

# TRENDS IN PHILANTHROPY IN THE ARAB REGION: BEYOND A CHARITY- BASED MODEL

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## INTRODUCTION

In 2015, the landscape of philanthropy in the Arab region looks decidedly different than it did a mere four years ago. To be sure, the practice of philanthropy and charitable giving is not new to the region: in fact, it is so deeply embedded in the culture and fabric of the various societies that make up the 22 country-strong region that it would be difficult to find a point in the region's history when philanthropy was not widely practised. However, the seemingly sudden surge of geo-political upheaval in the region in 2011, widely known as the 'Arab Spring' (although it appears to have a rather perennial momentum), essentially shocked the region into a new reality across all aspects of society, with the philanthropic sector certainly being no exception.

With the region in relative crisis, some of the more challenging issues that face the philanthropic and civil society spheres globally have come to the forefront regionally, and these issues merit some evaluation and acknowledgment, if only as a way of mapping emerging trends, and documenting their trajectory for the sake of posterity. This contribution to the 2015 State of Civil Society Report takes stock of the current overall state of Arab philanthropy and its myriad practices, while paying particular attention to the newer models and approaches of giving in the region. In some ways, it can be said that the various challenges we face in the region have helped to foster an innovative sector, which may not have been motivated otherwise.

As a network of Arab philanthropic foundations based and working in the region, we at the Arab Founda-

tions Forum (AFF) are uniquely positioned to observe the region and the landscape, by virtue of the experience and information gleaned from our membership. We have borne witness to a rapidly transforming sector, and see the following key trends as having emerged in the most recent past.

## FROM CHARITY TO SOCIAL CHANGE: STRATEGIC PHILANTHROPY

Ideally, when we talk about strategic philanthropy, we like to think that this goes beyond the traditional means of giving and hand-outs, and instead ensures a more long term and sustained form of giving that can somehow help reach the root cause of the development issue in any given situation. In order for it to do so, and do so successfully, philanthropy needs to adhere to certain characteristics that make up ‘good philanthropy’. These characteristics include, but are not limited to, “being connected beyond simply writing a check, being thoughtful and reflective, and being effective and lasting.”<sup>1</sup>

When it comes to defining strategic philanthropy, however, context is key. In a region with such a rich history of charitable giving - and more specifically, religious giving - the challenge has been to chart a course that is strategic, while maintaining the hallmarks and motivations of giving, and the tradition of philanthropy in this local and historical context. There are

a number of key questions here. How does the Arab region move towards a more strategic model of giving while preserving its traditions? How does it do that in the face of various humanitarian crises that confront the region in this moment in its history, and which potentially distract from developing a more long term, 30-to-50 year model of ‘legacy philanthropy’: one that instills the values of giving, of wealth and resource distribution over time and over the course of generations, and institutionalises philanthropy in a way that allows it to become more strategic and, therefore, more impactful over time. How do we move from the tried-and-tested model of charitable giving towards a model that effects lasting, sustained and much needed social change? In short, how does the Arab region go about changing the way we give?

A scan on Arab philanthropy between 2011 and 2013, conducted by the John D Gerhart Center for Philanthropy and Civic Engagement at the American University in Cairo, Egypt, revealed a number of general trends in three key ‘Arab Spring’ countries: Egypt, Libya and Tunisia. In Libya, due to the absence of an infrastructure for institutionalised philanthropy under the old regime, a civil society was being forged from a blank slate, from which a number of challenges as well as opportunities for developing new paradigms emerged. In Tunisia, a shift in focus took place, from cultural associations to more developmental associations, as well as an effort to expand and build on an already existing civil society. In Egypt, the process was more complicated, considering the breadth and history of civil society there, but new initiatives emerged, and a restructuring of civil society is now embedded within a larger debate regarding religion, the constitution and the drafting of a civil society law that

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would potentially allow for citizen engagement and release philanthropic efforts from restrictions.<sup>2</sup> What is common across all three countries is the focus on reforming the regulatory environment and developing a civil society law that is in keeping with the spirit of the Arab awakening. However, the most recent draft of the NGO law in Egypt, is a backwards step, as it would bring civil society further under state control and severely restrict foreign funding, which may have serious consequences for the future of civil society.<sup>3</sup>

The impact of the reforms is yet to be seen. Similarly, the consequences of the uprisings that began across the region in 2011 may be slow to reveal themselves in all their magnitude and final form. The ripples and aftershocks of these movements began to appear almost immediately, and continue to be seen four years later. The region has seen the fall of regimes in spectacular ways in Egypt; we've witnessed the changing of the guard in Saudi Arabia; and we've watched as Tunisia manoeuvres its way through uncharted waters and builds - or rebuilds - a civil society and a rule of law that is geared more towards an inclusive government. But we still have a long way to go. We still have societies that function largely under antiquated laws and governing principles that have no place in the 21<sup>st</sup> century. We still see countries where issues of citizenship are steeped in patriarchal bureaucracy; where women remain in the shadows of society; where education maintains its place on the fringes of priority; and where unemployment rates soar, while opportunities decline and hopes are diminished. For a region that is the size of the Arab region, the fallout from these issues can be quite catastrophic, and not in some far away future, but now.

## THE ROLE OF PHILANTHROPY IN YOUTH ENGAGEMENT IN THE REGION

A very common theme at the forefront of the debate about the regional philanthropic sector is the pivotal role played by young people as major stakeholders in the process of change. The dynamics may be different in each country, but the vision of an independent civil society remains a goal.<sup>4</sup> Let's consider the regional statistics for a moment:

With 22 countries, the Arab region comprises roughly 10% of the world's geography. Of the region's population of approximately 395 million<sup>5</sup> (which is around 5.5% of the world's total population), roughly 30% are young people (between the ages of 15-29).<sup>6</sup> To not harness the collective power of this 'youth bulge' would be egregiously short-sighted and decidedly un-strategic. However, in order to galvanise a youth population to contribute to the philanthropy sector in any meaningful way - in a region where they are largely under-served and generally ignored - a paradigm shift of huge proportions is required. The problem is that this takes time, and is certainly not a shift we will likely see on a large scale any time soon. While we consider the staggering statistics of the Arab youth population, we can safely assume there is some kind of correlation between the failure to fulfil

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the needs of that population and some of the seemingly perpetual geo-political crises facing the region. It's not too far a stretch to say that lack of opportunity can lead to the search for meaning and purpose elsewhere. With the surge of religious and politically fanatical organisations across the region, we are seeing this scenario play out in ways that are catastrophic - not only in the obvious and immediate present, but for generations to come. There are ways to mitigate this, and philanthropy has a potentially influential role in this sphere, but that potential can only be realised when a population is engaged and invested. It would not be inaccurate to state that, currently, this isn't the reality across the region, and certainly not amongst the youth population. In fact, in many cases across the region, we're seeing engagement dissipate, and moving further away from growing an engaged civic youth population that is motivated and has a vested interest in the betterment of its society. The hallmark of philanthropy is the use of private resources towards public good. If a population is not given ownership of its future, why would it bother investing any of its resources in a future that is not theirs? What a lost opportunity that is proving to be.

To that end, there has been a marked proliferation in foundations and other civil society organisations (CSOs) that are taking a proactive approach to engaging young people in the Arab region. Among AFF's member organisations alone, we can list several notable youth-focused organisations that have created innovative programmes to engage the burgeoning youth population. In Jordan, *INJAZ* (Achievement) and *Ruwwad Al Tanmeya* (Entrepreneurs for Development) are two well-established organisations working on the ground and achieving far-reaching impact on

youth engagement and skills-building; the United Arab Emirates (UAE) hosts the Emirates Foundation, which states its mission as, "Working in partnership with the private and public sectors using venture philanthropy and engagement programs to positively and permanently impact the lives of youth;"<sup>7</sup> and the Qatar-based Silatech is a social initiative that works to create jobs and expand economic opportunities for young people throughout the Arab region by promoting large-scale job creation, entrepreneurship, access to capital and markets, and the participation and engagement of young people in economic and social development.<sup>8</sup> These examples are but a small sample of the foundations and CSOs in the region that have made it their mission to address the fastest-growing and least supported population in the Arab region today.

Despite these efforts, and some very encouraging gains, the region has a long way to go in achieving a more stable and better supported youth population. Much of this effort is hindered by the institution that is best placed to provide support it: namely, government. Although there are instances where we are seeing some proactive gains by government entities towards addressing the gap in opportunities for the youth population, there are many who bemoan these gains as meagre and examples of tokenism. One recent example was a regional Youth Opportunities and Employment Conference, co-sponsored by governments and the private sector, held in the region where hundreds of experts - both regional and international - were invited and the speakers were handpicked from the best in the field and the plenaries were plentiful. Interestingly, and somewhat disappointingly, one main question posed by attendees to the organisers was, "Where are the youth? They aren't on the panels,

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they aren't in the audience. How could you miss this opportunity?"

It's a frustrating situation to behold; one where we pose the question, "what do we do about our youth?" but then entirely miss the mark by failing to engage the exact audience whom we are attempting to address. In some of the countries around the region, the mere fact of being considered a young person is to be at a disadvantage. We have not yet seen the kind of paradigm shift where our region has fostered a sense of belonging, unity, or pride in its youth population. In today's political environment, participating in what might be considered civic engagement or engaged citizenship can mean jail time, and often with very little due process to speak of. Is it any wonder, then, that we find a generally frustrated youth population across the region, which feels entirely disempowered and disenfranchised? And yet, we can't ignore the fact that due to the sheer size of this particular demographic across the region, the burden of change will ultimately lie very much on their shoulders, and it is short-sighted to ignore them. We often ask "What is the role of philanthropy in addressing the issues affecting youth today across the Arab region?" and the answers are plentiful. Is there a role? Of course. But, can that role be filled exclusively by the philanthropic sector, without the active engagement and endorsement of the governments in question? Of course not.

Imagine this scenario: recently, there have been a spate of proposals and discussions among various entities, both within the Arab region and elsewhere, to establish virtual hubs for the exchange of information and ideas, and for discussions and thought leader-

ship. As wonderful and idealistic as these ideas are, we've been facing the same obstacle again and again in this discussion: how will you protect those with whom you want to engage? If you engage a group of young people in Egypt, for example, around issues of democracy and civic engagement, how will you guarantee the safety and freedom of those participants, in today's environment? Is this a failure of the philanthropic sector, in that it cannot protect citizens? Hardly. So what can be done? The solution will ultimately lie in working with governments to create enabling environments, in which citizens wishing to participate in philanthropy and its activities can thrive.

Beyond the issue of youth, the role of government in the facilitation of a vibrant philanthropic sector remains critical. Whether it's a question of education, health care, development assistance or socio-economic development, philanthropy is only able to be effective and sustainable if it is afforded an environment that enables it to function with minimal red tape, and in which it can be respected as an agent of change that can supplement efforts or fill gaps where government may lapse. The challenge that many Arab nations face in today's environment is that the philanthropic sector and governments seem to be working at odds with each other, rather than collaboratively or even complementarily.

In closed meetings and behind closed doors - particularly in the wake of the 'Arab Spring' - there have been expressions of fatigue among some of the more influential foundations, essentially bemoaning the burden of having the expectation of fixing society's ills placed on the shoulders of foundations, effectively relieving governments of their share of the responsibil-

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ity to citizens. It's an intriguing state of affairs, and one that begs the question: if governments relinquish their responsibility, and philanthropy doesn't step in, who wins? Frankly, it's a valid objection, but also the consequence of which is that, ultimately, everyone loses.

## CREATING INCENTIVES: HOW DO WE GO FROM 'ALLAH DEDUCTIBLE' TO TAX DEDUCTIBLE?

The bottom line is that, apart from the priceless value placed on charitable giving within a religious context, there is little else to incentivise giving - strategic or other - in the Arab region. Take Lebanon, for example: there are 18 *waqf* (endowment) laws that govern giving in the country, with one *waqf* per religious sect. However, there isn't a single non-religious giving law for charitable donations that fall within a secular domain. This is a loophole, to say the least. In other cases, you would be hard-pressed to find a law or provision that allows for tax incentives to compel the average citizen, as opposed to a corporation or corporate foundation, to engage with the philanthropic sector in any substantive way.

There are two consequences of this reality that are worth noting for their impact on the sector overall.

Not only is there an immeasurable value placed on giving within a religious context, but also, in terms of Islamic giving (whether through *zakat*, alms or charitable giving, which is the third pillar of Islam and obligatory for believers; *sadaqa*, benevolence or voluntary giving, which differs from *zakat* in that it is not obligatory; or *waqf*, loosely translated as endowment), there is a higher value placed on giving when it is more anonymous. Essentially, the flaunting of one's generosity and charity is discouraged and that, in turn, negates the need for any incentive, tax or other, since God alone is deemed incentive enough. In and of itself, this isn't necessarily a bad thing, but in the context of designing a more strategic, less ad hoc model of giving and targeted community development, it does not help encourage progress. Rather, it obfuscates it further. Consequently, nothing is done to mitigate the duplication of efforts on the ground, there is no accountability between donor and recipient, and it is difficult to measure impact, since it's almost impossible to trace the trajectory of money given.

The effect of this on the sector in the region is that if you can't formally map the giving, you can't effectively identify the gaps and needs. And if you can't do that, you can't design a sector that addresses the most pressing needs of the society it intends to serve. Ultimately, this means that the potential power and impact of philanthropy will not be realised in the long term.

The lack of data in the Arab region is egregious. More importantly, local, Arab-sourced and Arab-owned data is practically non-existent. In general, and with glaringly few exceptions, Arab institutions and funders don't fund research. We don't invest in longitudinal studies and we don't invest in forensic analyses of our region,

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which would be critical in helping us to determine our vision and future; and for vision, we should be thinking in terms of multi-generations, rather than in the ten-year increments that we're apt to do. From the perspective of allowing a philanthropic and civil society sector to thrive, this is catastrophic.

Data counts, and is valuable far beyond the numbers alone. When you don't own your data, you don't own your narrative; and when you don't own your narrative, you cannot tell your own story, which means that someone else will tell your story for you. It doesn't take too much to see how dangerous this can be. We need to create an awareness of the value of this data throughout the region and, as a sector. We need to begin making the investment in aggregating, analysing and publishing data, with a view towards reaping the benefits of that investment over the long-term.

Somewhere between the value of 'giving for God' and 'giving for good' lies the balance of creating an incentive-based model of giving that doesn't need to forego tradition, but also isn't hindered by the drawbacks of that tradition, namely, the inability to create a more sustainable, strategic model of giving in the long run.

## WHERE DOES ARAB PHILANTHROPY GO FROM HERE?

The Arab region gives, and it gives a lot. This is undisputed. The legacies of generosity, hospitality and

focus on community are well documented, and well worth preserving. Where we need to focus some of our attention isn't on the giving itself, but on the issues surrounding it. There is a noted surge in the more innovative approaches to philanthropy that are prevalent globally, and they have appeared and been successfully implemented in the Arab region. Venture philanthropy, crowdfunding and other forms of strategic philanthropy have emerged, and they are plentiful, to be sure. In the wake of the 'Arab Spring', and even prior to that, the proliferation of foundations in the region is difficult to ignore.

But it should also be noted that, in the Arab region, the definition of what constitutes a foundation has a relatively more nebulous meaning than elsewhere, and is not necessarily described by the western taxonomy of a strictly grant-making entity. In many cases, foundations in the Arab region tend to be more of a hybrid between a grant-making and a grant-seeking entity. This doesn't diminish from the impact of these organisations, but it does make it somewhat more difficult to categorise them in a way that those outside the region would understand.

The lack of data and inadequate mapping of the sector in the region makes it almost impossible to gather the most fundamental information on Arab philanthropy. Key questions here are: who is giving what? Where are they giving it? How much are they giving? And to whom they are giving? Such questions remain, for the most part, entirely unanswered at this time.

Within the Arab context, the issues of accountability and transparency remain vague and unaddressed, mostly due to the fact that we have yet to determine

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the metrics by which they are defined within a local and regional context. However, in order for the Arab region's philanthropic sector to count on a global stage, it must adopt and adapt the guiding principles of sound governance, of which accountability and transparency are paramount. At this point, we metaphorically don't count globally, in a way that is representative of the potential of this region, and that is largely due to the fact that we literally don't count, in terms of getting data and measuring and owning our giving.

We need actively to engage globally, in a way that highlights the uniqueness of the region, without setting it apart from the rest of the world. In the most

basic sense, if the Arab region intends to have a seat at the table, and have an influential voice in the designing and creating of development programmes and innovations that affect the global south, then we must come to the table with meaningful and constructive insights, of which we have no shortage. The potential of this region is immense, yet it remains largely untapped. The time has come for the Arab region to gather its resources, share its learning, advocate around meaningful change in the policies and laws that affect its citizens, and take stock of its standing in the global community, for which it can prove immeasurably useful.

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1 These characteristics were described by Ms Abigail Disney, Founder of the Daphne Foundation, at a meeting in New York, USA in 2008.

2 N Farouky, M Khallaf and S Taraboulsi, Giving In Transition and Transitions in Giving: Philanthropy in Egypt, Libya and Tunisia 2011-2013.

3 More information on Egyptian civil society law is available from the International Center for Not-for-Profit Law, <http://www.icnl.org/research/monitor/egypt.html>.

4 N Farouky, M Khallaf and S Taraboulsi, *ibid*.

5 United Nations Economic and Social

Commission for Western Asia (ESCWA), Population and Development: The Demographic Profile of the Arab Countries, <http://www.escwa.un.org/popin/publications/new/Demographic-profileArabCountries.pdf>.

6 Brookings, Middle East Youth, 2015, <http://www.brookings.edu/research/>

[topics/middle-east-youth](http://arabfoundationsforum.org/middle-east-youth).

7 Emirates Foundation information available at <http://arabfoundationsforum.org/author/Emirates>.

8 For more information on Arab Foundations Forum members, please visit: <http://arabfoundationsforum.org/members>