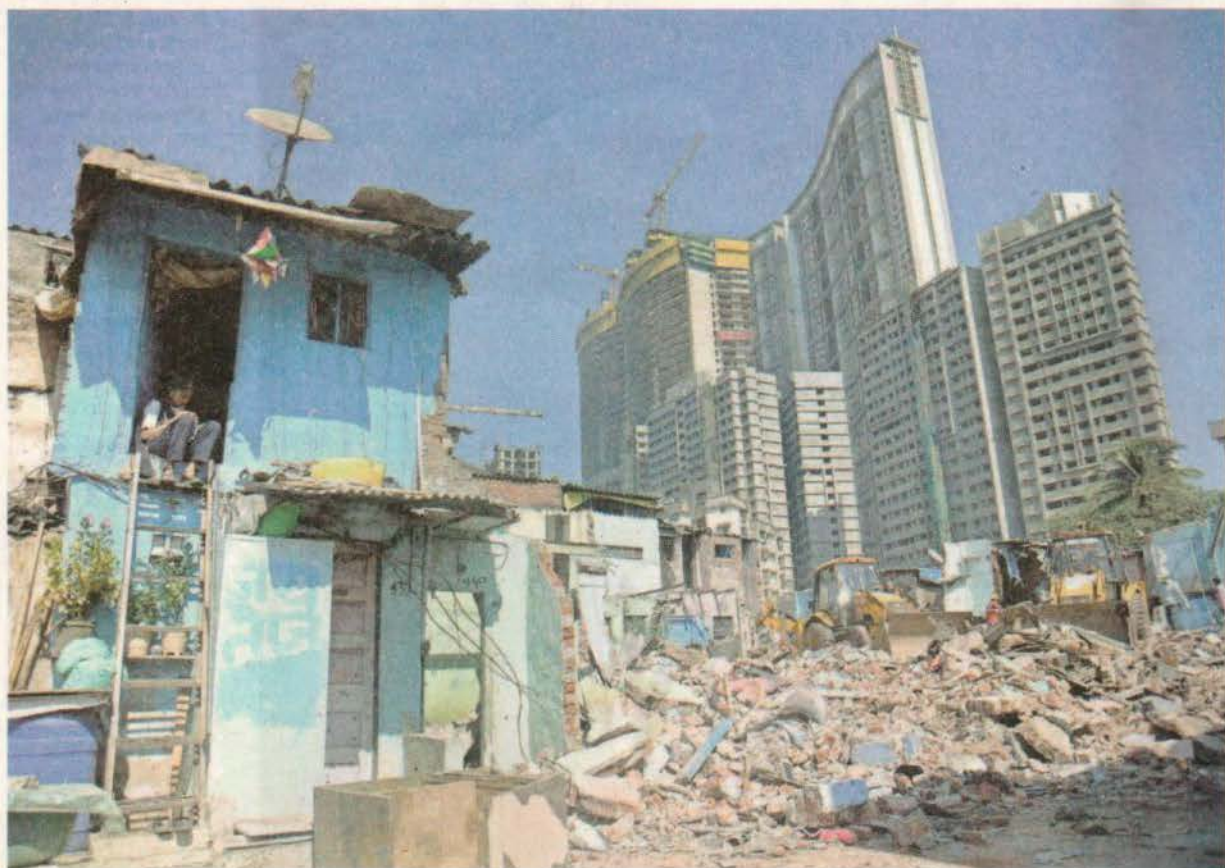


12 | **Turning Points** GLOBAL AGENDA 2018

The 25,000-strong washerman community around Dhobi Ghat in Mumbai voluntarily handed over slum tenements for redevelopment.

(Below) People huddle in a shelter for the homeless in New Delhi, on a winter night.

VIJAY BATE
SUSHIL KUMAR VERMA

How India's richest 1% can effect change

The super-rich must not just be super-generous but also be seen to be super-generous, to inspire more people to give

Turning Point: India is giving more at this stage of its economy than many other countries.

ROHINI NILEKANI

When a few people get super-wealthy very rapidly, societies sit up and take notice. When some of them talk publicly about what wealth means to them, it starts off a healthy discussion on the role and responsibility of private wealth in a deeply unequal society.

We seem to be at that stage in India. In the past 25 years, an unimaginable amount of new wealth has been created in the hands of a few entrepreneurs and investors, espe-

and so on must not just be super-generous but must be seen to be super-generous too. It generates a powerful signalling effect in society, and encourages more people to give more.

I suspect rich Indians would actually give even more if there were a bigger and more effective pipeline to give into. Both civil society organisations and state organisations seem unable to scale up successfully. There are very sparse examples where an idea or an innovation has moved through the system to have a positive impact on people's lives. When it comes to non-governmental organisations, some philanthropists are investing in building their capacity to think bigger, to leverage technology, to attract better human resources, to improve their



Rohini Nilekani is chairperson, Arghyam, which supports

business families, too, have vastly expanded their personal net worth by taking advantage of favourable global winds.

How has this wealth-creation at the very top – the richest 1% in India may own more than half the country's wealth (Credit Suisse report) – helped Indian society? There are no clear answers to such a question. But modern nations surely allow such accumulation of wealth in the assumption that it creates beneficial societal effects, or at least as much as that wealth could create if transferred to government as tax.

It is only right, then, that there is more focus on what the wealthy do with their money, in addition to spending it on themselves. Philanthropy and its impact receive more media scrutiny than ever before. Much of the reporting is still salutary, and the lack of good data makes it difficult to assess real impact. But there is also a robust critique of the potential influence the power of wealth can have on public policy. It is important that these issues remain on the table for discussion. After all, philanthropy cannot,

Some of us have overcome our reticence to talk about why we give, to whom we give, and how much we give

and must not, replace more accountable mechanisms for social change.

Meanwhile, the wealthy of India have taken to philanthropy quite seriously, especially those with new wealth. According to a report by Bain and Co., India is giving more at this stage of its economy than many other countries. Importantly, the culture of silence around giving is changing too. Some of us have overcome our reticence to talk about why we give, to whom we give and how much we give. I personally think that in a country like India, those who have had the great fortune of becoming super-rich because of favourable government policy

a long process, but we should see results in less than five years.

It is very different when it comes to the state. Philanthropy can be most effective when the innovations it supports through risk capital are then mainstreamed into state-funded programmes at a population scale. Yet, the state's ability is simply not keeping pace with the enormous new demand. Very patient philanthropic capital, combined with the infusion of talent, will be required to leverage innovation capital that philanthropists are putting in. Some foundations have long engaged in strategic partnerships with government, but it will be a long haul before results are sustainably visible on the ground.

Contributing to art, culture

But there is still a lot of headroom for philanthropy in India to contribute outside the state's efforts. There are still museums to be built, theatres to be constructed, artistes and artisans to be encouraged, wildlife and biodiversity to be protected. We need thousands of new institutions to carry forward ethical leadership, to sustain strong social norms, and a culture of effective innovation.

Luckily, more platforms to the wealthy to learn from each other about giving better, about giving in diverse ways, are becoming available. The Giving Pledge, which Nandan Nilekani and I recently signed, is but one of them.

I think the rich can learn from the less wealthy too. Giving by the middle and lower classes has always been vibrant in India, but we have recently seen a spurt of crowd-funding platforms that encourage people to give whatever amount they can to support causes they believe in. The runaway success they have achieved is heartening, as we need broad-based support for efforts at positive change. It breeds both empathy and personal involvement, something that the super wealthy, and that includes myself, must constantly strive to achieve.

An exciting stage

All in all, Indian philanthropy is at an exciting stage. We have reached a point where the lives and destinies of the top 1% are impossible to separate from those of the rest. Whether it is air and water pollution, traffic congestion or any other public good, the rich can no longer secede safely into their private worlds.

What better challenge to face, then, to ensure that universal public goods and services are more effectively put into place? What more exciting problem is there to solve than to help create education and healthcare and livelihoods for all?

Most wealthy entrepreneurs have spent decades at the helm of successful corporations. When it comes to philanthropy for social change, they soon realise it is much harder. It takes more than they have, and more collaboration than they have ever had to engage in. I hope and expect that many will take this challenge head on.

