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Building an Atmanirbhar Philanthropy Ecosystem

Context

- India’s philanthropic ecosystem has undergone a remarkable transformation over the past decade.
- Domestic philanthropy, driven by **Corporate Social Responsibility (CSR)**, **family philanthropy**, and individual donors, now contributes over ₹1.18 lakh crore annually, exceeding **foreign philanthropic inflows** by more than five times.
- This shift reflects India’s growing economic strength and changing culture of giving.
- Consequently, the debate surrounding the **Foreign Contribution (Regulation) Act (FCRA)** should focus not only on regulating foreign funding.

Changing Landscape of Philanthropy in India

- According to the **Bain–Dasra India Philanthropy Report 2026**, domestic philanthropy has become the dominant source of social funding.
- A new generation of entrepreneurs increasingly views philanthropy as part of responsible wealth management, while the expansion of **UPI**, **Systematic Investment Plans (SIPs)**, **mutual funds**, and

digital financial inclusion has broadened opportunities for citizen participation.

- Simultaneously, **CSR** has emerged as a major contributor, channelling over ₹40,000 crore annually into development initiatives.
- These trends demonstrate that India’s philanthropic centre of gravity has shifted from external donors to domestic contributors.

Role of FCRA in a Sovereign Democracy

- Every sovereign nation has the authority to regulate foreign financial contributions to organisations influencing public life.
- Similar regulatory frameworks exist in countries such as the United States, Australia, and several European democracies.
- The primary objective of the **FCRA** is to ensure **transparency**, **accountability**, and protection of national interests.
- Therefore, the central policy challenge lies in ensuring that regulation remains **proportionate**, **predictable**, and **efficient**, rather than unnecessarily restrictive.

Perception Versus Reality of Foreign Funding

- Although stricter FCRA regulations have raised concerns, available data indicates that foreign funding has continued to grow.
- The **NGO Darpan** portal of NITI Aayog records nearly **six lakhs voluntary organisations**, while only about 14,500 possess active FCRA registration.
- Foreign contributions have increased from approximately **₹10,000 crores** to **₹22,000 crores** over the past decade.
- However, several organisations experienced genuine challenges due to delayed renewals, prolonged processing, and registration cancellations, affecting sectors such as education, healthcare, livelihoods, and rural development.
- Administrative reforms are therefore essential to minimise disruptions for genuine organisations.

Governance: The Foundation of Trust

- The transition revealed varying standards of governance within the voluntary sector.
- While many organisations maintain high compliance standards, others struggled to meet evolving documentation and regulatory requirements.
- As witnessed in India’s corporate sector, stronger governance ultimately enhances credibility and public confidence.
- In philanthropy, **trust** is the foundation upon which sustainable funding and long-term impact are built.

Better Regulation, Not Merely Tighter Regulation

- Effective regulation should distinguish between procedural lapses and deliberate violations.
- Minor administrative errors should not attract penalties equivalent to fraud.

- A balanced regulatory framework should include **deficiency notices**, reasonable opportunities for compliance, transparent clarification mechanisms, independent appellate processes, and **risk-based supervision** through the **FCRA 2.0**
- Such reforms can strengthen both regulatory integrity and operational efficiency.

Building an Atmanirbhar Philanthropy Ecosystem

- India’s philanthropic evolution can be viewed in three stages: dependence on **foreign philanthropy**, expansion through CSR, and the emerging era of domestic philanthropy led by families, entrepreneurs, and citizens.
- A major opportunity lies in encouraging greater participation by **high-net-worth individuals (HNIs)**.
- Existing tax incentives under Section 80G, which generally provide a 50% deduction with a 10% income ceiling, remain relatively modest.
- Increasing deductions to 100% and raising the ceiling to 25**%** could significantly encourage long-term charitable giving while sending a strong policy signal.

Expanding the Donor Base

- India’s expanding digital financial ecosystem provides immense potential for mass philanthropy.
- With over **220 million demat accounts**, widespread **UPI adoption**, and growing investment through **SIPs**, even modest monthly donations by millions of households could generate substantial social capital.
- Allowing donations of **appreciated listed shares** to eligible charities would enable entrepreneurs to contribute efficiently from their equity wealth.
- Similarly, the **Social Stock Exchange** can strengthen transparency by connecting credible non-profit organisations with ordinary citizens through measurable impact and public disclosure.
- Domestic philanthropy contributes more than financial resources. It promotes citizen ownership, innovation, volunteering, accountability, and a stronger social contract.
- While foreign philanthropy will continue supporting **research**, **innovation**, and global collaboration, India’s long-term development should increasingly be financed and shaped by its own people.

Way Forward

- India should focus on:
    - Reforming **FCRA** administration through transparent and risk-based regulation.
    - Strengthening governance and compliance within the non-profit sector.
    - Enhancing tax incentives under **Section 80G**.
    - Facilitating **equity-based charitable donations**.
    - Expanding the **Social Stock Exchange**.
    - Leveraging digital platforms to encourage widespread citizen participation in philanthropy.

Conclusion

- India is entering a new phase of philanthropic development where domestic giving has become the principal driver of social transformation.
- Balanced regulation, stronger governance, supportive tax policies, digital innovation, and wider citizen participation can create a truly **Atmanirbhar philanthropy ecosystem**.
- Such a model will strengthen **self-reliance**, deepen **social responsibility**, and ensure that India's development is increasingly financed, governed, and owned by its own citizens.

Building an Atmanirbhar Philanthropy Ecosystem FAQs

Q1. What is the objective of the FCRA?

Ans. The FCRA regulates foreign contributions to ensure transparency, accountability, and national security.

Q2. What is the main source of philanthropy in India today?

Ans. Domestic private philanthropy has become the largest source of charitable funding in India.

Q3. How can tax policy encourage philanthropy?

Ans. Higher tax deductions can motivate individuals and businesses to make larger charitable donations.

Q4. What role can the Social Stock Exchange play?

Ans. It can connect credible non-profit organisations with citizens through transparent and measurable giving.

Q5. Why is domestic philanthropy important?

Ans. It promotes national ownership, accountability, and sustainable social development.

Source: The Hindu

What India's Young People Are Saying About Families

Context

- India is undergoing a profound **demographic transition**, marked by declining **fertility rates**, rising educational attainment, greater participation of women in higher education, and changing aspirations among young people.
- While concerns are often raised about fertility falling below the **replacement level**, the real issue is not a declining desire for families but the socio-economic conditions that shape family decisions.
- India's demographic future depends on creating an environment where young people can confidently pursue both careers and family life.

India's Changing Demographic Landscape

- India's **Total Fertility Rate (TFR)** has declined to **2**.0 children per woman, below the replacement level of 2.1.
- Rather than signalling a demographic crisis, this reflects decades of investment in **girls' education**, **maternal healthcare**, **family planning**, and expanded access to contraceptive services under

programmes such as the National Health Mission.
- The decline in **child marriage**, with the proportion of women marrying before 18 years falling significantly, demonstrates steady social progress.
- These achievements indicate greater reproductive autonomy, improved healthcare access, and enhanced educational opportunities for women.
- Thus, declining fertility represents successful human development rather than population decline.

Youth Aspirations and Changing Family Choices

- Contrary to common assumptions, young Indians have not abandoned the institution of family.
- Most continue to prefer **two-child families**, reflecting continuity in social values. However, many postpone marriage or childbirth due to practical challenges rather than changing preferences.
- Major factors influencing family decisions include:
    - **Financial insecurity**
    - Rising **housing costs**
    - Lack of **stable employment**
    - High cost of **raising children**
    - Limited access to quality childcare

Gender Inequality and the Burden of Care

- Young women spend over **five hours daily** performing **unpaid care work** and household responsibilities, while men contribute only a fraction of that time.
- Simultaneously, women's **labour force participation** remains significantly lower than men's.
- This unequal distribution of caregiving forces many women to choose between professional aspirations and motherhood.
- The absence of adequate childcare facilities, flexible employment, and shared household responsibilities discourages early family formation.
- Creating **gender-equal households** is therefore essential not only for women's empowerment but also for ensuring sustainable demographic growth.

Emerging Challenges: Climate Anxiety and Economic Uncertainty

- Growing **climate change**, environmental degradation, employment uncertainty, rising living costs, and increasing mental health concerns have created widespread anxiety about the future.
- Many young Indians worry about:
    - **Climate risks**
    - Economic instability
    - Youth unemployment
    - Mental health pressures
    - Global conflicts
    - These uncertainties influence long-term decisions regarding marriage and parenthood.

Regional Variations in India’s Demographic Transition

- India’s demographic transition is far from uniform.
- States such as **Kerala**, **Tamil Nadu**, **Delhi**, and **Sikkim** have fertility rates well below replacement levels, reflecting advanced socio-economic development.
- Conversely, **Bihar**, **Uttar Pradesh**, and **Jharkhand** continue to record relatively higher fertility rates.
- These variations arise due to differences in:
    - Education levels
    - Healthcare access
    - Women’s empowerment
    - Urbanisation
    - Economic development

Policy Priorities for Supporting Young Families

- **Expanding Childcare Infrastructure**
    - Affordable, high-quality childcare facilities can reduce the burden on working parents, particularly women.
- **Promoting Gender Equality**
    - Encouraging equal sharing of caregiving responsibilities, strengthening **parental leave**, and improving women’s workforce participation can help balance career and family life.
- **Creating Quality Employment**
    - Stable, dignified jobs with social security provide the financial confidence necessary for family formation.
- **Strengthening Mental Health Support**
    - Mental health services should address stress arising from economic insecurity and **climate anxiety**, particularly among young adults.
- **Encouraging Family-Friendly Workplaces**
    - Flexible work arrangements, work-life balance policies, and supportive organisational cultures can enable young professionals to combine employment with caregiving responsibilities.
- **Evidence-Based Policymaking**
    - Reliable demographic data should guide policy formulation, ensuring that changing population dynamics are addressed proactively.

Way Forward

- India’s demographic transition should be viewed as an opportunity rather than a crisis.
- Policies must shift from merely influencing fertility rates to expanding people’s ability to make informed reproductive choices.
- Governments, employers, communities, and families must jointly create conditions that enable young people to pursue education, meaningful employment, financial security, and parenthood without sacrificing one for the other.
- A comprehensive approach integrating **women’s empowerment**, **employment generation**, **social protection**, **childcare**, **mental health**, and **climate resilience** will strengthen both families and national development.

Conclusion

- India’s declining fertility is not a sign of diminishing family values but evidence of social progress and expanding individual choice.
- Young Indians continue to aspire to marriage and parenthood but seek secure economic conditions, gender equality, and confidence in the future before making those commitments.
- By investing in **human capital**, promoting **inclusive development**, and supporting **youth aspirations**, India can successfully harness its **demographic dividend** while building a more equitable and prosperous society.

What India’s Young People Are Saying About Families FAQs

Q1. Why has India’s fertility rate declined below the replacement level?
Ans. India’s fertility rate has declined due to improved education, healthcare, family planning, and greater reproductive choice.

Q2. Why are many young Indians delaying parenthood?
Ans. Many young Indians delay parenthood because of financial insecurity, housing costs, unstable jobs, and childcare concerns.

Q3. How does gender inequality affect family decisions?
Ans. Unequal caregiving responsibilities and low female workforce participation make it difficult for women to balance careers and family life.

Q4. Why do demographic trends vary across Indian States?
Ans. Differences in education, healthcare, economic development, and women’s empowerment lead to varying fertility rates across States.

Q5. How can India fully utilise its demographic dividend?
Ans. India can utilise its demographic dividend by investing in education, employment, healthcare, gender equality, childcare, and youth well-being.

Source: The Hindu