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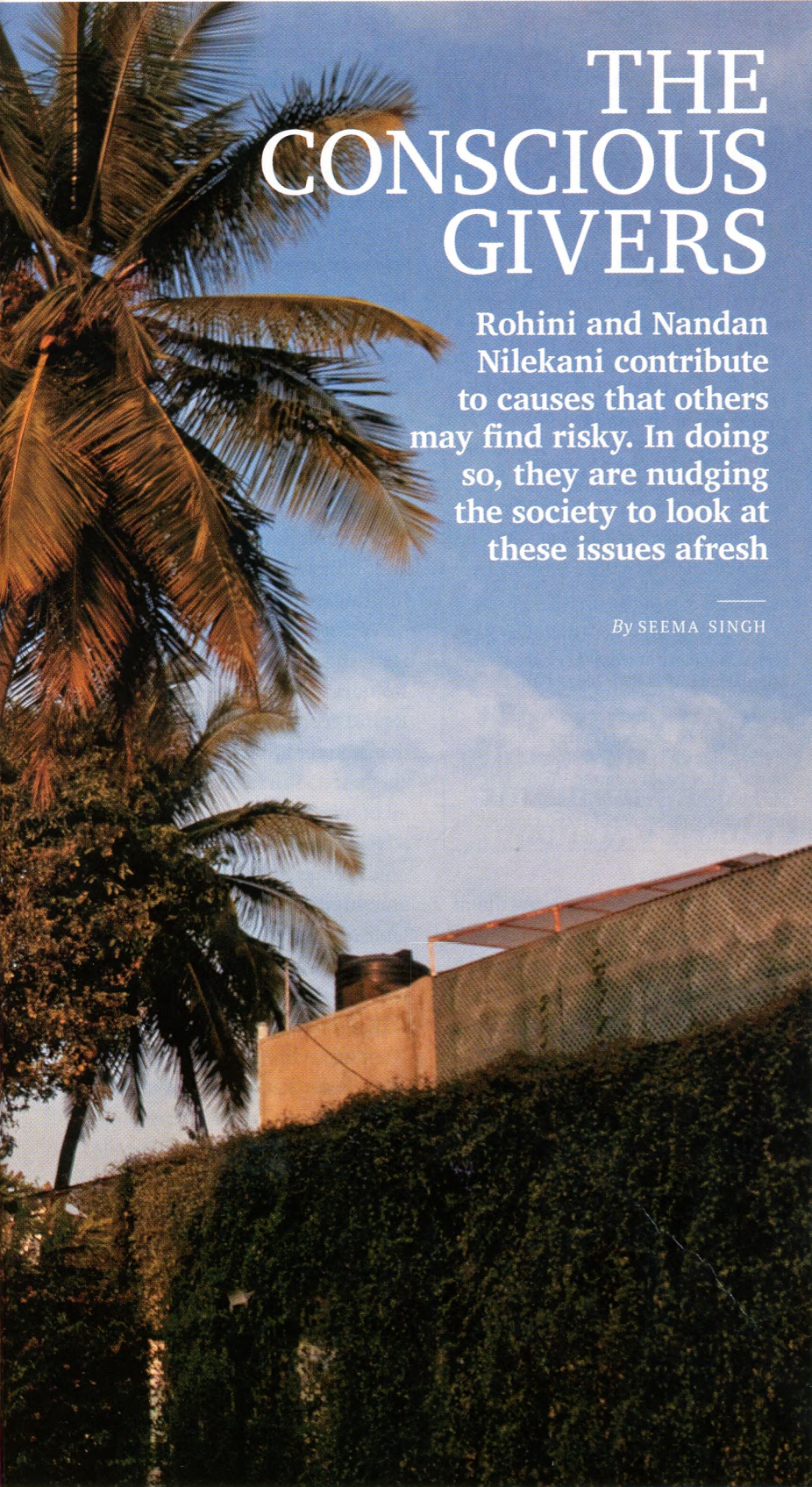
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OUTSTANDING PHILANTHROPIST



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THE CONSCIOUS GIVERS

Rohini and Nandan Nilekani contribute to causes that others may find risky. In doing so, they are nudging the society to look at these issues afresh

By SEEMA SINGH

She is a full-time philanthropist. She considers her wealth to be a product of serendipity, and not of any astute business move or smart investment. For her, such wealth generation is like a flowing river; owners should dip into it but never dam it—the river must flow. It is her sense of ‘politics’ that guides her giving. When she cuts a cheque, she perhaps asks herself more questions than what she poses to the receiver: Will the act of charity build societal capacity to deal with the changing set of problems?

She owes her wealth to legitimate market forces but believes if the balance of power in society is not right, the markets and the state might take over. She looks for ideas, not models; she funds people, not projects. She backs plurality—right-wing Takshashila Institution and left-leaning *Economic and Political Weekly* sit snugly in her scheme of philanthropy—and even supports people who disagree with her.

Her passion is palpable. When she describes how traditional rainwater harvesting structures in rural Rajasthan have been restored, how water bodies are back just when the community was staring at modern schemes and declining water tables, and how women and farmers have a voice in sharing that water, you see she is totally into it—as the benefactor and the beneficiary.

In the last 15 years, Rohini Nilekani has come a long way, from being an accidental wealthy to a conscious giver. If she set up Arghyam in 2001 to learn how to give, today she is a cheerleader of that brigade, with her own theory—philanthropists must also give “outside their fence”.

THE LONG BET

Rohini is the “real philanthropist”

in the family, or at least that is how husband Nandan Nilekani describes her; by his own admission, his work is ancillary to hers. Apart from writing the fat cheques, mostly for institutional support, he engages with these organisations, sometimes even uses his professional network to facilitate their work. However, he stays away from pre-funding ‘due diligence’ or post-funding ‘monitoring’. In fact, he seems to strain his memory when we ask him about the places he has parked his philanthropic money.

“My belief is that the very nature of philanthropic capital allows you to take long-term bets. If I were running a business and using shareholder money, I would be far more cautious,” Nandan says. “The fact that I am not answerable to anyone allows me to fund ideas that will take time to show results.”

So far his donations—be it \$5 million each to IIT-Bombay in 2002 and Yale University in 2008 or Rs 50 crore to the Indian Institute for Human Settlements in 2011—have proven to be reasonably good bets. He doesn’t apply any metric to measure the outcomes, but here are the facts: Yale India Initiative has become the hotbed of research and teaching, and hostels at IIT in Mumbai benefit hundreds of students. These would constitute worthy returns on his giving.

More than writing cheques, Nandan believes in giving his time and skill towards “consequential social change”. That is “high leverage” giving in his view. Five years ago, he left Infosys to set up the Unique Identification Authority of India (UIDAI) that gives a 12-digit unique identity, or Aadhaar number, to every individual residing in India. With nearly 500 million people

**{OUTSTANDING
PHILANTHROPIST}**

**ROHINI AND NANDAN
NILEKANI**

Age: Rohini-54, Nandan-58

Why They Won: For having given nearly Rs 350 crore, especially to ideas which CSR doesn’t fund. Rohini has committed to giving Rs 20 crore every year; Nandan has spent five years at UIDAI as part of the ‘giving back to society’ process.

Their Trigger: The belief that self-created wealth should be given away for social good. They believe that the wealthy should leave only so much to their children that they do something but not leave so much that they do nothing.

Their Mission: While Rohini funds ideas and people that create a more empowered society, Nandan invests in institutions that pay off over years.

Their Action Plan: A commitment to keep doing more of what they have done. Approachability is their biggest asset.

Their Next Move: For Nandan, giving years to public causes is more expensive than writing cheques for ‘a few hundred crores’. After having started UIDAI, it is clear he wants to remain in public life to help bring ‘consequential social change’.

having received their numbers, the agency is close to achieving its goal. It is another matter that Aadhaar, which started off as a benevolent idea to facilitate delivery of welfare schemes, evokes polarised debates today. Perhaps equally interesting is the politicisation of this initiative.

A few weeks ago, a section of the media reported that Nandan would contest the 2014 Lok Sabha elections as a Congress candidate from South Bangalore. Nandan neither confirmed nor denied the news. We asked him again, in mid November, and he remained non-committal. “Political parties announce their candidates very close to the election,” is all he would say. But that confirmation is immaterial, at least

for now. What is apparent is that his sense of philanthropy extends to the political role as well: He believes certain ideas need “political energy” to get implemented.

It is an idea which the Nilekanis took a while to reach a consensus on, given how strongly Rohini feels about an overpowering state and a less empowered citizenry. The two have also come some distance when it comes to appreciating the role of the markets, with Nandan, of course, having more faith in them. But in most matters of philanthropy, they are their own persons, writing cheques separately as well as jointly, each consulting and influencing the other but never limiting each other’s choices.

When Infosys issued American Depositary Receipts in 2005, it was Rohini’s first brush with big money, Rs 100 crore in one sweep. (“It doesn’t seem that big today, no?” she jokes.) When she decided to put all of it in Arghyam, many people advised her against it. Nandan did not. She not only put the entire amount in it but added Rs 50 crore later to create a Rs 150-crore corpus, which today funds the organisation’s work in the water sector.

Fellow Bangaloreans believe that Nandan, in his journey from Infosys co-founder to UIDAI chairman, hasn’t changed at all. If anything, say many, he has become humbler. “He’s not looking for any recognition; it’s the far bigger cause of social change that he is giving his time and energy to,” says VG Siddhartha, founder of Café Coffee Day.

GREENFIELD INVESTOR

“I try out high-risk ideas. I am not afraid of failing; I am not trying to fail but I am fine with trying out mad stuff,” says Rohini of her funding

pattern. This applies to funding ideas inside the 'fence', at Arghyam where she has consciously avoided using other donors for adding to the corpus, as well as outside in society where she has supported multiple people.

When she started out, she was largely supporting water, sanitation, education, ecology and conservation. Then, in late 2011, she brought in Hari Menon from the Bill and Melinda Gates Foundation (who has now gone back to Gates Foundation) as a strategic advisor to do a gap-analysis for her. The idea was to look for issues and sectors where there were no clear theories of change and where there was no systemic support.

Governance emerged as one strategic area because, while traditionally international foundations funded these sectors, today, foreign funding is drying up. Rohini believes Indian philanthropists ought to step up their contribution and involvement in governance. To that effect, with Omidyar Network, she has been conducting round tables in different cities to create awareness about the issues as well as the organisations, which are doing good work.

"Rohini is not at all inclined to take ownership [of supporting ideas], she is happy floating the ideas and getting others to fund them. She has the ability to take risks, something lacking in philanthropy in general, and in India in particular," says Menon.

More by default than by design, Rohini works like an angel investor. And the fact that large foundations are either risk averse or reluctant to go out of their comfort zone, her funding in many ways feeds into the pipeline of some of these large foundations which can, at best, be called late-stage investors. In July, she sold Infosys shares worth Rs 164 crore and announced funding

for three organisations: Association for Democratic Reforms, PRS Legislative Research and IndiaSpend. (A fair bit of the Nilekanis's philanthropy is anonymous.)

It was a motley round of funding reminiscent of another civic- and media-minded billionaire—Pierre Omidyar, who has recently proved that the press today needs punters as well as patrons. Rohini's interests in media and governance reinforce each other, though it would be fair to attribute part of her media interest to her own short stint in the Living Media group in the early 1980s. Though she supports media watcher The Hoot to Forum for Environment Journalists in India to *EPW* to IndiaSpend, a data journalism initiative, she has not

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made any conspicuous investment like Omidyar. But she does not want to be a media owner; however, she is closely watching the billionaire as he embarks on a for-profit model of a news venture with his recent \$250 million investment.

Does she look for a business plan when she funds these entities? "I ask for a financial model but that is not the limitation for me. I write cheques for all causes and there are hundreds and thousands of people like me who would come to support such ideas," she says.

One reason she is able to take this shotgun approach, as compared to the calculating moves of large foundations, is because the wealth sits lightly on her shoulders. It was

the sum of Rs 10,000, in two tranches from the Bank of India branch in Mumbai in 1981, that she invested in Infosys which has turned out to be a pot of gold. "It's chance that Infosys became this huge wealth generator. If Nandan had started a boot polish company, I would have invested in that too," she says casually. From the beginning, her investment has been separate from Nandan's and hence it is 'her', and not family, money that she gives away. "It was mere good fortune that Rs 10,000 has become whatever it is today. I can't call all of it my own," Rohini says.

In that case, is she likely to join the league of big-time philanthropists like Azim Premji or Shiv Nadar (who has recently announced a fresh infusion Rs 3,000 crore into

his foundation)? "I am so tiny," she demurs, folding her hands. "Even if I gave away all my money and kept a little bit to buy my clothes and do hospital bills, I would still be very small," she says, looking almost embarrassed by the comparison.

But her petite frame hides a rather grand view of philanthropy: One that will coax or convince philanthropists to give 'unfettered' money for creating public good—better agricultural practices, new institutions, scholarships.

Her idea of philanthropy may not fall within the tall and progressive Gandhian framework of "sophisticated anarchy ideas" but is a more "pedestrian" perspective of societal engagement. Nonetheless, it is

powerful in the context of crumbling political institutions. It resides in the theory that much of philanthropy cannot and should not be measured or else the time and energy spent in calculating may override whatever else people may want to do.

Given how structured and sophisticated philanthropy has become today, her ideas may not cut much ice with many foundations. However, in this learning process, she herself has moved from one extreme, where she didn't want to measure anything, to a point where she is comfortable evaluating inputs and processes, but leaving the final outcomes to more nuanced judgments.

Even in Arghyam, the strategy has shifted from projects to programmes. The foundation is playing the bigger role of an enabler. It is setting up secretariats and convening water networks to crack, say, the problems of arsenic and fluoride.

Water and sanitation are complex subjects and there is no magic bullet, says Mala Subramanian, chief executive of Arghyam. In water, they work with 13 ministries. Her team has started looking for critical gaps, for instance, spending money on effective communication. "With the new approach, it is even fuzzier to measure outcomes," she says.

But given that there is no pressure of being accountable to any external donor, Arghyam is diligently recording its failures and learning from its mistakes. That is the sum of what the Gates Foundation learnt through Avahan, its anti-HIV/AIDS initiative in India—that it is not the new products but people empowerment and their choices that make or break any philanthropic programme.

Those who work with Rohini say there is always room for experimentation with her. Everybody



is on the same page that social change cannot be planned with a great degree of granularity; Rohini embodies it the most, in letter and spirit.

We find three kinds of donors in India today, says Trilochan Sastry, professor at IIM-Bangalore and a relentless social worker who has set up Centre for Collective Development to promote the cause of commodity cooperative, as well as the Association for Democratic Reforms. The latter received a grant of Rs 50 lakh from Rohini this year.

First, Sastry says, there are the donors who wish to be unnamed, who don't ask for any paper work and just send in the cheques. Second, there is the category of those who tread the middle path and ask for minimal paper work. Third, there are the structured types, who have set formats and layers of bureaucracy in their philanthropic organisations, he says.

"Rohini belongs to the second category. She is not fixated on

deliverables and takes the grantees' word for it," says Sastry.

IMPACT FACTOR

Culturally, Indians are different from their Western counterparts in having an established pattern of large-scale giving. Business houses and individuals have practised philanthropy for long but they have mostly given away income or dividend from wealth, not really parted with capital. Even in that there is a tendency to control the outcome or manage the perception. Like this donor to IIT Bombay who was obsessed with the size of the alphabets of his name that would go on the building he was funding. Or, this entrepreneur who, when invited to Bill Gates's closed-door meeting on The Giving Pledge in India a few years ago, said his company was already selling a product at subsidised rate for the greater good and that was all that he could do.

In comparison, what the Nilekanis, Premji, or Nadar are giving is not income from capital, but capital itself. It is still not common to find such examples, agrees Nandan. But he believes that will change as more first-generation wealth-creators come in. "It is difficult to give away inherited wealth," he says.

"The way Nandan and Premji live their lives," says Siddhartha, "is the biggest role model for us." He has made up his mind that in five to seven years, when his business matures, he is going to give away a

should be based on trust, if you don't trust, don't give," says Sastry, citing names like Anu Aga, Vikram Lal and several others who have silently and anonymously funded ADR and other public programmes.

For the past five years, Rohini has been trying to raise awareness about the purpose of philanthropy. She calls it the Indian Philanthropic Movement. But is it really a movement yet? "I now see some traction," she says. Public pressure is effective too. "Just as the pink papers (business dailies) are telling us how wealthy

commissioned, Rohini has been talking to some of the large charitable institutions, which she thinks are changing their strategy and putting more faith in the markets, to convey this funding skew, nudging them to look at other causes. Has she managed to sway anyone? "You would hear some news shortly [from a large foundation]," she says.

It is evident the Nilekanis are getting into bigger public roles. They have even disclosed to some chosen friends what portion of their wealth they are going to give away. Then why shy away from having a Nilekani Foundation? "Well, never say never. But, for now, Arghyam is the only foundation we want to have," says Rohini.

The Nilekanis's approach, former advisor Menon says, has been to find good individuals and give them the resources. That ability is not dependent on having a foundation. "It's incredible how they have a rich pipeline [of ideas to fund]. It is a function of their easy accessibility and extensive network," he adds.

It is also in contrast to how some foundations, caught in ossified bureaucratic structures, are struggling to get the creative spark back. On the flipside, monitoring diverse and scattered philanthropy might become difficult at some point. But that is the least of the Nilekanis's concern now. Rohini is impressed with Omidyar's generous funding and genuine risk-taking and is keeping an eye on how he progresses. "It's like you listen to your own inner song and sing it loudly. I think we need to do more of that," she says.

As we leave the Nilekani residence, Nandan gets ready for his Kannada teacher. Kannada lessons for a native? "This is to improve my Kannada," he says. Election preparation, perhaps? **F**

The approach of the Nilekanis has been to find good individuals and give them the resources. It's incredible how they have a rich pipeline of ideas to fund

"decent amount of money and time to social causes". People say he has already begun his philanthropic act, though he doesn't want to talk about the causes he is supporting. (On much prodding he says he has given away Rs 70-80 crore, "not a big amount in business".) Siddhartha is not in favour of signing The Giving Pledge, but is clear that unlike Nandan he would run his philanthropic initiatives for better outcomes.

Philosophically, the Nilekanis are on the same page as Gates and Buffett, and say they'll continue to do more of what they are doing but somehow they don't believe in signing any "document".

In any case, they seem to be impacting the eco-system. Sastry says that after Rohini funded ADR, another HNI (high net worth individual) has sent him a cheque. That is encouraging because he believes what is holding back people is the 'trust deficit' in society. "Philanthropy

people are, they are also asking what we are doing with that wealth."

Years ago, the Nilekanis made a conscious choice to look for causes and sectors where there was no clear business case or where classical Corporate Social Responsibility funding wouldn't go. Turns out it was not just a good personal decision but it might even help the larger organised philanthropy. According to a new McKinsey report, Designing Philanthropy for Impact: Giving to the Biggest Gaps in India, which was commissioned by the Indian Philanthropic Initiative, donor efforts and mindshare are disproportionately concentrated on just a few.

Around 90 percent of donor contribution is concentrated in about 10 sub-sectors of the over 50 analysed. In tune with the global trend, Indian philanthropy is skewed in favour of education, healthcare and disaster relief, the report says.

Even before this report was