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The Future of Philanthropy and Development in
the Pursuit of Human Wellbeing

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The Changing Ecosystem of Philanthropies in International Development

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The changing ecosystem of philanthropies in international development

Noshua Watson

Introduction

The changing role of philanthropy in international development is driven by shifts in international aid practices and shifts within philanthropy itself. The growing emphasis on development goals such as access to basic services and funding global public goods, in addition to advancing economic development, has led to a proliferation of new actors in development and new tools for aid (Severino and Ray 2009). There is a push to include foundations in development cooperation frameworks (OECD 2003; European Foundation Centre 2006; Bishop 2007; Kharas 2007; Kramer 2007; Lundsgaarde 2011a) and foundations have played a critical role in financing global public goods, particularly in health (Sulla 2007; European Foundation Centre 2006; Sridhar and Batniji 2008; Lundsgaarde 2011b).

The new actors create new governance problems and the new tools create new dilemmas in measuring development results. The most prominent new actors are foundations created by high net worth individuals, the largest and most influential of which is the Bill & Melinda Gates Foundation. The foundations' influence can partly be attributed to their focus on a narrow set of areas – a strategy that parallels the evolution of high-profile advocates in international development. The economic growth in BRICS countries has led to the emergence of BRICS governments as aid donors, not just aid recipients. Wealthy individuals and families have also begun to set up private foundations.

The governance problems of coordinating the growing number of actors occur at an organisational level and at the country level. Philanthropies face pressures for transparency and accountability (Odembo and Kisinga 2005; Brody and Tyler 2012; Johnson 2010) and they have been encouraged to sign up to international frameworks for guidelines and reporting. Yet, in many countries, the basic legal and institutional foundations for better philanthropic governance such as taxation, licensing and reporting do not exist (Dulany and Winder 2001; Johnson 2010). The outcome is a lack of trust in philanthropies and a drag on their ability to raise funds.

The nature and means of philanthropy in international development are changing as individuals, wealthy and poor, find ways to pool funds and deliver aid. 'Philanthrocapitalism', venture philanthropy and social venture capital are systemic manifestations of the increasing influence of foundations founded by high net worth individuals (HNWIs) on funding, evaluation practices and international policymaking (Bishop and Green 2008; Edwards 2009). They include the transfer of business practices, particularly evident in the emphasis on impact evaluation, scaling and replication (Dees 2007; Jarvis and Goldberg 2008; Martin 2011). At the same time, crowd-funding, community foundations, indigenous giving traditions and religious institutions allow even the poorest and the middle classes to pool funds for giving (Ibrahim and Sharif 2009; Desai and Kharas 2010; Johnson 2010; MacDonald and Tayart de Borms 2010).

The result is a shift from philanthropy as charitable giving for international development toward philanthropy and foundations as active development agents. Philanthropic funding represents a

small, yet rapidly growing, part of funding for international development (OECD 2009; Little 2010; The Center for Global Prosperity 2010). In the triangle of government, civil society and private sector actors, philanthropic organisations appear as a blend of civil society and private sector motivations. There is a contrast between the adoption of active management, results-based focus, public policy influence and technocratic fervour of the private sector and the emphasis on the democratic, participatory, community-based, identity-affirming potential of civil society.

According to Michael Edwards (2011), this perceived trade-off between providing social goods versus emphasising social change is the key limitation to philanthropies' ability to support human wellbeing. The discussion of global public goods is key to understanding the overlap between philanthropy and development. Because the benefits, consequences, financing and governance of these public goods crosses national borders, the number and types of actors involved in development has expanded, especially private ones (Kaul, Grunberg and Stern 1999; Kaul, Conceição, Le Goulven and Mendoza 2003). The goals of these various actors may be in conflict and may not be oriented around wellbeing, even among the established development and philanthropic actors.

The Bellagio Initiative commissioned a number of papers that discuss some of the new trends in philanthropy and attempt to make more explicit connections between international development and philanthropic strategies based on current thinking and evidence. This review looks at three papers: a survey of international statistical data on philanthropy and international development; a paper on innovations in African philanthropy; and a paper about the variations of Islamic philanthropy that arise from the doctrine of *zakat*. All of the papers take the overall macro shifts in international development for granted, but they each have a different perspective on the new actors, new tools, governance problems and the trade-off between social goods and social change.

'Philanthropy: Current Context and Future Outlook' by The Resource Alliance describes the drivers of recent changes in philanthropy: external pressures from globalisation, changes in the funding environment and the emergence of new actors. The paper focuses especially on new BRICS donors and high net worth individuals. The growth in participation increases the costs of cooperation and coordination and the conclusion is that philanthropic funding will need to be directed to emerging philanthropies and civil society organisations to develop their organisational capabilities and train managers.

'Transformative Innovations in African Philanthropy' by Bhekinkosi Moyo finds that African philanthropy is influenced by the same trends in global philanthropy. However, the paper differentiates between 'vertical' philanthropy, or institutionalised philanthropy, and 'horizontal' philanthropy that is ongoing in African communities. The distinction between 'formal' and 'informal' philanthropy is a false dichotomy because there are ritualised ways of community giving, such as mutual aid societies, burial societies and cooperatives. The challenge is to strengthen the legal and institutional climate for vertical philanthropy and the skills of new philanthropic organisations without abandoning or co-opting horizontal philanthropy.

'Islamic Philanthropy and Wellbeing' by Mariz Tadros develops a typology of Islamic philanthropy organisations. The paper first identifies correspondences between the material, relational and subjective dimensions of wellbeing and the Islamic principles that motivate philanthropy. It then focuses on *zakat* – the principle of annual giving of one's wealth – and the debate over *zakat* giving to non-Muslims and non-prescribed causes, including development. The ritualised sustainability of *zakat* giving, ongoing debates in Islamic jurisprudence and the breadth of the Muslim diaspora offer opportunities for innovation in cooperation with civil society organisations and through transnational Islamic organisations.

Both Moyo and Tadros argue that pre-existing forms of giving in the community already take wellbeing into account and that more institutionalised philanthropies should be organised to support that. Membership in and responsibility to a community drives giving, whether it is membership in a geographic community, ethnic community, religious community or, increasingly, social class.

Although the ascendance of BRICS governments and philanthropies is present, examining African and Islamic philanthropies presents a future look at new actors and possibly new forms of philanthropy. Although they are buffeted by the same global forces, African and Islamic ways of giving offer the possibility of parallel ecosystems of philanthropies in international development, rather than being stray pieces of a fragmented whole.

Changes in philanthropy for international development

'Philanthropy: Current Context and Future Outlook' summarises trends in philanthropy in the early 2000s and changes in the actors in and interactions between philanthropy and development actors. The paper describes the external pressures that shape the nexus of development and aid, the funding environment and the emergence of new actors in philanthropy, particularly from the BRICS countries.

The author agrees with Judith Rodin of the Rockefeller Foundation that philanthropic practices are undergoing a dramatic shift due to the increasing inequality of global opportunity that occurs under globalisation.¹ If globalisation is an umbrella description of the growth in movement of goods, people and capital, but also its consequences, then we need collective action to deal with collective issues such as climate change, water scarcity and income inequality.

This perspective aligns with Severino and Ray's (2009) identification of three major changes that are transforming official development assistance (ODA). First, the objectives of ODA have expanded from economic development to encompass broader aspects of human development and the provision of global public goods. It is reasonable to believe that these changes in ODA have also changed the nature of philanthropy oriented toward international development. The expansion in development objectives coincided with a decrease in government aid budgets and an increase in philanthropic funding for development.

The paper provides useful data on philanthropy in development. In 2009, philanthropic giving for international causes was US\$52.5 billion, relative to \$120 billion in ODA from OECD/DAC countries (OECD 2009; The Center for Global Prosperity 2010). The lion's share of all giving comes from US foundations, followed by European foundations. For US foundations, their international development budgets are a small portion of their overall giving. The giving is primarily to global funds, rather than developing country governments. For non-profits that work in international assistance, the greatest part of their income comes from philanthropic sources (38 per cent). This is a far greater portion than for non-profits overall (14 per cent) (Salamon, Sokolowski and Associates 2004). In addition, the majority of grant recipients are in middle-income countries rather than the poorest. Much of the interaction between foundations and recipients in poorer countries is through collaboration with local grant-making institutions.

¹ In a 2007 speech at the Global Philanthropy Forum Conference, Rodin distinguished between Philanthropy 1.0 (the investment in scientific knowledge and application that led to public health achievements), Philanthropy 2.0 (cooperation with NGOs on the ground in a post-colonial context) and Philanthropy 3.0 (more thematically flexible funding with a longer time perspective in cooperation with multiple partners).

Corporate philanthropy is also an important source of giving. In general, companies with global operations do more international giving. In 2009, corporate philanthropy for international issues grew 15 per cent and giving directed to developing countries grew 8 per cent.

New actors and new tools

The paper is largely devoted to describing the types of new philanthropic actors and new financial tools, particularly in the BRICS countries. The OECD Development Assistance Committee (DAC) consists of 22 traditional bilateral donor countries. However, the line between donor and recipient governments has been blurred as BRICS developing country governments form their own bilateral aid agencies. There is also an increase in the types of aid recipients, such as developing country NGOs, local and regional governments and for-profit socially oriented organisations.

The pool of development actors has expanded from bilateral donors to include NGOs, private foundations, businesses, special funds like GAVI and the Global Fund, social entrepreneurs, diaspora funding, crowd-funding and so on. The global shift of economic growth towards the BRICS countries is also reflected in the growth of philanthropic activity, sometimes from the new middle classes, but also from high net worth individuals (HNWIs). The growth of global individual wealth means that new individual and family foundations are rapidly appearing. In addition to traditional forms of giving, the new giving increasingly occurs through local variations on institutionalised philanthropy.

Private giving in BRICS countries also takes local institutionalised forms. The dominant type of foundation in Brazil is the Community Philanthropic Organisation, which is a corporate philanthropy-funded community alliance that brokers grant-making for local organisations. In India, the giving is shifting from giving to one's local community of origin to national organisations and schemes. In China, private foundations are embryonic and the current practice of giving is to government-operated NGOs that promote government-sponsored causes. In South Africa, communal traditions of giving continue to outweigh institutionalised philanthropy.

Many of these actors use specialist financial expertise to provide new aid channels, like guarantee schemes, special bond issues and microfinance. The increase in financial instruments allows donors to tailor the instrument to the group of donors or investors, the nature of the solution (for instance requiring scale effects or risk diversification) and the timeframe required.

The emphasis in the paper is on new actors and new tools that already exist and are growing. As a result, the emphasis is on the near future, rather than a projection of what influence these new actors might have or what new actors they might inspire in turn. How will the BRICS bilateral donor agencies or family foundations use their power to change development cooperation frameworks and goals, especially China? Will more established donors and foundations adopt their practices? In particular, BRICS governments and enterprises are not always distinct, which could, in turn, flavour the philanthropy that emerges from the new fortunes that come from those countries. The paper also doesn't make clear what institutions need to be put in place to increase the use of the new financial tools.

Governance

The paper acknowledges the growing influence of the philanthrocapitalist paradigm but doesn't really challenge it. The paper notes that the vast fortunes that support the newer foundations mean that they have never before seen influence over philanthropy, development, NGOs and governments. The business perspective behind these fortunes has also influenced philanthropic

practices (outcome-oriented, results measurement, impact investing) and also the proliferation of social enterprises – hybrid organisations that combine social and business objectives.

Social goods versus social change

The paper acknowledges the trade-off between providing social goods and advocating social change and foresees a continuing standoff. The development community has taken notice of the results-orientation of philanthropy, and calls for transparency and economic pressures on national governments in order to establish the aid effectiveness agenda. Yet the politics of aid, especially private aid, in developing country contexts continue to be contentious. Recipients continue to be under-represented in decision-making and grant-making processes. The emphasis on growing civil society institutions as a means for directing philanthropy also disregards strong local traditions that may support giving. Much of the emphasis on new philanthropies is based on economics and class and ignores the potential for women- and youth-funded philanthropies and dismisses the importance of identity in religious and diaspora giving.

The paper properly advocates for the use of philanthropic funding to help organisations adapt, and also support needed national legal, taxation and anti-corruption institutions along with local civil society. Philanthropic funding may need to be devoted to infrastructure, organisational capabilities or management training in order to help societies develop the capacities needed in order to absorb philanthropic funding. Foundations themselves also need to question their role as grantmakers. Given the difficult and shifting contexts where they give, some say that foundations need to engage more as advocates and push for institutional transformation (Edwards, 2011). With their independent financial status, they have the means and detachment to support local civil society with their voices as well as their money.

African philanthropy and Islamic philanthropy

Although African philanthropy and Islamic philanthropy do not yet make up the majority of philanthropic funding for development, they illustrate many of the debates that arise in the 'Philanthropy: Current Context and Future Outlook' paper. The most important issue is the continued role of identity, whether religious or ethnic, in giving. Giving occurs in multiple ways and at multiple levels, but not necessarily through organisational channels, because shared identity alleviates some of the need for institutionalised giving. The papers also make clear that giving through non-organisational channels frequently occurs in ritualised ways, so making a distinction between 'formal' philanthropy and 'informal' philanthropy is not accurate. The trend for strengthening civil society and institutionalised philanthropy needs to be careful not to crowd out local traditions of giving.

The growth in the number of development actors, including philanthropists, increases the opportunities for learning and scaling development solutions. It also increases the cost of cooperation and coordination. There is a need for associations of foundations at the regional level. In addition, philanthropic funding may be needed to help societies develop the capacities needed in order to absorb philanthropic funds.

Innovations in African philanthropy

In contrast to the general focus on philanthropy as institutional giving, In 'Transformative Innovations in African Philanthropy', Bhekinkosi Moyo describes African philanthropy as 'solidarity and reciprocity'. He argues that relations with others and giving and receiving (and thus, philanthropy) are an inherent part of everyday life. Philanthropy is better described as being

horizontal (between peers) and vertical (between social levels) rather than informal versus formal. Wilkinson-Maposa, Fowler, Oliver-Evans and Mulenga (2006) find that the term 'philanthropy' is better described as 'help' and that horizontal philanthropy is a 'philanthropy of community' compared to a vertical 'philanthropy for community'.

Horizontal philanthropy takes a number of forms in Africa: burial societies, hometown associations, rotating savings clubs, cooperatives and mutual aid. 'Philanthropy of community' typically consists of the poor helping other poor people. The amounts given are smaller in quantity, but they tend to represent a larger percentage of income. Philanthropy is less about sharing excess wealth and more about community and family membership and responsibilities of mutual support. Poverty is considered to be the absence of relatives, rather than the lack of money.

As a result, Moyo claims that African philanthropies are inherently inclusive of wellbeing. The intersection of vertical philanthropy with horizontal philanthropy needs to take this into account and consider strengthening local giving institutions and norms.

New actors and new tools

Within the vertical forms of philanthropy that Moyo identifies, the same drivers that alter global philanthropy are influencing African philanthropy. Foundations are well established and the number of foundations continues to grow. Many of the new foundations are established with funds from international donors, whereas others are African-founded and funded. The influence of HNWI on the foundation landscape, whether from Africa (Tony Elumelu, T.Y. Danjuma, Mo Ibrahim, Tokyo Sexwale, Patrice Motsepe) or elsewhere (Bill & Melinda Gates, Warren Buffet), is especially apparent.

The rapid global growth in the number of HNWI is reflected in Africa as well. Many of the African HNWI made their fortunes in the development of sectors linked to Africa's physical and economic infrastructure: telecommunications, financial services, construction and mining. African-born athletes and entertainers are another source of HNWI funding of foundations, especially community foundations. Another influential type of foundation consists of foundations set up by former politicians and heads of state, such as Nelson Mandela. These foundations aim to guide policy and exert influence. Other philanthropic structures that are growing include mass giving for humanitarian causes, philanthropy circles, impact investing and venture philanthropy.

Governance

However, Moyo also believes that the new opportunities and problems come from the need to build the skills of already existing actors, not just the emergence of new actors. African foundations have a need for legitimacy and technical assistance. Endowments have existed in non-monetary form (granaries, family legacies) for a long time, but now the new foundations are starting to build financial endowments. Moyo points out that these foundations need to engage local funding sources in order to build their legitimacy.

Networks of philanthropic organisations like the African Grantmakers Network help actors cooperate, coordinate and acquire necessary skills. Some of the required skills include grant-making, fundraising, and lobbying for a more favourable tax environment. The new foundations also need to develop tools for grant-making to small or informally organised recipients and help potential grant recipients build capacity to receive grants.

Moyo also accurately identifies the need for national and regional levels of assistance. Enhancing African philanthropy goes beyond increasing the number of foundations. Moyo claims that few

African countries have a proper legal or institutional framework for philanthropy. The continued lack of effectiveness of philanthropy in challenging poverty, economic and social inequality and political instability in Africa also needs to be addressed.

Social goods versus social change

Moyo asserts that the emphasis should be on the community level and would fall into the camp that emphasises social change. He argues that at the foundation level, institutionalised foundations with international funding have not taken local notions of giving and community into account. Incorporating philanthropic change into social structures and power dynamics at the community, national and regional levels is essential for connecting wellbeing, development and philanthropy.

It is fair to critique the dominance of and, daresay, neo-colonialist transfer of philanthrocapitalist practices in preference to local traditions of giving. It is not clear whether Moyo believes that results measurement, better management or financial engineering would hinder or help horizontal philanthropy. But there is no acknowledgement of philanthrocapitalism's successes, especially in health, and how they might augment indigenous African philanthropy.

Moyo also attacks vertical philanthropies' strategies of taking a thematic or specialised approach to philanthropy as being contradictory to addressing wellbeing. Because wellbeing is multidimensional, wellbeing may be the outcome of the aggregation of social institutions, rather than high performance within a particular thematic focus. With respect to development, 'the poverty of the whole person' is lost in a focus on economic development and income.

Moyo advocates investing in aspects of social justice like participation, governance and leadership development rather than project-based investment, particularly since these social aspects are neglected by African foundations and HNWI's in favour of economic contributions. With the growth of HNWI giving, they need to be encouraged to support governance, human rights and policy change in addition to tangible, material giving like schools, health clinics and so on. However, Moyo does not observe that horizontal philanthropies would be equally neglected under that model. The likely targets of such giving would be government agencies or local NGOs, rather than mutual aid societies or hometown associations.

Trends in Islamic philanthropy

'Islamic Philanthropy and Wellbeing' explores a typology of forms of Islamic philanthropy and the opportunities for development and wellbeing that philanthropy based on religious identity presents. The perspective presented here does not look as much at new actors but at the transformation of ancient practices for present-day purposes. Tadros uses the term 'Islamic philanthropy' to refer to the giving of private goods for public purposes as guided by religious principles. Cheema (2010) estimates that only 10–13 per cent of such giving occurs through formal channels or institutions and instead is given directly from individuals to recipients.

The principle of *zakat* is one of the five pillars of Islam and mandates the annual giving away of 2.5 per cent of one's wealth. Much of *zakat*'s intent is to provide for the public welfare of poor community members who fall into certain categories. *Sadaqa* is discretionary personal giving (monetary or non-monetary). Targets for philanthropy that are not covered by *zakat* (such as art, culture, microfinance, non-Muslim recipients) can be encouraged instead as *sadaqa*.

Endowments (*awqaf*) also play an important role in supporting mosques, schools, hospitals and other institutions for the public good.

Tadros claims that the notion of wellbeing is considered to be inherent in Islamic philanthropy, as it is a vehicle for expressing religious faith through community support, both locally and as part of a broader community of Muslims. She argues that the material focus of Western understandings of philanthropy overlooks relational and subjective characteristics of Islamic philanthropy. The concept of *waqf* prescribes that acts for the public benefit should have intergenerational benefits. Tadros also suggests that a person's subjective evaluation of their wellbeing is inherently interpreted through a religious lens. *Tawheed* means that the laws of God are the laws of the world. *Shumoliyya* implies that the meeting of material needs and spiritual needs cannot be separated, likewise the needs of the individual versus the needs of the whole. As a result, an individual's wellbeing cannot improve without the improvement of others' wellbeing and an all-inclusive balance of Godliness and wealth.

Osella and Osella (2009) do find that notions of economic success, religious identity and community welfare can be intertwined for Muslims. The Muslim businessmen whom they study promote economic growth for the community good and use their economic benefits to finance community programmes. But their business practices are also guided by religious principles.

New actors and new tools

Unlike the other papers, the focus in this paper is on innovations in organisational forms, rather than technical or financial innovations. Tadros identifies four main types of Islamic philanthropic organisation. The first category consists of civil society organisations that direct philanthropic giving to community needs. The second category consists of social welfare arms of Islamist political movements that give as part of community engagement for political agendas. The third type is transnational Islamic organisations that raise funding across the diaspora for charitable and relief causes. The fourth type is corporate philanthropic organisations.

Tadros writes that Islamic philanthropic NGOs began to emerge in the late nineteenth century as a way to institutionalise religious giving. The intention was almost exclusively for charitable purposes. The growth of oil wealth in the Gulf Region during the 1970s led to the development of transnational Islamic organisations that supported both social and political diaspora causes and social welfare Islamic organisations that were affiliated with the political movements of the day. The present-day increase in migration of Muslims to the West is now driving a growth in Islamic philanthropic organisations.

Governance

Rather than a local or national issue, Tadros' framing exposes that the governance of philanthropy in international development is a geopolitical issue. Tadros argues that innovations in Islamic philanthropy occur when givers can respond in new ways to community needs while also complying with religious prescriptions and aligning with their political context. Both civil society organisations and transnational Islamic organisations play an important role in this innovation. The civil society organisations have a mix of funding sources and can help square personal desires about appropriate giving with community needs and new challenges. The transnational organisations work with other organisations across the diaspora and can collaborate with other philanthropic organisations.

Islamic philanthropy takes multiple local forms and organisations frequently combine funding from Islamic charity, donor agencies and selling goods and services. For giving between Muslims, Islamic philanthropy is a considerable source of funding for humanitarian interventions following conflict or natural disasters. The strength of common identity creates local, national and international funding networks. The recurrent nature and depth of funding makes Islamic

philanthropy highly sustainable and the unchannelled nature of it allows gives a great deal of flexibility and discretion. Tadros does not ignore that, at the same time, the ability to mix religious and political aims across geographic borders is a challenge to transparency and accountability and in many cases, a challenge to political stability. She argues that politicised assistance both from Islamic philanthropies that fund militant activities and from governments that want to influence other countries jeopardises relational wellbeing.

There is little discussion of Islamic philanthropies' intersection with non-Islamic philanthropies or what Moyo would describe as the intersection between vertical and horizontal philanthropies. Given the ancient nature of Islamic philanthropy, it is not surprising that it is self-contained and self-reliant relative to the younger but more visibly dominant paradigm. Tadros raises, but does not answer, some serious questions: What happens when presumably common goods are limited to a population? How can philanthropies productively engage with causes they may not support?

Social goods versus social change

Whether *zakat* can be used to support non-Muslims or development and humanitarian projects more generally is being debated. The primary challenge is one of complying with religious prescriptions and also broadening community notions of charity and wellbeing. Yet broadening *zakat* purposes may jeopardise the self-perpetuating nature of giving *by* Muslims *for* Muslims and also take away the discretion of individual givers to earmark their funds for specific causes. Tadros acknowledges this dilemma, but does not explicitly point out this conflict between the wellbeing supposedly inherent in Islamic philanthropy and the wellbeing of other communities or segments of society.

Conclusion

The three papers agree that changes in the ecosystem of philanthropies in international development are the result of adaptation to global pressures that independently influence international development practices and philanthropic practice, combined with local practices. These global pressures come from a number of sources: increasing economic inequality that comes with increasing economic growth; a shift to more holistic ideas of development; a decrease in government and bilateral aid from traditional donor countries; and the emergence of aid funding and transfer of development practices from the BRICS countries.

One view is that the very economic growth that has increased inequality has led to dramatic growth in the number of private actors in philanthropy and development. There has also been a fragmentation of aid recipients at different levels (international, national, regional, local) and among types (international NGOs, developing country NGOs, for-profit and non-profit social enterprises). Another perspective is that ample local traditions of philanthropy already exist and more institutionalised philanthropies should adapt to be more inclusive of these approaches.

The increase in donors and recipients increases the need for cooperation and alignment among the goals and activities of the many actors. This need is particularly urgent, given the influence of private philanthropic actors over development funding and practice as seen in monitoring and evaluation, impact investing, microfinance and social entrepreneurship. There is also a need for local, national and regional systems to assist philanthropies. African foundations in particular need technical assistance in grant-making, fundraising, lobbying and capacity building for grant recipients. In addition, philanthropies in many countries operate without a proper legal or institutional framework.

This review makes six proposals for incorporating new actors, utilising new tools, improving philanthropic governance and reconciling social goods and social change approaches.

- Philanthropies need to invest in social change, participation, governance and human rights *in addition to* project-based investment. Many foundations are beginning to consider a portfolio approach to choosing projects and selecting a diversity of high-risk and low-risk projects. Perhaps this approach can be extended to diversifying project objectives and having a portfolio of financially sustainable versus institution-building projects. Foundations that take up this approach will also need to spread such practices to emerging HNWI foundations, through training and conferences.
- Don't assume that horizontal philanthropies are better for wellbeing. What dimensions of local practices support participation and social change? Which do not? We need a better understanding of what more social versus project investment would mean for horizontal philanthropies, as they might receive fewer funds in that context, not more.
- Fund networks that can help local foundations with technical assistance.
- Fund structured dialogues on whether *zakat* can be used to support non-Muslims or development and humanitarian projects. It would be important to develop multi-actor joint funding structures for such discussions. More study is also needed about lessons learned from Islamic philanthropic responses to humanitarian disasters.
- Engage in substantive debate about philanthrocapitalism. Brooks, Leach, Lucas and Millstone (2009) argue that even if private and public sector philosophies are successfully reconciled by philanthrocapitalists, their focus on innovative technical solutions, especially in health and agriculture, diverts attention from social objectives and social solutions. They argue that the philanthrocapitalists assume technical complexity, but assume away institutional and social complexity; they assume that rapid change is good; the desire for rapid scaling up assumes homogeneity of target populations and equality in the distribution of benefits; and the organisations and solutions reproduce existing power structures.
- African and Islamic philanthropies are community-based or identity-based and their influence does not necessarily wax and wane with economic growth or political change. Don't assume that by virtue of economic power, they will assimilate into or supplant international development cooperation frameworks with their own paradigms. They may remain as parallel philanthropies. The challenge may be to support their parallel existence, rather than try to integrate them.

None of the papers suggest how these new actors, especially in the BRICS countries, will transform philanthropy in development. The papers also bemoan, but do not necessarily offer up challenges to, the philanthrocapitalist paradigm. Islamic philanthropy presents an example of a viable alternative. What are its possibilities? How can its practices be transferred or expanded, without forgetting that the trust based on common identity that enables it also limits its horizons?

The case for community or identity-based philanthropies being better for wellbeing still needs to be shored up. What are the challenges to participation, governance, social justice or leadership of those forms? It is important to raise awareness of alternatives, but only by critiquing them can we claim to take them seriously. If parallel ecosystems of philanthropy based on identity survive and thrive, what will it mean for the trade-off between providing social goods and enabling social change?

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