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**EDITORIAL ANALYSIS**

# Indians Give to Save Each Other — The Philanthropy Paradox

 **THE HINDU**

3 April 2026

**SOCIAL ISSUES****ECONOMY****GS2****GS3**

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# Indians Give to Save Each Other — The Philanthropy Paradox



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GS2

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 The Hindu

5 tags



## INTERVIEW ANGLE

*"Why does Indian philanthropy remain stuck in charity mode rather than investing in systemic change, and what institutional shifts could make giving more effective?"*

## THE CORE ARGUMENT

A major new study on Indian philanthropy — released in April 2026 by a consortium of Indian foundations — finds that while private giving in India has grown significantly (estimated at ₹80,000–1,00,000 crore annually across formal and informal channels), the **structure of giving is deeply skewed**: over 70% goes toward crisis-response causes (medical emergencies, disaster relief, individual welfare) rather than toward systemic change initiatives (policy advocacy, institutional reform, grassroots organising). The Hindu argues this “charity paradox” — where generous individual giving coexists with persistent structural inequality — reflects a deeper cultural and regulatory ecosystem that discourages long-term, risk-tolerant, systemic philanthropy.

## THE SCALE OF INDIAN PHILANTHROPY

CHANNEL	ESTIMATED ANNUAL FLOW
CSR (mandatory 2% spending)	~₹25,000–28,000 crore (FY25)
Individual donations (PAN-tracked)	~₹12,000–15,000 crore
Religious/temple giving (formal)	~₹20,000+ crore
Informal / community giving	Unquantified; likely largest
Foreign institutional philanthropy (FCRA)	~₹25,000 crore
<b>Total estimate</b>	<b>₹80,000–1,00,000 crore</b>

## THE CHARITY VS. SYSTEMS PARADOX

FEATURE	CHARITY MODE	SYSTEMS CHANGE MODE
Timeframe	Short-term, immediate	5–20 years
Beneficiary	Individual	Communities/institutions
Measurability	Easy (meals served, surgeries funded)	Hard (policy changed, norm shifted)
Risk tolerance	Low	High
Current Indian share	~70%+	<30%

**Why does this matter?** Medical emergency crowdfunding (Ketto, Milaap) saves individual lives but cannot address why India has 500+ million people without health insurance. Housing charity addresses symptoms but not land ownership patterns or urban policy.

## STRUCTURAL FACTORS LIMITING SYSTEMIC PHILANTHROPY

- ❶ **CSR constraints:** Companies Act 2013 mandates CSR but restricts activities to Schedule VII categories — which skews toward education, health, and environment; excludes policy advocacy, institutional capacity building, and civil society strengthening
- ❷ **FCRA pressure:** Foreign-funded organisations increasingly reluctant to do advocacy work for fear of “political activity” classification
- ❸ **Section 80G and 12A:** Tax exemption framework rewards verified charity work; policy advocacy organisations struggle to retain exempt status
- ❹ **Short-termism:** Family offices and HNI donors often prefer named buildings, hospital wings, and schools — visible, personal-legacy philanthropy
- ❺ **Distrust of intermediaries:** Donors prefer direct-to-beneficiary giving; intermediary NGOs doing ecosystem work are harder to fund

## INDIA VS. GLOBAL PHILANTHROPY PATTERNS

COUNTRY	KEY FEATURE
USA	Large private foundations (Gates, Ford) fund systems change; endowment model; policy advocacy fully legal
UK	Charity Commission provides regulatory clarity; charitable purpose includes policy influence
India	Regulatory ambiguity on advocacy; CSR bias toward infrastructure; no endowment culture

## UPSC RELEVANCE

### GS Paper 2 — Social Justice:

- Role of civil society in social development
- CSR — Companies Act [mandate](#), Schedule VII sectors, effectiveness
- Section 12A/80G — tax incentives for philanthropy; regulatory framework

### GS Paper 3 — Economy:

- Inequality and poverty — structural vs. symptomatic interventions
- India’s social sector spending — government + private
- Health and education financing — role of philanthropy

## UPSC RELEVANCE

“India’s philanthropic generosity is undeniable — but generosity alone cannot address structural inequality. Shifting from charity to systems change requires regulatory reform, tax incentive redesign, and a cultural shift toward tolerating ambiguity and long timelines.”

## FACTS CORNER

- **Companies Act 2013, Section 135:** Mandates 2% of average net profit as CSR for companies with net worth  $\geq$  ₹500 crore, turnover  $\geq$  ₹1,000 crore, or net profit  $\geq$  ₹5 crore
- **Schedule VII:** Lists permissible CSR activities — eradicating poverty, promoting education, gender equality, environmental sustainability, national heritage, etc.; excludes general advocacy

- **Ketto/Milaap:** Leading Indian crowdfunding platforms; Ketto alone has raised ₹1,000+ crore for medical emergencies
- **Azim Premji Foundation:** Among India's largest systematic philanthropies; focuses on government school education quality; endowed with Wipro shares worth ~₹55,000 crore
- **Tata Trusts:** Among India's oldest philanthropic institutions; broad portfolio from cancer care to tribal development
- **GiveIndia:** One of India's largest online giving platforms; focuses on vetted NGOs; attempts to shift donors toward systemic causes
- **DARPAN portal:** NGO-Darpan, maintained by NITI Aayog; registry of NGOs for government grants — transparency and accountability mechanism

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