

You really want to be doing things that make a difference: Ratan Tata

Tata Sons chairman emeritus Ratan Tata on why poverty alleviation is key to his philanthropy and why access to natural resources is important to improve lives

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Tata Sons chairman emeritus Ratan Tata. Photo: Reuters

Ratan Tata, chairman emeritus of Tata Sons Ltd, served as chairman of the Tata group

from 1991 till 2012. He continues to head the group's charitable trusts. The group's philanthropic initiatives are wide ranging and have evolved with the changing economic conditions of the country. Starting with building institutions of repute to hospitals, to research facilities for the socioeconomic integration of the marginalized communities, the group's social engagement has been moulded and influenced by the family values of the Tatas. He talks about why poverty alleviation is key to his philanthropy, how his grandmother influenced him about how to stimulate the wealthy to give more, why access to natural resources is important to improve lives and the India Philanthropy Initiative. Edited excerpts from an interview conducted by Bridgespan in partnership with *Mint*.

How did you start your philanthropic journey?

I grew up in a family that was driven by philanthropy. My grandmother with whom we spent a great deal of time—she brought us up because my parents were separated—influenced me. We were steeped into philanthropy, whether it would be for the household staff or the person on the street. She was in fact for a period of time, the chairperson of the Sir Ratan Tata Trust. We grew up in that aura of giving back to the people or alleviating misery if we could. Formally I became involved with philanthropy when I became a trustee of the Sir Ratan Tata Trust.

Were there people or incidents or experiences that you used to inform your approach to philanthropy, the formal version of it?

As a young man growing up, it was the environment that I spoke of, which set the pace and the tone of my journey of how one makes contributions to make a difference.

How is the Sir Ratan Tata Trust changing from its old avatar?

We look at our trusts collectively. The bigger ones undertook projects of philanthropy which were very far reaching in those days, be it a cancer hospital or a hotel that would be open to Indians or donations in the interest of tuberculosis. My grandmother gave away all the homes she and her husband had all over India so that sanatoriums for consumptive people, who needed to be isolated, could be made or old people's homes could be set up. And then a fair amount of philanthropy was in the form of alleviating individual hardships, such as funds for treatment or surgery. We give much more than we did in those days but we are trying to be relevant. We are trying to participate in research for cancer, for diabetes, getting institutes in place to make the treatments affordable and reachable to the common man, looking at agricultural inputs that alleviate poverty in a rural community.

What has led to this shift broadly?

I can't say that there was a motivator that was defined. For example, one of the big changes has been combating malnutrition today among infants. Just the fact that we are losing so many children in India at infancy. It took only a few weeks of research to realize that we couldn't do that without involving the mother, who is also malnourished. We also found out very fast that we couldn't really do much unless we focused on hygiene and sanitation. It became a holistic activity. We undertook pilot projects in eight districts across multiple states to work out the systems for this and it's been a real eye-opener. We have received tremendous support from the state government whom we were working with.

Any advice for a philanthropist thinking about doing problem solving?

The only advice I would give is there is a lot of money that is probably less effectively used or employed because someone has not done enough research on what the problems are. One of the changes we made is that we are no longer a purely grant-giving philanthropic organization. We moved from there into being involved ourselves in some of the projects that we have, we manage them ourselves or jointly with an NGO (non-governmental organization) but not only through an NGO.

In the past, we would support an NGO for eight years or 10 years and then move those funds and allocate in another place. You would assume that this community by now would be self-sustaining. But when you withdrew your funds, the NGO collapsed, the community collapsed and you become the most hated person or hated organization there is. Sustainability in development has been a new call and we realize that communities don't need handouts—they need prosperity and dignity. So our grants today, wherever we give them, put sustainability as one of the mileposts. I mean as far as possible, the idea is to make the community self-sustaining and have the dignity which I think everybody wants.

How do you measure your success ?

I think to a great extent it is about trying to establish and understanding what the real problems are. You have got to define your goals effectively.

What characterizes a professionalized NGO?

I can't answer that particularly but sometimes it's not scale. Very often an NGO tends to forget the traditional outlooks of a community and ignore it, so that what they try to do—however well intentioned—doesn't work.

What is your assessment of the current state of CSR (corporate social responsibility) in India? And what needs to be done to improve it?

I have a sort of philosophical view. The CSR funds have to come from somewhere. I think there would be a fair amount of abuse of these funds and the government will have to do some regulation to make sure that these are effectively used. It would not be a bad thing if the government had defined X number of causes to which you can officially give these funds, which would work for rural prosperity. I think even if large projects, a public works projects, were funded in this way, there is nothing wrong in that but the government may have to define what they are. CSR could become an avenue for innovative thinking on how you can improve the quality of life, and it could be a very powerful tool—or it could be wasted.

How do you see the state of philanthropy in India?

I think the new type of philanthropy that we talked about, that is looking at making

donations or making funds available in far-reaching terms, is starting to happen. But a large amount of philanthropy is in the more traditional forms—maybe to build temples or hospitals, not so concerned about what it actually does, but that edifices are created because that establishes that you did A or B or C. I think India has to move like other countries into a more sophisticated form of philanthropy which makes a difference and is designed to make a difference rather than just creating edifices.

Do you have a philosophy of philanthropy?

If I put it into one sentence, I think you really want to be doing things that make a difference. If you cannot make a difference, if it's just water trickling through a tap or leading through a drainage system, it's wasteful.

Have you changed because of the philanthropy? How has it affected you?

Yes I think so. I was the chairman of the trust while I was chairman of Tata Sons. I may have chaired the trust but I didn't spend as much time or have had much depth of involvement as I do today and that's been an eye-opener. I have become more sensitive to the pain and the suffering that exists. I am more involved with where we should do more and where we should be bolder in terms of the amount of money that we allocate. And it also made me more sensitive to the likely abuse of funds.

The Bridgespan Group, an adviser and resource for mission-driven leaders and organizations, in partnership with Mint interviewed several philanthropists across India to trace their journeys and share their learnings—Conversations with Remarkable Givers: India.

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