interviews***

This section gives the assimilation of all the personal interviews with UHNWIs, executives and experts in philanthropy under four components, as mentioned in the study framework. The executives are senior professionals executing and operationalizing the vision of philanthropists.

#### **Actor component**

##### **Motivation**

###### ***UHNWIs on their motivation***

- ◇ Personal hardships in early life
- ◇ Feel of the needy
- ◇ Ovarian lottery – Good Karma
- ◇ Cultural values
- ◇ Excess money put for better use
- ◇ Passion
- ◇ Extra moral responsibility
- ◇ Family orientation
- ◇ Giving back to society
- ◇ Spiritual
- ◇ Personal incidents
- ◇ Redistribute fortune and privilege
- ◇ Live to serve
- ◇ For a stable world
- ◇ Feel good

A variety of reasons are cited as motivation that triggered and continues to be the driving force for philanthropy by UHNWIs. It ranges from ‘moral responsibility’ to a simple casual logic of ‘feel good’. The executives and other stakeholders observe that motivation behind the act of philanthropy is either voluntary or a moral imperative. While some of them feel that UHNWIs exhibit the trusteeship of their wealth, some warn that philanthropy is a means to create a relationship between their self and their wealth. Further, a few executives comment that the new generation UHNWIs consider philanthropy to be a ‘cool’ thing and being a philanthropist as an aspirational status. This is indeed creating more confusion to the discourse as their motivation and approach could lead to uncalled digression.

### Role of different stakeholders

Many UHNWIs had similar views on the role of government, civil society organisations (CSOs) and themselves as philanthropists. Many UHNWIs assume roles that are often perceived to be that of CSOs. Executives have limited overlapping perception with UHNWIs. Executives consider CSOs as the space for innovation and UHNWIs as the key players to fill the gaps in the public system, improve the efficiency in the social sector and build CSOs.

<i>UHNWIs on role of various stakeholders</i>		
<i>Government</i>	<i>UHNWIs as philanthropist</i>	<i>Others</i>
<ul style="list-style-type: none"> <li>◇ Provide basic needs to people like health, education and housing.</li> <li>◇ A natural partner for philanthropy.</li> <li>◇ Huge role for sustainability and scaling up.</li> <li>◇ Provide a platform to implement.</li> <li>◇ Only after the country reaches a stage of development, can the government manage on its own.</li> <li>◇ Break the social structure and enable the marginalized to access resources.</li> <li>◇ Government has a pivotal role in not hindering philanthropic activities.</li> </ul>	<ul style="list-style-type: none"> <li>◇ Build on the basic needs and fulfil higher-order needs.</li> <li>◇ Proof of concept and experimentation.</li> <li>◇ Pivotal in showing the government how things can be improved.</li> <li>◇ Collaborate with government and not duplicate.</li> <li>◇ Complimentary and fill in the gaps.</li> <li>◇ Technical expertise to government.</li> </ul>	<p><b>CSOs</b></p> <ul style="list-style-type: none"> <li>◇ Means to outreach.</li> <li>◇ Fill gaps in either the reach or effectiveness in the government system.</li> </ul> <p><b>Community</b></p> <ul style="list-style-type: none"> <li>◇ Participation.</li> <li>◇ The self-belief of the community on itself to change.</li> </ul> <p><b>Market</b></p> <ul style="list-style-type: none"> <li>◇ The market should be part of the planning process for sustainability.</li> <li>◇ Social enterprises for community development.</li> </ul>

## Methods component

### Approach

The core idea for methods, approach, sectoral focus, and timeframe are covered under this section. A variety of mechanisms are adopted that range from grant-making to the integration of social development within their own business model like those of ‘social enterprises’. Most UHNWIs consider both short term results and long-term orientation as non-negotiables. Executives emphasize their focus on social commitment rather than a technocratic approach to development problems. The inclusion of marginalized and building CSOs are considered as their key guiding principles. While they consider building strategies for long term engagement more important than programmatic engagement, they also feel it is impossible to work on long term issues without meeting the short-term urgent needs. Some express that the concept of Return on Investment (ROI) can be deployed to appreciate the value generated by their interventions.

<i>UHNWIs on their approach in philanthropy</i>	
<b>Core idea</b>	<b>Short term vs. Long term</b>
<ul style="list-style-type: none"> <li>♦ Value addition in collaboration with the government.</li> <li>♦ Community empowerment.</li> <li>♦ Partnership with CSOs.</li> <li>♦ Improving the efficiency of CSOs.</li> <li>♦ Direct execution with locally empowered teams.</li> <li>♦ Capacity building for CSOs and government.</li> <li>♦ Support innovation.</li> <li>♦ Building an ecosystem for social enterprises.</li> <li>♦ Design grants with subject matter experts.</li> <li>♦ Business with a social cause with profit as a by-product.</li> </ul>	<ul style="list-style-type: none"> <li>♦ Case-specific. Both need to go together.</li> <li>♦ Wisdom to make a distinction between quick short-term results and long-term changes.</li> <li>♦ Funding can be on a per year basis, but the outlook needs to be long term.</li> </ul>

## Technology as enabler

### *UHNWIs on the role of technology in development*

- ◇ Technology helps in doing things faster and reaching a large scale.
- ◇ Technologies and social media are under-exploited in the development sector.
- ◇ Technology doesn't take care of the contextual nature of problems.
- ◇ Technology cannot impart value/normative systems.
- ◇ Aids in tracking of field workers and better monitoring.
- ◇ Technology is good if it is designed for the marginalized else it would favour the powerful.
- ◇ Data processing and technology is very useful in devising such targeted interventions.
- ◇ Often technology is being pushed by the funders and NGOs become reactive to access the funds.

Technology is increasingly seen as the panacea for many development problems, especially for social enterprises and impact investments. However, most of the UHNWIs acknowledge that the technology can assist but not replace the human component in the process of change. Executives echo a similar opinion that technology can be a tool to speed up and scale their interventions but cannot be a substitute for the human and physical components.

## Activities component

### Development vs. rights-based

#### *UHNWIs on Development Vs. Rights*

- ◇ Better to be practical and not get into conflicts.
- ◇ Activities like agitation for rights has not solved problems and are often unheard of.
- ◇ Practical and physical change preferred over speaking about rights.
- ◇ Do not need to explicitly work on social/gender inequity.
- ◇ Need for more work on rights and justice.
- ◇ CSR would like to play safe but personal philanthropy can take some risk.
- ◇ Addressing social inequity is a must and should be parallel for any development.
- ◇ Need to be strategic in engaging with rights-based activities.



While development centric activities usually provide direct assistance for social good, rights-based activities assert that individuals of the country have a set of unassailable rights and making the State accountable to deliver them. The debate on UHNWIs role in development and rights cause has mixed response. While some feel it is imperative to address the concerns of rights, many prefer to focus on basic and non-conflicting needs. However, some philanthropists do not believe in the cause of rights at all. Executives expressed that the choice of development vs. rights depends on the socio-political environment of the philanthropist and it is challenging to working in the rights space as they often face pushback on their work.

## Metrics

### *UHNWIs on metrics for development*

- ◊ Numbers are necessary for accountability and transparency.
- ◊ They are just the means and not the end.
- ◊ Reporting on the effort and line of action is important and it is not about the result.
- ◊ There is no arithmetic to development.
- ◊ Traditionally, giving was neither measured nor attributed.
- ◊ A balance between the push from donors and that of the actual need.
- ◊ Metrics are required for CSR but not been a need in philanthropy.
- ◊ Depth of impact values higher rather than plain numbers.
- ◊ Wants to know where the money is going (Admin costs versus program).

Attention towards metrics has been on a surge in the recent decade. Indeed, some philanthropists see the metrics as a substitute for 'trust'. While most UHNWIs are concerned over the growing trend of chasing numbers, they often expressed that they do not have better alternatives for accountability and personal monitoring. Executives emphasize the need for simple and direct metrics to track and measure the outputs and outcomes of their programs. Specific metrics are usually used by the UHNWIs to monitor their business operations. Similarly, they often expect clear metrics for their philanthropic initiatives as well. Executives and subject experts feel that 'metrics are essential to orient the programs towards the target and the target should keep evolving as we keep learning'.

## Recipient component

### Choice of demography and sector

<i>UHNWIs on choice of recipients and sector</i>
<p><b><i>Choice of demography</i></b></p> <ul style="list-style-type: none"> <li>◊ Ancestral villages</li> <li>◊ Villages surrounding the company</li> <li>◊ Locations accessible for personal engagement and monitoring</li> <li>◊ Based on the needs</li> <li>◊ Locations deprived of opportunities</li> <li>◊ Areas with limited reach by the government</li> <li>◊ Trusted partners</li> </ul> <p><b><i>Sectoral focus</i></b></p> <ul style="list-style-type: none"> <li>◊ Basic needs</li> <li>◊ Location focused holistic support</li> <li>◊ Neglected areas</li> <li>◊ Needs of company staff</li> </ul>

Often the choice of location is determined by the personal connection ranging from ancestral villages or those reachable for personal engagement. Unfortunately, very few UHNWIs cited their choice based on the most needy and deprived. While some felt that there is enough need around their own locations to be addressed, some feel they are limited by their scale and volume. In case of sectoral choice, some focus on a single region in diverse sectors, and some in a limited sector but in numerous locations. Executives expressed that the marginal value gained per unit investment and the number of people impacted per unit investment are often the clincher, independent of common or neglected region and sector.

## Accountability

### *UHNWIs on social accountability*

- ◇ Accountable to the community but not to the government.
- ◇ Philanthropy is accountable for questions like whom it gives to and for what and should set the benchmark for process transparency.
- ◇ Accountability is important to avoid one-upmanship.
- ◇ Philanthropy might be reducing the accountability of government in the short run at small scale due to gap filling approach.
- ◇ Government should remain accountable to people and philanthropy should work as partners.
- ◇ Government should leverage or even absorb the talents from different players like CSOs and phase out the need for other players by excelling in their mandate.
- ◇ Philanthropist should do proper due diligence before giving their money.

While outcome metrics and due diligence are relied upon for financial accountability, there have been limited thoughts on social accountability. UHNWIs cite a greater sense of responsibility and accountability to the community but not to the government. Executives feel that philanthropy cannot be devoid of social accountability and the true trusteeship comes with accountability. They believe that greater transparency will be the way ahead, rather than any legal or quasi-legal methods.

### ***Appendix 7 (A): Questionnaire- assessing complexity***

1. If the decision maker is an individual or a group?
  - a. If it is a group, how closely do the objectives of all individuals align?
2. If the decision maker seeks to achieve single or multiple objectives?
  - a. If multiple objectives, are the different end objectives aligned?
  - b. Does achievement of one objective necessarily imply achievement of other objectives as well?
  - c. Example: If a philanthropist wants to bring about economic improvement and make the community safe for women, does a more prosperous community necessarily become safer for women?
3. Are the objectives static or dynamic? Example:
  - a. Today A wants to make children literate but 2 years later, she may want them to learn internet and be able to do some outsourced work.
  - b. To enable them to do outsourced work using internet connectivity would require a more detailed and complex intervention than a plain literacy intervention.
4. Can the end goals be attributed to the actions and approach chosen? Is it important for the philanthropist to be able to attribute outcomes to her actions and approach?
  - a. Providing food to famished families addresses their hunger. The satiation can be directly attributed to providing food.
  - b. However, communal harmony in a community cannot be directly attributed to organizing community meetings there.
  - c. When it is not possible to establish direct causality, it becomes difficult for the philanthropist to quantify the impact of her philanthropy.
5. What is the impact of other stakeholders?
  - a. Can other stakeholders who are not directly targeted in the intervention, influence the work or end outcomes negatively? If so, they should be included as the second or third target group, which will increase the intensity and complexity of the intervention.

- b. For instance, if A undertakes efforts to empower women in a village, will the male members of the household and in-laws in case of married women resist and retaliate? If so, the intervention should plan for this.
6. Is the decision maker informed of the ground situation?
  - a. Does she understand the economic, social and cultural setting of the participants and their implications on the behaviour of participants?
  - b. For instance, introducing a new crop like rapeseed may increase farmer income, but is the funder aware how it will impact animals due to loss of crop residue fed to animals?
7. Do external factors impact the end outcome significantly?
  - a. Is the situation one of uncertainty?
  - b. What are the key external variables that influence outcomes?
  - c. For instance, does a farm income improvement program depend on monsoon and weather?

In a typical situation, a philanthropist has multiple, often ambitious objectives, imperfect information, inadequate understanding of culture and living practices of intended beneficiaries, all of which lead to a very complex and difficult decision-making situation. This is illustrated further in Appendix 7 (B).

**Appendix 7 (B): How nature of intervention and level of participants change level of complexity**

<b>Intervention and Level</b>	<b>Individual</b>	<b>Household</b>	<b>Community</b>	<b>Broader social formations</b>	<b>Inter-generational</b>
Direct supply of material	Vitamin A tablets to children to avoid night blindness	Food stuff supply to needy households	Drinking water schemes for villages	Iodized salt	
Material + interventions	Iron tablets to pregnant women	Soap for hand washing	Impregnated mosquito nets for preventing malaria		
Behaviour change	Daily practice and exercise for health and sports career	Delaying marriage of girl child	Sanitation for ensuring “swacch gaon”	Eliminating alcoholism	
Capacity building	Skills training	Improved agriculture practices			
Change of norms and power balance		Nutrition for pregnant women	Women empowerment	Giving women right to family property	Influencing energy and water policy to move towards sustainability

Attempting to obviate night-blindness by giving Vitamin A to children is perhaps the simplest example, while the situation of modifying economic policy to influence energy and water use to move towards greater ecological sustainability for future generations may be among the most complex.

***Appendix 8: Guiding questions for a philanthropist: How does she perceive her role in the society?***

1. Do you believe that you must be a part of a larger effort comprising the work of institutions and individuals who are attempting to solve the most pressing problems of the neediest people in our country?
  - ◊ Your approach would ideally be to work closely and collaboratively with the larger civil society engaged in this kind of work.
2. Do you believe that you are individually committed to the promotion of human rights and democratic values in the country?
  - ◊ You may or may not find a large and popular group to work with on such issues, working on democratic values could also border on being politically charged at times.
3. Do you want to be a torchbearer of transformative social and economic changes?
  - ◊ You would likely want to study and work on power equations in society.
4. Do you believe that your philanthropy is totally personal and voluntary, and that you have the right to use your wealth on issues you are passionate about?
  - ◊ You might not be significantly influenced by external issues and the work of the larger civil society.

## **Appendix 9: Opportunity, pitfalls and risks: Building and running an innovative charitable school for Dalit girls, completely funded by the philanthropist**

### **Illustration**

	<b>Component</b>	<b>Opportunity</b>	<b>Pitfalls</b>	<b>Risk</b>
1	Actor  Philanthropist	Inner satisfaction. Service to God. Social image. Publicity and branding. Legacy building. Advantages to business. Local political influence.	Is more money spent on publicity than on action? Are teachers and workers reduced in stature as philanthropist dominates on every occasion?	Will philanthropist also need to take responsibility if there is backlash from community or other powerful quarters, if teachers exploit girls?
2	Method  Experimental residential school	Demonstration of new educational philosophy.  Moulding girls' personality.	Does the attention shift to the details of the method rather than the details of results?  Does proving the method subtly become more important than educating?	What if the method is culturally incompatible with the families?  Is the method too expensive?  How does it help anyone?
3	Action Education in our style	Demonstrates efficacy of the pedagogy.  Teaching and Learning Materials.	Does it match with parental goals?	Will we create envy leading to hostility among regulators and conventional educators?
4	Recipients Dalit girls of villages	Opens the world for them.  Creates positive role models.	Will it create fissure if boys from the same families are neglected?  Will these girls be perceived as overqualified in the community and therefore in some ways ostracized?	Will the girls be in purgatory after completion, not finding the entry in a compatible world and unable to return home to the villages?



### Appendix 10: Details of contributions to Swachh Bharat Kosh

CONTRIBUTIONS TO CLEANLINESS FUND		
Year	Total contribution (Rs/cr)	Foreign sources (Rs/lakh)
2015-16	253.03	Nil
2016-17	244.72	Nil
2017-18	175.31	3.79
2018-19	94.72	10
2019-20 (till January 22, 2020)	9.62	Nil
<b>Total</b>	<b>777.4</b>	<b>13.79</b>
* Swachh Bharat Kosh Trust was registered on April 24, 2015 Source: RTI/ Dept of Expenditure		

Source: <https://indianexpress.com/article/india/swachh-bharat-fund-5-years-abroad-6278701/>

### ***Appendix 11: Jawahar Mokhada projects***

***Key active or recent projects (as of April 2020) funded by corporate and personal philanthropy in Jawahar-Mokhada talukas in Palghar district, Maharashtra, near Mumbai***

<b><i>Groups</i></b>	<b><i>Area of intervention</i></b>
Youth For People with Kodak	Education
Tata Trusts	Health and Nutrition
ANCHOR by Panasonic	Education, Health, Nutrition, Water, Women's empowerment
JSW Foundation	Livelihoods
Child Help Foundation with CEAT, Bisleri, Oracle, SUN Foundation, Tata Motors and Microsoft	Education
Hinduja Foundation	Community livelihoods
Raah Foundation with Azim Premji Philanthropic Initiatives, Tata Trusts and Yes Bank Foundation.	Women's livelihoods
NARAD with Tata, Mahindra and Bajaj Group companies	Water scarcity
Tata Power	Skill building and livelihoods

***2011 census records the population of Jawahar taluka at 1.1 Lakhs and Mokhada taluka at 67K.***

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## ***Appendix 12: Social enterprises***

Social enterprises can act as harbingers of change. However, the reason for philanthropic interventions is the failure of the State to provide succour and failure of the market to bring about the relevant products and services within reach of the needy. Based on the market logic of catering to a demand, rather than providing for a need, social enterprises perhaps start with a handicap. The field of social enterprises is an emergent one. Innovation, start up, incubation and scaling have become buzz words in this field. However, few social enterprises can attract serious capital to enable them to scale if their offerings cannot bring returns that are able to meet the expectations of the providers of capital. Diverse models of social enterprises are talked about, and one of them is about offering some products or services below cost to promote desirable change and to cross-subsidise it with other offerings where margins are positive. This issue is quite complex. The challenge lies in deciding the mix of activities and recipients, and the process of cross-subsidization.

People capable of combining an on-the-ground understanding, and astute judgment with great communication and charisma to be able to persuade providers of capital would be the likeliest people to be successful in creating and operating social enterprises. The chances that these may be found among the community to be helped appear rather slight.

### Appendix 13: The 17 dilemmas - middle path for decision making

	Choice	Middle path
1.	Is philanthropy voluntary or a moral imperative?	During times of national crisis like the Covid-19 pandemic, it could be moral imperative. Normally, volume of philanthropy and the choice of issue to be supported is voluntary.
2.	Choice of philanthropic engagement or aligning with national priority	Except in cases of major events resulting in human misery and incapacitation (like war or disasters), choice can be voluntary. Even when voluntary, there is an onus on the philanthropist to choose to do work that is impactful, for the ultimate purpose of philanthropy is not just to make people feel good, but also do good.
3.	Sanitized issues or tough, troublesome questions?	This is a question of preferences and risk appetite. It is important to remember that some deep-rooted social issues need support for work, and the philanthropist could consider learning more about these.
4.	Should philanthropies dictate action or support good action?	It is important for philanthropies to understand what constitutes expertise. While supporting good work, expertise should be offered without coercive or directive action.
5.	Transformative or curative for acute needs?	Supporting CSOs who have proven strength to provide concrete solutions and encouraging them to design and execute the programs in a way that would empower people long term, is ideal. Support to those who have none or limited constructive field engagement, but only transformative agenda may be <u>troublesome</u> .
6.	Support service delivery or rights-based approaches?	A combination is effective – supporting those who adopt rights-based approaches and have parallel credible service delivery engagements for the same target populations.
7.	Trusted lieutenants or new and diverse teams?	It is important to encourage trusted team members to acquire deeper knowledge and understanding of social processes. It is good to encourage discussion and disagreements when deciding the engagements.
8.	Who sets the agenda?	It is important to let practitioners from the field bring out the problems. Academics, consultants and intellectuals can contribute to ideation, but they should not be solely responsible for programme design. The focus must be on real problems, not on what interests the academicians and intellectuals.

	<b>Choice</b>	<b>Middle path</b>
9.	Own teams or building CSO?	Building large own teams is expensive, implementation advantage may not be commensurate with the investment. It is worthwhile to have inhouse teams for a few very specialised areas.
10.	Agile or slowly develop expertise?	Immediate crisis situations (disasters, pandemics, war) need agility. Work for long term sustainable and systemic improvements needs knowledge, understanding, expertise and planning, and these take time to develop.
11.	Programmatic support or building institutions in CSO?	A graded approach is advisable, starting with programmatic support, and once credibility is established, extending institution building support. There will thus be a 'testing period' of new CSO partners.
12.	Hardware and infrastructure or focus on behaviour change issues?	For long-term and sustained change, a combination of both, along with policy advocacy is important. Hardware support is relatively easier to solicit, and it is generally more productive for philanthropy to focus on process issues.
13.	Collaborate with the State or do your own thing?	Some well thought program of addressing genuine need coupled with extensive dissemination can help tweak the State approaches.
14.	Allow flexibility to partners or insist on real-time metrics-based monitoring?	Monitoring of inputs and activities may be on real-time and metric based. Assessment of outcomes and impacts must be trust based and allow flexibility once there is an agreement on theory of change.
15.	My people or needy people?	'My people' could also be needy. Focus can be on needy people with some symbolic acts for 'my people' if they are not so needy.
16.	Places I can visit or remote and needy locales?	A combination, with symbolic support to proximate but well-endowed locations, but a bulk for needy and remote locales, is ideal.
17.	Helpless and needy or harbingers of change?	Ideal combination is to throw a challenge to bright and enthusiastic among the community to address the issues of the needy in innovative and entrepreneurial ways.

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# Big Philanthropy in India: Perils and Opportunities

*A framework for philanthropy to make informed decisions*

