

From Gaining to Giving Wealth: The Shaping of a New Generation of Indian Philanthropic Foundations

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- Results
- Comments (more general)
- Comments (more specific)

Main results

- This paper explores the factors influencing the operation and the giving pattern of Indian business-leader philanthropy
- Findings suggest that these philanthropists prefer politically and socially 'safe' sectors and hold preference for control at the cost of coordination between actors
- Despite having the potential to play a strategic role in India's social and economic development these foundations are still far from realizing their full potential

What I like

- Interesting and new phenomenon (due to Indian rapid growth)
- Contribution to the literature (to be emphasized)
- Relevant for policy implications (to be emphasized)

- India is at the same time a recipient and a donor (since 2004)
- This paper connected to the literature on aid
- 1) 'New Donors (e.g., Dreher et .al., WD 2011; Fuchs and Vadlamannati, WD 2012)
- 2) NGOs aid as alternative for development? (e.g., Werker and Ahmand, JEP 2008; Koch et. al.,WD 2009)

Literature: New donors

- Major DAC donors are widely criticized for weak targeting of aid, selfish aid motives, and insufficient coordination
- It is open to question whether new donors (many aid recipients until recently) are more altruistic and provide better targeted aid according to need and merit
- On average, new donors care less for recipient need than old donors and disregard merit by not taking the level of corruption in recipient countries into account
- Commercial and political self-interests dominate India's aid allocation
- Moreover, countries that are geographically closer are favored, and countries at a similar developmental stage are more likely to enter India's aid program

- Widely held view that NGOs provide better targeted aid than state aid agencies needs to be better qualified
- Evidence suggests that NGOs allocate aid to the neediest countries
- Commercial interests (often supposed to influence official aid) have not systematically affected the allocation of NGOs
- Institutional quality not important
- No evidence supporting the hypothesis that NGOs complement official aid through engaging in difficult institutional environments

General comments (cont'd)

- Link with aid: allocation and effectiveness, donors' coordination
- Allocation: philanthropists' motivations might not be compatible with funds' effectiveness (e.g., inclination to prefer communities rather than broader citizens, or they prefer to avoid controversial areas)
- Lack of coordination: Asian bias of family philanthropic initiatives to maintain operational control rather than working collaboratively coupled with the perceived and real non-professionalism of Indian NGOs

More specific comments

- Based on over forty-five interviews with philanthropists and experts in India: how representative is this sample?
- Interesting to have more detailed information on how these funds are actually used and on their effectiveness
- What could the expected comparative advantage of these donors be wrt "more traditional" donors?
- Policy implications?