# Building an Atmanirbhar philanthropy ecosystem

## Domestic giving, not foreign funding, is what will define India's philanthropic future

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'Domestic philanthropy creates more than money; it creates ownership' | Photo Credit: Getty Images/iStockphoto

India's philanthropic landscape has changed more in the past decade than many realise. Domestic private giving — through family philanthropy, Corporate Social Responsibility (CSR), and individual donors — has grown rapidly and now far outstrips annual foreign philanthropic inflows. A new generation of entrepreneurs is rethinking differently about giving, while millions of Indians are entering the markets through mutual funds, systematic investment plans (SIP), and Unified Payments Interface (UPI). Against this backdrop, the debate around the Foreign Contribution (Regulation) Act (FCRA) takes on a different meaning: less a dispute about foreign funding than a chapter in India's move toward a more self-reliant philanthropic future.

The first principle should not be controversial. Every sovereign nation has both the right and the responsibility to regulate foreign capital flowing into organisations that shape public life. This is neither unique to India nor illiberal: the United States requires disclosure under its Foreign Agents Registration Act, and Australia and several European democracies run comparable regimes. The question worth debating is not whether foreign funding should be regulated, but whether that regulation is proportionate, predictable and efficiently run.

There is also a gap between perception and reality. The impression is that tighter FCRA rules have hollowed out Indian development work; the numbers say otherwise. NITI Aayog's portal NGO Darpan portal lists roughly six lakh voluntary organisations, of which only about 14,500 hold active FCRA registration. Foreign contributions have themselves doubled over the decade, from about ₹10,000 crore to around ₹22,000 crore. The sector has not been starved of money from abroad.

## The rise of domestic giving

The bigger change lies at home. Domestic private philanthropy now exceeds ₹1.18 lakh crore a year — more than five times foreign inflows — according to the Bain–Dasra India Philanthropy Report 2026.

Family philanthropy is growing at double-digit rates as a new generation of wealth creators comes to see giving as part of wealth stewardship. The centre of gravity of Indian philanthropy has quietly shifted home.

None of this erases the hardship of the transition. A small number of organisations faced delayed renewals, long processing times, or cancelled registrations, disrupting work in education, health, livelihoods, and rural development. This was not true of the sector as a whole, but for those affected, the disruption was real and deserves acknowledgement rather than dismissal.

The transition also exposed how unevenly the sector had prepared. Many organisations operate with exemplary governance; others had gone dormant or were well-meaning groups whose documentation had not kept pace with rising expectations.

India's companies went through a similar reckoning over the past three decades: stronger governance initially felt like a burden, but it ultimately became the very thing that won investor confidence and drew in capital. The social sector can follow the same path. If money is the fuel of philanthropy, trust is its currency.

## Better, not tighter regulation

The goal should be better regulation, not just tighter regulation. An administrative slip should not carry the same penalty as fraud. A structured path comprising deficiency notices, defined windows to correct errors, opportunities to provide clarification, and an independent appellate body would protect the integrity of the law while sparing genuine organisations avoidable disruption. The newly launched FCRA 2.0 platform offers a real opportunity to simplify compliance and move towards risk-based supervision.

Fixing FCRA's administration, though, is only half the task; the larger prize is to build what we would call an Atmanirbhar ('self-reliant') philanthropy ecosystem. India's giving has moved through three phases: first, a reliance on foreign philanthropy, and second, the transformation wrought by CSR, which now channels over ₹40,000 crore a year into development. The third phase must be powered by Indian families, entrepreneurs and citizens.

The most immediate opportunity sits with India's fast-growing community of high-net-worth individuals, whose giving has lagged well behind the growth in their wealth. This is where the largest pool of new domestic capital can be unlocked over the coming decade, and where policy can help most.

India's tax framework does not yet signal that philanthropy is a national priority. Deductions under Section 80G are usually limited to half the donation and capped at 10% of adjusted gross total income. Few large donors hit those limits, but tax policy is also about signalling intent — and other countries have been emphatic, from Singapore's 250% deduction to Britain's Gift Aid top-up and America's carry-forward provisions. India need not copy them wholesale. But raising the 80G deduction from 50% to 100%, as is already allowed for some categories, and lifting the ceiling to 25%, would cost the exchequer little while meaningfully improving the flow of long-term social capital.

## Expanding the donor base

One mechanism deserves particular mention. Most first-generation entrepreneurs hold their wealth in equity, not cash. A framework allowing donations of appreciated listed shares to eligible charities — with appropriate safeguards and a reasonable disposal window of, say, one to three years so that recipients can sell in orderly fashion — could become one of the most powerful ways to unlock domestic philanthropic capital.

The next frontier, over a longer horizon, is to widen the base. India now has over 220 million demat accounts, widespread SIP investing and UPI in every pocket; the infrastructure for mass participation already exists. If even a fraction of households gave ₹100, ₹500 or ₹1,000 a month through trusted digital platforms, millions of citizens would become active partners in solving the country's social problems. The Social Stock Exchange could do for social capital what India's markets did for financial capital — a trusted national platform linking credible organisations to ordinary citizens through clear disclosure and measurable impact.

The argument runs deeper than the sums involved. Domestic philanthropy creates more than money; it creates ownership. When Indian citizens and businesses fund India's own social challenges, they bring governance, ideas, volunteering and accountability along with their capital, strengthening not just the non-profit sector but also the wider social contract. That is the real case for an Atmanirbhar philanthropy ecosystem.

Foreign philanthropy will still matter, particularly in research, innovation and the exchange of ideas. But as India approaches developed-nation status, it should complement India's social development, not shape it. The aspiration, in the end, is not merely to regulate foreign philanthropy well. It is to build a country where the overwhelming share of social transformation is financed, led and owned by Indians themselves.

That is the promise of an Atmanirbhar philanthropy ecosystem — and, we believe, the next chapter of India's development story.

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