

From Compliance to Philanthropy

A Philanthropic attitude and approach to CSR are required for the entire social sector and the communities for whom CSRs and CSOs exist and are committed too.

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The Prime Minister conferring the Subhash Chandra Bose Aapda Prabandhan Puraskar to institutions like the SEEDS on January 23rd is a tribute to the entire voluntary sector. Yet, voluntary action and voluntary organizations seem to be in a curious space now in India more than ever before. Many of the grassroots organizations that have been engaged in constructive work with the communities around health, education, local livelihoods, natural resources management, and environment conservation work find themselves perennially starved of funds. Sourcing for funds consume their precious energy and time leaving little room to focus on promising strategies for better social programmes as well as institution building. Coming to think of the latter, in recent years institution building amongst voluntary organizations has hit an all-time low. Severely restrictive funding or receiving funding only for specific , short duration projects offer negligible scope to invest on strengthening human or capital resources for any voluntary organization.



Today even those few who have FCRA are left in the lurch with a number of restrictions under the FCRA rules limiting much room to work and innovate with some steady flow of funds. Worst, international funding organizations seem to be retreating one by one or are forced to re-think social investment or are withdrawing. A new study¹ that puts a shocking 53 percent increase in population in the category of lowest 20 percent (poor) income in 2021 compared to 2016, necessitates that both rural and urban poverty issues are addressed more aggressively and with more vigour; without grassroots voluntary action it would be impossible for governments and other stakeholders to do this kind of work on their

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own. In these new uncertain times, when COVID-19 has rendered severe blows to the economy, made economic migration a constant reality, education a collateral damage, health induced poverty a perennial issue to grapple with – a voluntary institution in the vicinity of community that is in the knowhow of micro contexts, and at the same time has the vision to connect with macro possibilities and make linkages with support services must be nurtured and strengthened. India’s voluntary action needs long-term, vision-led support and nurturing if integrated, durable, sustainable development of rural and urban communities must become a reality. The question is who provides this long-term support?

Indian Corporate Social Responsibility or CSR is a comparatively new entrant on the funding scape. It came riding on a 2014 policy ‘by Goal-mandating’ Indian corporates or private businesses (including PSUs) to

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pledge two percent of their profits for social development. While many business stalwarts felt it would be a good way to bring in efficiency and effectiveness to the functioning of NGOs that was politely but firmly countered by the voluntary organizations by invoking the elements of compassion and empathy to grassroots development work, yet the CSR Act looks overwhelmingly defined by “Compliance”.

Recent amendments to the Act may have made the Act more stringent on the Compliance angle. However, the need of the hour is that **the CSR moves beyond compliance** and short-term project funding to that of long-term programme cum

¹<https://indianexpress.com/article/india/income-of-poorest-fifth-plunged-53-in-5-yrs-those-at-top-surged-7738426/>

institution-building support pretty much the way the donor organizations of previous decades like the Ford Foundation would do. In recent times, the untied support pledged by Edelgive Foundation to 100 grassroots organizations for tiding over the uncertainty in meeting day-to-day expenses owing to COVID-led disruptions in funding will prove hugely beneficial. The CSR must think of ways and acts to ingrain this kind of nurturing support to the voluntary organizations so as to acknowledge their resilience and criticality in giving ordinary men and women agency and autonomy, co-own their commons, making them self-reliant and self-governed in the process. Much thought must be given to the following in terms of specifics:

- Indian CSR to think strategically towards moving from Compliance towards Philanthropy (it makes better business sense too after all; examples of Azim Premji Philanthropic organisations and the Tata Trusts are there for inspiration!)
- Specific initiatives like the GROW Funds (Edelgive) need to be region-specific to ameliorate the risks that many deserving voluntary organizations face owing to a “one size fits all” approach that makes them fall through the cracks. (Regions like Northeast and Kashmir, owing to their historical disadvantage, will always fall short on the criteria of annual turnovers (INR 1.5 Cr is a high figure) despite being committed and well-intentioned.
- State governments, private businesses, and civil society think tanks must meet more often and elaborately to think out of the box and about ways and means for addressing this shift in CSR approach (Compliance to Philanthropy)
- In so doing the gaze towards the voluntary organizations must shift from that of a stranger (evoking suspicion) to that of a trustworthy partner. This is fundamental for all long-term relationships for ushering in sustainable development.

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Speaking from experience, each and every stakeholder (government, businesses, donor community, HNWI, academia) must remember one important thing. That, to implement (from mobilization to capacity building to support services and exploring linkages for scale) grassroots development projects, we must have local, voluntary organisations with their eyes, ears, mind, heart, and soul to the ground. It was the vision of both, founders and visionary donors, in the early decades to seed, nourish, help grow remarkable institutions like SEVA Mandir, SEWA, Gram Vikas, AKRSP, the ant, PRADAN – all catering to specific communities and areas of specific states and regions. It may have taken each of these organizations to spend nearly three to four decades or even more in grassroots development and then emerge as leaders. Thankfully, they received enough – long-term, untied, friendly- support in their growing

years so as to become what they are today. India's CSR would do well to take this approach for a meaningful development paradigm and resurgent India. The state could think of relaxing the clauses under CSR Act to not always become synonymous with compliance; they could rather tilt towards philanthropy.

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