

philanthropy|uk: newsletter *inspiring giving*



Sir Trevor Chinn:
My philanthropic journey

A quarterly e-letter for all those interested in the development of philanthropy

Also in this issue:

From charity to philanthropy:
Global trends in giving

International giving:
an essential guide

EVPA's Doug Miller:
on opportunities for European philanthropy

plus
NCVO's Stuart Etherington recommends his top philanthropy books

welcome

Welcome to the September 2008 issue of the *Philanthropy UK Newsletter*. The exciting news to report is that the Government's Office of the Third Sector has renewed its strategic grant to Philanthropy UK through 2011. This is important recognition of Philanthropy UK's work, and we are grateful to OTS for their sustained support, which enables us to further improve this Newsletter for our readers – one such improvement we highlight below.



Reflecting our increasingly global readership – we are now read in over 60 countries – our theme this issue is 'International Philanthropy'. Through the perspectives of our expert contributors, we explore emerging trends in philanthropy in six countries and regions across the globe: Brazil, India, the Middle East, Russia, South Africa and Turkey.

We also offer some tips for UK donors seeking to support overseas projects, while Doug Miller, chairman of the European Venture Philanthropy Association, talks about the challenges and opportunities for philanthropy in Europe in this issue's Interview. We are also very pleased to welcome Sir Trevor Chinn's contribution, who reflects on the influence of Jewish teaching in his lifetime of giving and, as chairman of the new Mayor's Fund for London, highlights the important role of philanthropy in tackling the complex problem of poverty in the city.

Now that the stories we have been covering in this quarterly Newsletter as 'Giving news' are included in our fortnightly *News Bulletin*, one of the improvements we are making to ensure the topicality of our content is to move 'Giving News' to the Bulletin, which itself keeps you abreast of current philanthropy news, events, and other resources in the UK and internationally.

Wherever you are on your own philanthropic journey, we want Philanthropy UK to continue to be a useful guide and valuable source of support and encouragement for you. This Newsletter could not exist without the willingness of all our guest contributors to share their ideas and knowledge, and we are very grateful to them for their help and support.

We always welcome feedback and ideas from our readers, so if you would like to comment on this issue, or contribute an original article, please email us at editor@philanthropyuk.org.

Best wishes,

A handwritten signature in black ink that reads "Susan". The script is fluid and cursive.

Susan Mackenzie
Managing Editor

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Letter from America will return in December 2008

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The purpose of the Newsletter is to disseminate information about new developments in philanthropy. To submit an article for consideration, please contact the Editor at editor@philanthropyuk.org.

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Philanthropy UK aims to inspire new giving by providing free and impartial advice to aspiring philanthropists who want to give effectively. An initiative of the Association of Charitable Foundations, we also publish *A Guide to Giving*, the essential handbook for philanthropists. www.philanthropyuk.org

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International giving: *global trends in philanthropy*

Crossing borders: an essential guide for philanthropists

By Susan Mackenzie and Ben Eyre

Overseas development continues to rank amongst the most popular causes for UK donors. Last year, donations to international development charities were around £1 billion, or 9% of total UK giving¹. Historically, however, Britain's wealthy have been less likely to give internationally: Philanthropy UK research (*Why Rich People Give*, 2004) found that less than one in three gave abroad and only a small minority focussed more than 10% of their giving on international causes.

Reasons for the interviewees' reluctance to give overseas included scepticism about effectiveness and impact, with good projects being harder both to identify and to evaluate from a distance. Information and independent analysis, whilst becoming more accessible, are still largely wanting, and when these are coupled with inherent socio-political risks, they often can pose too significant a barrier for donors.

GuideStar UK Director Lewis Temple commented, *"Internationally, information is always a huge barrier. We are very lucky in the UK with the Charity Commission and the principle that data held by the government should be available to the public."*

However, as awareness of international causes is rising through travel and the internet, the wealthy are increasingly seeking to have an impact abroad, where they feel the need is greatest. The Charities Aid Foundation (CAF) reports that there has been a significant increase in the number of its client donors wishing to give overseas as well as in the value of their giving. And, over 70% of the 122 donors surveyed by New Philanthropy Capital in March 2007 said they would be interested in research and advice on charities in developing countries².

Table 1:

Philanthropy UK's key principles of effective giving

- Give responsibly. Be knowledgeable about the causes and organisations you are supporting.
- Understand the impact you are having. Be confident that you are achieving your objectives.
- Seek good advice. Seek experienced advice on your giving programme and on individual investments.

Philanthropy UK's principles for effective giving (see Table 1) apply to giving whether at home or abroad, and whilst it may be more challenging to apply them internationally, fortunately there are now a range of intermediaries who can help you have an impact anywhere in the world.

Getting started

First, be clear about your objectives, based on what you want to achieve and what the needs are. You may find that there are other funders already active in your area of interest, and you may be able to build on this expertise. *"A good starting point for some starting out in philanthropy may be to give to a proven model which has*

Martin Opiya, who was displaced by conflict in Northern Uganda and lives in one of many border camps in the area, in a specially designed wheelchair provided by Motivation with funding from the Baring Foundation. Photo courtesy of Motivation.



already demonstrated impact and efficiencies,” says Serge Raicher, a founding trustee of the European Venture Philanthropy Association (EVPA).

Examples include A Glimmer of Hope³, which supports development projects in Ethiopia, and The Funding Network (TFN), whose member donors leverage their funding to support many international causes through TFN’s quarterly events.

Finding projects to support is also becoming easier. GlobalGiving UK, the online marketplace launched this month, connects donors to over 450 grassroots projects in more than 100 countries. Chief Executive Sharath Jeevan says that GlobalGiving is *“Trying to make it as easy to give to a project in Burkina Faso as it is to give to a project in Hackney”*.

Donors can also search The Big Give website, which lists over 1,000 charitable projects; over one third are overseas. Jon Brooks, managing director, says, *“The projects are all backed by UK registered charities. This provides donors with expert support in their home country, as well as a safety net for their donation.”*

Oxfam Projects Direct allows donors to give to specific Oxfam projects in almost 20 countries, online. Oxfam’s Sarah Thomas explains, *“Oxfam Projects Direct gives supporters choice and control, and helps them to see the difference they are making. For those who opt to visit, the experience can be life-changing. Our portfolio continues to grow and has so far sold out each year.”*

Guidestar UK provides information on 168,000 registered charities in England and Wales. Donors can search for charities using various criteria, including the

“With the emergence of intermediaries ... people who want information on what is happening to their donation can have it”

geography of their operations. Its parent, GuideStar International, also has projects in Germany, Hungary, India and South Africa.

For funders wishing to support individuals, consider Ashoka, which invests in social entrepreneurs around the globe, or Microloan Foundation, which provides microfinance services in Malawi, Zambia and the Philippines.

Managing complexity and risk

Many funders can feel overwhelmed by the scale and complexity of international development issues. New Philanthropy Capital’s Cathy Langerman explains, *“Language differences, time and distance gaps, unfamiliar cultural perspectives, multiple legal systems and disparate accounting practices all compound the complexity of giving internationally.”*

Trust, in an organisation’s management and in its impact, is critical. According to Langerman, *“Feedback is key to trust: for many donors, seeing the difference their money makes helps to develop trust”*.

“It is too complicated to say that there is only one ‘high-impact’ way to do this”

Warren Lancaster, International Director of Geneva Global, a donor advisory service that specialises in international giving, acknowledges that, *“International philanthropy can be risk laden, but these risks can be effectively managed.”* Many international charities work in social and political climates which have the potential for conflict, the possibility of corruption or the probability of complications. He says that donors must establish the risks involved with international giving, and the risks they are willing to take for the huge social returns overseas development can offer.

Donors have various options to manage this risk, such as relying on personal networks; giving through trusted intermediaries, such as religious institutions or other experienced funders; or giving to UK-based organisations which have overseas operations. Bea Devlin, Head of International Development at CAF noted, *“UK-based charities operating internationally continue to dominate the league table most frequently given to by those using CAF’s services.”*

There also are a number of specialist advisors, such as those mentioned above, who can help donors navigate the maze of international giving. Etienne Eichenberger, executive director of wise, a Geneva-based advisory service for philanthropists says, *“Giving internationally can present more challenges in selecting organisations*

Table 2: International giving resources

Funders and networks

- A Glimmer of Hope:
www.aglimmerofhope.org
- Ashoka:
www.ashoka.org
- Association of Charitable Foundations:
www.acf.org.uk
- European Association of Planned Giving:
www.plannedgiving.org.uk
- European Venture Philanthropy Association:
www.evpa.eu.com
- Microloan Foundation:
www.microloanfoundation.org.uk
- The Funding Network:
www.thefundingnetwork.org.uk

Advisors

- Asian Foundation for Philanthropy:
www.affp.org.uk
- Charities Aid Foundation:
www.cafonline.org
- Development Ratings:
www.developmentratings.com
- Geneva Global:
www.genevaglobal.com
- New Philanthropy Capital:
www.philanthropycapital.org
- wise:
www.wise.net

Online marketplaces

- GlobalGiving UK:
www.globalgiving.co.uk
- GuideStar UK:
www.guidestar.org.uk
- Oxfam Projects Direct:
www.oxfam.org.uk/direct
- The Big Give:
www.thebiggive.org.uk

Further reading

- Alliance magazine:
www.alliancemagazine.org
- Giving in Europe:
www.givingineurope.org
- Going global: a review of international development funding by UK trusts and foundations (New Philanthropy Capital, June 2007)
- Philanthropists without borders: supporting charities in developing countries (New Philanthropy Capital, March 2008)
- Philanthropy in Europe: a rich past, a promising future (Alliance Publishing Trust, 2008)



A Microloan Foundation loan group from Mzimba in Northern Malawi sell their fruit and vegetables. Photo © Judith Perle, an MLF volunteer

and following their operations. A key lesson learned in our experience is to manage expectations.”

By conducting the necessary ‘due diligence’ on the donor’s behalf, these intermediaries can help you set goals, choose projects to support, and monitor impact. Natalie Pinon, director of Development Ratings, observes that, *“Distance definitely was a barrier in the past, but with the emergence of intermediaries that is shifting. People who want information on what is happening to their donation can have it”*.

As an example, the Asian Foundation for Philanthropy (AFP), which helps British Asians to make a difference to social and economic development in India, notes that philanthropy to Indian charities remains low due to various legislative and bureaucratic regulations, as well as the difficulty of *“sorting out insincere organisations from those that can make a genuine difference”*. AFP’s role is to find and support these ‘genuine’ organisations, and to help develop *“sustainable relationships between the donor and beneficiaries”*.

Commercial advisors, such as solicitors, wealth managers and accountants, can also offer advice, as well as connect donors to other clients with similar interests. Private bank Coutts & Co, for example, recently launched a microfinance advisory service and donor-advised fund, and will next month start a similar initiative for environmental causes.

Building on success

Wherever you are in your journey, seek to build on existing experience and success. David Cutler, director of The Baring Foundation, points out that, *“People in developing countries have every need that people in developed countries have, and these issues are already being addressed by many NGOs who are doing good work. It is too complicated to say that there is only one ‘high-impact’ way to do this.”*

Caroline Hartnell, Editor of Alliance magazine, which explores international giving in-depth in its September issue, notes that, *“This discussion has been going on for*

a long time. If funders can combine approaches – such as ‘new philanthropy’ and strong local NGOs in developing countries – then there is opportunity for significant impact.”

Collaboration is important, emphasises Sarah Lock of the Nuffield Foundation. Lock and Cutler co-chair the international development network at the Association of Charitable Foundations (ACF). Lock says that Nuffield and other foundations *“are interested in exploring funding partnerships with other funders – with individuals as well as other trusts and foundations”*. *“Need is not reduced to any one issue. It is very good that there are a variety of funders,”* Cutler added.

Hartnell agrees: *“There is a need for a combination of approaches. The circle must be widened in the debate about who sets the agenda for international giving.”*

Taking a global perspective

As part of Philanthropy UK’s efforts to help increase information and understanding about philanthropy around the world, which is a crucial factor in improving international giving, the rest of this section of the Newsletter contains profiles of developing trends in philanthropy in six parts of the world.

¹ Liz Goodey et al, *UK giving 2007* (London: NCVO and CAF, 2008).

² Cathy Langerman and Sylvia Rowley, *Philanthropists without borders: supporting charities in developing countries* (London: New Philanthropy Capital, March 2008).

³ David Gold, Chair of A Glimmer of Hope UK, is Chair of the Philanthropy UK Advisory Board.

“Private charitable foundations remain a well used mechanism for tax-efficient international giving”

Cross-border tax-efficient giving

By Ben Eyre

Giving to overseas charities is becoming easier, and tax-efficient options are becoming increasingly accessible, although donors in the UK who want to give tax efficiently to a charity based in another country may find some options limited.

For example, donors who live in a country represented by the Transnational Giving Europe (TGE) partnership can give to non-profit organisations in other member countries. A donor makes the gift to her home country's TGE partner foundation, which gives her a tax receipt and transfers the gift to the foreign beneficiary organisation. The donations receive all applicable tax benefits in the donor's home country. There is a 5% administrative fee. TGE currently operates in the UK, Belgium, France, Germany, Ireland, the Netherlands, Poland and Switzerland, with plans to soon expand to six additional countries.

TGE's UK partner, the Charities Aid Foundation (CAF), has a number of its own products to enable tax-efficient international giving, including the CAF Charity Account and CAF Trust. For those who pay tax in the US and the UK, the CAF American Donor Fund enables you to obtain tax benefits in either country while supporting charities anywhere in the world.

Giving in Europe is an online resource offering information and advice on making tax-efficient cross-border gifts across Europe. The website includes a tool that enables prospective donors to gain a quick glimpse of how a donation could be affected by tax according to the respective locations of the donor, the assets to be gifted, and the beneficiary

organisation in any of the 26 European countries listed on the site.

In addition to these resources, you should also consider consulting a tax advisor or solicitor for advice bespoke to your own situation, especially when making a major gift.

Further Resources

- ▶ Association of Charitable Foundations (ACF): www.acf.org.uk
- ▶ Transnational Giving Europe (TGE): www.kbsfrb.be/philanthropy.aspx?id=171742&LangType=1033
- ▶ Charities Aid Foundation (CAF): www.cafonline.org
- ▶ Giving in Europe: www.givingineurope.org
- ▶ European Association of Planned Giving: www.plannedgiving.org.uk

From charity to philanthropy

By Susan Mackenzie

British philanthropy is in the midst of a sea change: more wealthy people are giving, and in more sophisticated ways. Donors of all wealth levels are becoming more engaged, and seeking to have real impact. But this 'new philanthropy' is not solely a UK phenomenon.

Around the globe, individuals are increasingly embracing philanthropy to 'give back to society' and to test innovative approaches to tackling complex social problems.

For example, the devastation of the Sichuan earthquake inspired a surge in direct giving in China, in contrast to the commonly accepted practice of giving through government-led foundations (see *'Complex giving structures reflect China's turbulent growth'* in our June 2008 Newsletter). And our special report on *Women & Philanthropy: inspiring women, inspired giving* (March 2008), offers a global perspective on gender and giving, with overviews of female philanthropy in seven countries.

In this issue, we explore emerging trends in philanthropy in six countries and regions outside Western Europe. All of the authors are intimately engaged in philanthropy in their countries, and proud of their own organisations, as these articles demonstrate.

In Brazil, India and the Middle East, for example, our contributors highlight the central role that religion has historically played in supporting the needy through charity, and how today individuals are increasingly

inspired to take independent action, seeking to achieve sustained social change. And in South Africa, the end of apartheid, and its consequent drop in international aid, has forced many non-profits to turn to individual and corporate donors for support. Meanwhile, the ultra-wealthy Russian oligarchs are a major force for private philanthropy in their country, and international trends continue to heavily influence changes in Turkish philanthropy.

While the driving forces of change vary across these countries, they all share two trends in common. First, there is a shift from 'charity' to 'philanthropy' – commonly understood as the difference between tackling symptoms rather than causes – as donors become more strategic in their giving. Second, these profiles underscore the important and growing role of private philanthropy in sustaining a healthy and vibrant civil society.

“The way that inequality is being addressed in Brazilian society is changing”

Brazil: from charity to social investment

By Marcos Kisil, Institute for Development and Social Investment

Since the arrival of European explorers in 1500, Brazilian philanthropy has been inspired by the Catholic Church.

As a result, philanthropy became linked with the ideas of charity and mercy: giving to the poor was motivated by their misery and used by givers as a means of gaining forgiveness. Philanthropy thus became an activity of the wealthy seeking to save their souls. Such philanthropy did not change the status quo of the poor, but it did play a unique role in fostering private hospitals and schools, and forging common values among the Brazilian elites.

Today, Brazil continues to face many social and economic challenges. Poverty is widespread; both educational attainment and health indicators remain low; and wealth inequality has reached one of the highest levels among modern urban industrial societies. In spite of the ending, in 1985, of 20 years of military dictatorship, successive democratic governments have so far failed to guarantee the basic rights set out in the 1988 Constitution in health, education, housing and sanitation.

However, over the past few decades charges of misuse of foundations and other civil society organisations (CSOs) have led to much scepticism and mistrust across society. The need to demonstrate that community involvement is part of citizenship and that philanthropy is based on ethical behaviour prompted the establishment of GIFE (Group of Institutes, Foundations and Enterprises), a membership organisation similar to the US Council on Foundations or the European Foundation Centre, but with corporations rather than foundations as members.

From this moment, Brazilian philanthropy gained momentum. In 1998, the Ethos Institute was created to lobby for corporate social responsibility (CSR) and corporate sustainability. In 1999, the Institute for the Development of Social Investment (IDIS) was established with the aim of making private social investment more strategic and relevant to Brazilian society.

Other elements of civil society have also evolved dramatically, with a rapid increase in the number and size of CSOs involved in development work in Brazil: there are currently around 750,000 in the country.

Another important development is that corporate social responsibility (CSR) has begun to feature on the agenda of businesses. According to the Institute for Economic

Applied Research (IPEA) 2005 national survey, two out of every three companies reported having had made social investments, which ranged from small donations directly to individuals, to large, structured projects.

The future?

Brazilian philanthropy is experiencing a paradigm shift: from charity to social investment. The way that inequality is being addressed in Brazilian society is changing, as philanthropists begin to work more with the causes of social problems and not just the effects; to be more proactive, strategic, and professional; and to focus on impact. Each year Brazilian philanthropists invest over US\$1 billion in CSOs.

But, at the same time, mistrust dies hard, though this scepticism is not directed exclusively toward government.

In a 2001 poll by the Instituto Brasileiro de Opiniao Publica (IBOPE) for the Brazilian Association of NGOs (ABONG), respondents pointed to the need for civil society to be accountable, too. Whilst 58% of respondents approved of NGOs' impact, 23% said that NGOs should report on their sources of funding, 18% felt that they should be overseen by the state, and 12% felt they should be overseen by society.

These cautionary notes notwithstanding, the emerging forms of private social investment represent an opportunity to individual, family and business donors to become active participants in Brazilian society. Government is still behind in addressing the key social challenges, and leadership is needed on both sides, as is commitment and compromise in a common agenda. New public laws should be enacted to shape the future of philanthropy in Brazil, involving tax incentives, professionalisation of existing organisations, support to institution-building and creativity for the overall benefit of the nation.

Marcos Kisil is President of Instituto para o Desenvolvimento do Investimento Social (IDIS), São Paulo, Brazil. IDIS was the first non-profit-supporting organisation whose purpose was to develop knowledge and expertise to address the needs of corporations, wealthy families, individuals and communities that decide to organize their giving to become social investors and social entrepreneurs. IDIS is part of CAF International Network. Marcos can be contacted at mkisil@idis.org.br or www.idis.org.br.



Marcos Kisil

The main street in União Baiana, a village that has been supported by the Institute for Development and Social Investment. Photo © Osmar Araújo/IDIS



“To bring the goal of sustainable development closer, the state must accept the necessity of private wealth and other voluntary resources”

India: myriad shapes of philanthropy

By Dr Sandeep Deshmukh, Sampradaan Indian Centre for Philanthropy

Pluralistic values have dominated the evolution of philanthropy in India throughout the country's complex history.

Daan, generally translated as 'donation' in English, is the preferred traditional way of giving in Hindu society. It is given to a Brahmin (a priest figure) publicly, for recognition, or privately, for moksha (salvation). The ancient traditions of temple trust (sthanattar) and the village assembly (gaonki) have similar functions to community foundations.

In Mewat, in rural north-western India, for example, the predominantly Muslim Meo community donates fixed amounts of grain to mosques, which distribute wealth. Different religions have inspired different mechanisms for giving, though none are uniform across India.

Although these traditional mechanisms for giving are still important, class, caste and the social relationships based on them are in transition. Religious giving is

strongest in rural areas, although the influence of the village communities has weakened since independence.

Government is the largest funder of the non-profit sector in India, frequently through contractual relationships with non-governmental organisations (NGOs) to increase services to discrete groups. Post-independence, social change in India has been strongly influenced by increasing state intervention between competing social groups, redistribution of land and industry-based modernization.

Following the decline in state regulation of the economy in the 1990s, money and business assets are the dominant form of wealth in urban centres. In rural society, the Green Revolution – started with funding from the US-based Rockefeller Foundation – has increased wealth in the form of land, water bodies, and property.

At present, philanthropy is developing more in urban areas. A study conducted by Sampradaan Indian Centre for Philanthropy (SICP) indicated that 96% of upper and middle class households in urban areas donate for a charitable purpose. However, promoting giving must address all forms of wealth, as giving money is not the key to developmental problems in all areas. For instance,

community grain banks offer a solution to pockets of inadequate nutrition in India and grain can finance further development projects.

One example of innovation through giving institutions is the emerging community foundations across the country. SICP is promoting a community foundation in Mewat by trying to build a network of donors within the small middle class community and the local Muslim clergy. Lessons from this project will be shared to encourage others.

Diaspora giving continues to play an important role, though as it has developed from being mainly family-focused to encompass broader philanthropic aims, it is increasingly being channelled through foreign foundations.

Although many Indian companies' community development and CSR programmes have had little visible impact, there are examples of strategic company philanthropy. The Tata Institute of Fundamental Research, for example, is a world-class centre of research in mathematics and sciences, borne out of the vision of Tata Group of Companies in the 1940s. The Tata family was awarded a Carnegie Medal of Philanthropy in 2007 for its *“longstanding commitment to philanthropic causes”*.

The Saath Urban Resource Centre (URC), in Gujarat, is a one-stop advice centre on ration cards and other services for residents of slum communities. It is supported by the Asian Foundation for Philanthropy, a UK charity helping British Asians to support grass-roots projects in India. Photo © Asian Foundation for Philanthropy



To bring the goal of sustainable development closer, the state must accept the necessity of private wealth and other voluntary resources: sharing wealth is key to creating more wealth. For its part, the Planning Commission of India has started formulating the National Voluntary Sector Policy to encourage, but not control, the non-profit sector. Equally however, the non-profit sector must demonstrate professionalism, effective governance and transparency to attract and retain both public and private donors.

Therefore, a strategic focus, as well as further research of the myriad forms of philanthropy across India, will be vital to encouraging and supporting all forms of giving.

Dr Sandeep Deshmukh is Executive Director of the Sampradaan Indian Centre for Philanthropy (SICP). 'Sampradaan' means 'giving wisely' in Sanskrit, and we translate this in practice too. We are encouraging the development of community foundations in India through a broad-based process of selection and voluntarism. Wealthy donors interested in India may contact Sampradaan or any of our three partner community foundations: Mewat Foundation (Trust), Sainik Sangh and Kodagu Model Forest Trust. www.sampradaan.org

The Middle East: *teaching the needy how to fish*

By Dr Atallah Kuttab, Welfare Association

Although there are centuries of experience of giving in the Middle East, charity is the driving force behind it: the word philanthropy is still alien. According to Arab tradition, people who are able should give 2.5%-5% of their total wealth (not income) annually to their community.

Although there is little information available on how much money is given or what impact it is having, the potential is huge: the surplus from oil was around \$400 billion in 2007. If this level of tithing were followed through, then vast amounts of money, potentially billions, ought to be being distributed each year.

However, the main thrust of present practices is to give the needy a fish rather than teaching them how to fish. This does not lead to meaningful sustainable development beyond mere survival, but rather creates dependency and weakens communities in the long term.

Over the last three decades, some people with wealth have started challenging this practice of giving imposed by religious institutions and governments, by being more strategic in their philanthropy. One example is an organisation called Welfare Association, or Ta'awoun. It is made up of around 100 business leaders mainly from the Palestinian Diaspora. Our main objective is to improve basic daily services and to support a vibrant Palestinian civil society. To date we have supported more than 600 charities and other non-governmental civil society organisations. We aim for sustainable social change, and our members have set up an endowment, which is now \$75m (£32.5m), to help us achieve this objective.

We also are seeing an increase in the proportion of foundations being set up in the region with the aim of achieving social change rather than just continuing 'charity'; Egypt alone now has 85 foundations, compared to only a handful in the 1990s. The Arab Foundations Forum was established in 2006 by a dozen representatives of foundations in the area, including Welfare Association, to explore best practices in programming and governance and to network with similar groups around the world, like the Council on Foundations (COF) and European Foundation Centre

“The most important intervention needed in the Arab region is the creation of opportunities for young people through better education”

(EFC). We hope that the outcome of the discussions within the Forum will shape new regulations in the Arab Region, resulting in a more favourable environment for philanthropy.

The most important intervention needed in the Arab region is the creation of opportunities for young people through better education. The Arab population of 330m is young, with more than 50% under 25, and 25% of people 18-25 are unemployed with 50% looking for work for the first time. The main challenge for the private and the non-profit sectors is to work constructively and effectively with governments to make education more relevant. Education should provide life skills generally,

and equip young people according to market needs specifically, to make sure that the young are positively engaged in their communities. Young people are the future of their communities, but if frustrated they can become a negative and destructive force.

This is an exciting time with great potential, especially with the growing interest of the private sector in corporate social responsibility and the increased financial surpluses in the region. The non-profit sector must mobilize more support for sustainable giving in the Arab region. It must find ways to win governments over, for more co-operation and change.

Dr Atallah Kuttab is Director General of Welfare Association (WA), a private non-profit foundation established in Geneva by Palestinian business and intellectual figures in 1983. WA is dedicated to making a distinguished contribution toward furthering the progress of Palestinians, preserving their heritage and identity, supporting their living culture and building civil society. Most of its work focuses on the West Bank and Gaza, Palestinian camps in Lebanon and the Palestinian community in Israel. Dr Kuttab can be contacted at kuttaba@awelfare.org.jo or www.welfareassociation.org.



Dr Atallah Kuttab

The Welfare Association has funded a project to enhance rural economy and food security in Qattana, North West Jerusalem, through the use of greenhouses irrigated by treated domestic waste water. Photo © Palestinian Wastewater Engineers Group



“Newly wealthy donors aspire to embrace strategic philanthropy but are still looking for effective ways to do that in specific Russian circumstances”

Russia: historic growth in private giving

By Olga Alexeeva, CAF Global Trustees

Philanthropy is an even younger phenomenon than the market economy, or the ‘relative’ democracy, in Russia. In 1991 when the Soviet Union collapsed and true market reforms started, Russia had only around 10,000-15,000 NGOs (and only 20 NGOs in 1986) and virtually no domestic giving.

Today, in contrast, donations by the largest Russian companies amount to over \$2.5 billion a year, and the country has over 40 well resourced private foundations, established by the wealthiest families. Middle class giving that had not existed even five-to-six years ago, produces over \$20m a year in ‘registered’ charitable giving (the true amount is likely much higher). Meanwhile, more than 30 Russian community foundations created since 1995 receive most of their funding from local donors. Yet, there are numerous challenges to this historic growth of private and corporate giving that Russia experiences today.

Corporate giving represents over 60% of all domestic philanthropy (in comparison with just under 10% in the US), but is tightly bound by regional obligations which companies have inherited from the Soviet past. In the Soviet Union entire cities were built in previously uninhabited areas of Siberia and the North around a particular factory or a plant where the entire community infrastructure depended on and was funded by that individual industry. Today privatised enterprises struggle to cope with past and present social obligations, and as a result from 40% to sometimes 80% of corporate donations are tightly linked to specific towns and communities surrounding companies production sites, thus making corporate giving less accessible to the wider charitable sector.

Private giving by high-net-worth (HNW) individuals meanwhile meets with yet another set of challenges. On one hand, by now the majority of so called Russian ‘oligarchs’ have private foundations, most providing significant resources to support education, culture and the arts, as well as social needs.

On the other hand, the majority of newly wealthy donors struggle to identify a long-term mission in their giving; they aspire to embrace strategic philanthropy but are still looking for effective ways to do that in specific Russian

circumstances. Both the Russian Donors Forum, a growing membership network of donors, and CAF Russia help private donors ‘to find themselves’ in their private giving and make HNW philanthropy more effective and accountable, but a lot still needs to be done.

Finally, middle class giving, while it has grown significantly in the past five years – from virtually zero to hundreds of millions of roubles in 2007 – by and large ‘passes by’ registered charities. The level of suspicion and distrust towards the voluntary sector is very high in Russia due to some scandals of mid-1990s, and the majority (80%) of middle class donors prefer to give directly to individuals, for example, in the form of paying for treatment of a seriously ill child, or donating funds to government institutions such as schools or orphanages.

Philanthropy in Russia has grown considerably in the past few years. But this historic ‘big leap forward’ needs to be supported by more long-term but nevertheless much needed work. First and foremost, the Russian civil society sector and Russian donors should make an effort to influence the restrictive and discriminatory regulation system of charities and non-profit organisations created in recent years by the Putin Government.

Volunteers and children celebrate around a fire at summer camp by Maria's Children, a charity funded by CAF Russia donors. Photo © Maria's Children



Russian donors, with the support of membership and intermediary organisations, should also develop a dialogue with the wider charitable sector and make their funds more accessible to Russian NGOs, which struggle to raise funds and sustain their often much more effective and innovative programmes.

Finally, emerging Russian philanthropists, including especially HNW donors, should focus more on making an impact with their giving as well as the responsibility that they take when entering the philanthropic field, so that this incredible growth in giving does not become just another luxury toy of famous oligarchs, but delivers real change in this challenging country.

Olga Alexeeva is Head of CAF Global Trustees, a division of CAF (Charities Aid Foundation) that is focused on the development of private and family giving around in the world. She works directly with a number of ultra high-net-worth individuals from Russia, Ukraine, Brazil, India and China to assist in the development of private philanthropic projects and foundations. www.cafonline.org



Olga Alexeeva

“At the end of apartheid in 1994, South African non-profits had to adapt quickly to a changing donor landscape”

South Africa: social investment beyond the rainbow

By Sophie Hobbs, GreaterGood South Africa

South Africa is an upper-middle-income country in per capita terms. The number of South African dollar-millionaires increased by almost 14% between 2006 and 2007¹, and a rapidly growing black middle class is boosting the country's house, car and retail sales. But despite this relative wealth, the distribution of income is among the most unequal in the world with an estimated 57% of South Africans living below the poverty income line².

Although much is being done on the ground and by government to address this imbalance, the culture of giving formally and regularly to causes is not particularly well established and people often feel powerless in the

face of what they perceive as overwhelming need. And while corporate philanthropy has grown exponentially over the last two decades, it has often been constrained by an un-strategic, 'tick-box' approach to social development, created, to some degree, by affirmative action legislation and industry charters.

Changing donor landscape

At the end of apartheid in 1994, South African non-profits had to adapt quickly to a changing donor landscape. Once supported directly by international aid organisations, non-profits now found their funding streams drying up. With a legitimate government in place, there was no need to provide aid directly to non-profits. So these organisations had to turn their attention to South African companies and individual donors, as well as becoming adept at navigating government-distributed aid.

A great deal of money has gone into development in South Africa since the fall of apartheid. A recent Human Sciences Research Council national survey on social giving in South Africa found that regular citizens give roughly R12 billion a year from their own pockets to help others, and corporate philanthropy stands at an estimated R5 billion per year. Yet things do not seem to

be getting substantially better for the very poor in the country. And our major challenges – HIV/AIDS, housing, education, food security – show few signs of being adequately addressed.

In South Africa, and across the continent, donor funds are mainly channeled through governments or large grant-making foundations which have their own specific development agendas. Individual donors are faced with often confusing and competing choices and a lack of adequate giving channels. So the small, grassroots organisations – often doing the most vital work at the coalface of poverty – lose out.

Innovative solutions

What is becoming clear is that innovative solutions are needed to address the huge imbalances that exist between South Africa's rich and poor.

GreaterGood SA uses technology to connect people but it also aims, crucially, to improve the accountability of the development sector and create a new generation of more considered donor-investors. With the creation of GreaterGood's Social Investment Exchange (SASIX: www.sasix.co.za), the organisation hoped to encourage a more strategic and measured approach to tackling poverty

A beneficiary of a SASIX project to boost food security by providing training and livestock in rural KwaZulu-Natal. Photo © GreaterGood SA

in South Africa. Over R8.9m has been invested in 43 social development projects through SASIX in just two years.

Investing responsibly

Another major growth area for the South African development sector is socially responsible investment. There is an enormous savings pool in South Africa – around R3 trillion largely in life and pension funds – but only an estimated R10 billion is dedicated to socially responsible investing, including infrastructure. At the same time, South Africa is struggling with an infrastructure backlog that needs to be urgently addressed. Social investment products that combine investment return imperatives with sustainable development – environmental, social and corporate – will give the poor access to the capital they need to lift themselves out of poverty.

Although South Africa lags behind many developed countries in terms of both strategic philanthropic giving and socially responsible investing, it also has the opportunity to learn from what works elsewhere and forge its own, uniquely South African, development path.



¹ Capgemini Merrill Lynch World Wealth Report, 2008.

² Human Sciences Research Council (HSRC), 2007.

Sophie Hobbs is Head of Communications at GreaterGood South Africa (GGSA). Through its networking websites, call-to-action campaigns and specialist social investment services, GGSA makes it easy for people to connect with and support registered non-profit organisations in whatever way they can. Since its launch in 2004, GGSA has engaged thousands of individuals and corporates who have given over R16 million in funds, almost 45,000 hours of volunteer skills and time and over 530,000 surplus items. www.greatergoodsa.co.za



Sophie Hobbs

“International influences are a major impetus for change in Turkish philanthropy”

Turkey: Missing links in Turkey’s philanthropic sector

By Filiz Bikmen, Sabanci Foundation

Philanthropy yesterday: foundations lead

The history of organized philanthropy in Turkey started with foundations (known as ‘vakif’) which date as far back as the second century, when the legal structure was formally established. In the absence of a welfare state, foundations were the main vehicle for giving and provided a majority of public services that define modern municipalities and local governments today.

‘New era’ foundations, first established in the late 1960s, were founded by industrialists who earned their wealth in Turkey’s burgeoning market economy. Yet even in the presence of a welfare state, most foundations continued to subsidize basic public services by building schools, universities, museums and hospitals. Funding NGOs with grants was never a common practice.

Philanthropy today: donors lag behind

The NGO sector in Turkey has developed more rapidly (mainly with foreign funding) than local funding practices. Giving directly to NGOs, and other mechanisms for ‘organized’ philanthropy, are still in their emerging stages (Bolu Community Foundation, Turkish Philanthropic Fund are some recent examples).

A snapshot of the Turkish ‘donor’ sector reveals some developments:

For *individuals*, the prominent form of philanthropy (not including religious forms) is known as ‘parochial giving’¹: individual-to-individual giving for immediate assistance. In its loosely organized form, individual giving is channeled through an estimated 9000 ‘hometown’ associations, which are attractive mechanisms for the millions who have migrated from rural places to large urban centers.

The Turkish *government* has just recently modified laws to allow transfer of funds and other resources to NGOs; yet, a system for government funding and respective mechanisms does not exist.

Companies are increasingly giving to NGOs, although most are one-off gifts, confusing CSR with corporate giving, and working without a defined strategy.

‘New era’ *foundations* have continued to fund only the building of facilities and scholarships, with one recent exception: After 34 years of building schools and other facilities, the Sabanci Foundation recently started making grants to NGOs in 2007, and is now developing strategies to expand grant-making in the areas of youth, women and the disabled.



Filiz Bikmen in Sanliurfa, where the Sabanci Foundation work to improve the health of women, who work there as seasonal agricultural labourers, and their children. Photo courtesy of the Sabanci Foundation.

The missing link: better policy and effective practices

The missing link in promoting philanthropy is better policy and practice. With this in hand, it will be possible to mobilize a stronger cadre of donors to support NGOs as they aim to eliminate crippling economic disparities, improve social policies and conditions for women and an increasingly young population, and ultimately, secure a better future for Turkey.

In terms of policy, laws and regulations for philanthropy are quite limiting. To promote philanthropy, the sector needs: 1) more enabling legal frameworks to encourage donors (e.g., payroll giving, higher tax deductions); 2) more relief from tax burdens for NGOs and donor organisations; and 3) development of audit and control systems to prevent abuse.

In terms of effective practice both donors and NGOs need to take more direct action. For example, companies need to be more strategic and knowledgeable in their giving strategies, and more 'new era' foundations need to adopt grant-making as a practice. Governments need to formalize systems for allocating resources to NGOs, while NGOs need to increase strategic capacity for fundraising, and to improve reporting for public accountability of funds raised and used. Finally, more mechanisms to find, engage and match donors to non-profit causes need to be established (e.g., community foundations, donor advised services, and systems such as Guidestar).

Global trends, local implications

International influences are a major impetus for change in Turkish philanthropy – in fact, the notion of 'funding' NGOs is almost entirely a result of global trends and practice. In an increasingly global context, fostering exchanges of knowledge and practice will be critical for the development of a more active philanthropic sector in Turkey.

¹ 'Parochial giving' is a term coined by Ali Carkoglu, a professor at Sabanci University, who conducted Turkey's first public opinion study on philanthropy for TUSEV (Third Sector Foundation of Turkey: www.tusev.org.uk) in 2004.

Filiz Bikmen is Manager of Institutional Development and Programs for the Sabanci Foundation in Istanbul (www.sabancivakfi.org) where she is responsible for the strategic design and development of new grant programmes for youth, women and the disabled. She also acts as an Advisor to the Chairman and the Board at TUSEV (Third Sector Foundation of Turkey www.tusev.org.tr), a network of over 100 Turkish foundations; and is a board member of the Turkish Philanthropic Fund, New York (www.tpfund.org), and the International Centre for Not for Profit Law, Washington (www.icnl.org).

This article is based on a chapter by Filiz Bikmen in Philanthropy in Europe: A rich past, a promising future (see the Publication notices section of this issue for more information), and a paper 'From Hardware to Software, Charity to Strategy: A Roadmap for Progressive Philanthropy in Turkey' published in the Turkish Policy Quarterly (Spring 2008).

Philanthropy UK: *interview*

Doug Miller Chairman, European Venture Philanthropy Association

Engaging philanthropists

By Susan Mackenzie

In 2003 five private equity professionals came together to found the European Venture Philanthropy Association (EVPA: www.evpa.eu.com), aiming “to create a new market for philanthropy in Europe”. Five years on, the organisation has made remarkable progress, even when measured against the founders’ ambitious goals.



“I think that all philanthropy needs to demonstrate that it is both well grounded in theory and that it is being effectively implemented.”

Much of this success is due to its first Chairman and co-founder, Doug Miller, who has worked determinedly to grow the organisation’s membership, develop its services and raise its profile and influence across Europe.

Miller, who has 35 years’ experience in investment banking and private equity, is founder of International Private Equity Limited, a fund placement boutique. An American, he has lived in London for 29 years, and raised his family here. However, he soon will be spending more time in Asia and the US, but, thankfully, will stay involved in European philanthropy.

This month Doug steps down as EVPA Chairman, handing over the reins to fellow co-founder Serge Raicher. In this Philanthropy UK Interview he talks to Susan Mackenzie about the challenges and opportunities for philanthropy in Europe, his lessons learned, and what’s next for EVPA.

Philanthropy UK: How has philanthropy changed in Europe in the past 5-10 years?

Doug Miller: I am still on a very steep learning curve with regard to the wider practices of philanthropy. My perception is that philanthropy in Europe is driven primarily by two factors, which vary by country: (1) the attitude of individual versus state responsibility for addressing social issues, and (2) the tax structure related to giving.

In addition, there are a number of attitudes which are beginning to become more prevalent. These include the desire by many people to ‘give something back’ to the community, the risk-taking that enables philanthropic efforts to be more innovative and explore new solutions to social problems, and the recognition that social outcomes need to be more transparent and more measurable.

P-UK: What are the main challenges for British philanthropy over the next five years?

DM: Philanthropy in the UK is generally more developed than in most of mainland Europe. I think that all philanthropy needs to demonstrate that it is both well grounded in theory and that it is being effectively implemented. I also think philanthropists need to collaborate more to share knowledge and ideas. The industry seems too fragmented and too short term in orientation.

Funding one or two year projects and then moving on makes no sense to me. Neither does the funding of multiple subscale organisations attacking common problems or just limited segments of specific problems. Take homelessness across London. It would seem to me to be more effective to just have four or five substantial organisations who address this issue on the basis of shelter, assessment and treatment of underlying issues such as substance abuse, family issues, work issues, etc –

i.e., a concern across the whole spectrum for each individual rather than what I perceive is mostly a fragmented approach.

P-UK: What are the opportunities?

DM: I believe there are tremendous opportunities to break silos between the different actors in order to share knowledge and ideas, identify synergies, and explore new methods. To do this takes trust and leaving one’s biases at the door. This can be difficult when funders bring very different perspectives. If real teamwork (as opposed to superficial co-operation) could be achieved, I think the results would be staggering.

P-UK: What key lessons have you learned from your experiences in philanthropy?

DM: I have learned a number of key lessons and no doubt have an even greater number to learn. So far, my key lessons are:

1. Do your homework – what you see and/or are told is rarely the full story (this applies to most things in life).
2. Look for root causes and holistic solutions. Be aware of unintended consequences.
3. It will always take more time and more money than initially expected.

“Philanthropy is like a drug ... the more you do, the more you want to do.”

4. It is important to look for ways to leverage your own knowledge and your own capital – work with other similarly minded people.
5. Social problems are very often complex, and the easy solutions probably do not exist.
6. Almost all ‘social’ organisations I have seen are subscale. I am amazed by how fragmented the NGO sector is.
7. Private philanthropy needs to work much more closely with governments – anyone who can make this happen more effectively deserves recognition from us all.

P-UK: What has been your most rewarding philanthropic experience?

DM: My two most rewarding social investments (I regard philanthropy as a social investment) have been a scholars programme at my alma mater, and the EVPA.

I’m working closely with my former university (University of Kansas) to expand the Multi-Cultural Scholars Programme from the School of Business across nine schools at the university. We recruit, mentor and financially support Afro-American, Hispanic and Native Americans throughout university and into employment, developing them into leaders and role models.

My investment is all about giving deserving and potentially high-performing individuals the opportunity to improve themselves and society at large.

The EVPA is also an investment of time and capital. The intent is to address the barriers in philanthropy, particularly in terms of breaking silos, looking for both cross-institutional and cross-border synergies as well as

fertilisation of ideas. To achieve this, however, will take time and commitment. Nothing worthwhile doing is easy to implement.

P-UK: Has EVPA met your objectives? What’s next?

DM: The five co-founders of the EVPA had three very specific objectives:

First, to build a broad-based organisation, both geographically and by diversity of members. We now have over 100 members from 21 countries, representing VP and social enterprise groups, foundations, private equity and hedge funds, universities and professional service firms. This is a very exciting start and far exceeded our expectations.

Second, we also wanted to increase the visibility of venture philanthropy/social enterprise across Europe. Our 2007 Conference, held in Madrid, attracted over 300 delegates from 30 countries, while press coverage of EVPA and venture philanthropy has increased substantially.

And third, we wanted to promote the concept of engagement and that individuals have both an opportunity and a moral responsibility to address the numerous problems society faces. By working alongside others, progress has been achieved.

However, we have only taken the first steps along a long road. Looking forward, EVPA and its individual members need to prove that the VP concept works. And we must be careful that ambition and hype do not create unrealistic expectations.

P-UK: As you step down as EVPA Chairman, what is next for you?

DM: I intend to stay involved with the EVPA and will remain a trustee. One project is the establishment of the European Venture Philanthropy Fund, along with Rob John, to assist the start-up of new VP funds, building on the success of our pilot programme in Estonia. Rob and I also intend to jointly explore the establishment of an Asian Venture Philanthropy Association. This looks quite challenging as the geographic distances, as well as cultural differences, are much greater than in Europe.

Additionally, I plan to continue with smaller projects such as the Multi-Cultural Scholars Programme which we are now replicating at the University of Warwick, as well as some other direct social enterprise investments.

Philanthropy is like a drug which produces feelings of both fulfilment and personal happiness: the more you do, the more you want to do. I encourage everyone to get engaged.

P-UK: Thank you.



Adam Ognall



What's new in social investment?

A brief round-up of developments in the social investment world

Prepared by the UK Social Investment Forum (UKSIF)

Social Enterprise Loan Fund launch

The Social Enterprise Loan Fund is the new name for the Local Investment Fund which has lent £7m to social enterprises over the past 14 years. It is a joint venture between Communities and Local Government and NatWest. It has plans to double the size of its loan portfolio over the next three years.

► www.tself.org.uk.

Futurebuilders announces mission investor plan and launches tender fund

Futurebuilders England has published its new Investment Plan, outlining investments to 2011. The plan describes the organisation as a 'mission investor'. It has also launched a £1m interest-free loan fund for third sector organisations struggling to meet the cost of public sector tendering.

► www.futurebuilders-england.org.uk.

Charity Bank launches Asset Finance service

The service is aimed at charities and social enterprises that are struggling to obtain finance for equipment purchases that could transform their ability to deliver services.

► www.charitybank.org.

CAN Breakthrough announces sixth investment – in Speaking Up

Breakthrough social investment fund, run by CAN with private equity firms Permira and SVG, has announced a £175,000 investment in disability advocacy service Speaking Up.

► www.can-online.org.uk.

CDFA consults on performance and effectiveness of community finance

The Community Development Finance Association (cdfa) has launched a public consultation on its Change Matters performance framework for community development finance institutions (CDFIs). The aim is to further improve efficiency, transparency and impact of CDFIs.

► www.cdfa.org.uk.

Gates Foundation announces new focus on micro-savings

The Bill and Melinda Gates Foundation has announced plans to direct hundreds of millions of dollars to promote savings programmes in the developing world.

► www.gatesfoundation.org.

Survey finds charities risk losing public support by not investing ethically

A survey by the EIRiS Foundation found that 83% of the general public would be less likely or unwilling to give to a charity if they found out it was investing unethically or in a way that was against its mission.

► www.eiris.org.

If you require further information on these stories or have a social investment news item, please contact Adam Ognall, UKSIF Deputy Chief Executive, at adam.ognall@uksif.org.

Publication reviews and notices

reviews

Understanding Philanthropy: Its meaning and mission

Robert L. Payton and Michael P. Moody

Bloomington, IN: Indiana University Press, May 2008.
224pp. Cloth. ISBN 978-0-253-35049-7
<http://iupress.indiana.edu> \$24.95

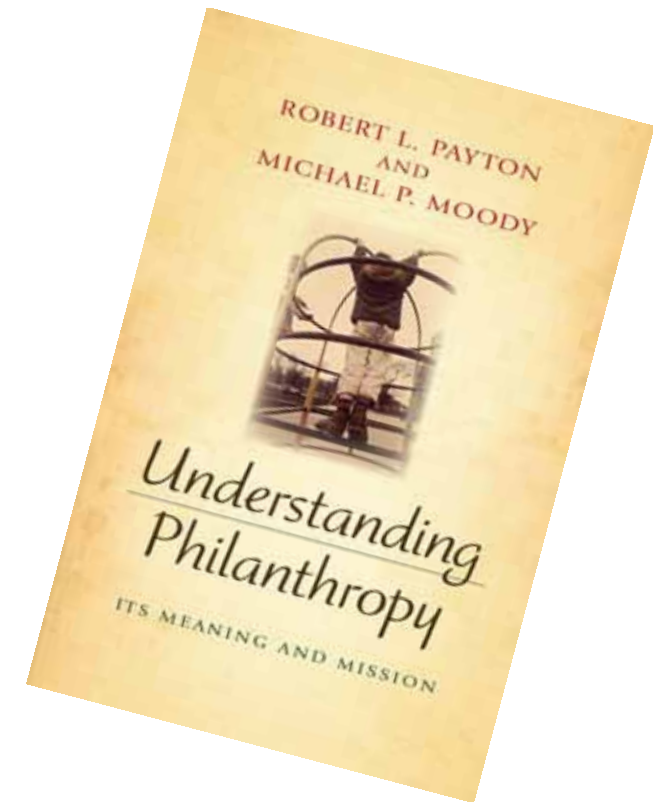
Reviewed by Beth Breeze

Payton and Moody's book is an extended argument that philanthropy is an interesting and important subject that deserves to be better understood and to be taken more seriously. Apart from the usual gripe from this side of the Atlantic that the authors also take themselves a little too seriously, it does largely fulfil its stated aim, although UK readers should brace themselves for a relentlessly upbeat approach and repetition of the mystifyingly widespread view that America invented philanthropy.

A toe-curling moment appears in the first few pages when a description of an impressive woman named Oseola McCarty who, despite being poor herself, lived frugally and donated a large sum to support needy African-American students at the University of Southern Mississippi, is concluded with the rhetorical question, "Do such things happen in other countries?" Errr, yes! The 'horizontal philanthropy' of poor-to-poor is perhaps more universal than the 'vertical philanthropy' of rich-to-poor that can only arise in societies containing great inequalities of wealth. Fortunately such patriotic asides desist as the book progresses and are replaced with more thoughtful reflections on the way that unique philanthropic traditions emerge in different societies, dependent on their cultural and historical contexts.

Much of the first half of the book revolves around defining key terms and dissecting the differences between apparent synonyms such as 'charity' and 'philanthropy'. Having successfully cleared a path through the thicket of definitional tangles, the book moves onto meatier questions regarding the rationale for philanthropy's existence, its relationship to other forms of assistance and the practicalities of undertaking philanthropic action.

Whilst the authors, being openly pro-philanthropic, are clear that philanthropy is the answer, they do not shy



from addressing the obvious retort, 'what is the question?' In a beautiful demonstration of Occam's Razor (the principle which states the best theories are those expressed most succinctly and simply), the authors argue that, "Philanthropy exists because of two truths about the human condition: things often go wrong and things could always be better". The philanthropic tradition is then described as the history of the response to these two facts.

Grand claims are made about the possibilities inherent in philanthropic action, with philanthropy variously described as essential to democracy, the locus of society's moral agenda and "our best hope to make the world better". Yet the authors readily acknowledge the existence of alternative responses when things go wrong and situations need to be improved. Self-help, mutual aid and government assistance are discussed as options to be considered before initiating a philanthropic response. The aftermath of the terror acts of 9/11 is used to demonstrate the happy co-existence of all four types of response whilst Hurricane Katrina is offered as proof that sometimes philanthropy is all that can fill voids created when people have no resources to help themselves and government lacks the capacity or will to respond adequately; in such cases "*philanthropy makes sense because all else has failed or because other responses will take too long or are incomplete*".

Whilst government and market failure often feature in theories of the voluntary sector – implying that philanthropy is the 'fall-back option' – this book usefully highlights that philanthropic acts have a positive comparative advantage because they are defined by morality, whereas governments are defined by 'power' and business by 'wealth'. Such sweeping generalisations inevitably invite debate; many people enter politics to implement moral ideas and many businesspeople-turned-philanthropists would argue that wealth creation was a necessary precursor to their later generosity. But defining the 'big idea' of each sector in such stark terms enables the authors to develop stimulating ideas around the notion that philanthropy is the expression of the 'moral imagination' and a means for individuals to shape and advance the moral agenda of society.

Whilst this all sounds rather abstract, philanthropists will find much of practical use in a chapter on the practicalities of undertaking philanthropic action that acknowledges the perils of attempting to intervene voluntarily in other people's lives for their benefit. The authors begin by pointing out the difficulties in abiding by two apparently opposed social norms – that we should help others and that we should also mind our own business – and suggests these can be reconciled with the help of three guiding principles. Firstly, 'seek to do good but do no harm' in order to avoid the unintended consequences when bad results flow from good intentions. Secondly, to 'give all you can' when weighing the claims of others against your own needs. And thirdly, to 'give back and pass it on' to repay the philanthropy we have all, at some point, received and to ensure that the tradition of philanthropy is stewarded and preserved for future generations.

The need to be good stewards of the philanthropic tradition occupies the entire concluding chapter, which – staying true to the book's title – advocates better understanding of philanthropy as the surest route to defending its essential roles in key democratic tasks such as defining, advocating and achieving the public good, advancing the general welfare and responding when things go wrong. Such seriously ambitious goals perhaps ultimately justify the authors' occasionally serious and self-important tone.

Beth Breeze is Publications Editor of Philanthropy UK

Volunteers: A Social Profile

Marc A. Musick and John Wilson

Bloomington, Indianapolis: Indiana University Press, Feb 2008. 680pp. Cloth. ISBN 978-0-253-34929-3. <http://iupress.indiana.edu> \$39.95

Reviewed by Angela Ellis Paine, Institute for Volunteering Research

This book tells you everything you ever wanted to know about who volunteers and why, and probably a bit more besides. Well, actually, it tells you everything that is known or measured about why different people volunteer, whilst also highlighting the many remaining questions where data has yet to be collected. With over five hundred pages of text crammed full of survey data and references to existing studies (plus another 150 or so pages of appendices and references), this must be one of the most comprehensive publications on volunteering to date.

Its sheer size and level of detail mean that this is not a book to sit down and attempt to read in one sitting, but it is certainly a book to keep close to hand and to dip into as and when you can. I will certainly be keeping it on my desk, to be thumbed through and referred to when exploring the different aspects of volunteering that it covers. For a UK audience, however, it is worth pointing out that although the book does bring in studies from around the world, it is heavily weighted to data from the US.

The book is divided into six parts, with the bulk being devoted to an exploration of why people volunteer, or



more specifically why some people volunteer more than others. In considering this question, the book divides its analysis into three main groups of explanations. Each group contains a number of different theories, most with numerous (and sometimes contradictory) empirical studies either giving weight to or against these theories.

The first group of explanations is those based on ideas of 'subjective dispositions', which argue that individuals' personalities, motivations and values can all influence whether or not people volunteer. Here, for example (and perhaps unsurprisingly given their sociological backgrounds), the authors largely dismiss the psychologists' arguments that motivations alone can be used to explain patterns of

volunteering, arguing instead that understanding motives is only the beginning of understanding why some people volunteer and others do not.

The second group of explanations focuses on 'individual resources', and explores how factors such as socio-economic status, time, health, gender and race can influence whether or not people volunteer. For example, women are more likely to volunteer than men, although they do not volunteer more hours. This may in part be due to cultural factors (for example the proposition that women tend to be the more empathetic gender) but also may be due to social practices (it is known that women are more likely to attend church and that church attendance influences volunteering), and the influence of other roles women perform (for example mothers get involved in volunteering opportunities through their children's school and clubs).

The third group of explanations looks at the social context of volunteering, including life course, social resources, volunteer recruitment practices and regional location, to argue that volunteering is influenced and structured by the organisational and institutional environment. This part of the book contains chapters on trends in volunteering and international comparisons, focusing not on 'describing differences' over time or space but on 'providing explanation'.

The book also includes sections on the organisation of volunteering, the impact of volunteering on volunteers, and a discussion on the definition of volunteering. Overall, it gives a comprehensive and accessible summary that provides evidence for many long-held assumptions about volunteering, whilst also challenging some of those assumptions. For example, rather than uphold the widely held view that people are becoming less inclined to volunteer, the authors use survey data to conclude that, whilst

volunteering may be changing, there is 'no cause for concern... the volunteer spirit is not diminished'.

The book does not provide any simple answers or explanations as to why some people volunteer more than others – at the end of it I am still not sure what the answer is. But this is because it is a complex question and it is not possible to single out one or two factors to explain volunteering. Despite the absence of easy answers, I like this book not least because I agree with the authors' belief that volunteering and activism are part of the same phenomenon, despite the tendency (particularly in lay discourses) to depoliticize volunteering. This is of increasing importance as governments around the world get more involved in volunteering, most commonly adopting a definition of volunteering that is closer to caring than to activism with the potential to encourage, as the authors note, only 'safe, non-controversial and "non-political" volunteering at the expenses of advocacy volunteering and social activism'.

Angela Ellis Paine is Director of the Institute for Volunteering Research.



Angela Ellis Paine

Influential reading: *Stuart Etherington*

In each newsletter, Philanthropy UK invites an influential person from the philanthropy sector to tell us what books have most inspired and shaped their approach to philanthropy.

Our 'influential reader' in this edition is Stuart Etherington, Chief Executive of the National Council of Voluntary Organisations. He can be contacted through his PA at toby.jenkins@ncvo-vol.org.uk.

Stuart says:

Some people know that I am a great fan of Charles Dickens who through both his actions and his writing imparted wide ranging views on philanthropy. Who can forget Mrs Jellyby in *Bleak House* and her insistence on supporting the poor elsewhere whilst neglecting poverty closer to home? But my reading over the years has revealed very different attitudes to philanthropic endeavour, both in the giving of time and of money.

Some of this counterpoints social justice and charity, the contrast on the one hand of St. Francis in his suggestion that "*where there is charity and wisdom there is neither fear nor ignorance*", with St. Augustus who famously wrote that "*charity is no substitute for justice withheld*". I am with Augustus on this, for he helps us to keep philanthropy in perspective. Great claims are made for it but it should not over claim. Justice and equity demand other mediating democratic institutions.

Therefore, my first choice of book is Richard Reeves' biography **John Stuart Mill: Victorian Firebrand**, which reminded me that Mill's view of charity was consistent with this. In *On Liberty* he writes, "*As for charity it is a matter in which the immediate effect on the person directly concerned and the ultimate consequence to the general good are apt to be at complete war with one another*". Mill's argument echoes one made even more



strongly by Mary Wollstonecraft, “*It is justice not charity that is wanting in this world*”.

There is a contrast between those who would promote both social rights and justice, and those like my second choice, **Edmund Burke**, whose **Reflections on the French Revolution** champions the role of independent civil society as a bastion against the tyranny of the state. These divergent approaches to Civil Society – as an active and respected partner in delivering social justice or as a bastion to protect citizens against an overbearing state by encouraging independent action and institutions – do not go away. Indeed they may characterise the essential argument that will underpin a Brown/Cameron clash.

So where does philanthropy stand on such an axis? Rarely is philanthropy associated with social justice, with some notable exceptions, particularly those associated with the activity of Quaker industrialists. Yet if philanthropy expressed as the act of giving both time and money should not over-claim, nor should it under-claim.

My third and final choice of reading I leave to an old friend, Sir Kenneth Stowe, who helped to forge the Compact between Civil Society and the Government in 1998. Writing in **Armchair Athenians – a collection of essays from the Athenaeum**, in his essay entitled *Philanthropy – man’s proudest gift*, Stowe quotes Sir Peter Baldwin, a former Chairman of the Charities Aid Foundation: “*Government cannot meet all society’s requirements, the market will not, and the deficit lying between the two is large and increasing and can only be met only by voluntary action*”.

“Yet if philanthropy expressed as the act of giving both time and money should not over-claim, nor should it under-claim”

In an ever developing and complex world, where institutions need to adapt organically, this may be increasingly true and philanthropy may help this happen. If so, it will be not just a bastion but an aid to adaptation in response to a rapidly changing social ecology. Modern welfare states will find it increasingly difficult to adapt to complexity and needs which will far outstrip the tax base. Markets, whilst able to change to encompass growing wants, will only operate where there is a reasonable return on shareholder capital. The space for civil action will therefore grow as a result.

Philanthropy, volunteerism, co-operation and new mutualism will all have their role to play in populating this new space. Perhaps a new book remains to be written explaining how this can happen. I shall look forward to reading it.

notices

Philanthropy in Europe: A rich past, a promising future

Norine MacDonald and Luc Tayart de Borms (eds)

This collection of essays about the diverse role played by European foundations is an attempt to plug the gap in a literature that is largely dominated by information about American foundations. It includes profiles of thirteen foundations, selected as examples of 'the rich variety and diversity' found in the European foundation sector, including the UK's Wellcome Trust and Impetus Trust. The editors argue that the social, political and economic fabric of European countries means that foundations in this continent are 'a different animal' to the Anglo-Saxon style of philanthropy found in the US. The book ends with a plea by the European Foundation Centre's Gerry Salole for a 'long overdue' European foundation statute to enable the sector to enjoy the same cross-border freedoms as other organisations based within the European Union. The preceding essays and profiles ought to strengthen Salole's case that such a statute is a 'vital issue' which will enable the sector to have even greater impact.

London: Alliance Publishing Trust, 2008. 304pp. Paperback. ISBN 978-0-9558804-0-7. To order contact Alliance magazine at publishing@alliancemagazine.org or the European Foundation Centre at efc@efc.be.

For the Love of Mankind: A sociological study on charitable giving

Pamala Wiepking

At a time when the UK and Scottish governments have committed £2.2m (alongside the Carnegie UK Trust) to fund research into charitable giving and philanthropy, Wiepking's book – which addresses the core problem of 'why do some [Dutch] people donate more money to charitable organisations than others?' – is a reminder that other European countries are also starting out on the path of creating a knowledge base for their philanthropic sectors. Drawing on an extensive dataset of giving in the Netherlands, Wiepking offers four extended studies of giving and introduces a novel, and useful, suggestion that there exists a 'giving standard' which influences the level of donations that are felt to be appropriate in specific situations. Wiepking is a promising young academic but her book is fully accessible to lay readers and will repay close reading by people working in all areas of the philanthropic sector.

Amsterdam: Vu University, April 2008. 164pp. Cloth. ISBN 978-90-77383-07-0. www.wiepking.com €20

Unjust Rewards: Exposing greed and inequality in Britain today

Polly Toynebee and David Walker

This book is an extended critique of the holding, and holders, of wealth and the impact of economic inequality on contemporary UK society. It contains a chapter entitled 'Philanthropy is no excuse', which describes charitable giving by the rich as '*mere ostentation*', a '*passport to the in-crowd*' and '*another way of exerting power and control*'. It is, therefore, a little ironic that the book is published by Granta, owned by the widely admired philanthropist Sigrid Rausing, and that the research upon which the book is based was funded by the Joseph Rowntree Foundation and the Barrow Cadbury Trust. This book is a polemic without nuance – all the rich are greedy and anti-tax; all rich philanthropists are in it for themselves. It is a shame that Toynebee and Walker, both distinguished social commentators, fail to acknowledge the other sides to their story: that philanthropic motives range from the self-interested to the selfless and that philanthropic acts can benefit the neediest as well as the elite. Despite the infuriating sweeping statements, this book is worth reading to comprehend the essence of the anti-philanthropy position.

London: Granta, 2008. 250pp. Paperback. ISBN 978-1-84708-093-6. www.granta.com £12.99

Burden or Benefit? Imperial benevolence and its legacies

Helen Gilbert and Chris Tiffin (eds)

This book examines the evolution of the ideas and practices of benevolence, chiefly in the context of British imperialism, from the late eighteenth century to the present. The editors raise philosophical questions about the relationship between benevolence and self-interest, concluding that these concepts *'are not incompatible in the quest for a better world'*. The collected essays cover more than a dozen examples of practical and theoretical benevolence, from the anti-slavery movement to modern activities such as refugee asylum, opposition to female genital mutilation and restoring the wetlands in post-Saddam Iraq. Of particular interest to Philanthropy UK readers will be Alan Lester's chapter on British humanitarianism and Sarah Richardson's chapter on women, philanthropy and imperialism in early nineteenth century Britain.

Bloomington & Indianapolis: Indiana University Press, May 2008. 240pp. Paperback. ISBN 978-0-253-21960-2 <http://iupress.indiana.edu> \$22.95

Contributing Citizens: modern charitable fundraising and the making of the welfare state 1920-66

Shirley Tillotson

Written by a historian, this is the first Canadian book to explore the evolution of modern charitable giving and the development of that country's welfare state. The author's meticulously traced account of the rise of professional fundraising leads her to argue against the popular view that the welfare state killed off private charity. Indeed, she concludes that 'organised charity' (exemplified by the early twentieth century 'community chest' appeals run jointly by charities in all major Canadian cities) provided the blueprint for how to organise the large-scale funding and delivery of welfare services; modern charity was thus 'the welfare state in waiting'. However persuasive the reader finds this argument, it is worth getting hold of a copy of this book for the illustrations alone. Tillotson has collected a dozen superb examples of early twentieth century fundraising appeals that represent a unique slice of social history, and show how far the fundraising profession has come in just a few decades.

Vancouver, BC: University of British Columbia Press, May 2008. 352pp. Hardback & Paperback (Jan 2009). ISBN 978-0-7748-1473-7 (hardback) 978-0-7748-1474-4 (paperback) www.ubcpres.ca \$85/\$32.95

The Bill Cook Story: Ready, Fire, Aim!

Bob Hammell

The subject of this biography, Bill Cook, is said to *'epitomize the American success story'*. From the early days of conducting business from the spare bedroom in his apartment, Cook built up a global multi-billion dollar business. So far, so American Pie. But the twist in the tale is that Cook continued to live a modest life and spends his money on a wide array of philanthropic causes, from historic preservation to marching bands. Whilst it seems a bit of an exaggeration to suggest this is typical (most super-wealthy givers seem comfortable being simultaneously conspicuous consumers and philanthropic), it is always fascinating to gain insights into the life and thoughts of notable donors. Given unlimited access to the subject and his wife, the author is able to paint a particularly intimate portrait, albeit one that is written in a style that never lets the reader forget his day job as a sports journalist. Readers will either like or loathe Hammell's writing style – breathlessly short sections, bullet-pointed paragraphs and a plot-driven account full of narrative tricks – but those who stick with the text will emerge with many insights into the mind of a generous, though probably atypical, American businessman.

Bloomington, Indianapolis: Indiana University Press, October 2008. 424pp. Cloth. ISBN 978-0-253-35254-5. <http://iupress.indiana.edu> \$24.95

My philanthropic journey

Making a capital contribution

by Sir Trevor Chinn CVO

“There are many differences between the voluntary sector and business, but one crucial similarity must be quality governance and transparency”

I am very fortunate that I had a wonderful example from my father, who not only gave to charity but also involved himself actively in a number of charities.

Giving to charity is deeply embedded in Jewish life and teaching. The Hebrew word for charity, Tzedakah, means righteousness, for charity is a duty. In Eastern Europe, Jews had charitable organisations for all aspects of communal life – the poor, the sick, the handicapped, for refugees. Everyone was supposed to give to charity; even a pauper was obligated to contribute a nominal sum. Maimonides, the medieval philosopher, ranked forms of giving – the highest form is to help someone to help himself. The next, where the giver and recipient are anonymous to each other. So charity is not a choice.

Jewish teaching also encompasses the particular and the universal aspects of our lives. We have to look after our own, the particular. We must also play our full part in society, the universal.

Since I was young I have been involved in Jewish charitable activities, particularly the social development of Israel and the alleviation of poverty there, being for many years Chairman of the Joint Israel Appeal. I was for 10 years, 1995-2005, President of Norwood, a charity helping those with learning difficulties and with problems of family break-down. Fifteen years ago I was instrumental in setting up the Jewish Association of



“We should set standards for charitable giving to which successful people should be encouraged to aspire – the greater the wealth, the higher the percentage”

Business Ethics, propagating the huge body of Jewish teaching and regulation on this subject.

I have always been actively involved in charities in the wider society. For many years I supported the Variety Club Children’s Charity, serving as Chief Barker in 1977 and 1978. From 1979 to 1988 I was a Trustee and Chairman of the Friends of the Duke of Edinburgh Award. I had the privilege of being Vice Chairman of the Wishing Well Appeal for Great Ormond St. Hospital and of leading the fundraising campaign. In the 1990s I was Vice Chairman of Hampstead Theatre and from 1995-2004 Deputy Chairman of the Royal Academy Trust. Now I am really excited that the Mayor of London Boris Johnson has asked me to chair the Mayor’s Fund for London.

My wife, Susan, is also very involved in charitable work. She has been involved for 30 years with Great Ormond St. Hospital, starting as a volunteer and finishing as a Special Trustee. She now chairs very effectively the Development Council of the National Theatre and is a member of its Board.

For me, whilst it is important to ‘give to good causes’ as I do, my charitable giving has been led by my charitable activities. That means that a large proportion of my giving has been where I am asking others to give, as I strongly believe in the importance of example.

I have always been concerned about high standards of governance in charities where I have taken a leadership role. There are many differences between the voluntary sector and business, but one crucial similarity must be quality governance and transparency.

There is a major issue in society today in regard to the huge growth in wealth, the level of inequality, and the decreasing proportion of GDP being given to charity. I believe that we should set standards for charitable giving to which successful people should be encouraged to aspire – such as a percentage of income or a percentage of wealth – the greater the wealth, the higher the percentage. We need to ‘train’ people to give and to enjoy the pleasure that comes from doing what is right in helping others. What is often not realised is that charity does not only depend on givers, it also depends on askers. So we have to encourage more successful people to apply their skills and motivation to charitable activities and thus as both askers and givers play a crucial role in our society.

Finally, the Mayor’s Fund for London. I had no idea of the scale of poverty and deprivation in our great city of London, and I am sure that many others do not realise it. London is at the same time the richest city in Europe and the poorest city in Europe. Four of the six most deprived boroughs in Britain are in London and they are probably the most deprived in Western Europe. In Inner London

50% of children are born into poverty. In the last 10 years, 600,000 children in Britain have been taken out of poverty; in London the figures have not changed at all.

This is a huge and complex problem. But something has to be done about it. Successful and affluent London cannot stand by and accept this situation. There are some very successful initiatives. We have to help them grow and replicate. We need to work with the GLA, the London boroughs and central Government as well as other funders and deliverers of services. We are developing a strategic plan of how to make a difference. We will then need support and to co-ordinate all involved so that together we implement focussed, long-term initiatives.

Success will depend on collaborations. It will also depend on the support of private and corporate philanthropy – money, time and effort.

Sir Trevor Chinn CVO is Chair of the Mayor’s Fund for London.

The last page

Quarterly news highlights

*Have you missed these top stories?
All articles are available to read in the
News and Events section of our website
www.philanthropyuk.org*

03/07/08 **World's wealthy are investing green**

Heightened interest in the environment is driving an increase in green investment by the wealthy, according to The World Wealth Report. Globally 12% of HNW individuals and 14% of ultra-HNW individuals invest in green technologies.

03/07/08 **Community foundations launch new scheme to triple donor impact**

The Community Foundation Network (CFN) has launched the Grassroots Personal Fund, which will be operated by CFN's member community foundations. Donors can turn a £300,000 charitable endowment donation into as much as £1m.

03/07/08 **Conservatives call for greater recognition for philanthropists**

Jeremy Hunt MP, Shadow Culture Secretary, has called for greater recognition to be given to wealthy individuals who give to the arts, through the honours system. He said the UK must "*foster an American-style culture of philanthropy.*"

21/07/08 **Donor advising is a fast-growing cottage industry**

A report on the US donor advisory sector highlighted the great range of practise in the field, noting that both donors and advisors are beginning to "*understand better how complex effective philanthropy can be.*"

21/07/08 **Substantial donor consultation launched**

HMRC has launched a consultation on the concerning substantial donor legislation. The closing date for the consultation is 7th October and it is accessible on the HMRC website. A working party including Philanthropy UK is preparing a briefing and would be grateful to hear of any issues readers have had with the legislation: info@philanthropyuk.org

08/08/08 **Men more generous when with attractive women**

New research from Oxford and Kent universities suggests that men are more likely to donate more to charity when in the presence of women they find attractive. Professor Robin Dunbar of Oxford University said, "*Generosity could be a way for men to show their suitability in a relationship and help in rearing offspring.*"

14/08/08 **Philanthropy UK funding secured through 2011**

The Office of the Third Sector (OTS) has renewed its strategic grant to support Philanthropy UK's work through 2011. David Gold, chair of the Philanthropy UK advisory board said, "*We are delighted that Government has renewed its commitment to promoting a culture of giving, and hope that this leadership inspires other funders to recognise the important role that philanthropy support organisations play in strengthening civil society.*"

28/08/08 **Family businesses share their wealth**

A new survey of business owners whose companies have at least \$10m in annual revenue says seven in ten participate in charitable activities with their family. Two-thirds say their family decides together which causes and organisations to support.