Gates, Buffett urge Indian tycoons to help poor

KATY DAIGLE - Associated Press - Associated Press

Billionaire philanthropists Bill Gates and Warren Buffett urged India's tycoons on Thursday to give up some of their newfound wealth to help the country's hundreds of millions of impoverished people.

It is similar to their mission in China in September, where they had little success in sparking a charitable movement among that country's growing number of first-generation tycoons.

A closed-door meeting Thursday between the Americans and the billionaires of India may yield more results. Corporate foundations have multiplied as India's economy has barreled ahead with nearly 9 percent growth in recent years, making it the second-fastest-growing major economy after China.

Forbes has counted 65 billionaires in India this year, and there were at least 126,700 Indians with at least $1 million in 2009, according to a study by Merrill Lynch and the Capgemini consulting firm.

But charitable giving in India has lagged behind, and Gates and Buffett have set out to spread the philanthropic tradition more entrenched in Europe and the United States, where tax structures encourage giving.

Gates suggested earlier Thursday that giving and earning were not so different.

"Giving and making money have a lot of similarities," he told reporters in New Delhi. At Microsoft Corp., "we were hiring really talented engineers. Now, it's immunologists and scientists."

Already, the Microsoft co-founder and the chairman of Berkshire Hathaway conglomerate seem to be inspiring followers among India's rich — long criticized for shirking any responsibilities toward the country's struggling masses.

After meeting Buffett this week, Chairman G.M. Rao of GMR infrastructure group pledged $340 million toward education and vocational training, according to the Indian Express. And last year, India's third-richest man, Azim Premji, shifted shares worth about $1.95 billion in his software services giant Wipro Ltd. toward funding education for the poor. It was the country's largest lump-sum donation in modern times.

India's second-richest man, Mukesh Ambani — known better for building a 27-story home than for his social vision — started a foundation in 2009, and his Reliance Industries pledged to double the foundation's initial $110 million endowment.

It may be just the beginning of homegrown philanthropy for India, where there are

countless aid and civil society organizations funded mostly by foreign organizations and the government.

Analysts have suggested the lag between corporate earning and giving may come down to the simple fact that India's wealth is still young. The economic boom began from reforms in the early 1990s, while philanthropy in most countries takes decades to mature.

Gates and Buffett have been traveling in India this week on other agendas, with Gates and his wife Melinda visiting villages undergoing disease vaccination campaigns, while Buffett planted trees and held court with business leaders in Bangalore.

The global Bill and Melinda Gates Foundation is one of the biggest health care philanthropies in India.

Buffett's Berkshire Hathaway, which includes several major U.S. insurers, recently opened an insurance distribution unit based in Bangalore. New customers who bought policies from the Indian business were invited to a reception with Buffett.

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