Abstract and Keywords

This chapter begins by identifying a number of broad trends in philanthropy in the eight countries covered in this volume. These include an increase in citizen activism among successful and affluent business leaders, an increase in public–private partnerships, and the role of women in creating strategic and effective Arab philanthropy. It then offers some general recommendations that may help to unleash greater potential for the Arab philanthropic sector and enhance its effectiveness.

Keywords: Arab philanthropy, Arab nations, citizen activism, public–private partnerships

The dearth of published material on Arab philanthropy might lead to the conclusion that the sector is inactive or unimportant in the region. Our data collection efforts over the past year refute that proposition. The very pervasiveness of charitable giving at all levels of society renders it a taken-for-granted aspect of life. Until recently, the forms and motivations for giving had their roots in religious or cultural practices that were centuries old and relatively unchanging. While those forms of charity persist and, in fact, are on the rise today, we also see emerging trends that suggest a move beyond charity toward more sustainable social change. This has variously been labeled as ‘the new philanthropy,’ venture philanthropy, and strategic philanthropy. It is characterized by a desire to address the root causes of social ills and to target resources effectively, by leveraging the involvement of other actors and creating sustainable models of intervention.

From Charity to Social Change: Trends in Arab Philanthropy
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Moving Forward

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In each of the eight countries covered in this volume, we found this new breed of philanthropist. Most are engaged in institution building rather than relying on their individual efforts. They are beginning to know each other and to exchange information about what works and how to use their influence to bring others into the field. It is for these reasons that we have speculated that this dynamic moment in Arab philanthropy may presage the birth of a new social movement. Our field researchers reported back from each country a sense of passion and urgency among the people and the institutions they documented. Philanthropists operate within an awareness of the immense scope of the problems they need to address and the realization that public institutions alone are not capable of effectively solving deep social ills.

(p. 186) While the ‘withdrawal of the state’ is now a familiar theme in neoliberal discourse, nearly all countries of the Arab world have experienced recent phases in which government action was assumed to be the panacea for development. Today, even in the wealthiest nations, that assumption is being replaced by a more balanced understanding of the need for civic participation in public life. While some aspects of the welfare state remain in the Gulf states, these countries are among the most energetic in exploring the utility of partnerships among government, business, and private philanthropy. It is this formula that seems to be attracting the energies and talents of the new breed of civic actors, among them the new philanthropists. What had been an isolated assortment of philanthropic organizations is shaping itself into an emergent sector.

The obstacles to achieving greater effectiveness in philanthropy remain daunting. They include civil strife, war, underdevelopment, and struggles to improve governance. The Arab region is challenged by its problems, some of which are exacerbated by external actors. At the same time, the region is in possession of great resources of wealth and talent waiting to be unleashed. Throughout our research, we heard people speak in terms of a crossroads. They believe that attempts to forge indigenous routes to Arab problem solving are cumulating toward a “tipping point.” For the emerging Arab philanthropic sector to flourish, there must be changes in the way philanthropies are regulated by government. Increased information sharing and transparency will need to characterize the field itself going forward. The findings presented in this volume affirm the potential of Arab philanthropy, and the fact that in several places it appears to be firmly in a growth trajectory.
While still incomplete, the research presented in this volume provides a first-of-its-kind map of the landscape of institutionalized private giving in the Arab region. To round out that picture, subsequent studies need to include other Arab countries and to cover the important elements of diaspora philanthropy; new trends in faith-based philanthropy, particularly Muslim philanthropy; and emerging pan-Arab foundations. In addition, further analysis is needed of the impact of philanthropy on its target communities—both its intended and its unintended consequences.

Regional Trends

Based on what we have learned, a number of broad trends can be identified. Among the most important is an increase in citizen activism among successful and affluent business leaders. They are bringing innovation to the usual targets of philanthropic giving, as well as the vast resources of their wealth. We have called them citizen business leaders in recognition of their determination to leverage change at a societal level and to use the talents and energies of the civil society sector to carry out their visions for change. This is a class that previously would have kept its contact with government at an instrumental level to benefit their private sector ventures. Now, they are being drawn in as advisors, cabinet ministers, and partners in a variety of economic and social development spheres. Its members are discovering, as philanthropists, that one of the most effective ways they can assist poor or disadvantaged groups is by using their clout to provide access to public goods and services otherwise difficult to obtain. They also bring management and financial savvy to the programs they support. Partnerships between these philanthropists and civil society organizations (CSOs) are likely to be beneficial far beyond the amounts of cash contributed.

While it is fair to say that the average Arab businessperson is still operating at the level of donations to discreet projects and local sponsorships that advance his or her business reputations, a more systemic approach to social action is emerging among business elites in all of the countries studied. Their giving tends to be focused on major social problems, such as youth unemployment or poverty, and to be designed in ways that encourage large-scale impact. They are impatient with traditional forms of intervention that are more charitable in nature, preferring to ask how much lasting change they can leverage with their inputs. Most of these leaders are finding ways to institutionalize their giving, usually through a grant-making foundation or an operational nongovernmental organization (NGO). As levels
of wealth continue to grow in the region, we expect that these high-profile individuals increasingly will serve as role models for others to enter the field of philanthropy for change.

A second major driver of enhanced philanthropic giving comes from members of reformist ruling families. These individuals are found in small Gulf countries, as well as in countries like Morocco and Jordan. Rulers almost by definition are able to diffuse ideas and act as strong role models for their citizens. They also have the advantage of being able to cut through red tape and security regulations that may inhibit others from acting effectively. These rulers’ parents would have responded to individual petitions for help from citizens in need. As their countries grow in population and governance becomes more complex, present-day rulers are recognizing the limitations of that sort of face-to-face giving. A new generation of rulers in their forties and fifties are modeling ways of giving that are institutionalized, sustainable, and, in a growing number of cases, strategic. This is demonstrated by the rise in the number of endowed royal foundations over the past two to three years. Some are established to support work in the home country, but, increasingly, royal establishments have a regional scope (the Mohamed Bin Rashid Al Maktoum Foundation in Dubai) or work even further afield (Reach Out to Asia, Qatar).

A related trend is the important increase in public-private partnerships. Some Arab governments are coming to recognize the advantages of joint efforts with private philanthropists and corporations to address local challenges. The Hashemite Kingdom of Jordan provides an interesting example of how public-private partnerships are strengthening education reform. The country has seen the launch of a new initiative called Madrasati (My School), which links government, businesses, and citizens in the effort to upgrade public schools throughout Jordan. Another phenomenon worth noting is what we call public-private partnership foundations, an example of which is the Emirates Foundation based in Abu Dhabi, UAE. These initiatives pool the financial contributions of both a governmental or quasigovernmental entity and private donors who agree to conditions for supporting causes that maximize the impact of both.

Less well established but of great potential are institutions that pool small sums of money from a large number of givers, allowing for collective support of local communities and public support for social causes. We documented a number of these initiatives, calling them community foundations, though some reach beyond one geographic area. Community-based philanthropy
is initiated by multiple donors who pool their financial resources together for a common local purpose. This type of philanthropy fosters solidarity and civic participation within a community by addressing its most pressing social needs. Examples include the King Hussein Cancer Foundation in Jordan, the Dalia Foundation in Palestine, Waqfeyat al-Maadi in Egypt, and Dubai Cares in the UAE.

Religion remains a strong motivator of giving across the region, providing multiple channels for believers to fulfill spiritual requirements, as well as for more voluntary giving. Endowed *waqf* institutions have grown in number and size in those countries that encourage them. With some exceptions, however, religiously motivated giving is largely personal and anonymous, an individual practice. The bulk of giving through religious channels can be characterized as charitable, although our study finds an increasing trend toward more developmental targets. Religion also appears to be inspiring greater levels of volunteerism in recent years, especially among young people.

(p. 189) Another interesting trend was noted as we reviewed the data from all eight countries. Women always have played a prominent role in traditional forms of NGO activities, but it was thought that new philanthropy was dominated by men, especially male business leaders. In fact, whether we looked at rulers or at business leaders, the role of women in creating strategic and effective Arab philanthropy is striking. Yousria Loza Sawiris was the founder of one of the first and largest of Egypt’s modern private grant-making foundations. Among ruling families, Sheikha Mozah Bint Nasser, Queen Rania Al Abdullah, Princess Haya Bint Al Hussein, and Princess Mayessa are all founders or leaders of innovative philanthropic institutions. Others, such as Muna Abu Sulayman and Rima Khallaf, are chief operating officers of major Arab foundations. These are significant examples of women leaders who are pushing the philanthropic sector forward.

With the philanthropic sector becoming more institutionalized, proactive, entrepreneurial, and influential, expectations regarding the return on social investment have risen. Foundations are expected to go beyond showy press releases to demonstrate results. The civil society groups that want access to these growing sources of funding likewise need to improve their practices and internal governance. As one result, NGOs are becoming more transparent. They are under pressure to do a better job of measuring impact and reporting on their successes and failures. They still have a long way to go in terms of improving the standards of civil society work, but change is
underway. More philanthropists are working in partnership with CSOs and offering management, analysis, and other services, as opposed to carrying out projects themselves.

Another major finding is the degree to which legal frameworks for citizen-led initiatives can enhance or hinder the work of philanthropy. In nearly all contexts, civil society legislation is far too restrictive to unleash the full participation of citizens in the development of their societies. Nationalization of assets or interference with the boards of private organizations stays in the public memory and inhibits those who might otherwise build up effective institutions within their home countries. Relying on emiri decrees or other exceptional legislation to establish new foundations is a stopgap measure. These need to be replaced by reforms to existing laws governing CSOs and foundations that draw upon best practice from successful national models.

Modeling Change

In order for the philanthropic sector not simply to grow but also to realize its full potential for generating positive social change, all of society’s sectors (p. 190) need to find more effective ways of partnering. The philanthropic sector, government, and civil society each have strengths needed by the other and can tackle important problems with a better mix of coordination, standards of quality, equity, transparency, and accountability.

The development of a professionalized civil society sector in the Arab world needs the expertise and resources of a strong indigenous grant-making sector. That sector’s growth, in turn, is spearheaded by a vibrant private sector and the business community. Governments support both by creating enabling environments that do not overregulate, but instead help in the setting of standards for transparency and effectiveness. A strong civil society then can speak on the emerging concerns of the population and assist the government to meet basic needs. Both the private sector and civil society
have knowledge and advocacy tools that would support governments in fulfilling their pledges for good governance.

Strength at each point in this relationship will contribute to the solution of major social problems and the building of strong, viable nations. In many ways, philanthropy stands at the center of the model, providing resources and helping to balance the power and influence of the three sectors. As the region continues to accumulate wealth and create new cohorts of wealthy citizens, private philanthropy seems poised to become a major engine for change.

Recommendations

Based on the findings of this first phase of study, we offer some general recommendations that may help to unleash greater potential for the Arab philanthropic sector and enhance its effectiveness. The agenda is large and therefore will require efforts on the part of multiple actors. Some work needs to be undertaken at local levels, while other advances will be made through collaborations at the national or the regional level. Philanthropy is increasingly a global enterprise—cooperation will need to extend to the international level, to Diaspora groups, professional networks, and other resources that can enhance Arab philanthropy.

1. Create an Enabling Environment for Enhanced Philanthropy

In every country, both the potential and the obstacles inherent in laws and regulations were avidly discussed. Philanthropists are careful with their funds. They require legal structures that provide straightforward and non-intrusive relationships with regulatory authorities. Laws governing foundations and endowments must be reformed. Better training must be provided to mid-level authorities in Ministries of Awqaf and Social Affairs and related agencies. Increasingly, they must be able to handle complicated financial reports and understand concepts such as stock value, portfolios, and risk management.

The opportunities provided by reform of policies and laws are enormous in the area of creating incentives for philanthropy. These could take the form of income tax incentives for increased giving or customs and other forms of tax relief for registered foundations. Public bodies also may offer priorities in accessing goods or services to communities that are willing to pool their own
local resources. This kind of creative partnering has been highly successful; for example, in anti-poverty programs in Latin America.

Neighboring countries have paved the way for effective legislation to revive important traditional forms of philanthropy such as the Islamic waqf. Turkey’s reform of waqf legislation in 1981 led to positive competition among the wealthiest commercial families to endow private universities and scholarship programs across the country.

National dialogue between government and civil society can broaden the space for civic action and decrease overregulation. Such forums for public dialogue would help in addressing sensitive issues, such as minority rights, poverty, or guest worker practices.

As the philanthropic sector grows, it should develop methods for self-monitoring. Governments can help by setting procedural and financial ‘bottom line’ standards of conduct. However, the promotion of ethical standards and best practices should be left to members of the philanthropic community, through mechanisms they create and maintain.

(p. 192 ) 2. Professionalize the Philanthropic Sector

Along with self-monitoring, other steps can be taken to ‘shorten the learning curve’ for new foundations and to share professional standards among organizations in the sector. This would entail building effective networks for practitioners. Initiatives already underway include the Arab Foundations Forum, a membership network for organizations, and the Arab Forum for Social Innovation, an informal gathering of individual philanthropists. Future networks might focus on the needs of foundation executives or provide standards of practice for the field. In particular, the authors of this study believe that religious philanthropies and those with more secular identities have much in common and could benefit from greater interaction. Efforts could be made to bridge that communication gap where it occurs.

Documentation and analysis of trends is another area that could benefit the sector as a whole. Philanthropists are often like civil society activists—too engaged in their passion for a cause to take time out for assessment or research. Increasingly, however, these actors recognize the importance of sound impact evaluations, design of indicators to chart program progress, and so forth. Universities as well as private consulting firms should be encouraged to engage with philanthropy as an important area of study and teaching.
Training and technical assistance also would be of great service to the emerging philanthropic sector. Currently, this is rare in the region, but it is being provided by some financial services units and consulting groups among corporate clients. There is a gap in the provision of practical guidance for families wanting to institutionalize their giving, build an endowment, or help a second and third generation take over leadership of family philanthropies. Short courses with targeted objectives are requested by foundation executives and board members alike. Topics that are particularly relevant include grant-making guidelines, setting ethical standards, measuring impact, and building strategic alliances.

New philanthropic instruments are proliferating in the region. Greater interaction between those involved in Islamic banking, for example, with those seeking to increase giving for a particular cause might prove beneficial. Achieving greater consensus over the allowable recipients of zakat funds also would open up wider avenues for giving. Innovative modes of fundraising from individuals should be investigated and promoted, including the use of Facebook and other social networking Internet sites, so that multiple small dominations can be mobilized for maximum effectiveness.

(p. 193 ) Foundations and civil society alike are in need of mechanisms to match donors with appropriate recipients of funding. This clearinghouse function currently does not exist in the region, which makes for inefficiencies and inequality in access to support. It is best done by a consortium of donor and civil society leaders with experience in building and funding quality programs. Online and electronic models could be adapted at the national level, and eventually by the entire region.

Finally, the philanthropic sector would be well served by the creation of resource hubs and an information clearinghouse for donors. This would become the repository for documentation like the present study and case studies of best practices in the field. Training materials, sample policy and procedure manuals, and similar practical tools should be made easily and widely available throughout the region. For this to be most effective, materials should be available online and translated where necessary into Arabic. The Gerhart Center at the American University in Cairo, and the Center for Development Services, Cairo, currently are building such resources.
3. Foster Effective Public Education About Philanthropy and Corporate Responsibility

One reason that the emerging philanthropic sector is invisible to many people is the dearth of media sources of information. Only the biggest donors or the most dramatic contributions are covered by print or electronic journalism. Alternatively, media coverage is framed by an outdated understanding of philanthropy as charity, and featured on the women’s pages of newspapers or magazines. There also is a tendency to think of philanthropy in terms of ‘kindness’ rather than as strategic investments aimed at addressing social problems in a systematic manner.

Short courses, such as one recently offered at the American University in Cairo for mid-career journalists, could help to improve coverage of the field and alert journalists to the relevance of these stories as hard news. The Cable News Network (CNN) and other television outlets have shown leadership in highlighting the role of philanthropy in African and Arab social development.

More can be done to publicly recognize the contributions of exemplary philanthropic institutions and individuals. Prizes such as the one awarded by Mo Ibrahim in celebration of good governance in Africa could be adapted to recognize outstanding philanthropists in the Arab region. In order to encourage a new generation of philanthropists, awards can be established in universities and schools for students who show innovation and success in their philanthropic endeavors.

(p. 194 ) One reason that international corporations have been quick to adopt the practices of corporate social responsibility is the scrutiny they receive from stakeholders and the public. Arab companies are largely free of pressure to improve their environmental and social policies, improve labor conditions, and serve the poorest sectors of the market. Informed publics and alert media would be a positive influence on the business community and, at the same time, could highlight best practices and speed the adoption of innovation.

4. Foster a Culture of Civic Engagement and Social Responsibility Among Arab Youth

For the philanthropic sector to flourish, it must have infusions of young energy and talent. Currently, a career in philanthropy is hardly a top priority
for bright students or their parents. There are few career paths or role models to encourage young people to enter the field. On the other hand, youth community activism is growing around the region, and young Arabs today have a sense that they must build their own lives and societies without depending on state support. That commitment to service, seen in the rise of youth organizations in Egypt, Jordan, Palestine, and elsewhere, could be harnessed for the philanthropic sector.

Donors should be encouraged to partner with universities to increase the teaching and practice of community engagement and active citizenship. Business leaders could act as mentors to young activists and bring interns into their philanthropic endeavors. Youth job training and placement programs could include civil society and philanthropy as potential career paths for young applicants.

Businesses, schools, and universities could promote innovation and social entrepreneurship among youth. This is a short step from the successful business training efforts, such as Injaz, which have captured the imaginations of young people and business leaders alike. Universities could sponsor competitions for effective social investment business plans and encourage faculty and students to partner on research that addresses aspects of philanthropy.

Youth want to be taken seriously and they want to be heard. It would be refreshing to see younger members of the community serving on the boards of philanthropies and panels at conferences and representing organizations at regional and international meetings. Girls as well as boys can be encouraged to think of business careers and careers in executive management of philanthropies.

(p. 195 ) In conclusion, while many obstacles remain to the full emergence of philanthropy as a social movement, the opportunities are numerous and exciting. The potential impact of the trends noted above—a vast pool of new wealth, increased activism among business leaders, the empowerment of civil society, and the rising influence of private donors—are clear and need to be supported. In a region where poverty, substandard healthcare, lack of education, and youth unemployment are rampant, Arab philanthropists have a unique opportunity to join forces and make a difference.

That difference will come through not only investing funds on a social level but also making market forces work better for the poor, who continue to exist on the margins of Arab societies. Markets are booming today, but
the benefits are felt by too few of the region’s citizens. For the good of the region, it is imperative that these efforts are launched now. We hope that this study will serve as motivation to increase both strategic philanthropy and effective partnerships. Philanthropies in the Arab region may still be few in number, but as Martin Luther King Jr. noted, “Almost always, the creative dedicated minority has made the world better.” (p. 196)