

GuideStar India launched

With the launch of GuideStar India on 23 September, India became the fourth country to have a GuideStar database, joining the USA, the UK and Israel. Unlike the US and the UK, where the starting point for GuideStar was existing official documentation, in India the source is non-profit organizations themselves. This is primarily because India lacks a single source of data on its estimated 3 million NPOs: the country has different registration authorities and lacks a unique identification for NPOs. These reasons make a system like GuideStar both difficult to create and critical to the development of the voluntary sector in India.

Developed by Civil Society Information Services India, an Indian trust, in collaboration with GuideStar International, GuideStar India was launched with the data of 716 verified NPOs. Over the past 15 months, the developers have been holding workshops across the country encouraging NPOs to use

GuideStar India as a first step to demonstrate transparency and accountability.

Among early results of GuideStar India's work, the number of NPOs participating in the recent India Giving Challenge, organized by GiveIndia, more than doubled thanks to GuideStar India reaching out to 20,000 NPOs and managing the registration process. In fact, GuideStar India is emerging as the preferred partner for outreach and registration, having mobilized over 750 NGO participants for NASSCOM Foundation's IT training programmes, enrolled participants for GlobalGiving's Mumbai workshop, and managed due diligence for fundraising events under the Joy of Giving Week. GuideStar India also facilitates fast-track registration for BiGTech (a

software donation programme of NASSCOM Foundation and TechSoup) and has been recently appointed by Credibility Alliance as its membership enrolment and registration partner.

GuideStar India's non-judgemental approach, focused only on intermediation of information, allows it to partner with diverse players in India's voluntary sector. Each of these brings their own set of NPOs into the system but gets access to a much larger number to work with. The site has already helped users find NPOs matching their search criteria within minutes, something which hitherto took several days and weeks. This could provide a real impetus to India's growing philanthropy.

For more information

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Fiscal impediments to giving in China Karla Simon

Warren Buffett and Bill Gates visited China to encourage rich Chinese to engage in more philanthropy. The two industry titans turned philanthropists called their first meeting, with 50 Chinese business leaders, a 'complete success'. That is good to hear, and my research reveals that there is a lot of energy around giving in China, as Alliance has reported. But the fiscal environment is not yet as favourable to giving as it could be.

China does offer high deduction limits, it is true: 30 per cent for individuals and 12 per cent for enterprises (compared to 50 per cent for individuals and 10 per cent for corporations in the US, a country with very high limits).

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But there are fiscal and practical impediments to giving in China which will deter some people and companies from making donations that come close to these high upper limits.

First, with respect to companies, most will not give anywhere near 12 per cent of their profits to charity as it would conflict with their profit maximization motive. The general worldwide statistics suggest a giving level of 1-2 per cent for companies. Thus, an expectation that businesses will top up their giving to 12 per cent will not be met.

Second, rich individuals are deterred from giving in China by fear of unfavourable publicity, which might call into question where they got their money.

A recent Credit Suisse report points to a sizable grey economy in China with significant unreported income in the upper income ranges.¹

Third, all contributions in China must be in cash: no individual Chinese can donate stock in their own companies and qualify for the deduction (which is what Buffett and Gates did).

Fourth, there is no estate tax in China, which means that one of the incentives for giving (at the end of life) does not exist there. The government means to fix this eventually, but not yet.

¹ Next Big Future website: <http://tinyurl.com/alliance43>