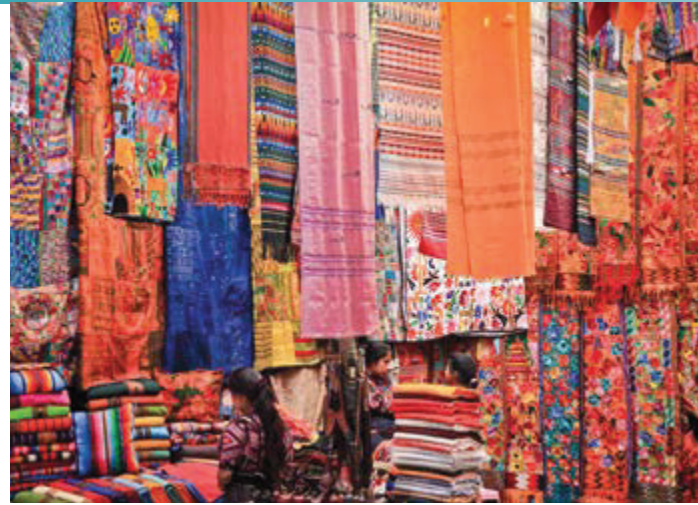


# New horizons

Filiz Bikmen



The economic boom of BRICS and MINT countries coupled with the unequal distribution of this growth presents new opportunities and challenges for philanthropy in emerging markets. Among them are different approaches to giving, lukewarm relationships with civil society organizations (CSOs), hesitation about funding ‘unpopular’ issues and the arduous task of building the field of philanthropy. In light of the observations of contributors to this issue, which trends appear to be affecting philanthropic ecosystems in emerging market countries, and what lies ahead?



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The BRICS (Brazil, Russia, India, China, South Africa) and MINT (Mexico, Indonesia, Nigeria and Turkey) countries have averaged 3 to 9 per cent per year economic growth over the last few years. By 2025, many of these countries are expected to account for more than half of all global economic growth. Their geopolitical power is also increasing as they shift from aid recipient to emerging donor and begin to assume new leadership roles in multilateral aid initiatives such as the UN Democracy Fund (India), the Bali Democracy Forum (Indonesia), the peacekeeping initiative in Haiti (Brazil) and relief efforts in Somalia (Turkey).

However, many of these countries also continue to struggle with high levels of unemployment and inequality, coupled with massive increases in urban migration – among the key factors that led to uprisings such as the Arab Spring. According to *The Economist*,<sup>1</sup> by 2025 58 per cent of the world’s population is expected to be living in emerging market cities, mainly in Asia. Taken together, there are many threats to the sustainability and well-being of these societies.

While their geographic, cultural and demographic features are quite diverse, the BRICS and MINT countries share the same fate of economic growth coupled with increasing inequality. Looking through the lens of philanthropic development also reveals some similar trends in terms of opportunities and challenges. While economic growth is creating new wealth resulting in new donors and philanthropic activity, the ecosystem of philanthropy is still rather weak. Without a strong and resilient system – capable CSOs, good data, networks, best practices, professional staff and so on – the ability to harness philanthropic resources for sustainable social change remains limited. Contributors to this issue point to common areas of

growth and common limitations, which fall under four main areas: new actors and models, giving voice and agency to civil society, funding for social justice, and building the field.

## New actors and models

Increasing wealth has introduced new actors and models to philanthropy. For some countries, the concept of institutionalized philanthropy is entirely new – for example in China, where the first foundations began to emerge in the 1980s. In others, there is an evolution of new methods and approaches. In Turkey, the first foundations date back to the Ottoman era, but new practices are now beginning to emerge. In India, now home to nearly 4 per cent of the world’s billionaires, the surge in high net worth individuals has led to a significant increase in the creation of private foundations. In Brazil, the first wave of philanthropic investment led by companies is now being followed by family-led initiatives. In Russia, donors are younger and donating more than money. And while most emerging market countries report that corporate philanthropy comprises a significant portion of total funds (see article on p50), many also refer to the lack of clear lines between family and corporate philanthropy.

Also among the key trends in emerging markets noted by reports prepared as part of the Rockefeller Foundation’s Bellagio Initiative in 2011 are the development of new financial tools and a focus on the community as an agent. The tendency to invest business acumen together with funds can be observed across Asia, which as a region seems to have mobilized quickly around new financial and philanthropic approaches such as venture philanthropy and impact investing, which seeks to invest in enterprises and

businesses with a social bottom line. According to Rob John, 30 per cent of global impact investing is India-centred. While China seems to be preparing to join this wave, the application of these new approaches to philanthropy appears less prevalent in Turkey and Russia.

There are also an increasing number of organizations that connect financial resources to communities and causes. Community foundations are one form; pooled social investment funds and giving circles such as those organized by Dasra in India are another. Jenny Hodgson observes a surge in new community philanthropy organizations which mobilize local resources, build bridges between actors, and are rich in social capital.

Encouragingly, many of these new tools and organizations enable donors to be more collaborative, facilitating relationships and offering strategic guidance and vital information about the specific issues and areas to which they give. There is also a trend, ignited by the Giving Pledge, in which the work of prominent donors is publicized; this increases the visibility of philanthropy, which in turn acts as a stimulus to others. Most of the nearly 100 signers to date are American, but South African billionaire Patrice Motsepe and Russia's Vladimir Potanin have recently announced that they will sign.

Yet this increase isn't necessarily to do with net worth, as Halima Mahomed points out in her overview of the shifting trends in philanthropy in Africa. The fact that giving is not only for the wealthy and the way the act of donating can prompt others, no matter where you are in the world, were underlined for me by an article in the *New Yorker* magazine about the historically overlooked substratum of homeless youth in the US:

'They treated the subway where they occasionally panhandled as a human laboratory; people's impulses toward charity had far less to do with them, they concluded, than with the other passengers riding the train. Few people looked at their faces until the first dollar changed hands, which then created some sort of force field – other passengers would suddenly feel compelled to be generous, too. They rode the trains deep into Brooklyn because they found that poorer passengers were more likely to hand over their change.'<sup>2</sup>

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### Giving voice and agency to civil society

In her article, Halima Mahomed also shares insights from recent discussions at the African Grantmakers Network meeting last November, where speakers asserted the need for philanthropists to 'speak truth to power', 'support local voice and agency' and 'be more explicit about using philanthropy to change power relations'. In my work at the Sabancı Foundation, grantees consistently expressed the value of Sabancı's credibility and ability to influence decision-makers and to rally media awareness and public support for their efforts, often claiming that this was as valuable as the funds that enabled them to deliver their programmes.

Yet the hesitancy of donors to engage with CSOs and reluctance to support the building of a strong civil society is a theme that runs through many of the articles in this issue. Lack of trust is cited as the most common reason for this, as donors increasingly bypass CSOs and give directly to causes or operate their own programmes and don't make grants at all.

Many authors also talk of the frustration of donors who have difficulty in finding partners with the capacity to scale. Rob John, for example, refers to the need to strengthen the 'pipeline' of investment-ready organizations. At the Sabancı Foundation, I remember going through nearly 200 grant applications with a team of experts, to be left with only a handful that were eligible for funding.

While the obvious remedy would be to dedicate funds to building the capacity of CSOs, getting foundations to pursue this strategy is no easy feat, partly because support organizations and experts working with CSOs are also often limited. Reflecting again on my own experience in leading the design and implementation of a grant programme at the Sabancı Foundation – the first of its kind in Turkey – I can see where this reluctance may stem from. Five years on, the foundation is just now emerging from the early stages of learning how to fund and work with CSOs and defining its 'style' of philanthropy. Initial work in funding thematic areas (gender, youth and disability) offered insights about the dynamics of CSOs and the civil society sector. Moving from the thematic level to the sector level can be daunting in terms of both strategy and implementation. The experience and knowledge needed to fund programmes to strengthen the civil society sector, and especially its role in advocacy, should not be underestimated. For new foundations and donors, it can be intimidating, especially given that results are

less tangible and more debatable than they are with more specific issues.

### Funding for social justice

Should you fund culture or human rights? This was a central focus of one of the sessions entitled 'Popular' and 'Unpopular' Philanthropy at the 2012 Russian Donors Forum (reported on in this issue by Nick Deychakiwsky). Many of the articles in this issue suggest that donors, especially those with close ties to their business interests, tend to shy away from funding programmes that address the root causes and systemic failures that perpetuate social and economic inequality and choose 'safer' areas to fund instead. This challenge seems to be one that is common in places with established cultures of institutional philanthropy, too. The Foundation Center in the US reports much lower levels of social justice philanthropy than giving to other more 'popular' themes.

Documenting and sharing examples of specific foundation initiatives in emerging market countries may be a useful approach to addressing this. For example, according to a study by Mama Cash, an overwhelming 90 per cent of European foundations expressed interest in funding programmes to benefit women and girls, while only 37 per cent reported actually doing so. To address the gap between 'those who fund' and 'those who are interested', Mama Cash prepared a subsequent report to help guide potential donors, sharing examples and strategies for funding programmes that target women and girls. Publishing similar reports for initiatives in and across emerging market countries, and creating spaces to discuss them, could be very valuable in encouraging donors. An example is provided by Dasra's giving circles. As Alison Bukhari describes, 'each circle has as its catalyst an in-depth sector research report that maps the issue, gaps in provision and funding and identifies organizations with scalable solutions and a demonstrated track record'.

Indeed the collaborative and informed effort of such approaches may help guide more funds towards social justice initiatives. In Turkey, several foundations were encouraged to fund rights-based projects through partnerships with UN agencies. These joint programmes gave them the 'buffer' of

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partnership (governments can be especially sensitive to rights-based initiatives and sometimes feel threatened by them) while also providing the necessary expertise and guidance. These and other examples may be helpful to donors who are reluctant to engage in such issues.

### Building the field

An article in the *Stanford Social Innovation Review* refers to the philanthropic 'field' as an ecosystem which addresses beneficiary needs, supports the free flow of information, and provides tools and platforms that allow CSOs and donors to access and share this information, their practices and available resources.<sup>3</sup>

In some emerging market countries, this ecosystem is more developed, while in others it is still in the early stages. In 2012, the Russian Donors Forum celebrated its tenth anniversary, while in Brazil GIFE's seventh Social Investment Congress was its biggest ever, with 1,500 people attending. The fourth Indian Philanthropy Forum is about to take place, while the African Grantmakers Network is emerging as an important space for reflecting on the state of the sector. However, most contributors to this issue call for a more 'robust and collaborative philanthropic infrastructure' which can more effectively tap into the new wealth that is emerging.

Markets depend on transparent and reliable data to function – also a critical element for the development of the philanthropic ecosystem. In this light, the creation of organizations such as the China Foundation Center is encouraging, as is the emergence of GuideStar and similar systems to gather and share data on the sector. Just recently, a searchable database of more than 22,000 Mexican philanthropies, Fondos a la Vista, was launched by the Foundation Center in New York in partnership with the Mexico-based Alternativas y Capacidades and the Philanthropy and Civil Society Project at ITAM (Instituto Tecnológico Autónomo de México). The number of philanthropy centres – independent and/or university-based – also seems to be on the rise in some countries. Despite these developments, the lack of data and analysis remains an obstacle to the creation of a strong philanthropy sector, according to several contributors to this special feature.

At the global level, there are organizations and groups that focus on developing philanthropy, such as the Global Philanthropy Forum and Clinton Global Initiative. Some of these have also recognized the increasing importance of developing the

field of philanthropy in emerging markets. Among the first to work in this area was the Charities Aid Foundation (CAF), with offices in all of the BRICS countries except China. Prominent in this field was the late Olga Alexeeva, working first with CAF, then with the Philanthropy Bridge Foundation (PBF), which she founded. EMpower is another interesting example, mobilizing support from individuals and corporates working in emerging markets and allocating these funds to grassroots organizations working with at-risk youth in emerging market countries.

The Rockefeller Foundation's Bellagio Initiative in 2011 also looked at philanthropy in emerging markets, and a report prepared in the lead-up to a PBF meeting in London in early 2012 provided an in-depth examination of trends and needs in the field.<sup>4</sup> These and similar studies confirm that in developing a philanthropy infrastructure, emerging market countries are no longer looking just north and west for examples, but also south and east. Indeed, there appears to be a great appetite to increase the number of opportunities – through meetings, research, and other activities – to exchange experiences between these countries. The Emerging Societies – Emerging Philanthropies Forum, to be held in Peterhoff, Russia, in early July, will serve as a valuable space to do so.

Another critical part of the philanthropic ecosystem is human capital. Many authors in this issue highlight the lack of professional approaches and scarcity of staff. The CAF Foundation School is a great example here. As the article in this issue shows, there are many benefits to learning skills and networking with peers. Increasing the number and availability of such programmes across emerging market countries may help strengthen the professional base of the sector.

Taking all of this into account, Halima Mahomed wisely warns us that we should be careful not to build a field of philanthropy that promotes giving for the sake of giving and challenges us to ask ourselves the following question: 'To what extent are we building a field that is geared towards the development of a just society?'

### Looking ahead

Given the emerging state of philanthropy in many of these countries, it may seem too early to be discussing the potential for foundations to fund programmes

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internationally. Yet a recent Foundation Center report on global philanthropy<sup>5</sup> reminds us that American foundations such as Rockefeller, Ford and Carnegie began to expand their initial international programmes in close coordination with the US government. As noted at the start of this article, as emerging market countries gain economic power they are also gaining geopolitical power and becoming new donors. Their aid flows and strategic involvement in multilateral initiatives is increasing, bringing them swiftly to the fore in the global development arena.

Bin Pei's article in this issue refers to a number of developments regarding the internationalization of Chinese foundations. 'Things are changing fast,' she says. 'For the first time, foundations and NGOs will be encouraged to work on projects focusing on people's livelihood in Africa ... Chinese foundations and NGOs need to get prepared for the change.' The reports prepared for the PBF meeting noted earlier also referred to plans for 'China in Africa' meetings to examine China's increasing aid to Africa.

This opportunity also exists in Turkey, whose aid reached nearly \$1 billion in 2011 and is rapidly expanding. While the Turkish government and aid agency TIKA have yet to be proactive about engaging foundations and CSOs, their resources and expertise could undoubtedly be a valuable asset in shaping aid policies, principles and plans.

Things are changing fast. In examining trends, opportunities and challenges for philanthropy in emerging markets, we need to be looking not only at today but also at the horizon and what lies ahead. Given these and other trends discussed in this issue, creating more opportunities for engagement between philanthropic sectors in emerging markets will help strengthen the philanthropic ecosystem and prepare it for the future. @

1 [www.economist.com/blogs/graphicdetail/2012/04/focus-4](http://www.economist.com/blogs/graphicdetail/2012/04/focus-4)

2 Rachel Aviv, 'Netherland', *New Yorker*, 10 December 2012.

3 [www.ssireview.org/blog/entry/markets\\_for\\_giving\\_collaborating\\_on\\_a\\_future\\_vision\\_of\\_the\\_philanthropic\\_ec](http://www.ssireview.org/blog/entry/markets_for_giving_collaborating_on_a_future_vision_of_the_philanthropic_ec)

4 <http://philanthropynews.alliancemagazine.org/markets-are-emerging-%E2%80%A6-why-not-philanthropy>; [www.alliancemagazine.org/en/content/olga-alexeeva-memorial-fund](http://www.alliancemagazine.org/en/content/olga-alexeeva-memorial-fund)

5 *The Global Role of US Foundations* Foundation Center, 2010.