

UNCOMMON GROUND
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THE CULTURE OF GIVING

In the jaw-dropping exposes about Satyam, there was only an occasional story about the impact on the social initiatives of the Raju family, such as the Byrraju Foundation, the declared goal of which is to be the best NGO for rural development in the world. And to which, according to the foundation CEO, Jacob Verghese, the family donates at least 50% of an amazing Rs30 crore annual budget for work in six districts of Andhra Pradesh.

I do not know what will happen to the plans of the foundation now, but it leads me to speculate on the impact of the recent developments on Indian philanthropy as a whole.

We know that the economy is going to slow down, that the net worth of wealthy individuals has dropped significantly; we know there is renewed cynicism about Indian companies and a general sense of fear and anxiety after the Mumbai terror attacks.

The signals coming from companies and wealthy individuals are critical in times such as these. Those of us who benefited so much all these years from the reform process should keep engaging with those who could not benefit because the logic of the reforms has not played out fully yet, or because the reform architecture itself needs to be re-examined.

After all, the wealth of India's new

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rich, including myself, came in a liberal tax structure that allows entrepreneurs, shareholders and professionals to keep a bigger portion of their surpluses (remember the days when the highest tax slabs were almost 90%). That also brings with it a responsibility to use them well in a society that is deeply divided. In a way, a lower tax regime takes a bet that surplus funds in the hands of an enlightened citizenry will lead to all-round economic growth and also do better or at least as well at enhancing social infrastructure as the tax collector would have done.

And in fact, Indian philanthropy had just begun to wake up to its heady potential to do that. True numbers are

notoriously hard to come by when it comes to the giving that people do, and certainly we could do with more transparency on that. But just by talking to a lot of rich Indians over the last five years, I can safely say that many were planning to increase their giving. And a few had indeed been giving very generously already in fairly strategic interventions.

What will happen now? Corporate philanthropy will take a huge hit as companies show lower profits, because most corporate foundations are funded through a fixed, small portion of annual profits. But for seriously wealthy individuals, this might actually be a great time to re-examine their priorities and to show that they believe—as two very different people, Andrew Carnegie and Mahatma Gandhi did—that wealth is merely held in trust for society and must be given away by the wealthy in their lifetimes.

It will be a great pity if, just when a second wave of Indian philanthropy was taking root, it becomes deracinated and scattered. It will be a sort of a double whammy. Because the kind of social spending that the government was able to do with higher revenues in the past decade will also shrink if predictions about the economy come true. Which means people already at the bottom of the economy will be worse off.

Which is why I hope the new philanthropists will not back off now. Certainly, I personally plan to stay on track. If anything, now is the time to prove that the Indian corporate sector is not just about scams and crony capitalism, that wealthy individuals can do more than consume conspicuously. Coming right up is the big fat

chance to bring all their skills and their compassion to bear to work with the government on public programmes; to support any activity which can help improve the value of every taxpayer rupee spent.

Although I believe that equity in society cannot be enabled merely through the wilful distribution of surplus wealth, there is a large space below the market where the government is weak, where philanthropy can, by supporting key public movements such as the right to information, the National Rural Employment Guarantee Scheme, the Total Sanitation Campaign or the national effort to ensure access to quality school education, level the social field a little more.

Luckily, India is teeming with opportunities for this kind of support. I know dozens of organizations that are working hard to ensure that these ambitious programmes will be successful.

Sometimes, farsighted "ordinary" citizens can show the way.

I recently learnt that Greenpeace India is financially independent. And that it receives its funding not from the big spenders but from regular people, who pay Rs250 month after month, putting their faith in Greenpeace's efforts for the stewardship of the planet.

If ordinary citizens can pay Rs250 per month in times like these, how much could the rich give?

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