

The Indian Chamber of Commerce's Perspective on Corporate Philanthropy: A Pathway to India@2047

Introduction

India: Corporate philanthropy in India has evolved significantly over the past few decades, becoming an integral part of the corporate strategy for many companies. This form of philanthropy typically involves corporations donating a portion of their profits to social causes, either through direct funding, charitable foundations, or by supporting non-governmental organizations (NGOs). The landscape of corporate philanthropy in India is shaped by legal frameworks, societal needs, and the growing recognition of corporate social responsibility (CSR).

India's social sector spending over the last five years experienced a robust annual growth of 13% and stands at approximately INR 23 lakh crore (\$280 billion) in FY 2023 (8.3% of GDP), public spending constitutes most of the social expenditure (95%). Private philanthropy grew 10% in FY 2023, to INR 1.2 crore (\$15 billion) which is driven by family philanthropy (15%) and retail (12%). However, segments like corporate social responsibility (CSR) and high-net-worth individual (HNI)/ affluent donations grew moderately at 7%, despite an expanding donor base.

Under family philanthropy, the more than 60% growth in UHNI giving was driven by concurrent donors. However, HNI/affluent giving grew moderately at 7%. Data indicates that HNIs and affluent individuals have a higher propensity to give than UHNIs (more than 0.7% of net worth vs. 0.1% for

UHNIs). Hence, there is potential to unlock a significant upside in donations from this segment with the surge in the Indian economy and capital markets.

Contribution of Corporate Philanthropy in India

India's Rich Giving History

Philanthropy has been deeply woven into the fabric of Indian society, playing a significant role in shaping modern India. During the country's independence movement, Mahatma Gandhi urged industrialists to use their wealth for the greater good of society. Visionary leaders like Jamnalal Bajaj and G.D. Birla not only supported Gandhi's initiatives during the freedom struggle but also actively pursued their own philanthropic endeavors, leaving a legacy of social responsibility intertwined with nation-building.

Modern-day Philanthropy

Economic Development

Skill Development:

Tata Trusts: Spent ₹1,000 crore on Tata STRIVE, which has trained over 500,000 youth in vocational skills, enhancing their job prospects.

Dr. Reddy's Foundation's LABS Program: Through the Livelihood Advancement Business School (LABS), the foundation has trained over 1 million youth, particularly in rural areas, enabling them to gain

employable skills and sustainable livelihoods.

Mahindra Pride Schools: The Mahindra Group has established centers focused on empowering underprivileged youth through skill training programs in industries such as retail, hospitality, and IT, providing employment opportunities to over 300,000 individuals.

Infrastructure Development:

Adani Foundation: Over ₹1,200 crore invested in rural infrastructure, benefiting more than 3 million people annually.

Infosys Foundation: Spent over ₹900 crores on building hospitals, schools, and libraries across India since its inception in 1996.

Education:

Shiv Nadar Foundation: Cumulative spending of \$1.2 billion (₹10,000 crore) as of March 2023 to transform education in India. **Key Initiatives:** VidyaGyan (for meritorious rural students), Shiv Nadar University, and Shiv Nadar Schools.

Azim Premji Foundation: Allocated over ₹23,000 crore to enhance public school systems, teacher training, and education quality. **Key Initiative:** District Institutes of Education and Training, benefiting 350,000 schools.

Reliance Foundation: Spent ₹1,200 crore on education programs, including the **Dhirubhai Ambani Scholarship Program,**

which has benefited 14,000 students from economically weaker sections.

Healthcare:

Tata Memorial Hospital: Supported by Tata Trusts, which spent ₹1,000 crores on cancer treatment and research in 2022 alone. **Key Initiative:** Tata Memorial Cancer Treatment and Research Centre.

Reliance Foundation: Invested over ₹900 crores in healthcare, including building the **Sir H. N. Reliance Foundation Hospital,** a multi-specialty tertiary care hospital.

Public Health Foundation of India (PHFI): Founded by corporate leaders like Narayana Murthy, has received ₹1,000 crores in funding to create awareness about public health issues.

Environment and Sustainability:

Sustainability Projects:

ITC Limited: Invested over ₹1,500 crore in the "Well-being Out of Waste" (WOW) program and sustainable agricultural initiatives like e-Choupal. **Key Initiative:** ITC WOW Program, benefiting over 10 million households.

Mahindra Group: Spent ₹300 crore on green initiatives like **Mahindra Hariyali,** under which over 20 million trees have been planted.

Conservation Efforts:

Tata Trusts: Allocated over ₹500 crores for water conservation and biodiversity programs.

JSW Foundation: Invested ₹350 crore in environmental sustainability, including afforestation and water conservation projects.

Community Development:

Rural Development Programs:

Birla Group (Aditya Birla Foundation): Spent over ₹1,200 crores on rural electrification, watershed programs, and farmer support. **Key Initiative:** Watershed development benefiting 500,000 farmers.

Dr. Reddy’s Foundation: Invested ₹300 crore in skill development and livelihood enhancement in rural areas. **Key Initiative:** Livelihood Advancement Business School (LABS), training over 1 million youth.

Women Empowerment:

Bill & Melinda Gates Foundation (India Chapter): Allocated \$1 billion (₹8,300 crore) to women empowerment projects, focusing on family planning and maternal health.

Biocon Foundation: Spent ₹200 crore empowering women entrepreneurs and providing affordable healthcare access.

CSR and Corporate Philanthropy: An Analysis

Corporate Social Responsibility (CSR) and corporate philanthropy are integral

components of modern business practices, reflecting a company’s commitment to ethical operations, societal development, and environmental sustainability. While CSR encompasses a broad spectrum of initiatives aligned with a company’s core strategy, corporate philanthropy focuses on voluntary charitable actions such as donations and sponsorships. The evolution of these practices has seen a shift from purely philanthropic efforts to strategic CSR, guided by global frameworks like the UN Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) metrics. For instance, in India, the Companies Act, 2013, mandates CSR for certain organizations, emphasizing structured contributions to national development.

Aspect	CSR	Corporate Philanthropy
Objective	Sustainable, long term societal impact	Short term relief or support for specific causes
Scope	Broader, aligned and business goals	Narrow, focused on charitable giving
Measurement	Outcomes measured through ESG and SDG	Difficult to quantify long term impact
Integration	Embedded in business operations and strategy	Separate from core business functions

CSR and corporate philanthropy, while interconnected, differ in objectives and scope. CSR aims for long-term societal impact and integrates sustainable practices into core business operations, while corporate philanthropy typically addresses

short-term needs through charitable donations. Effective CSR enhances brand reputation, attracts talent, and drives innovation by fostering sustainable products and processes. It also appeals to investors, given the growing emphasis on ESG performance.

Successful examples highlight the potential of these practices. Unilever's Sustainable Living Plan demonstrates how aligning CSR with core business strategies can reduce environmental footprints and improve livelihoods, ultimately boosting brand trust and profitability. Similarly, the Bill & Melinda Gates Foundation exemplifies the profound impact corporate philanthropy can have, particularly in healthcare and education, with its contributions leading to significant advancements like the near eradication of polio. To ensure effectiveness, companies must align CSR initiatives with their expertise, engage stakeholders, leverage technology for transparency, focus on long-term scalability, and communicate results through detailed reporting.

Ultimately, CSR and corporate philanthropy offer pathways for businesses to address global challenges such as poverty, inequality, and climate change. Beyond societal benefits, these initiatives provide substantial value to organizations by fostering resilience, innovation, and trust, enabling businesses to thrive in an increasingly conscious marketplace.

The Way Forward

Accelerating India's Growth: The Role of Philanthropy

While it is a remarkable achievement that India's GDP has grown from about \$420 billion in 1991 to \$3 trillion today and the poverty rate has dropped to around 10%,

the journey to becoming a developed country remains long and arduous. With India's rapid economic progress since the liberalization era, projections suggest a per capita income of approximately \$15,000 by India@100 in 2047. However, achieving this ambitious goal will require inclusive and sustainable growth, and both CSR as well as corporate philanthropy can play a transformative role in this endeavor by addressing key challenges and unlocking opportunities.

Building Institutions for Future Generations:

India's long-term progress hinges on the robustness of its institutions, which act as catalysts for innovation, knowledge creation, and societal transformation. Both CSR and philanthropic initiatives can play complementary roles in creating world-class universities, research centers, and think tanks. CSR efforts, integrated into a company's long-term business strategy, can focus on establishing institutions aligned with their operational expertise, such as energy research by oil and gas companies or vocational training by manufacturing giants. Philanthropic efforts, on the other hand, can independently address broader societal gaps or focus on thematic issues such as energy transition or regional upliftment. Alumni networks of premier institutions like IITs and IIMs could further augment these initiatives by funding research and enhancing global rankings. For instance, the Tata family's philanthropic legacy has established institutions like the Indian Institute of Science (IISc) and The Energy and Resources Institute (TERI), which continue

to contribute significantly to education, healthcare, and sustainability.

Funding Risky R&D and Innovation: Governments, despite allocating substantial resources to public welfare, need to adopt greater flexibility to take risks or explore untested models. Here, CSR initiatives can complement philanthropy by integrating funding for high-risk, high-reward research into corporate strategies. For example, companies in technology or pharmaceuticals can invest in R&D for cutting-edge solutions through their CSR programs, ensuring alignment with their operational goals while addressing societal needs. Philanthropic efforts can then focus on piloting innovative models or creating ecosystems for experimentation, independent of immediate business returns. Projects like Aadhaar, UPI, and eKYC, supported by philanthropic initiatives and government partnerships, underscore how targeted investments in innovation can result in transformative societal impacts.

Supporting Governments to Improve Delivery Systems: The convergence of CSR and philanthropy can amplify efforts to strengthen government delivery systems. CSR programs can embed resources to improve local governance structures and service delivery in the areas where businesses operate, ensuring direct and measurable impact. Philanthropy, meanwhile, can focus on broader systemic improvements, such as capacity building for government institutions or policy advocacy. The Piramal Foundation's support for the Aspirational Districts Programme and the

Veddis Foundation's investment in evidence-based policymaking are prime examples of how collaborations can enhance government effectiveness and ensure impactful outcomes.

Enabling Economic Growth Through Strategic CSR and Philanthropy: Realizing India's ambition of becoming a \$30 trillion economy by 2047 requires a dual approach where CSR supports skill development, infrastructure, and entrepreneurship within the scope of business operations, while philanthropy extends its reach to broader economic reforms and innovation. CSR initiatives can align with future job demands in sectors like green energy or advanced manufacturing, creating employment while fulfilling corporate goals. Philanthropic efforts can complement this by advocating for policy reforms, funding ecosystems for startups, and supporting regulatory simplification to attract investments. For example, corporate-backed skill development programs, combined with philanthropic efforts to enhance startup ecosystems, can accelerate entrepreneurship and innovation, driving economic growth.

Beyond Economic Growth: Creating an Inclusive and Sustainable Future Inclusion and sustainability must be the cornerstone of India's development narrative. CSR can integrate these goals into core business operations, such as promoting gender diversity, ensuring sustainable supply chains, and adopting eco-friendly manufacturing practices. Philanthropy can amplify these efforts by funding initiatives that address systemic inequities, such as education for

marginalized communities, healthcare access, and climate resilience. Companies can draw inspiration from models like the Bill & Melinda Gates Foundation, which combine innovation with scale to tackle global challenges. Together, CSR and philanthropy can create a more equitable

and resilient society, ensuring that economic growth benefits all sections of society and aligns with India's aspirations for 2047.

ICC's Take:

The Indian Chamber of Commerce (ICC) firmly believes that philanthropy can be a transformative force in India's journey toward becoming a developed nation by 2047. As a leading voice for business and industry, ICC recognizes the vital role that strategic philanthropic efforts can play in fostering inclusive economic growth, building robust institutions, and driving innovation. Indian Chamber of Commerce advocates for collective action among corporates, high-net-worth individuals, and philanthropic organizations to address critical national priorities such as education, healthcare, and sustainability. By emphasizing collaboration with the government to improve service delivery systems and funding high-risk research and development, Indian Chamber of Commerce envisions a future where philanthropy complements policy frameworks and market-driven initiatives to create equitable opportunities for all.

*To effectively channel philanthropy for India's development and drive toward Vikshit Bharat, the Indian Chamber of Commerce (ICC) advocates a multi-pronged approach that transcends traditional practices. **By focusing on empowering women through education and entrepreneurship, fostering climate resilience, strengthening digital infrastructure in underserved areas, and supporting marginalized communities, philanthropy can play a transformative role.** Initiatives like promoting women-led enterprises, funding renewable energy projects, enhancing digital literacy, and creating rural employment hubs linked to urban markets are key to driving inclusive growth. Additionally, encouraging corporate alignment with national goals, supporting social enterprises, and advocating for philanthropy-friendly policies can amplify the long-term impact of these efforts.*

The Indian Chamber of Commerce remains committed to bridging the gap between philanthropists, corporates, and communities to align resources with the vision of Vikshit Bharat. By fostering local leadership, promoting eco-friendly urban spaces, and cultivating a culture of everyday giving, philanthropy can evolve into a powerful tool for building an equitable and resilient society. This holistic approach not only addresses immediate needs but also lays the foundation for sustainable systems, helping India achieve its aspirations for 2047.