Ethics & Morality · GS - IV

Large charitable donations by billionaires can promote social welfare while raising concerns about tax fairness and accountability. Discuss the ethical and economic dimensions of this issue.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 20/10/2026	GS - IV	Ethics & Morality

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Philanthropy, corporate social responsibility, wealth inequality, tax incentives, capital gains tax, public accountability, transparency, ethical responsibility, private foundations, social welfare, public interest, tax fairness, regulatory oversight.

Model Answer

1. Introduction

Philanthropy enables wealthy individuals to support education, healthcare, scientific research and other social causes. However, large charitable donations involving shares and tax incentives raise questions about fairness, transparency and public accountability.

2. Main Body

Positive Dimensions

1. Social welfare: Philanthropic funds can support research, education, healthcare and poverty reduction.

2. Innovation: Private donations can finance high-risk scientific and technological projects.
3. Public participation: Philanthropy can complement government efforts in addressing social challenges.

Ethical and Economic Concerns

1. Tax fairness: Tax benefits may reduce public revenue, raising concerns about the equitable distribution of the tax burden.
2. Accountability: Donors may influence which social problems receive funding, even when public needs differ.
3. Transparency: The use of charitable funds and the eligibility for tax benefits require effective oversight.
4. Wealth concentration: Excessive dependence on private philanthropy may weaken attention to universal public services.

Way Forward

Governments should ensure transparent disclosures, independent audits, clear eligibility criteria and proportionate regulation of charitable foundations.

3. Conclusion

Philanthropy can complement public welfare, but it should not replace the state's responsibility to provide essential services. A transparent and fair tax framework can balance charitable freedom with public interest and accountability.

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