

Global Perspectives on Philanthropy

By

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The final decades of the 20th century saw a great shift in the social and political geography of the world which created both an opportunity and a need for citizens to become increasingly involved in the political and social lives of their communities, countries, and the world. The growth and development of civil society organizations provided a powerful means for mobilizing such citizen participation. Along with the emergence of civil society organizations came attention on philanthropy, whether as a renewed and regenerated concept, or as a new endeavor based on related traditions.

Philanthropy is as ancient as human existence. On a global scale, we find that most religions and cultures have traditions of giving. The editors of *Philanthropy in the World's Traditions* stated that “philanthropy was not a free-floating activity separated from the complex elements of the societies in which it resided, but was influenced, indeed structured, by the specificity of particular cultures.”¹

Understanding philanthropy as a global practice is essential for two reasons. First, civil society organizations (CSOs) or nongovernmental organizations (NGOs), as nonprofits are known in much of the world outside of the U.S., have played a critical role in the shaping of local civil society because of the shifting social and political developments, and frequently this progress has been supported and accomplished through philanthropy. Events of the last 25 years, perhaps best seen during the post-Soviet era and the developing democracies in many parts of the world, have caused citizens to push for more self-expression and freedom of expression, for the

opportunity to voluntarily gather together for common vision and goals, and for the aid of those in the poorer segments of society.

Second, understanding international philanthropic practices and traditions helps define cross-cultural philanthropy as population groups migrate and establish a presence in locations other than their countries of origin. Therefore an examination of philanthropy as shaped by culture is valuable for providing a foundation or framework for the practice of giving. Culture can be most easily explained as a people's way of life. Some cultural meanings are easily recognized; others are more subtle and demand careful observation in order to come to conclusions about the culture itself. For the nonprofit leader and fundraising professional, therefore, consideration of cultural elements is vital prior to any fundraising activity in any country.

Proliferation of NGOs and global philanthropy

NGOs are the global recipients of philanthropy and carry out a broad range of services and causes. A Johns Hopkins University research team studied international nonprofit organizations as part of its Comparative Nonprofit Sector Project.² They found a surprisingly large scale of nonprofit activity in almost every place that was researched. The reports confirmed that nonprofit organizations everywhere are seeing astonishing growth, employing increasing numbers of people, collecting and spending more money than at any previous time.

The principal research scientist of this project, Lester Salamon, stated the civil society sector included organizations that operate outside the boundaries of government, don't distribute profits to their members, are self-governing and are voluntary. One of the trends he and his colleagues observed over the years that the Comparative Nonprofit Sector Project took place was that a mix of funding sources supported the development of nonprofits and this mix included fees

and service charges, government grants, as well as philanthropy. He said in an interview, “We seem to be in the midst of a very significant development worldwide. I refer to it as a ‘global associational revolution,’ a massive upsurge of organized private nonprofit activity in virtually all parts of the world.”³ He attributes this growth partly to the realization that there are limits to what government can provide and what the corporate sector can offer, so there is a third way to provide people with services, to meet human needs, and to address public problems.

The research team studied countries in Central and Eastern Europe, Latin America, Western Europe, Oceania and North America. The reports conclude that NGOs and CSOs are a far more significant economic force than has generally been recognized, while the surge of voluntary activity has come amid a crisis of confidence in the ability of governments to deal with social problems.

The range of international NGO development is impressive. Over 40,000 nonprofits⁴ existed in Russia a few years ago. Countries such as Croatia, which has a long-standing tradition of nonprofit activity, are seeing a re-emergence of arts and cultural societies and other traditional NGOs, and also an increase of organizations that meet needs engendered by war. Charitable efforts in Turkey range back to the previous century when foundations were formed for specific causes. Now the face of the Turkish nonprofit sector includes educational institutions, cultural organizations, hospitals, homes and programs for street children. Yugoslavia, now comprised of the two states of Serbia and Montenegro, has seen tremendous growth in refugee causes, but other interests are also in evidence, for example, environmental concerns. In Argentina, while well-known organizations including the Red Cross, Greenpeace and SOS Children’s Villages are prevalent and active, many nonprofit causes such as museums of Jewish history and organizations benefitting the Pampas Indians are part of the NGO movement that began in the

early 1980s. China began moving toward NGO ideals as long as 12 years ago when organizations such as science foundations were established.

Global growth of philanthropy

“Global philanthropy has expanded and become a supporter of civil society organizations in many parts of the world,” wrote two leading experts in the globalization of foundations and philanthropic giving. “Transnational philanthropy has been and can remain a major force for improving the lives of millions of people worldwide, particularly in regions that are underdeveloped economically and are socially and politically fragile.”⁵ Some estimates state that by 2020 philanthropists in many parts of the world will rival the giving by wealthy individuals in the United States. “Indeed, Mario Morino, chairman of Venture Philanthropy Partners, a philanthropic fund in Washington, says a new generation of philanthropists will see themselves as citizens of the world.”⁶ In fact, journals such as *Forbes* address global philanthropy on a regular basis and point out the realities of global philanthropy. “The world’s 1,125 billionaires are citizens of 54 nations and one principality.”⁷ No doubt the information as listed on *Forbes’* website changes periodically as wealth increases, and with it philanthropic action, perhaps spurred by philanthropists in the U.S. such as Gates and Buffett, and perhaps as part of a worldwide movement of using money to intervene in humanitarian, environmental, social and other causes. As a feature in *Newsweek*, “Giving Globally,” pointed out, “. . . inspired individuals can take on and conquer some of the world’s biggest problems.”⁸ Couple this with giving from many other parts of the world as philanthropy is taking hold in action and not just rhetoric, there is evidence that transnational philanthropy is working and continuing to develop.

The *World Giving Index* prepared by the Charities Aid Foundation explains and summarizes charitable behavior globally. “Charitable behavior differs immensely across the globe. An act that is considered charitable in one country may be seen as a regular, everyday, activity in another.”⁹ The report clearly shows how countries have their own charitable strengths and weaknesses, and how in some places the growth of civil society has been impeded by war, famine, and other external factors that make philanthropy difficult. The high level of detail in the report explains qualities that appear to affect philanthropy and volunteering, and yet acknowledges that some cultures are more amenable to philanthropic action than others, while at the same time not passing judgment on those that score lower, for whatever reason, in their analysis of giving data.

Alliance, a magazine that addresses philanthropy and social investment worldwide, has provided a sobering view on what may hinder the success of global philanthropy. In an article titled “Rich need better advice on giving money away,” the argument is made that wealthy donors and would-be donors are finding it difficult to be philanthropic because they lack advice on how and where to give. Increasingly the focus is on outcomes, getting the value for the money invested in a social cause. Therefore there is movement toward strategic philanthropy, which is seen as more effective philanthropy.

In short, the growth of philanthropy in most parts of the world is becoming much more organized, with experience and advice crossing borders as funders—individuals, corporate, foundations, even governments—seek to ensure that their giving is effective. The idea of promoting civil society through philanthropy, of bringing people together, is attractive everywhere from Slovakia to Brazil. A publication by the Bertelsmann Stiftung (foundation), “Promoting Philanthropy: Global Challenges and Approaches,” focused on issues such as place-

based philanthropy, community foundations which are growing in concept and reality around the world, issues-based philanthropy, peer-based philanthropy or collective giving, and the need for professional advisors and donor education.

Fundraising practices that are guided by cultural awareness and knowledge.

Fundraising practitioners have an obligation to understand international NGOs and CSOs. Not only does it give us entrance into the collegial community of fundraising professionals all over the world, but understanding international diversity also helps us comprehend what is happening in the culturally diverse world inside our own borders. That is to say, understanding diversity on a global scale helps us understand what is happening in our own communities and, yes, with our own prospects, volunteers and colleagues.

Philanthropy and the securing of funds to benefit others is an ancient practice and America represents only a portion of this rich history. Although the United States may perhaps lay claim to having the most formalized and organized fundraising model developed over considerable time, may have perfected many fundraising techniques to be suitable for contemporary times, and may have much to offer in terms of sharing expertise, professionals also have a great deal to learn from other cultures. International understanding enriches the global community of fundraising practitioners; we are part of a global system.

In a book published by Resource Alliance, *The Worldwide Fundraiser's Handbook*,¹⁰ the authors discuss why fundraising is important for an NGO's success. Every organization needs money to survive, develop, and expand. Fundraising is vital to reducing dependency on some parent organization, or founder, or limited funding source. Fundraising is vital for an organization's viability over time. Fundraising is especially significant in building a constituency

that will not just use the NGO's services but will also foster its ability to provide services and carry out its vision. And as noted earlier, fundraising also plays a major role in aiding philanthropists, whether new or experienced, in making wise giving decisions.

In carrying out fundraising efforts, on the one hand, professionals in every land have found commonalities in some practices and concepts. In order to develop and flourish, and do more than just survive, good management practices must be implemented. Ethical practice and stewardship, while interpretations vary from culture to culture, are vital for NGO success in gaining the confidence of donors of all types. On the other hand, fundraising professionals or NGO personnel who raise funds find that some practices and concepts differ considerably. Strategies used for fundraising vary from country to country, sometimes due to economic and societal pressures and restrictions or capabilities, and sometimes due to cultural acceptance of certain means of communication.

A significant number philanthropic fundraising principles are universally adaptable if they are culturally and situationally appropriate. Some of these are:

- Making a strong, compelling case for funding, and expressing this case in differing ways to different markets
- Understanding donor motivations.
- The need to research and know the potential markets, to practice the exchange relationship in determining why a donor might give, and to diversify funding sources whenever possible.
- The impact of a nation's and the world's economy on asking for and giving funds.

On the other hand, there are concepts that are not universally adaptable or even possible to put into practice.

- The matter of professional compensation, such as working for a commission, is certainly without ethical challenge in many cultures.
- Prospect research is difficult in some places because of lack of research resources as well as prevailing attitudes toward privacy. Consider as examples the still-lingering hostility among Germans for those who build dossiers on prospects and the impact of nearly fifty years of KGB activity in the former Soviet Union.
- Board responsibility is uneven in many countries and the idea of board members seeking funds still brings some horrified looks, from England to Uruguay.
- Tax deductibility and the concept of planned gifts are foreign to many nations.

An experienced fundraiser who has done international work, Donald Kirkwood, summarized some of the essential points of global fundraising. “When seeking donations internationally, one should realize, to borrow a phrase from Dorothy in *The Wizard of Oz*, that ‘we are not in Kansas anymore.’ Or, for that matter in North America. Things are different overseas, and the more that American fundraisers know how things are different—not necessarily better or worse—the better we will be able to conduct our business in ways that will be both culturally sensitive and successful.”¹¹

Kirkwood focused on seven lessons about cross-cultural fundraising which summarize some of the differences we should note when fundraising across borders:

- Much giving is still locally oriented. Benefit must come to the city, country or region from which the gift originates.

- Donors may wish to be anonymous, more so than in the United States, for various political or cultural reasons.
- Planned giving comes in many forms and is different for many reasons, such as tax incentives.
- The fundraising toolbox will vary, especially as dictated by culture.
- Board roles are not the same as in the U.S.
- Recognition is culturally affected; incentives for giving are not as important as reasons for giving.¹²
- Technology should be used carefully, such as use of electronic-fund transfers.

Fundraising as a profession is enriched by its proliferation and adaptation across nations and cultures, awareness of cultural issues, sensitivity toward differences, and the expression of a genuine appreciation of our international fundraising professionals' efforts and achievements. International understanding enriches the global community of fundraising practitioners; we are truly part of a global system, and therefore fortunate to share in a vast network of knowledge and the knowledgeable who make it happen.

Recommended Readings:

Warren F. Ilchman, Stanley N. Katz, and Edward L. Queen II, *Philanthropy in the World's Traditions* (Bloomington and Indianapolis, IN: Indiana University Press, 1998).

Lisa Jordan, *Global Civil Society: The Oxford Handbook of Civil Society* (New York: Oxford University Press, 2012).

Peter Karoff and Jane Maddox, *The World We Want: New Dimensions in Philanthropy and Social Change* (Lanham, MD: AltaMira Press with The Philanthropic Initiative, 2007).

Bonnie L. Koenig, *Going Global for the Greater Good* (San Francisco: Jossey-Bass, 2004).

Marc Lindenberg and Coralie Bryant, *Going Global: Transforming Relief and Development NGOs* (Bloomfield, CT: Kumarian Press, Inc., 2001).

Norine MacDonald and Luc Tayart de Borms, *Global Philanthropy* (London: MF Publishing, 2010).

Rachel McCleary, *Global Compassion* (New York: Oxford University Press, 2009).

Jonathon R. Moore, *A Practical Guide to International Philanthropy* (New York: Cambridge University Press, 2010).

Michael Norton, *The Worldwide Fundraiser's Handbook* 3rd Edition (London: Directory of Social Change, 2009).

Thomas, R. Roosevelt, Jr., *Redefining Diversity*, (New York: McGraw-Hill Education, 1996).

Lester M. Salamon, S. Wojciech Sokolowki and Associates. *Global Civil Society: Dimensions of the Nonprofit Sector, Volume Two* (Bloomfield, CT: Kumarian Press, 2004).

Lilya Wagner, and Julio A. Galindo, eds., *Global Perspectives on Fundraising*. New Directions for Philanthropic Fundraising, No. 46 (San Francisco, CA: Jossey-Bass, Inc., 2005).

¹ Warren F. Ilchman, Stanley N. Katz, and Edward L. Queen, II, *Philanthropy in the World's Traditions* (Bloomington, IN: Indiana University Press, 1998), x.

² “Comparative Nonprofit Sector Project (CNP),” Johns Hopkins University, accessed January 29, 2013, <http://ccss.jhu.edu/research-projects/comparative-nonprofit-sector/about-cnp>.

³ “Q & A: Lester Salamon on the influence of nonprofits,” *The Gazette Online* 29 vol. 29, no. 16, January 3, 2000, accessed January 29, 2013, <http://jhu.edu/~gazette/2000/jan0300/03lestxt.html>.

⁴ An unofficial count, as indicated orally by friends of the authors. Exact numbers are difficult to acquire from Russia.

⁵ Helmut K. Anheier and Siobhan Daly, "Philanthropic Foundations: A New Global Force?" *Global Civil Society 2004/5* (London: SAGE Publications Ltd., 2005): 174.

⁶ Ian Wilhelm, "Global Philanthropy and Needs Expand," *The Chronicle of Philanthropy* (2010), accessed January 23, 2013, <http://philanthropy.com/article/Challenge-for-2020-Global-/63626/?forceGen=1>.

⁷ "Charting the Rich," *Forbes*, March 24, 2008, 128.

⁸ Mary Carmichael, "A Shot of Hope," *Newsweek*, October 1, 2007, 51.

⁹ *The World Giving Index 2010*, Charities Aid Foundation, 2010. 31.

¹⁰ Michael Norton, *The Worldwide Fundraiser's Handbook* (London: Directory of Social Change, 2009).

¹¹ Donald Kirkwood, "International Fundraising: Lessons Learned," *The Chronicle of Philanthropy* 21, no. 16, June 4, 2009, accessed January 30, 2013, <http://philanthropy.com/article/International-Fund-Raising-/57420/>.

¹² See also Eyre, Ben, "Knowing 'Exactly' Where Money Goes is Biggest Spur to Charitable Giving, Survey Says," *Philanthropy UK* 39 (2009), accessed January 23, 2013, <http://www.philanthropy-impact.org/news/knowing-%E2%80%98exactly%E2%80%99-where-money-goes-biggest-spur-charitable-giving-survey-says>.