



Magazine

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Philanthropy and social investment in the Middle East

Culture and religion in the Middle East are closely linked with philanthropy. One of the five pillars in Islam is 'zakat', making it mandatory to donate if one is able. For this reason faith is an important influence on HNWI giving.

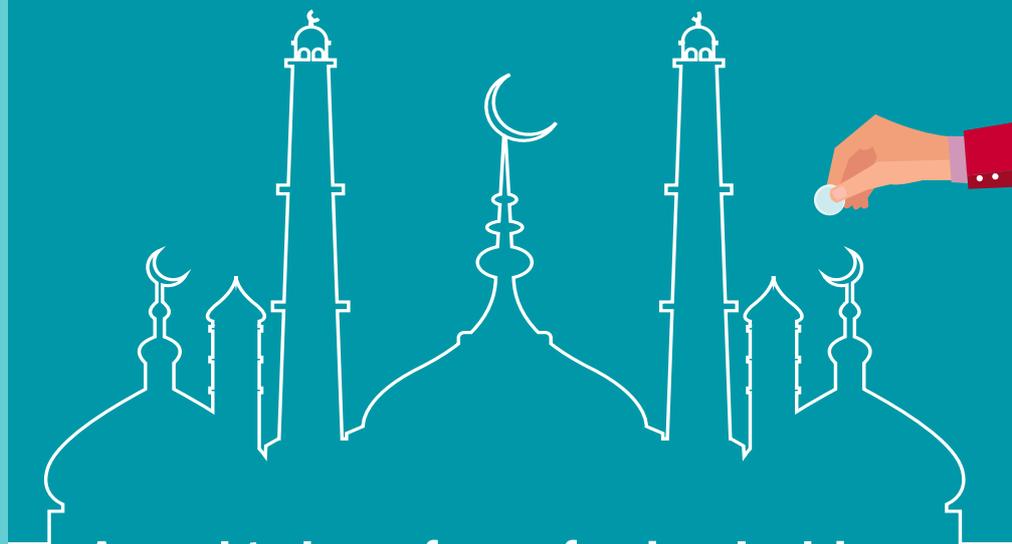
There are some interesting differences about the motivation for giving in Middle East, Europe and Asia. According to past research, reported in PhilanthropyAge, the majority of Middle East HNWI donations are to support social change by investments in areas such as education and gender equality. Wealthy individuals in Europe

favour social investments in health and the environment, heritage and social change. The top motivation for Asia's wealthy is the desire to give back to society.

Most philanthropy foundations are private and in many cases do not publicise their work. However, in recent years HNWI in the Middle East are taking steps to report on their charitable giving.

The purpose of this edition is to learn about the different approaches to philanthropy and social investment in the Middle East.

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THE RESEARCH

- Philanthropy Impact's evidence-based research demonstrates that philanthropy and social impact investment goals are a key driver for many (U)HNW clients' when managing their personal wealth.
 - Clients want more/ better philanthropy advice, with guidance from their advisers.
 - Increased opportunities to support succession planning and engage with the millennial generation - the most active group in philanthropy and social investment.
 - Bring more depth to the client/adviser relationship.
 - The shifting values of millennials and women of wealth is creating the need for a new kind of wealth management: greater engagement.
- According to Scorpio Partnership Research one third of people interviewed said that they would like their adviser to better support their charitable activity.
- The Charities Aid Foundation polled 1000 wealthy individual donors - 66% of those surveyed felt professional advisers could and should give them philanthropy advice.

To find out more please email: cecilia.hersler@philanthropy-impact.org

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The purpose of the magazine is to share information about philanthropy in a domestic and international context. We welcome articles, letters and other forms of contribution in Philanthropy Impact Magazine, and we reserve the right to amend them.

Please contact the Editor at editor@philanthropy-impact.org

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From charity to strategic giving:

the quest to bring about long-term change in the Middle East

Catherine Roe www.linkedin.com/in/catherine-roe-00801474/e



Catherine Roe

I first visited the Middle East in 1993 as the new Director of the Said Foundation, embarking on a quest to discover how we could work more effectively there. I was tremendously ignorant but something happened on that first visit which was to fuel the persistence that lies at the heart of impactful philanthropy and that would later underpin the Foundation's programmes – I fell in love with the region of Syria, Lebanon, Jordan, and Palestine. It has been an enduring love.

The giving I witnessed at that time and for many years afterwards was inspired by generosity, similar to the hospitality I have always received in the region, even from people in dire circumstances. But in the main it was charitable, not strategic – informal, short-term, filling gaps left by governments in service provision, providing handouts to the poor (especially at Ramadan), with little emphasis on capacity building. There was a liking for funding buildings and supporting orphanages. Cheques were written to projects that were not clearly defined; little was expected in the way of reporting; and monitoring was rare. Philanthropy responded to social problems but did not seek to address them.

A quarter of a century on, I see a huge diversity of philanthropic activities. It is not easy to generalise but it has become more institutionalised and professionalised as philanthropists seek to make a real difference in their societies. This makes for more



engaged, rigorous and strategic philanthropy that is focused on long-term impact and on creating systemic social change in the region. Many donations remain anonymous but, as more foundations are established, their work inevitably becomes better known, setting a valuable example that encourages others to take a similar approach.

Many donations remain anonymous but, as more foundations are established, their work inevitably becomes better known, setting a valuable example that encourages others to take a similar approach.

Many things have driven this changing pattern of giving, not least a growth in the number of people with the wealth to make substantial and long-term philanthropic interventions. More than anything, the realisation has dawned that the intractable, complex and urgent problems of the region can't be addressed with a sticking-plaster approach to philanthropy.

A recent example of innovative and transformational giving has been Maroun Semaan's hugely generous and inspiring endowment of the American University of Beirut's (AUB) Faculty of Engineering and Architecture. I was fortunate to work on this gift and set up the Maroun Semaan Faculty of Engineering and Architecture Trust, having been brought in to provide experience of different philanthropic models, including how to bring about sustainable change in university settings.

The Trust was set up in 2017 to oversee Maroun Semaan's gift to AUB, the largest in its history and possibly the largest to any university in the Middle East other than from a royal family. Maroun Semaan was intent on bringing about systemic social change. Trained as an engineer, he saw engineering, in its multiple manifestations, as key to helping the region overcome its problems (including environmental degradation, too little business creation, huge unemployment, humanitarian responses to conflict, post-conflict reconstruction, and so many more). His vision was to help AUB's leading Engineering and Architecture Faculty to advance its capabilities in ways that also addressed the region's problems. He did this by:

- Agreeing a vision and set of transformative objectives, working in close collaboration with AUB and responding to the vision of Faculty members themselves
- Giving his entire gift in the form of an endowment to ensure that the transformation he sought was sustainable in the long-term

- Putting in place a set of principles and mechanisms for oversight of the endowment designed to ensure that transformation is not only sustainable but dynamic, responding to new challenges and priorities over time
- Setting up the Trust to hand over the endowment progressively to AUB as progress is made and impactful ways of spending the income from the endowment are modelled
- Agreeing a permanent oversight body that will review progress indefinitely.

All these aspects of the gift, and especially the way they work in combination, are innovative and are already enabling the Faculty to bring about transformational change.

One example of this change is of professors being trained and classrooms reconfigured to encourage design thinking in students. The intention is to produce students who are, as before, excellently educated in their engineering fields but who also think creatively and critically, not only about how to solve problems but how to frame them. This is a pioneering and much-needed approach in Middle Eastern education. Students are responding with great enthusiasm and academics elsewhere are asking how they too can innovate in this way.

Students are also now being assisted to think entrepreneurially and to incubate their ideas – vital steps on the path to producing graduates who will set up their own businesses, create jobs and help diversify the economies of the region.

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A third example of change is of professors, in a competitive process, being given more time and, in some cases, equipment to support their research, addressing a critical need for the region's universities (which focus heavily, even exclusively on teaching) to produce more and higher quality research as well as research that addresses the problems of the region.

In short, the gift is extraordinary, in its generosity, in the novelty of the way it is structured to be dynamically transformational, in its sustainability and in the deeply engaged and collaborative way it was developed with AUB. Maroun Semaan was a hugely successful entrepreneur. His strategic donation reflects these talents – talents also informed by a lifelong belief in

giving back, to his region, his country of Lebanon and to the university that gave him his start in life.

Conclusion

Very sadly, just weeks after the gift agreements were put in place and the Trust was established, Maroun Semaan died. The impact of his gift is still emerging and will continue to emerge for many years to come. What he wanted to achieve was nothing less than the creation of a body of leaders and of learning that could help Lebanon and the region to move towards sustainable economies and resource allocation, to help solve not just today's problems but, in a way, tomorrow's problems today. He has left a legacy that is true to his own motto: "In order to change a nation, you start with education."

Catherine Roe has over 25 years' experience creating, developing and leading foundations and advising philanthropists and not-for-profits. She began her career as a British diplomat, specialising in multilateral negotiation. As European Correspondent, she was responsible for the coordination of European Political Cooperation and led on the Common Foreign and Security Policy chapter of the Maastricht Treaty.

Catherine is a member of the Global Leadership Council of the Saïd Business School and a trustee of the Saïd Foundation, the Horizon Foundation and the International Institute for Strategic Studies. Previously, she has served on the boards of the Saïd Business School, national literacy organisation Coram Beanstalk, Hammersmith and Fulham charity Doorstep Library and the Prisoners of Conscience Fund. With leading major gifts fundraising consultancy More Partnership, Catherine has also worked with a number of not-for-profits to help them articulate the difference they make in the world and the ways in which philanthropists can support their mission.

Catherine has a Masters in History from Oxford University, an MBA from London Business School and a Masters in Middle East Studies from SOAS.

Convergence: can Arab philanthropists and investors meet on the impact continuum?

Clare Woodcraft www.linkedin.com/in/clare-woodcraft-3994937/



Clare Woodcraft

The impact investment community in the Arab region is growing. However, unlike other regions and in the absence of relevant language – the term is difficult to translate into Arabic – it has yet to be fully recognised or leveraged as such. Therein lies a significant opportunity to unite Arab entrepreneurial talent with investor appetite and the social and economic developmental challenges of the region with a view to catalysing a hybrid model of social investment that can deliver financial and social returns.

When the Arab Foundations Forum (AFF) was established over ten years ago, its goal was to unite the heterogeneous philanthropic community in the Middle East and North Africa. Until then, few foundations worked with their peers and there was little sector-wide collaboration. Today, Arab foundations and philanthropists are a force to be reckoned with as governments and international development bodies eye them as potential funding and implementation partners.

The establishment of several high-profile entities with multi-billion-dollar commitments has helped. In 2015, Saudi Prince Alwaleed Bin Talal pledged to dedicate US\$32bn to philanthropy and the UAE's Abdul Aziz Al Ghurair established a foundation for education with a pledge of US\$1bn. Indeed, the region now has multiple high-profile foundations with resources and influence. The national foundation of the UAE, Emirates Foundation, has become a vocal proponent of social enterprise and venture philanthropy. AFF's members – notably through their

Board – now encourage a much higher level of cross-regional collaboration, discourse and advocacy, and impact investing is increasingly on the radar screen.

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The sector is also becoming more interested in innovative finance. National Philanthropy Trust UK's CEO John Canady notes that younger generations are leading the charge. “We are getting particular traction with second generation philanthropists who are comfortable with an entrepreneurial approach,” says Canady noting new interest in Donor Advised Funds (DAFs). “Whatever your giving strategy, you need a structure to manage your philanthropic assets. DAFs are the modern alternative to setting up a traditional foundation and are gaining traction in the region. We see them being used as complementary vehicles for



collaborative initiatives such as giving circles, now a growing phenomenon among UHNW Middle Eastern philanthropists,” he says.

Womanity Foundation, which supports female empowerment in the Middle East, tells a similar story. “The next generation of philanthropists, including those from the Middle East, are interested in hybrid models which is why we developed the Catalyst Impact Circle in partnership with the Marshall Institute at LSE,” notes Rafia Qureshi, the Executive Director. “This includes an immersive three-day programme that espouses a much more engaged approach and reflects our own venture philanthropy model which supports regional social enterprises such as the Palestine-based Radio Nisaa. We want to see self-sustaining models and the Arab world is no different – young investors are moving away from traditional philanthropy and looking for blended finance.”

This maturation reflects broader progress in terms of private investment. From the growth of organizations such as WAMDA to WAIN and the [Dubai Angel Investors](#) (DAI) network, young Arab commercial investors are increasingly eyeing the region for deal flow that previously they may have sought elsewhere. The growth of angel investing and VC in the region has mobilized not only new capital but also women as a new group of investors with both financial and social targets. Heather Henyon, founder of WAIN, notes that Arab women want to become savvy investors but also have a social purpose approach to investing. WAIN trains women on due diligence and how to grow a portfolio. “Women are a huge source of capital,” notes

Henyon, “notably for enterprises that address social issues in the region.”

“We want to see self-sustaining models and the Arab world is no different – young investors are moving away from traditional philanthropy and looking for blended finance.”

WAIN investee Little Thinking Minds is a case in point and grew out of the founder’s desire to improve regional education rather than make money. It has raised \$1.265mn in Series A funding, but sadly, it is a rare success story. Henyon is now building [Mindshift Capital](#), a venture capital (VC) fund for female-headed businesses to respond to the lack of risk capital for female-headed firms which often deliver better financial returns. Currently Henyon notes that female founders only receive 2% of the venture funding even though they form a large group of the entrepreneurs.

This slow but steady convergence bodes well for the hybrid model of social enterprise but more needs to be done to fix a fragmented and immature ecosystem. The cost of registering a business in the region is still high. While capital is available, it is rarely long-term and social enterprises have yet to be formally recognised in many Arab countries. Efforts to build awareness have often been thwarted. [The Social Enterprise Week](#) that ran for several years out of the UAE, failed to sustain a movement partly [due to the lack of understanding of the concept](#). There is still cultural aversion to promoting a business-based model for social impact

with conservative communities seeing this as the role of government or traditional charities.

Much of the start-up deal flow in the Middle East and North Africa (MENA) is by default 'social' whether it is branded so or not, since it entails young entrepreneurs responding to entrenched socio-economic issues. Glowork is a good example of a social enterprise that emerged in response to the very low level of female labour force participation in Saudi Arabia. It now works directly with government to reform the labour market and create real system change but is a rare example of a scalable entity due to ongoing start-up challenges.

Mahmoud Wardeh, a Palestinian-British tech and education expert has established several start-ups and most recently *Open Connective*, a social enterprise seeking to avoid 'cognitive waste' and use technology platforms to create collaborations between open-culture projects, industry and academia. These collaborations aim to address entrenched socio-economic issues and can ultimately open up previously untapped opportunities for impact investors. "While there is appetite for start-ups," he says, "it's often for second or third round funding once the start-up has already begun to get traction. And yet, there is real opportunity for triggering systemic change by funding initiatives that are innovating with new revenue and business models."

Wardeh believes this lack of risk appetite is partly due to the lack of a culture of R&D and investors who

tend to look outside the region for ideas to replicate locally, rather than take a risk on novel ideas borne out of the unique characteristics of the region's cultural and jurisdictional make-up. "It's a real shame", says Wardeh, "since the region has some truly impressive young entrepreneurial minds, but without real risk appetite from investors willing to take a chance on testing new approaches to addressing social impact and scaling, they will struggle to innovate and thrive."

Much of this could be addressed from a policy perspective if relevant actors worked together. To date, and notwithstanding the commercial investor community's interest in social impact, the nexus between them and philanthropy is not being exploited. Where in other markets, foundations happily engage with investment banks to look at new financial instruments and capital markets, the region's actors rarely cross their traditional boundaries. Where forums such as Skoll and GINN have created multi-sector platforms for collaboration and investment, the Middle East still lacks a centralised community.

Conclusion

As philanthropists move towards investors along the impact continuum and investors eye up the opportunity of social value creation, the Arab world is moving in the right direction. But a concerted effort to unite these communities is well overdue. Financial resources exist and are growing – goodwill and appetite for real collaboration and system change need to catch up.

Clare Woodcraft is the founder of Woodcraft Associates Inc, a boutique consultancy advising organisations on how to maximise their social impact. She is the former CEO of Emirates Foundation, the sovereign foundation of the UAE, and during her six-year tenure led the organisation's transition from traditional grant-making to venture philanthropy.

Earlier Clare served as the Deputy Director of Shell Foundation, a leading entity in the philanthropic sector due to its 'enterprise-based' model. She also headed up the social investment communications portfolio of Royal Dutch Shell in the Middle East and North Africa and oversaw the shift from short-term CSR initiatives to long-term value creation in the field of enterprise skills and jobs. Prior to this, she headed up Visa International's social investment programs in emerging markets promoting

financial literacy as a key element of the company's stakeholder outreach. Throughout these roles she has focused not just on social value creation but also female empowerment and currently advises Mindshift Capital, a gender lens fund focused on investing in female-headed enterprises.

Clare has served on multiple boards and was elected the Chair of the Arab Foundations Forum, a regional network of foundations in the Arab world. In addition, she is a board advisor to Operation Hope, a US-based entity working on financial inclusion, Sumerian Foundation which addresses social inequality in the UK and Berkeley University's Enterprise program which supports job creation in the Arab world. She is a British national, a fluent Arabic and French speaker and has an MSc in Development from the London School of Economics.

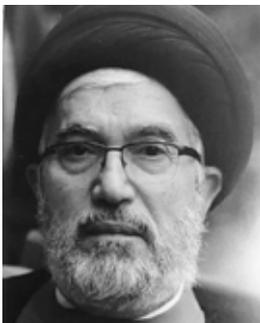
Philanthropy and Islam

Ayatollah Fazal Milani and Mohamed Amersi https://en.wikipedia.org/wiki/Mohamed_Amersi#The_Amersi_Foundation



Mohamed Amersi

Philanthropy, in simple words, signifies acts done for the welfare of mankind. Every religion has philanthropic components to it; however, Islam takes this a step further by making some forms of it compulsory. Islam lays great emphasis on supporting the destitute. The overarching themes for ‘acts of charity’ in Islam are rooted in two basic principles: developing compassion for others and demonstrating kindness towards each other.



Ayatollah Fazal Milani

The Qur’an (the Holy Scripture for Muslims) and Sunnah (the teachings of Muhammad, the founder of Islam) declare in clear words that it is the responsibility of the wealthy to look after the deprived sections of society. Muslims are not only instructed to do good to fellow humans, but are also told to treat animals well and to protect the environment.

The Qur’an (the Holy Scripture for Muslims) and Sunnah (the teachings of Muhammad, the founder of Islam) declare in clear words that it is the responsibility of the wealthy to look after the deprived sections of society.

However, for many in the West, the concept of philanthropy is not a feature that is likely to be associated with Islam. Instead of kindness, compassion, mercy, generosity and love of mankind, ordinarily westerners tend to characterise Islam by such features as violence, terrorism, intolerance, authoritarianism, oppression of women, etc. There are two reasons for this grave misconception: their ignorance of the Qur’an and the traditions of the Prophet; and the irresponsible attitude of certain Muslims. In fact, Islamic texts contain numerous injunctions to perform good deeds and to serve fellow humans.

These teachings encourage Muslims to practice charitable giving, often from a very young age, and instil in them the belief that they will be rewarded with much greater amounts in the afterlife.

One of the major themes in the Qur’an and Sunnah is compassion towards the vulnerable and social justice for individuals who are disadvantaged in society. For example, the Qur’an teaches Muslims that, “[they] will not attain righteousness till [they] spend in charity of the things [they] love.” (Chapter 3, verse 82). These teachings encourage Muslims to practice charitable giving, often from a very young age, and instil in them the belief that they will be rewarded with much greater amounts in the afterlife.

As such, philanthropy is one of the central tenants in Islam that inspires Muslims to bond with each other and with their larger community as a form of worship and for the greater benefit of all. The Qur’an says: “But righteous is the one who... gives away wealth, out of love for Him to the near of kin and the orphans and the needy and the wayfarer and to those who ask, and to set slaves free” (2:177). “So, give to the near of kin his due, and to the needy and the wayfarer. This is best for those who desire Allah’s pleasure” (30:38). Similarly, there are various sayings of the Prophet describing the significance of philanthropy: “You

shall not enter Paradise until you have faith; and you cannot attain faith until you love one another. Have compassion on those who are on earth, and He who is in heaven will have compassion on you. God will show no compassion to him who has no compassion towards all human beings.

“In Islam, doing justice between two persons is alms; and assisting a man upon his beast, and his baggage, is alms; and pure words, for which are rewards; and answering a questioner with mildness is alms; and every step which is made towards prayer is alms; and removing that which is inconvenience to man, such as stones and thorns, is alms.”

Philanthropy, in Islam, is of two kinds: obligatory and voluntary. Obligatory philanthropy consists of zakat and fitrana; whereas, voluntary philanthropy includes the institutions of sadaqa and waqf.

Philanthropy, in Islam, is of two kinds: obligatory and voluntary. Obligatory philanthropy consists of zakat and fitrana; whereas, voluntary philanthropy includes the institutions of sadaqa and waqf.

Obligatory philanthropy

1. Zakat is the share or portion of wealth that is obligatory upon a Muslim to give to fixed categories of beneficiaries, if the value of his assets is more than a specified limit. The beneficiaries of zakat are mentioned in the Qur'an: “(Zakat) charity is only for the poor, and the needy, and those employed to administer it, and those whose hearts are made to incline (to truth), and (to free) the captives, and those in debt, and in the way of Allah and for the wayfare” (9:60).

In an Islamic state, the government is responsible for the collection and administration of zakat. The payable amount is determined based upon the amount of cash and the type of assets an individual has. The Qur'an does not specify a prescribed percentage, but the customary practice is to pay 2.5% on capital assets and 20% on other assets such as agricultural goods, precious metals, minerals and livestock. All possessions can be classified into either zakatable or non-zakatable wealth. The Islamic practice of zakat was first initiated by Prophet Muhammad and is the first known system of community-wide welfare that is structured as a social support network for those in need. The act of giving zakat is also one of the five fundamental requirements of practising the faith for

Muslims. Because it is less voluntary and more of a prescribed religious observance, zakat is an extremely meaningful institution with a clearly defined religious-social-economic mandate.

The act of giving zakat is also one of the five fundamental requirements of practising the faith for Muslims.

2. Fitrana is paid before the end of the month of Ramadan. The primary goal of Fitrana is to provide those in need with the ability to celebrate Eid-ul-Fitr, the festival of breaking the fast, along with the rest of the Muslims. Every mature and financially able Muslim is required to pay the Fitrana for themselves and on behalf of their dependents. In the context of Fitrana, dependent refers to anyone who is in a person's care. This could mean their children, parents, siblings or any individual for whom one is responsible. The prescribed amount payable for Fitrana is the same for all Muslims, regardless of their income bracket or wealth. However, if an individual is unable to meet their own expenses, as well as those of their family for a period of one lunar year (and has no one who can meet these expenses for them), they are exempt from Fitrana.

Voluntary philanthropy

1. Sadaqa often goes beyond financial contributions to include any act of giving out of compassion or generosity that is done to benefit others. The Prophet said: “Every act of goodness is sadaqa”; and “there is a sadaqa due on every Muslim. If he cannot give because he has no money, let him work so he can support himself and give charity; if he is unable to work, then let him help someone in need of his help; if he cannot do that, let him adjoin good; if he cannot do that, then he should not do evil or harm others. The beneficiaries of sadaqa do not need to be Muslims.

Sadaqa often goes beyond financial contributions to include any act of giving out of compassion or generosity that is done to benefit others

2. Waqf is the permanent dedication, by a Muslim, of any property for any purpose recognised by Islamic law as religious, pious or charitable. Waqf causes the transfer of ownership, of the thing dedicated, to God. But as God is above using or enjoying any property, its profits are reverted, devoted or applied to the benefit

of mankind. Any property can be the subject of waqf. The validity of a waqf is determined by the possibility of everlasting benefit being derived from it by any form of dealing of which it is capable, or by converting it into something else. It is only where the subject matter is totally unfit for being turned into profitable use that its dedication fails. The Islamic institution of waqf has a wider scope and purpose than that of a trust in English law. Every waqf contract is required to have a founder, a trustee, a judge and beneficiaries.

The founder is required to be an adult, be sound of mind, have the ability to handle financial affairs, and not be under any prohibitions for bankruptcy. In order for the property to be valid, the founder must have control/ownership over it, should be considered legal in Islam, and cannot be previously pledged to someone else. The founder can identify individuals, such as the overall community or those in financial need, or charitable causes, such as mosques or schools as beneficiaries of a waqf. A waqf can have multiple benefices. A judge is responsible for adjudicating the process to ensure it meets the legal requirements in Islamic Law. Under both a waqf and a trust, the endowment or property is reserved only for the use and benefit of the purpose (be it general or specific) identified in the contract.

.....
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The institution became so popular and important in Islamic countries that, in most of them, a special ministry was established to deal with the administration of waqf properties.

Conclusion

The western view of charitable giving and Islamic philanthropy both contain paradoxes. However, each paradox is quite different, even mirror images of each other. Rugged individualism in the west is what gives rise to service and societal connectedness where charity is conflated with personal choice. For Muslims, it arises out of divine command with duty and lack of individual agency.

Yet in a deeper sense, both views are not irreconcilable at all. Voluntarism may be in an individual's self-interest; however, by virtue of being a widespread social norm it also becomes a public obligation through social pressure. While zakat is obligatory, it does induce a virtuous cycle of voluntarism and generosity. The notion of zakat as 'purification' for donors' souls is a discourse that entangles egoistic interests with societal interests, and merges personal gain with the socialising processes of community-identification.

Mohamed Amersi is the Chairman of the Amersi Foundation which supports initiatives in education, building cohesive societies, inclusive capitalism and governance. The Foundation also launched the Inclusive Ventures Group, a responsible profits social impact investing platform that has invested in education, livelihood, health and waste management in Africa and Asia. Mohamed Amersi is a Fellow of Brasenose College, University of Oxford and is a member of the Development Board of the British Academy, Orb Media, Unchain, the Governing Council of the Royal Agricultural University, the Global Leadership Council of the Said Business School, University of Oxford, the Global Advisory Board of the Oxford Foundry. In addition, Mohamed Amersi is the Chairman of the International Advisory Council of the British Asian Trust, a member of the Global Partners Council of the Institute of New Economic Thinking and a Trustee of Prince's Trust International, the Satyarathi Foundation, the Rose Castle Foundation, the Islamic Reporting Initiative, United We Reach, the Human Thread Foundation and Reboot the Future.

Ayatollah Seyed Fazel Milani was born in Karbala, Iraq in 1944. From early days he combined the academic studies with Religious studies in the seminary of Najaf. He is currently the Imam at AlKhoei Foundation, and The Dean of International Colleges of Islamic Studies.

Human rights approaches to eliminating poverty

Meghan Campbell www.birmingham.ac.uk



Meghan Campbell

“In eliminating poverty in all its forms it is necessary to understand how disadvantage tracks onto status-based characteristics, not just in relation to gender but other markers of identity. If states, development policies, human rights, civil society organisations and other relevant stakeholders appreciate and take steps to address the nexus between inequality and poverty, the SDGs hold real promise in eliminating poverty in all its forms.”

In September 2015, the world committed to a series of Sustainable Development Goals (SDGs). The first proposed goal is to end poverty in all its forms.¹ This expands on the first Millennium Development Goal (MDG) to halve the number of people living in extreme poverty.²

In the period between 2000 and 2015, ‘the global poverty rate at \$1.25 a day fell... to less than half the 1990 rate’, but there are still ‘1.2 billion people living in extreme poverty.’³ This is a profound challenge because not only does reducing extreme poverty require a sustained political commitment but also because the causes and consequences of poverty are complex and cross-cutting, and defy easy solutions. This is a crucial time to pause and reflect on how best to tailor development policies and human rights approaches to eliminating poverty.

There is a growing awareness of the relationship between poverty and inequality. However, there is a shift in the nature of this inequality. Traditionally poverty has been understood as an issue predominantly of lower income countries.⁴

Research reveals that due to an emerging middle class in China and India ‘global income inequality is charting a modest decline’ but income and wealth

inequalities within the state are increasing.⁵ This means it is important to pay attention to wealth inequalities within the state. While there have been proposals to re-examine tax structures, redistribution policies and national governance, it also important to assess the relationship between status inequalities and poverty.

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For example, Canada ranks 11th in the UN’s *Human Development Index*⁶ but at the same time in two Canadian provinces, Manitoba and Saskatchewan, 62 and 64 per cent of First Nations children live in poverty compared with just 15 and 16 per cent among non-indigenous children.⁷ It is necessary to appreciate how poverty and disadvantage tracks onto identity characteristics and how this results in income and wealth disparities in the state. To that end, this article examines the connection between status inequalities and proposes tentative solutions on how these challenges can be addressed so as to ensure the SDGs achieve their goal of ending poverty.

Part of the challenge in achieving the SDGs is to recognise that poverty is not a neutral phenomenon. The empirical evidence demonstrates that there is a strong relationship between poverty and the traditional status grounds of discrimination. The UN Special Rapporteur on extreme poverty and human

This article is a reprint from Philanthropy Impact Magazine 8 Spring 2015. Although not specific to the Middle East the issues related to poverty, philanthropy and social investment addressed in the article are of importance.

rights explains that ‘discrimination and exclusion are among the major causes and consequences of poverty.’⁸ Women, children, older persons, persons with disabilities, migrants, refugees, asylum seekers, internally displaced persons, minorities, persons living with HIV/AIDS and indigenous people are more vulnerable to poverty and experience greater challenges in accessing, controlling and enjoying economic resources.⁹

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All these forms of intersecting discrimination and poverty are pernicious, however, this article uses gender as an example of the challenges of addressing the relationship between inequality and poverty. Gendered social norms and cultural attitudes that are based on the idea of the inferiority of women and the superiority of men, or on the stereotyped roles of women and men, cause and contribute to women’s poverty. For example, poor households may be reluctant to invest limited resources in the education or health needs of girls and women. Prejudices and stereotypes on the role and value of women underpin the low valuation of work traditionally

assigned to women, their role in reproduction, their disproportionate responsibility for care giving and their exclusion from public life, education, credit and property. This perpetuates a vicious cycle of poverty, powerlessness, social exclusion, inequality and discrimination which is different from men who live in poverty.

Development policies and human rights solutions need to account for these different gendered experiences. States and donors need to ensure that social and economic benefits not only address poverty but also further substantive gender equality. There are various measures that can be taken to ensure that poverty and inequality are concurrently addressed. Non-contributory social protection schemes and statistical measurements are often based on head of the household. This can obscure women’s poverty within the household and result in women not having access to financial resources. In turn, this contributes to women’s dependency on men and furthers the gendered power imbalances in the home.

Social protection needs to be targeted to enhancing norms that empower women and enhance their autonomy. Thus, social benefits should be provided to women in the absence of any relationship with men. Moreover, social assistance rates need to be cognizant of the fact that women disproportionately have the financial and time burden of caring for children and the elderly. In times of cutbacks for public services, women are increasingly having to perform this care work. Therefore, social assistance rates must take into account the time and resources women expend in care



work. At the same time, social assistance should not essentialise women as primary care givers and needs to work towards achieving equality between men and women in care-giving.

Furthermore, there is a growing trend in many countries to provide social assistance grants on the basis of fulfilling certain conditions.¹⁰ There is one argument that these programmes provide women with independence and shift the power balance in the home because women are given greater control over the household's resources.¹¹ However, these programs 'may create an unnecessary burden on women while perpetuating traditional notions of gender roles within the family.'¹² These types of conditions can increase women's time poverty which limits the amount of time they have to invest in training and employment

opportunities.¹³ Therefore, these conditions need to be carefully reviewed to ensure they do not re-entrench gender inequality.

Conclusion

In eliminating poverty in all its forms it is necessary to understand how disadvantage tracks onto status-based characteristics, not just in relation to gender but other markers of identity. If states, development policies, human rights, civil society organisations and other relevant stakeholders appreciate and take steps to address the nexus between inequality and poverty, the SDGs hold real promise in eliminating poverty in all its forms.

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*Her research explores how the international human rights system can best respond to gender inequality and poverty. Her monograph *Women, Poverty, Equality* (Hart Publishing, 2018) explores how the concept of equality in the UN Convention on the*

Elimination of All Forms of Discrimination Against Women can be interpreted to address gender-based poverty. She has published peer-reviewed articles on gender equality, human rights, international legal system and public law and provided written evidence to the Joint Committee on Human Rights and Women and Equalities Committee on Brexit and human rights.

¹ 'Report of the Open Working Group of the General Assembly on Sustainable Development Goals' (Aug 2014) A/68/970.

² 'Millennium Development Goals: Goal 1 Eradicate Extreme Poverty' <<http://www.un.org/millenniumgoals/poverty.shtml>>.

³ *ibid.*

⁴ A. Sumner, 'Global Poverty and the 'New Bottom Billion': What If Three-Quarters of the World's Poor Live in Middle-Income Countries?' Institute of Development Studies Working Paper (September 2010).

⁵ Branko Milanovic, 'National vices, global virtue: Is the world becoming more equal?' *globalinequality blog* (22 December 2014) <<http://glineq.blogspot.co.uk/2014/12/national-vices-global-virtue-is-world.html?spref=tw>>.

⁶ UNDP, 'Human Development Report 2013: Canada' <<http://hdr.undp.org/sites/default/files/Country-Profiles/CAN.pdf>>.

⁷ Amber Hildebrandt, 'Half of First Nations Children Live in Poverty' CBC (19 June 2019) <<http://www.cbc.ca/news/canada/half-of-first-nations-children-live-inpoverty-1.1324232>>.

⁸ UN Special Rapporteur on extreme poverty and human rights, 'Final draft of the guiding principles on extreme poverty and human rights' (2012) A/HRC/21/39 [8].

⁹ *ibid.* See also, See World Bank, 'Voice and Agency: Empowering Women and Girls for Shared Prosperity' (World Bank, 2014) and World Bank, 'The World Development Report: Gender Equality and Development' (World Bank, 2012).

¹⁰ UN Special Rapporteur on extreme poverty and human rights, 'Cash transfer programmes' (2008) A/HRC/11/9 [70].

¹¹ *ibid* [68].

¹² *ibid* [71].

¹³ UN Special Rapporteur on the right to food, 'Women's rights and the right to food' (2013) A/HRC/22/50 [2], [41]-[42].

Editors note: The issues, findings and lesson learned and discussed in this report have implications for the Middle East and other regions of the world; encouraging collaboration, urging philanthropists to support infrastructure groups and to collaborate as peers in ways similar to the Beacon Collaborative.

Lessons and insights from new European research on philanthropy infrastructure

Filiz Bikmen and Michael Alberg-Seberich www.widersense.de



Michael Alberg-Seberich



Filiz Bikmen

This is an interview with Michael Alberg-Seberich and Filiz Bikmen on Beyond Philanthropy's new report on European philanthropy infrastructure. The research, 'More than the Sum of its Parts: Insights on the Future of Philanthropy and Social Investment infrastructure in Europe' (EPSII), is the first comprehensive look at European philanthropy infrastructure.

1. How does adopting a more 'outward engagement' attitude in philanthropy infrastructure relate to the wider philanthropy field and social sector? Why is it important that philanthropy associations interact with those outside their direct membership or their constituencies?

To our surprise, this question came up in the interviews repeatedly. The assumption seems to be that philanthropy infrastructure mainly provides services to its members. In fact, infrastructure organisations often start out with providing legal services to their members or capacity building. But the moment you bring together donors that are interested in certain causes, like education, health or the environment, you actively start to turn to outward engagement.

There is a growing expectation, at least in Europe, that philanthropy infrastructure also represents the interests of foundations and philanthropy overall. In the EPSII study, we described this as the wish of the stakeholder interviewed to move from analysis to action. Advocacy, lobbying and communicating the sector to external parties (law and policy makers, media, thought leaders, etc.) was by far the most frequently discussed topic in this study. The strongest expression of this was the repeated wish to have 'one voice' for the sector. This 'one voice' in our study is one towards the EU, which may be a unique situation in comparison to other parts of the world, but also one towards the wider public. This shows that 'outward

engagement' of philanthropy infrastructure is crucial to represent the sector and create new collaborations across the sector. All this should enhance the impact for philanthropy and social investing.

2. What advice would you give to countries or regions that are starting to organize their own philanthropy support systems, associations, etc.? What lessons can be learned from the European context?

On the one hand, the European case is a unique one because of the development of a transnational philanthropy support infrastructure after the fall of the Berlin wall and the emergence of the European Union as an important political shaper. Foundations and social investors still struggle today with some rather European challenges like transnational giving or regulatory frameworks for impact investing. On the other hand, this European philanthropy and social investment infrastructure is a network of networks. It brings players together that are also involved on a local, regional and national level in the support of the sector.

This underlines that foundations and social investors in Europe do understand the reasoning and the impact behind such support systems. The European case documents the importance of a joint understanding of how to develop the sector. The challenge is to do so by also embracing the diversity of the world of giving. The quick wins for the infrastructure are the direct services

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to the members. Still, we should never forget the ‘one voice’ and the representation of the sector as a collective.

The European case also shows that with the growth of the sector specialisations, segmentations of the infrastructure may occur. They seem to be an indicator for a strong, more mature sector. Still, even they need to ensure that they pursue joint positions for the development of the sector overall.

3. What are some concrete areas or projects that philanthropy associations can collaborate on? And related... how important is it for philanthropy associations to engage in international or cross border work with other associations?

The EPSII study shows that collaboration makes a lot of sense when you want to represent the sector with ‘one voice’. Advocacy therefore can be an important driver for collaboration. Another, especially across borders, seems to be data about the sector. In these

days, and with the many technological possibilities at hand, it just does not make sense to collect and analyse data about the sector everywhere. Joint data hubs may be a solution for this.

This also indicates how important the international work is. It allows inspiration of the sector based on other associations’ work and it also helps to represent the sector in various constituencies with a joint agenda for the sector. Yes, there are local differences but in the end we all want to ensure that giving and social investing can create impact.

4. Who could be (or who already is) an unlikely suspect or supporter of philanthropy infrastructure? Are there any other players that could be brought in to the ecosystem that we are overlooking?

It may make sense to start with those closest to the field and who benefit from/have the assets to contribute to its development. There appears to be an assumption that philanthropy infrastructure work is only non-profit. While this is often the case, it may not always be. Philanthropy advisories were purposefully left out of the EPSII study, to focus on the majority of philanthropy-serving organisations (PSOs) which are non-profit and share common challenges (e.g. advocacy, membership etc.). However, there is a growing number of for-profit service providers, many of which are ‘purpose driven’ and set up as social businesses, undertaking activities very similar to PSOs. They can and should be engaged much more actively to active funders/supporters of philanthropy infrastructure. There is some hesitation to doing so and we need to have an open and honest conversation about how to bridge this gap, since it appears that both for/ non-profit PSOs will continue to grow quite rapidly.

5. Are there any specific pieces of advice on how associations, often of limited financial resources, can go from ‘analog to digital’?

Going from analog to digital is as much of a mindset as it is a practical issue. Access to data, and developing systems to capture/analyse and share it, are the more likely and common obstacles that are not necessarily related to cost. While sophisticated systems like those powered by Candid (the new merger of Foundation Center and Guidestar in the USA) are ideal, even smaller scaled/budget PSOs can prepare a survey and a basic Excel system to capture, analyse and share data. As such, PSOs need to adopt a more digital mindset,

Figure 1: More than the Sum of its Parts Research Key Findings



and groups like WINGS can perhaps help to develop more simple and low-cost solutions for such purposes which they can share with smaller scale PSOs to implement.

6. What will be needed from funders, collectively, individually, funders of infrastructure, and funders not currently funding infrastructure, in order to ensure a sound and sustainable future for the field?

There are those that fund and those that do not. Moving from one side of the line to the other may not be effortless, but it's also not impossible. Peer engagement among funders appears to be the most effective way of increasing engagement – and as such more opportunities to foster this are likely to be helpful. For funders that are already actively engaged, sustainability will not come only from multiyear grants. They have to work with PSOs to determine market strategies and alternative income streams that align with financial viability. For example, when new organisations are being formed, feasibility studies to explore who may already be doing similar work is critical, and funders, with their often expansive networks, can be very helpful in this light. Creating a new association for every new need is one way we can ensure unsustainable PSO growth. As such, creating more spaces for funders to have conversations and share experiences/reflections are extremely important.

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'I believe Philanthropy Impact has a key contribution to make as a forum to encourage more – and more effective – philanthropy and social investment through the exchange of ideas, spreading knowledge and improving the professional advice available. This is more important than ever.'

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