



SHOBA NARAYAN THE GOOD LIFE

Mastering the art of giving

I blame it on the *hundi*; and the Bible. “But when thou doest alms,” says the Bible in Matthew 6:3, “let not thy left hand know what thy right hand doeth.” This was before the Indian Revenue Service invented the 80G tax exemption;

incentivising donors not just to give with both hands but also announce the size of their donation.

Still, secret giving or *gupt daan* is embedded in our culture; and indeed most ancient cultures. When Hindus put money into the *hundi*—that metal repository outside the temple—they do it quietly and often hurriedly, suffused with hope and guilt. Their donation becomes part of the great white whole, to be used (or misused) by temple-based charities.

Given our tradition of secret giving, why are more and more philanthropists setting up their own foundations instead of simply writing large cheques—quietly and anonymously?

I called Vidya Shah, the head and executive director of EdelGive Foundation, the philanthropic arm of Edelweiss, and asked her why she set up a foundation with her husband Rashesh. I knew she had given significant chunks of money quietly and anonymously before she started EdelGive. I knew this because Shah had routed some of her donations through Caring Friends, a

operates along the lines of catalyst group Dasra Giving Circle. Was her foundation a brand-enhancing exercise—not, as Seinfeld says, that there’s anything wrong with that.

Shah says she started EdelGive for two reasons: to embed a culture of giving into Edelweiss. She didn’t want giving to be a “CSR (corporate social responsibility) exercise with two people going off and doing their thing without connection to the rest of the firm”. But what she really wants is for EdelGive to become a platform “through which large institutional donors can leverage off our skills and expertise”. The dream is “to influence the public sector; to influence policy. And if you want to influence policy, you need a platform.”

The next few years are going to be interesting for philanthropy in India. Ratan Tata’s announcement that he will continue to oversee the Tata trusts after his retirement promises to be a game changer. Other philanthropists too are talking about creating shared platforms that will broaden the base of funding and leverage expertise

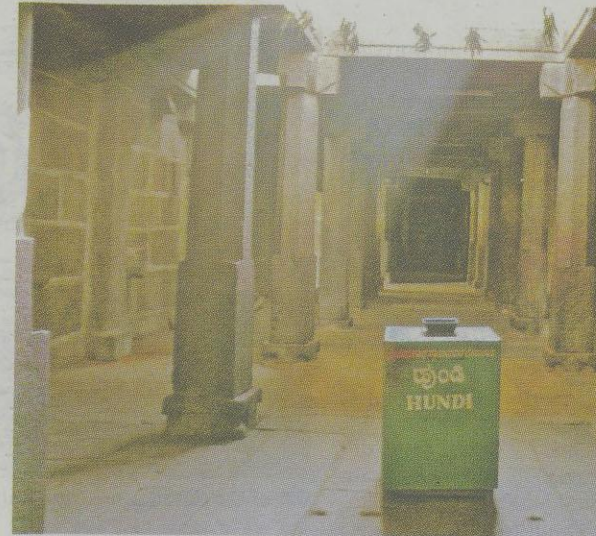
kid on the block to do?

Say you are an entrepreneur whose company has seen a substantial rise in valuation. Your team is in place and duties are delegated. You want to do the proverbial “giving back to society”, but are not sure how. I recently met the founder of a Mumbai-based private equity fund who was at this stage. He said that he was spending a larger chunk of his time figuring out how his firm could give back to society. So far, this young founder-CEO was doing it quietly and privately. What next?

Should he piggyback on existing groups and organizations or set up something on his own?

Anuja Master Bose is a member of a book club that I am part of. She also has an MBA from the Harvard Business School and has worked for Indian and international social enterprises. She says young philanthropists need to answer three questions: Do I want attribution, what are my values, and how will I structure it? “It cannot look like something that was decided on a whim in a cocktail party,” she says.

The biggest disadvantage of my *hundi* model of secret giving, says Bose, is that it tends to be erratic. Beneficiaries will not know how much they will get, when they will get it, and cannot plan for the future. Over lunch at Monkey Bar, a new gastro-pub in Bangalore, we discuss her approach to philanthropy, which I summarize in three words: professionalizing the sector, scaling it up, and if you are a donor, donating



Pot luck: The Sri Ranganathaswamy Temple in Srirangapatna

Viewed this way, the *hundi* model—or writing significant cheques in an ad hoc and anonymous fashion—is the worst way to donate your money. Maybe this is why rich people set up foundations. I am still not convinced though if philanthropic organizations or foundations are the way to go if your philanthropic budget is, say, ₹1 crore a year. EdelGive’s annual budget is ₹6 crore and is tied to the mother firm’s profits (1% of the pre-tax profits are invested in non-governmental organizations, or NGOs, through the foundation). What if you are a wealthy entrepreneur whose annual giving budget is lower than ₹5 crore? Do you write five large cheques and route it through Caring Friends or Dasra? Or do you simply bypass these routes and write it directly to deserving NGOs in your city and neighbourhood? Are foundations necessary?

philanthropy comes in many guises. There is a wonderful book called *Love Actually* in which an ageing rock star writes a new song he hopes will be a hit. If it tops the charts, he will donate the proceeds to charity. Clearly, philanthropy can come from rock music. But it can also come from rock music work for a rock star. It can be a donor or NGO. It can be in some way for N. It can be in a way that is different from what you see at dinners and luncheons.

Shoba Narayan is a columnist. Write to her at shobanarayan@livemint.com. She is also a member of the board of directors of the *Good Life* foundation. Write to her at thegoodlife@livemint.com.