The Index *of* Global Philanthropy *and* Remittances 2013

With a Special Report on Emerging Economies

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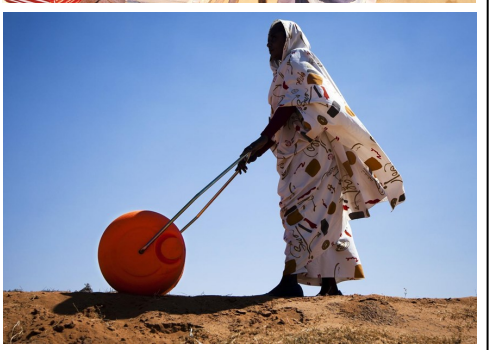

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DIRECTOR'S WELCOME

The Center for Global Prosperity (CGP) at Hudson Institute is pleased to present the 2013 *Index of Global Philanthropy and Remittances.* This edition, our eighth *Index*, continues to show the growth in philanthropy, remittances and private investment throughout the world. It continues to show how private financial flows have surpassed government aid, and how new forms of giving are redefining foreign assistance and economic growth.

This year's *Index* is a groundbreaking initiative which is supported by Canada's International Development Research Centre. CGP has measured the private financial flows of selected emerging economies to the developing world. Through partnerships with philanthropic institutions in Brazil, China, India, and South Africa, we have measured and reported on these countries' government aid, philanthropy, remittances and private investment to developing countries. Along with our data from developed countries over the last 8 years on these same financial flows, we can present a more complete picture of countries' total economic engagement with the developing world.

In addition to the quantitative side of emerging economies' economic engagement with developing economies, CGP reports on the types of philanthropic programs and the organization of the philanthropic infrastructure in these countries. Working with our talented partners to better measure their sources and types of philanthropy, we hope to help strengthen their civil societies and share best practices of humanitarian and development programs.

To collect data for each of the four emerging economies, CGP partnered with Comunitas and Grupo de Institutos Fundações e Empresas (GIFE) in Brazil, the China Foundation Center, the Sampradaan Indian Centre for Philanthropy, and Charity SA. These groups were key to improving our research on domestic and international philanthropy in these countries, and we hope to work with them in the future.

This year's *Index* also features two pieces from local voices in India and South Africa. Dr. Pradeepta Kumar Nayak, the Executive Director of Sampradaan, writes about philanthropy in India, and Shelagh Gastrow, Executive Director of Inyathelo: The South African Institute for Advancement, provides her insights on South African philanthropy.

At a time when civil society is under attack in some developing countries, we hope that our research can help private individuals and institutions grow their philanthropy and generosity. To that end, CGP completed a pilot study of 13 countries' philanthropic freedom or ease of giving in 2013. This study showed that ease of giving can be successfully measured and countries ranked and compared on their philanthropic freedom. As we expand this pilot study into a full *Index of Philanthropic Freedom* in the future, we believe by identifying the barriers and incentives to giving, governments can more easily make necessary policy changes to allow philanthropy and generosity to thrive.

We thank the International Development Research Centre, our advisory board members, research partners, and so many other stakeholders for their interest in and support of our work. The new focus of our efforts is to help strengthen civil society to grow philanthropy in all countries, and particularly developing countries. By measuring and making known countries' philanthropic giving, infrastructure, and barriers and incentives to this giving, we hope to empower private individuals and communities to improve their lives in lasting ways.

DR. CAROL C. ADELMAN
Director, Center for Global Prosperity
Hudson Institute

GLOBAL PHILANTHROPY AND OTHER FINANCIAL FLOWS

A young boy presents his schoolwork to his teacher in Mali. Education remains a top priority for global givers of all kinds, including individuals and organizations.

The 2013 *Index of Global Philanthropy and Remittances* breaks new ground by measuring and analyzing the financial flows of emerging economies to the developing world, including philanthropy, remittances, government aid, and private investment. This year's *Index,* sponsored by the *International Development Research Centre* in Ottawa, Canada, is the first attempt to systematically capture this information. The research will add to the ongoing work of the Center for Global Prosperity (CGP) at Hudson Institute. Over the last decade, CGP has demonstrated how the landscape of international development has changed. Of the total financial flows

from developed to developing countries, over 80% are private. Government aid, at less than 20%, is now a minority shareholder, the opposite of 40 years ago.

The growing elite of emerging economies, called the "BRIC"s – Brazil, Russia, India, and China – are now engaging in overseas philanthropy and government aid. They are being joined by other countries such as South Africa, Turkey, and Mexico, whose overseas private aid flows are also growing. To fully understand the state of the developing world, we must understand these countries' total economic engagement with both developed and emerging economies. This year's *Index* has added research and analysis on four emerging economies, including Brazil, China, India, and South Africa.

With regard to all countries' financial flows to the developing world, after a substantial rise from 2009 to 2010, they held steady in 2011. As some countries continued to recover from the Great Recession, others tightened their budgets, which has resulted in little change in both private and government flows. In 2011, private capital investment, philanthropy and remittances from the 23 developed donor countries who are members of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), amounted to $577 billion, holding steady from 2010. These combined private flows of investment capital, philanthropy and remittances were over four times larger than official flows in 2011. Thus, over 80% of all DAC donors' total economic engagement with the developing world is through private financial flows. Private capital flows remained the largest financial flow from developed to developing countries in 2011, amounting to $322 billion. Total remittances from all DAC donors to the developing world were $196 billion, a slight increase from $190 billion in 2010. Total philanthropy from all DAC donors was $59 billion in 2011.

While poverty is still of huge concern throughout the world, many nations have prospered economically over the last 30 years, and we are seeing these results in the 21st Century. In fact, the OECD reports that over 80 countries have doubled their per capita growth rates in the 2000s, as compared to only 12 countries doubling in the 1990s.[1] Africa, a continent with some of the poorest people in the world, has shown some of the fastest growth. The OECD reports that the continent grew on average 5% in 2012. Furthermore, out of the ten countries that experienced the fastest growth in 2012, six were in Africa.[2] The World Bank reports that as poverty is decreasing, countries in Sub-Saharan Africa are expected to reach targets established by the Millennium Development Goals soon after 2015, presuming that economic growth and domestic reforms continue. Some health indicators are showing improvement already.[3] For example, under-5 mortality and maternal mortality have both dropped by about 40% from 1990 to 2011.[4]

As growth continues, emerging economies are beginning to take on new roles including engagement with other developing nations. While various nations are considered emerging economies, Brazil, China, India, and South Africa were selected for an in-depth evaluation of their emerging philanthropy and government aid to the developing world. Data gathering was more time-consuming and difficult for these countries, but we are pleased to see the beginnings of philanthropy as well as government and civil society interest in international aid.

The involvement of these nations in foreign assistance and investment, through government aid, philanthropy, remittances, and private investment has become widely accepted, and the OECD has started to report estimated government aid flows for these countries. In 2011, Official Development Assistance (ODA) from Brazil, China, India, and South Africa amounted to $3.7 billion. While the OECD reports these figures as "ODA-like flows," there is still debate on whether these values can be counted as ODA since the countries do not abide by strict OECD definitions of ODA. The details on this debate are discussed later in the *Index.* According to World Bank data, remittances from these countries to developing countries amounted to $14.2 billion in 2011. Foreign direct investment is estimated at $88.0 billion based on data from the International Monetary Fund.

While CGP was able to extract the ODA, remittances, and private investment data from existing sources, the philanthropy figures for these countries were much harder to obtain, and we had to conduct original research which helped start the process of obtaining private giving data on these emerging economies. Because the philanthropic sector in all four nations is still in its early stages, in many cases data on domestic giving was not available, much less international philanthropy figures. This year's *Index* provides key insights into the size of giving in these countries and the development of their philanthropic infrastructure.

CGP partnered with local, independent organizations in the four countries to collect the original data. As a result of this first attempt at research on philanthropy with our partners in Brazil, China, India, and South Africa, we uncovered an estimated $366 million in philanthropic contributions from emerging economies to international causes in the developing world. As the first step in this effort, CGP hopes to continue working with

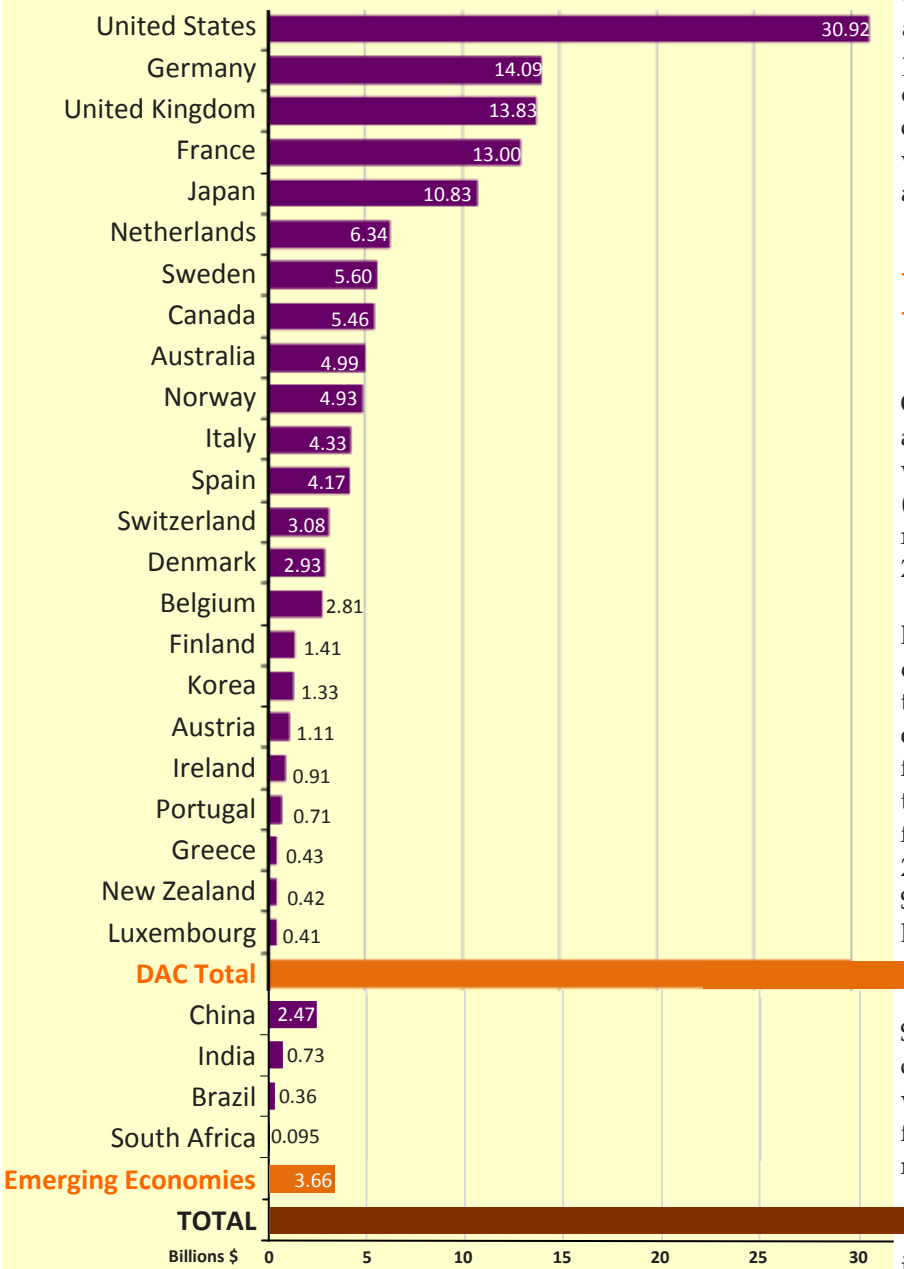
these partners and other institutions in the future to produce more complete numbers for each country.

CGP's long-standing philosophy on assistance and development relies on the growth of robust, transparent markets augmented by a healthy civil society and demand-driven aid that creates local capacity and institutions. We are pleased that this philosophy is taking root in many development organizations and practitioners of economic development. The U.S. Government is promoting the philanthropic sector through various policies and projects, including a new U.S. State Department Working Group on Philanthropy. The media and academia are using CGP's data, and multilateral and bilateral agencies are increasingly recognizing the impact of philanthropy and remittances and the value of including civil society in development programs.

We believe that the 2013 *Index of Global Philanthropy and Remittances* can be the beginning of a new movement to help all countries, not just developed, measure and report on their growing international philanthropic initiatives. By sharing these data and best practices, philanthropy will continue to grow in the most effective ways, allowing civil society to flourish and societies to prosper.

Figure 1

Net ODA in Billions of $, 2011



*Variation due to rounding

Source: OECD. Statistics on resource flows to developing countries. 2013.

TRENDS IN TOTAL GOVERNMENT AID TO DEVELOPING COUNTRIES

ODA from all OECD DAC nations amounted to $134 billion in 2011, which was a decrease of 2.3% in real terms (accounting for inflation and exchange rate movements) from $128.5 billion in 2010.[5]

While overall ODA remained relatively steady, some countries did have large drops in their government foreign assistance. European countries going through economic turmoil decreased their aid flows. Both Spain and Greece decreased their ODA significantly. Spain dropped from $5.9 billion in 2010 to $4.2 billion in 2011, a 34.1% decrease in real terms.[6] Similarly, Greece dropped from $508 million in 2010 to $425 million in 2011, a 22.1% decrease. In addition to Spain and Greece, 11 other nations decreased their ODA in 2011. These drops were balanced out, however, by increased flows from the other DAC donors. Most notably, Italy increased its ODA by 35.7%, from $3.0 billion in 2010 to $4.3 billion in 2011.[7] This was also the largest increase in absolute

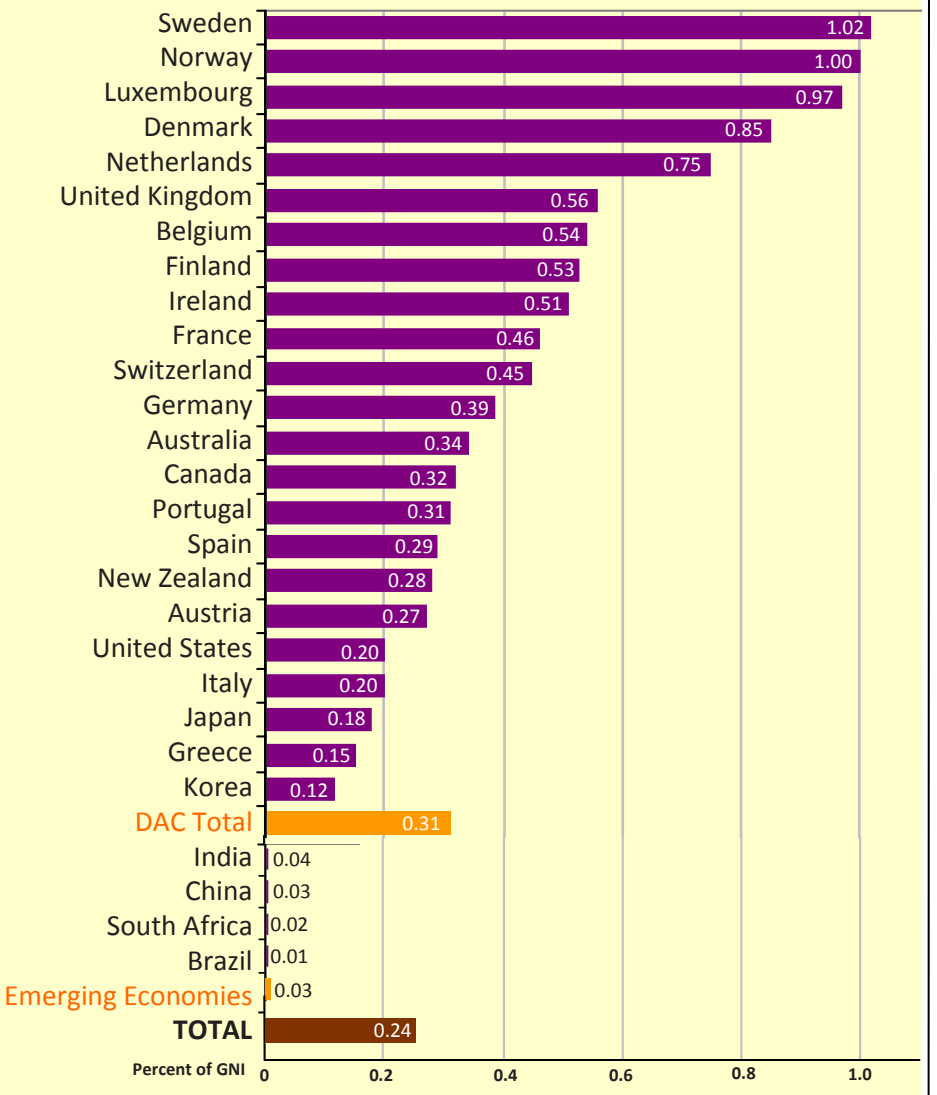
amounts. Sweden and Switzerland increased their flows by more than 10% each. Australia, New Zealand, and Korea also showed substantial increases, while the United States and United Kingdom kept their ODA flows steady.

As in 2010 and in previous years, only five countries reached the 0.7% GNI United Nations ODA target. These countries, Denmark, Luxemburg, Netherlands, Norway, and Sweden, are the same five that reached this target in 2010. Their ODA amounted to $20.2 billion, or 15% of total DAC assistance.[8] As in previous years, however, the United States remained the largest donor by volume, with $30.9 billion in ODA in 2011. Germany, the United Kingdom, France and Japan follow and with the United States, remained the top five contributors of ODA by volume in 2011. Total ODA for these five nations amounted to $82.7 billion in 2011, or 62% of total DAC assistance.[9]

Sub-Saharan Africa received the largest portion of total aid at $45.6 billion, followed by Asia with $37.6 billion. The regional distribution of aid remained similar to the previous year.[10] Afghanistan remains the largest country recipient of aid at $6.7 billion.[11] In 2011, ODA to the Democratic Republic of Congo (DRC) increased significantly, from $3.5 billion in 2010 to $5.5 billion in to 2011, making it the second largest recipient of ODA. Aid to Haiti, which was dramatically increased in 2010, dropped down closer to pre-earthquake levels, from $3.1 billion in 2010 to $1.7 billion in 2011.[12]

Figure 2

Net ODA as a Percentage of GNI, 2011



Source: OECD. Statistics on resource flows to developing countries. 2013.

GOVERNMENT ASSISTANCE FROM EMERGING ECONOMIES TO DEVELOPING COUNTRIES

For the first time, CGP is including government aid measures from emerging economies to developing countries in this 2013 edition of *The Index of Global Philanthropy and Remittances.* Thus, Figure 1 includes additional government aid data from Brazil, China, India, and South Africa. While these countries are not official members of the OECD's DAC donor group, their government assistance was included in the 2013 OECD aid statistics on resource flows to developing countries. The OECD labels the data table with these numbers, "Estimate of gross concessional flows for development co-operation ('ODA-like' flows) from the BRICS." For purposes of this 2013 *Index,* CGP refers to these flows reported by the OECD as Official Development Assistance (ODA).

Brazil

According to the OECD, Brazil's ODA amounted to $362 million in 2009, the most recent year Brazil published new data.[13] While Brazilian ODA flows are distributed to numerous countries across the globe, many of Brazil's technical cooperation projects are launched in

other Portuguese speaking countries. Brazil has been involved in South-to-South cooperation for over two decades, and much of its aid is directed towards countries with similar social and economic conditions, thus creating its own international aid programs based on domestic development successes in Brazil. For example, much of Brazil's aid for agriculture projects is based on its own successes in supporting small scale farmers.[14] While Brazil focuses on countries with similar social and economic problems, it does not impose conditionality on its international aid. Nor does Brazil impose political conditionality by basing government aid on recipient countries' levels of government corruption or transparency.

Brazil is part of the India-Brazil-South Africa (IBSA) Trilateral Initiative launched in 2003. IBSA is one of the ways in which Brazil works to promote South-South cooperation in development projects. For example, Brazil has launched agriculture and capacity-building projects in partnership with India and South Africa.[15] Brazil has also partnered with DAC donors on development projects. Through a partnership with USAID, Brazil created a malaria program in Sao Tome and Principe. This program works to increase tracking and surveillance of the disease in order to decrease transmission among the population.[16]

China

In 2011, China's ODA amounted to $2.47 billion.[17] This aid flows to 123 countries across the globe, with the largest portion going to Africa.[18] While the OECD reports these data, previous research published by the U.S. Law Library of Congress in 2012 pointed out the importance of distinguishing Chinese foreign aid from the DAC definition of ODA.[19] The OECD definition of ODA refers to the "flows of concessional financing with a grant element of at least 25%, and are provided by official sectors with the primary objectives of promoting the aid recipients' economic development and public welfare."[20] According to the Law Library of Congress report, not all of China's foreign aid falls under this definition and concessional loans provided by the Chinese government might not necessarily make the required 25% benchmark as defined by the DAC. Furthermore, the Chinese government has included military assistance in its figures for foreign aid, which is not covered under the DAC definition. Thus, this $2.47 billion value may be overestimated.

Many researchers also claim that Chinese foreign aid is less humanitarian and more focused on economic development, thereby not giving enough attention to the "public welfare" purpose in ODA's primary objective of "promoting the aid recipients' development and public welfare." Instead, critics argue that China has been using its aid to increase its political influence and improve its own domestic economic development.

> Government aid is no longer the only player in global poverty reduction.

The claim that China is exploiting developing countries for its own economic benefit has been disputed in recent years. AidData is an initiative that seeks to increase the transparency of global development aid through open source documents. The organization's recent research shows that the accusations of China exploiting the developing world have long rested on "flimsy foundations." In the past, China has received criticism for focusing its aid activities in regions with extractive resources, violating environmental and labor laws, and supporting corrupt governments.

AidData's reports claim that China's aid in Africa is distributed across the continent and across all sectors, and does not focus only on resource-rich nations. AidData concludes that China is interested in promoting itself as a global leader representing the developing world, more than it cares about short term economic gains and natural resources.

India

India's ODA in 2011 amounted to $731 million. Although a large portion of its international aid flows to its neighbors, including Afghanistan, Bhutan, Nepal, and Myanmar, it has also started to increase aid to Africa, especially for agriculture and infrastructure projects. In the 2011 India-Africa Forum Summit, Indian Prime Minister Manmohan Singh pledged a $5 billion loan package to Africa. Furthermore, with the establishment of the Development Partnership Administration in 2012, India's first development agency, the country plans to distribute $15 billion over the next 5 years.[21]

The $731 million figure reported by the OECD comes from the Indian Ministry of Foreign Affairs. However, India does not subscribe to a strict definition of ODA, and, for example, includes "project assistance, purchase subsidies, lines of credit, travel costs, and technical training costs incurred by the Indian government" in its calculations.[22]

While India has had a long history of providing strictly military aid to developing countries, in the last decade it has begun a more traditional foreign assistance program as part of its foreign policy. Over half of

Indian aid is spent on "training of civil servants, engineers and public-sector managers of recipient nations."[23] The remaining is spent on loans and project-related costs. Interestingly, only a fraction of India's aid is channeled through direct cash grants.

South Africa

The OECD reported that South African ODA amounted to $95 million in 2011. While South Africa has been involved in providing development assistance to developing countries for 15 years, it did not have a centralized agency within the government designated to oversee this work until 2013.[24] Thus, until now, South African aid has been fragmented and lacking coordination because it has been distributed by various organizations, such as the African Renaissance Fund (ARF), government departments such as defense, education, and foreign affairs, and other government agencies, including the Development Bank of Southern Africa.[25]

While ARF accounts for only a small portion of South African aid, it has been the most visible entity in the country's aid distribution. Created in 2001, ARF has consistently provided clear and cohesive reports on its annual projects and is thus a reliable source of information. The recently created South African Development Partnership Agency will hopefully solve some of the fragmentation issues of the past and provide more complete and coherent information on South Africa's international aid.

Despite the wide array of aid sources, the majority of South African loans and grants has gone towards peacekeeping and education.[26] Since 2001, South Africa has consistently sent missions and sponsored projects to promote peaceful and fair elections in countries such as the Democratic Republic of Congo, Zimbabwe, and Burundi.[27] South Africa has also started to focus on long term development issues, becoming involved with African infrastructure projects. South African aid is largely focused on other African countries, however, it has participated in South to South cooperation agreements with India and Brazil, as mentioned above.

U.S. GOVERNMENT AID TO DEVELOPING COUNTRIES

Total U.S. ODA was $30.9 billion in 2011, a 0.3% decrease in real terms from 2010.[28] The U.S. remains the highest donor of aid in absolute dollar amounts, providing more than twice the amount of the next highest donor, the United Kingdom. As a percentage of GNI, as seen in Figure 2, U.S. aid amounts to 0.20%, making the U.S. fifth from the bottom followed by Korea, Greece, Japan, and Italy.[29]

Least developed countries received the largest portion of U.S. ODA, amounting to $10.9 billion, or 35% of the total.[30] Regionally, the largest percentage of U.S. aid went to sub-Saharan Africa, with 43%, followed by South and Central Asia with 24%, the Middle East and North Africa with 13%, Latin America and the Caribbean with 12%, Europe with 3%, and Oceania and other Asia with 6%.[31]

U.S. TOTAL ECONOMIC ENGAGEMENT WITH DEVELOPING COUNTRIES

As the *Index of Global Philanthropy and Remittances* has demonstrated over the last 8 years, government aid is no longer the major player in global poverty reduction,

Table 1

U.S. Total Net Economic Engagement with Developing Countries, 2010-2011

	Billions of $	%
U.S. Official Development Assistance	**$30.9**	**11%**
U.S. Private Philanthropy	**$39.0**	**14%**
Foundations	$4.6	12%
Corporations	$7.6	19%
Private and Voluntary Organizations	$14.0	36%
Volunteerism	$3.7	9%
Universities and Colleges	$1.9	5%
Religious Organizations*	$7.2	18%
U.S. Remittances	**$100.2**	**36%**
U.S. Private Capital Flows	**$108.4**	**39%**
U.S. Total Economic Engagement	**$278.5**	**100%***

*Data from last available year: 2010; *Variation due to rounding
Sources: OECD; Hudson Institute's remittances calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittance Team's *Bilateral Remittance Matrix*, 2011; Hudson Institute, 2013.

and ODA is no longer the sole measurement of countries' generosity. U.S. private philanthropy, remittances from migrants living in the United States to their home countries, and private capital flows each exceeds U.S. ODA. The more complete way of measuring donor involvement with the developing world is to look at a country's total economic engagement—including official aid, philanthropy, remittances, and private capital flows. Table 1 provides this more complete picture of American investment and generosity to the developing world.

This year, through the grant from the International Development Research Centre, CGP focused on researching philanthropy, remittances, private investment, and ODA from emerging economies to the developing world. With this intense focus on entirely new countries' financial flows to the developing world, we did not update U.S. philanthropy figures. From the annual increases in U.S. philanthropy measured over 8 years, CGP believes that the $39 billion philanthropy figure measured in 2010 is not dramatically different from 2011. This is because our methodologies for collecting U.S. philanthropy numbers are capturing giving more thoroughly. We believe we are collecting a very high percent of U.S. private giving now that our data collection is more developed. Thus, the order of magnitude from year to year should not vary by large amounts. The number can likely be collected every other or possibly every 3 years, depending on U.S. and global economic conditions.

The U.S. philanthropy number consists of contributions from foundations, corporations, private and voluntary organizations, individual volunteer time, religious organizations, and universities and colleges.

Remittances from individuals, families, and hometown associations in the United States to developing countries reached an estimated $100.2 billion in 2011, an increase from $95.8 billion in 2010. Remittances continue to rise, and are now over three times larger than U.S. government assistance.

Private capital flows remain the most volatile economic flow to developing countries. In 2011, private capital flows decreased to $108.4 billion from $161.2 billion in 2010. The majority of this decrease was due to a drop in bilateral portfolio investments from $104.8 billion in 2010 to $73.0 billion in 2011. Direct investment decreased by a smaller value, from $51.0 billion in 2010 to $42.7 billion in 2011. Other capital flows account for the remainder of the drop.

As in previous editions of the *Index*, our findings demonstrate the changing landscape of foreign aid now that U.S. Government aid is a minority shareholder, with philanthropy, remittances, and private financial flows far surpassing ODA. These financial flows, as well as the types of businesses, charities, and humanitarian programs they are financing, must be accurately measured and reported so that we understand country development and what policies are succeeding. Only by measuring countries' total economic engagement with other countries, can we more fully understand and wisely promote global development.

Evolving International Development: *The Potential of Social Impact Bonds*

BY JESSE BARNETT

According to geologists, the meteor that doomed the dinosaurs was six miles in diameter. According to economists, the one that devastated the financial system five years ago must have been only slightly smaller. There is, however, a bright side to these disasters: they allow new life to emerge. Much in the same way that the death of the dinosaurs helped secure the evolution of mammals, the collapse of the financial system in 2008 has led to a new wave of financial instruments and innovations. One of these developments is Social Impact Bonds (SIBs).

Despite the fact that the evolution of SIBs has occurred relatively quickly, they nonetheless are well suited to current political and economic conditions. SIBs are a means to implement social programs, while minimizing the risk of spending money on programs that fail. This instrument does so by linking the investor's return to the program's success.

The SIB model was first tested in 2010 by the United Kingdom's Ministry of Justice. The Ministry, faced with budgetary shortfalls and a need to lower rates of recidivism among its prison populations, contacted the UK-based social investment bank, Social Finance, for help.[32] Social Finance's solution was simple. Reasoning that lowering the rate of recidivism would generate economic benefits, Social Finance argued that the government should pay the value of those benefits to whomever was able to produce them. The Ministry agreed with the bank, and began to design the bond accordingly.

In this case, investors purchased a bond from the government to fund programs to decrease recidivism. For its part, the government would only have to pay the bondholder back if

the results fulfilled the conditions in the SIB's contract. Thus, the taxpayers were off the hook for failed initiatives. The key factor in implementing SIBs is measurement, since the bondholders are paid back only if the program succeeds. In this case, recidivism had to decrease by 7.5% for the program to be considered successful. Although the UK Ministry's SIB won't mature until 2016, early results have been encouraging with the rate of recidivism seeing a general decline. Therefore, if the rates decrease according to the contract, the UK Ministry of Justice will pay back the bond holders on their investment with an above market rate of return.

This first SIB has prompted governments in both the United States and the Europe to issue SIBs of their own.[33,34] Although the social goals that they serve are commendable, it should not be forgotten that SIBs are at their core primarily financial instruments. While SIBs are still in their infancy, analysis of them reveals a few key conclusions:

♦First, because all of the investor's capital is at risk, SIBs are actually more like stocks than bonds. This means that because SIB's don't have the risk-mitigating characteristics of traditional bonds, investors usually face larger downside risks than upside rewards.

♦Second, and as a consequence, SIBs must offer returns that are substantially higher than traditional bonds. For instance, while the U.S. bond market from 2003 to 2013 saw an average annual return of 4.5%, funding for the Ministry's project was only secured by enticing investors with a 7.5% annual return.[35,36]

♦Finally, SIBs are highly dependent on good evaluation and measurement. Because SIBs are often issued for social matters, it is challenging to measure whether or not an initiative has met the defined conditions. For this reason, solid quantifiable indicators are necessary for programs which may be difficult to quantify, such as arts, education, and the environment.

While many of these problems will require more time to be resolved, SIBs have generally been well received due to the fact that the downsides are largely ameliorated by the higher returns offered. However, what is arguably most compelling about SIBs is not their current success at home, but their future prospects abroad. Should the initial wave of SIBs satisfy both the government and financial markets, it seems likely SIBs could be used effectively in those emerging economies discussed in this year's *Index*. Not only have these countries shown themselves to be increasingly willing to try new approaches to development, they are already largely acclimated to the financial environment in which SIBs thrive - one dominated by private financial flows.

Because SIBs limit exposure to failing programs, both donors and recipients could benefit from more aid that is better spent. As international needs expand and government budgets shrink, perhaps this new species will not only survive, but drive the development of social initiatives throughout the world.

INTERNATIONAL PHILANTHROPY

CGP was first in providing a more comprehensive picture of private philanthropy from developed countries to the developing world. Despite increased philanthropic activity globally, however, measuring the amount of giving still has its challenges. In the United States, CGP has developed methodologies that are adequately capturing this giving, but many countries are not measuring private giving at all and others are reporting significantly underestimated levels to the OECD which collects these data for developed countries.

For this reason, CGP created partnerships across the globe and has researched improved private giving numbers for 13 developed countries in addition to the United States: Finland, France, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. In the case of Japan, Japanese researchers consulted with the CGP to create a methodology similar to the one used by CGP in collecting U.S. numbers. For the 2013 *Index*, the researchers at CSO Network Japan in cooperation with Osaka University updated Japan's philanthropy figures independently and provided this information to CGP. Japan's private philanthropy to international development causes amounted to $5.51 billion in 2010, the most recent year data is available, a value significantly greater than the $467 million reported by the Japanese government to the OECD. The work being done by Japanese researchers to fully capture private international giving is a model for other countries to follow, and we hope that more countries will begin to develop more complete private giving numbers to submit to international organizations and other institutions.

As illustrated in Figure 3 on the next page, there is a wide discrepancy between the level of private giving that many DAC donor nations report to the OECD and the more complete numbers compiled by the CGP. The

numbers for the countries come from different sources, representing different years between 2008 and 2011. The 13 countries for which the CGP was able to compile more complete numbers reported total private giving of $2.1 billion to the OECD in 2011, while we identified $13.7 billion in giving for these same 13 countries in the most recent years for which more complete CGP calculations are available. When combined with the other nine donors, CGP found that total non-U.S. private philanthropy amounted to $19.9 billion in this period.

While the OECD philanthropy figures are underreported, the OECD total philanthropy value for all DAC donors remained steady at $31.5 billion in 2011. The U.S. Government submission to the OECD of $23.3 billion remains significantly underreported compared to the $39 billion figure researched by the CGP. In total, the OECD figure amounting to $31.5 billion is far undervalued compared to $58.9 billion found by the CGP, its research partners, and other sources.

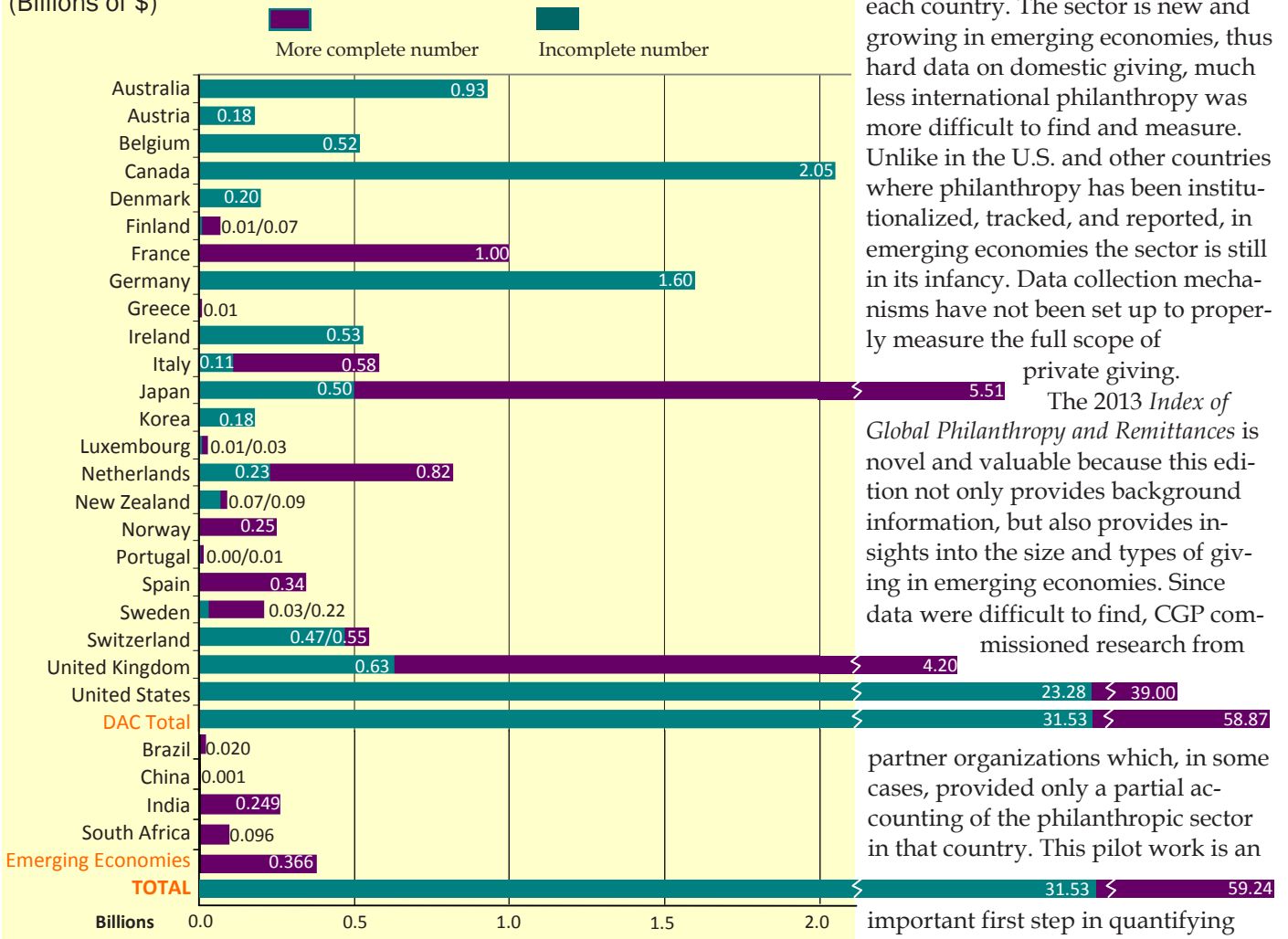
Because this year's edition features emerging economies, the following sections focus on the rise of philanthropy in Brazil, China, India, and South Africa. CGP partnered with various organizations in these countries to collect data and qualitative information on domestic and international philanthropy in each country. The sector is new and growing in emerging economies, thus hard data on domestic giving, much less international philanthropy was more difficult to find and measure. Unlike in the U.S. and other countries where philanthropy has been institutionalized, tracked, and reported, in emerging economies the sector is still in its infancy. Data collection mechanisms have not been set up to properly measure the full scope of private giving.

The 2013 *Index of Global Philanthropy and Remittances* is novel and valuable because this edition not only provides background information, but also provides insights into the size and types of giving in emerging economies. Since data were difficult to find, CGP commissioned research from partner organizations which, in some cases, provided only a partial accounting of the philanthropic sector in that country. This pilot work is an important first step in quantifying and describing philanthropy in emerging economies. In the future, CGP hopes to continue working with current and new partners to produce more complete data for each country.

Figure 3

Incomplete Private Giving Numbers Submitted to OECD and More Complete Numbers from CGP, 2008-2011

(Billions of $)



Source: OECD. Statistics on resource flows to developing countries, 2013; Stein Brothers, AB, Scandinavia 2010-2011; Charles Sellen, France, 2008-2009 and VU University Amsterdam Department of Philanthropy, Netherlands, 2009; Instituto per la Ricerca Sociale, Italy, 2009; Le Cercle de Cooperation des OND de Developpement, Luxemburg, 2011; Vrije Universiteit Amsterdam, Geven in Nederland 2011, Netherlands, 2011; Council on International Development, Annual Report, New Zealand, 2011; Plataforma Portuguesa das ONGD, Annual Report, Portugal, 2009; Coordinadora ONG Para El Dessarrollo Espana, Informe de La Coordinadora de ONG Para El Desarrollo-Espana Sobre El Sector De Las ONGD, Spain, 2009; Charities Aid Foundation, United Kingdom, 2011; Center for Global Prosperity, United States, 2009-2013.

Brazil

Philanthropic activity in Brazil has become more prominent as the country's economic wealth increased over the last several decades. In the 1990s, Brazilian corporations began to take a particular interest in corporate social responsibility and philanthropy.[37] While corporate philanthropy has been prominent, the individual and family philanthropy sectors only began to grow within the last five years.[38] One reason behind a thriving corporate philanthropic sector is the regulatory environment, which provides more incentives for corporations than for individuals to donate money.

Unlike philanthropic activity in the U.S. and European countries, which is dominated by giving to nonprofits, philanthropy in Brazil focuses more on developing social innovation. Thus, instead of traditional grantmaking, many foundations in Brazil launch pilot programs, invest in social entrepreneurs, and build partnerships with businesses and government. Furthermore, due to corruption scandals and transparency concerns, there is still a lack of trust in civil society organizations by some. Nevertheless, data have shown that Brazil's voluntary and nonprofit sector is growing and currently employs an estimated 1.5 million people.[39] More than two-thirds of Brazilian nonprofit organizations rely on the sale of goods and services for their sustainability, 15% of them rely on government funding, and only 11% rely on philanthropic donations.[40]

While philanthropy in Brazil has plenty of room to grow, a number of intermediary organizations that focus on philanthropic research, collaboration, and information dissemination have already been established. For example, Grupo de Institutos Fundações e Empresas (GIFE) was launched in 1995 with the mission to strengthen support for private organizations engaged in voluntary and social investment activities for public benefit. Today, GIFE is a membership organization of Brazilian foundations and is composed of 80% corporate members and 20% independent, family and community foundations. According to its records, in 2012 GIFE members donated an estimated $1.1 billion in Brazil.[41] This figure is limited to members of GIFE. Thus actual philanthropy in Brazil is much higher.

While Brazilian organizations do engage in philanthropy outside Brazil, these figures have been more difficult to track. GIFE suggests that international giving from Brazil's private foundations and corporations is very low, especially due to the high costs of sending money abroad. Often, Brazil's companies will invest resources abroad instead of making direct cash donations.

As mentioned above, corporate philanthropy is the most prominent form of philanthropy in Brazil. To collect data on international philanthropic flows from Brazil, CGP partnered with Comunitas, a civil society organization, with the main goal of promoting social development in Brazil through the engagement of corporate and other sectors. Comunitas is modeled on the New York-based Committee Encouraging Corporate Philanthropy (CECP), with which CGP partners to collect statistics on philanthropy from U.S. corporations. Similar to CECP's "Giving in Numbers" report, Comunitas publishes a "Benchmarking in Corporate Social Investment" (BISC) report that measures and assesses corporate giving in Brazil. Through our collaborative research project, Comunitas found over $1.2 billion in contributions and corporate social investment from Brazilian corporations in 2011. The data are limited to the institutions that participated in the survey, a total of 201 companies and 29 foundations linked to corporations. Of the $1.2 billion total, Comunitas found that $19.8 million was given to activities outside of Brazil.

CGP contacted a number of different organizations in an effort to obtain more complete data, however there were no current figures available for international philanthropy from Brazil. Thus, there is room for significant research and data collection from private sources, outside the corporate sector. These include independent foundations, NGOs, religious organizations, and individuals. As corporate and non-corporate philanthropy continues to grow in Brazil, there is a need for an improved regulatory environment that will promote giving both in Brazil and across its borders.

Success Story from Brazil: Bridging the Digital Divide

"I needed money, respect, and status," says Ronaldo Monteiro, a man who faced 14 years of incarceration in Brazil for drug dealing, assaults, and kidnapping. "To live and to die, was only a matter of time."[103] However his life completely changed when volunteers from the Center for Digital Inclusion (CDI) came to his prison and taught him how to use computers and technology equipment. Ronaldo was released for good behavior and has since become a successful social entrepreneur of his own. Now as an Ashoka fellow and an educator with CDI, Ronaldo sets up digital training programs with CDI to teach former inmates not only about technology but about citizens' rights.

The Center for Digital Inclusion is a nongovernmental organization based in Rio de Janeiro, Brazil, that teaches people how to use technology to raise awareness of the economic

A young boy looks on intently as his teacher works with him at CDI's office in Hidalgo, Mexico. (Courtesy of CDI Apps for Good.)

and social problems within their communities. CDI was launched in 1995 by Rodrigo Baggio, then an Internet entrepreneur with experience in Accenture and IBM. Baggio, who is also an Ashoka fellow, wanted to close the digital divide, which refers to the difference in access to Information and Communication Technologies, or ICTs, across different socio-economic sectors. He understood that those without access to technology could not compete with their wealthier counterparts in the job market and beyond. Inspired by a dream of empowering disadvantaged children through technology, Baggio left the private sector to help the poor and underserved communities of Brazilian urban slums by setting up CDI Community Centers where people could go and receive free digital literacy training.

Baggio's Community Centers have achieved tremendous success both domestically and internationally. Currently, there are over 700 Community Centers globally spread across Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay, and Venezuela, but also in Western countries such as the United States, the United Kingdom, and Spain. Since 1995, CDI has reached over 1.54 million people, helping 92,084 persons in 2012 alone.[104] External impact evaluations have indicated that CDI's programs helped 78% of students gain critical understanding of their surroundings; 75% of students improve reading and writing skills; 47% find a new job; 34% increase personal income; 23% re-enroll in formal education; and 12% open their own businesses.[105] As of now, CDI plans to start new programs in the Middle East and Africa.

Through its Community Centers, CDI reaches out to frequently overlooked populations. For example, CDI volunteers and educators often start programs in psychiatric facilities, schools, hospitals, and prisons, where they teach patients, inmates, and students how to use the internet, set up equipment, and use search engines to understand and solve pervasive social problems such as sexual abuse, environmental degradation, and citizens rights. By working with these underserved groups, CDI encourages people to do their own research and to initiate their own social reform, allowing people to take ownership and control of their lives and world.

CDI demonstrated the extent of its flexibility when it offered digital training services to the victims of the 2010 Chilean earthquake. In response to the devastating effects of the earthquake, CDI's Chilean branch initiated the Mobile Telecenter program, providing ICT skills training for families, NGOs, and small businesses affected by the disaster. Not only did CDI Chile help individuals connect with NGOs to receive aid, they also replaced valuable IT equipment that was damaged during the earthquake. As the project wrapped up, Mobile Telecenter had donated computers to five NGOs and taught marketable computer skills to 300 program participants, not to mention gave basic IT services to 1000 people in the immediate aftermath of the earthquake. CDI creatively used its services to not only help disaster victims get immediate humanitarian aid, but develop long term technological skills that can help them with employment.

For Baggio, who has earned countless awards from the international community for his efforts, CDI is not "work" but rather a passion. "My vision for digital inclusion is to create a process that we call 'e-topia,'" he said in an interview. "E-topia for me is a society that uses technology to promote the democratic process, increase participation, empower citizens, stimulate people to become entrepreneurs – a vision of people using technology to change their communities and their society." The passion that drives not only Baggio but the countless volunteers who work for CDI enables those living in the worst circumstances of poverty, crime, and self-defeat to rise up and better the world around them.

-Darice Xue

China

Among the four emerging economies reviewed in this year's *Index of Global Philanthropy and Remittances,* China is the most unique. The line between public and private funding and delivery of services is constantly blurred in all Chinese sectors, and the philanthropy sector is no different. Before presenting CGP's research on philanthropy in China, it is important to understand the basic structure of China's civil society.

Organizations in China are classified into three main categories: 1) Government Organized NGOs (GONGOs); 2) Legal independent nonprofit organizations that are registered with the government; and, 3) Informal organizations that are unregistered or alternatively registered as businesses.[42] Some nonprofits choose to register as businesses because they are unable to obtain government approval to register as nonprofits.

In 1998, China passed new regulations for the management of civil society organizations. These rules allowed more independent nonprofits to register. By 2010, there were over 400,000 registered nonprofits, both GONGOs and independent organizations. Research suggests that roughly 60% of nonprofits are GONGOs.[43] There are an additional estimated 200,000 unregistered nonprofits or nonprofits registered as businesses.[44]

Private philanthropy in China saw its greatest growth after the implementation of regulations for the management of foundations in 2004. These laws defined public fundraising organizations or "public foundations" as those that are allowed to raise funds from the public, and nonpublic fundraising foundations or "private foundations" as those that are not allowed to raise funds from the public.[45]

Public foundations are almost always GONGOs, while private foundations are started by individuals or families with an endowment and are considered independent of the government. Since only public foundations are allowed to fundraise, the majority of individual donations flow to government organizations.[46] In addition to not being able to fundraise from the public, private foundations are required to distribute at least 8% of their assets annually.[47] In 2012, the number of public and private foundations was estimated at 1,218 and 1,373 respectively.[48]

As the philanthropic sector grows, including both independent nonprofits and private foundations, there has been a greater push for transparency, especially by leaders of private foundations. At the same time these currents of liberalism are running through Chinese society, China's top leader, Xi Jinping, is believed to have championed an internal party document in April 2013 which denounces Western institutions, including media independence and civil society.[49] How these views ultimately will impact the freedom of civil society to organize, raise funds, and freely contribute to charitable causes remains to be seen.

While philanthropy is slowly becoming more familiar in China, measuring true private philanthropic donations remains a challenge, as the majority of individual donations are made to government organizations. These government organizations do not fall under the definition of private philanthropic organizations. The China Charity and Donation Information Center, a government entity, produces an annual report on philanthropy in China. According to the latest research, total charitable giving in 2011 amounted to $13.3 billion in monetary donations and $2.6 billion in in-kind donations.[50] While $13.3 billion of cash donations is a substantial number, most of these donations flow to government associated organizations. In fact, in 2008 it was estimated that 89% of donations are given to government-affiliated charitable organizations.[51] Nevertheless, the number of private foundations in China is growing every year, and the Chinese government is promising adjustments to the laws regulating civil society organizations.[52]

Analysis and research of the Chinese philanthropic sector has also grown, with some independent organizations taking on the role of data collection and information sharing. One such information source is the China Development Brief, a publication that reports on social development and civil society in China. The China Development Brief has written numerous reports on private philanthropy and the laws and regulations on philanthropic activity. Similarly, consulting organizations are also being established. For example, Charitarian is a Chinese firm that works with nonprofits and corporations to improve their philanthropic activities.

While domestic philanthropy is growing, international philanthropy from China is still young. According to an INSEAD report on family philanthropy in Asia, less than 1% of the surveyed organizations in China reported giving to international causes. To collect private international philanthropy data for China, the CGP partnered with the China Foundation Center (CFC) based in Beijing. CFC is an independent non-governmental organization that serves as a platform for Chinese foundations. In addition to offering philanthropic advisory services, CFC provides a database of foundations in China and is a major source on research and giving data for the foundation sector in China. CFC also recently released the Foundation Transparency Index, which ranks over 2,700 Chinese foundations on the quality of publi-

cally available data on their finance, governance, and other indicators.

Through the grant from the International Development Research Centre, CGP commissioned the CFC to survey the top 77 private and top 73 public foundations by expenditures in China. Initially, CFC only analyzed the top 50 private foundations and top 50 public foundations. Since few foundations reported giving to international causes, however, CFC expanded the sample size by 50 foundations, including both public and private foundations. According to CFC, annual expenditures of all Chinese foundations amount to about $3 billion per year.[53] The foundations included in our research accounted for over 75% of all foundation expenditures in 2011.

CFC found that Chinese private foundations gave an estimated $1.2 million to international causes, and Chinese public foundations gave a lower amount of $713,000. Because it is unclear whether the public foundations were solely government funded or some mix of government and private funding, CGP is using only the $1.2 million from private donations in its estimate of Chinese international philanthropy.

Philanthropy research in China is in the early stages as it is in other emerging economies. The $1.2 million value above is based on an actual survey, so we believe it is a good estimate. This number, however, includes only estimates from foundations and does not include international giving from private corporations, individuals, and independent nonprofit organizations. Thus, the overall international giving number is undoubtedly under-estimated. In the future, more rigorous measurement of private organizations' international philanthropy will be necessary to determine an accurate number.

Success Story from China: Chinese Philanthropists Take on Conservation

China's rapid economic growth and overseas investment has a negative reputation among many development economists. China is viewed as a threat to sustainable development, exploiting resources for its large economic appetite. In particular, its active role in the resource extractive industries of Africa has invoked global disapproval by bilateral and multilateral development agencies, NGOs, and economists. To the surprise of many, however, the giant shadow of Chinese investment is being addressed by a new environmental conservation movement, created by enthusiastic, wealthy Chinese entrepreneurs.

In 2011, a group of these high net worth individuals started the China Global Conservation Fund (CGCF) to address global environmental concerns. CGCF was launched by The Nature Conservancy's China Program Board of Trustees.[54] Members of this Board include some of the wealthiest and most prestigious Chinese individuals, including Zeng Fanzhi, a leading contemporary Chinese artist, and Jack Ma, founder and retired CEO of the Alibaba Group, one of the world's largest e-commerce companies.[55] Although the Board acts as a sub-unit of the U.S.-based The Nature Conservancy, CGCF itself came out of the China Program Board of Trustees' generosity and activism.

A volunteer from a nonprofit wildlife conservancy in Kenya holds a Hirola being transported by helicopter to the new sanctuary.

CGCF was launched with a $5 million donation from the Board members with the intention of raising $5 million from additional donors outside of China.[56] Inspired by a 2011 trip to The Nature Conservancy's project sites in Kenya, the China Program Board members sponsored a conservation program to protect Africa's wildlife from threats such as poaching and habitat loss.[57] Starting small, the group focused efforts on preserving the critically endangered Hirola antelope, of which fewer than 500 remain in the world today.

Commonly called the "four-eyed" antelope because of its facial patterns, the Hirola has long been recognized as a rare and beautiful species which is approaching extinction. Hirola conservation efforts were first started in 2006, when The Nature Conservancy partnered with the Kenyan Northern Rangelands Trust to establish the Ishaqbini Hirola Community Conservancy in Kenya. This project worked with the local Ishaqbini people, whose culture regards the Hirola as a blessing.[58] However, these efforts were not enough as Hirola numbers continued to decline, because the original sanctuary was not effective at keeping Hirola's natural predators out. Addressing these concerns, CGCF donated $500,000 to improve the sanctuary.[59] Their donation also covered the cost of relocating more animals to the refuge. In August 2012, 24 antelopes have been successfully transported by helicopter to this refuge sponsored by the CGCF.[60]

Working in collaboration with the Northern Rangelands Trust, the Kenya Wildlife Service, and Fauna & Flora International, CGCF not only improved the Hirola's chances of survival by building the sanctuary, but also encouraged the sustainability of the project by supporting indigenous efforts by groups such as the Kenyan Ishaqbini community.

To date, the CGCF has contributed a total of $1.75 million to conservation projects in both Africa and other regions of the world.[61] In addition to the Hirola project, CGCF has helped Indonesian communities manage their marine protection areas, and the organization has supported the indigenous populations of Brazil and Peru to preserve the Amazon. As it begins its third year, the Fund will become a main component of The Nature Conservancy's new cross-regional initiative, Conservation Beyond Borders, which will connect development projects in Africa, Latin America, and the Asia Pacific with Chinese businesses and financial institutions to design environmentally friendly and sustainable development programs.[62] The CGCF Chinese entrepreneurs are taking the lead in improving the environment for sustainable development.

As people become wealthier in China, recognizing that global issues do not stop at national borders, there is hope that they will increase environmental initiatives, not only overseas but in China as well. Jack Ma, then trustee and now chairman of the China Board of Trustees, reflecting on the project said "It is a small beginning, it is tiny – but it is a historic effort from China."[63] Indeed, the CGCF is blazing a new trail in international philanthropy for China.

-Darice Xue

Success Story from China: An Internet Giant Travels Beyond Its Borders

Founded by a group of IT-savvy Chinese entrepreneurs, Tencent, the largest private internet company in China, has been in business since 1998.[64] Famous for the Chinese chat service called "QQ" and other online services, such as the Chinese Twitter, Tencent has been key to social media's rapid development in China.

But the Internet giant is not all about corporate profit. A leader in Chinese corporate philanthropy, Tencent clearly understands its role in tackling social problems and boosting the private sector's philanthropic engagement in China and beyond. Tencent Foundation, the company's philanthropic arm, was founded in 2007 in response to China's social problems.[65] The foundation supports primarily higher education, environmental protection, and emergency relief. In 2012, Tencent Corporation ranked 7th in the 2013 Forbes China Philanthropy List for contributing $23 million to its foundation.[66]

Unlike the majority of Chinese foundations that work only in China, the Tencent Foundation reaches out beyond Chinese borders. Partnering with the World Food Programme (WFP) and the China Foundation for Poverty Alleviation (CFPA), China's largest public foundation, Tencent contributed some $163,000 to WFP's programs fighting hunger in Cambodia and Western China.[67] The programs help elementary schools provide nutritious breakfasts to students, helping them finish school. They also distribute a 10 kilogram ration of rice to students from the most impoverished families. The food scholarship programs target students in fourth through sixth grades, who have the highest drop-out rates.[68]

Although Tencent Foundation is not the implementing organization, its commitment to alleviating hunger and malnutrition does not stop with its corporate donations. The company is also active in raising money from the Chinese public so that they can increase philanthropic activity among Chinese citizens. Taking advantage of Tencent's online dominance, the Tencent Foundation established a fundraising campaign called "Weave Hope" to raise awareness of hunger and malnutrition in western China and Cambodia. Started in September 2011, the ongoing campaign encourages individuals to donate 10 yuan or $1.60 per month to buy nutritious meals for children in program-covered areas.[69] Tencent's contributions, in addition to the money collected by the campaign, are then given to CFPA and WFP for use in two countries.

As of July 2013, the campaign has attracted over 196,000 individual donors from China, generating a total of $730,000 for programs in Cambodia and western China.[70] As confirmed by the WFP project report, Tencent and the "Weave Hope" campaign have contributed about $351,961 to the Cambodian program.[71]

Concerned with notorious transparency problems in Chinese philanthropy, the Tencent Foundation produces monthly reports of all financial details and invites volunteers to visit the program in Cambodia. In 2012, two volunteers selected from 85,000 online donors, visited the Prolit Primary School in rural Cambodia with the Tencent Foundation, WFP, CFPA and the Chinese Ambassador to Cambodia.[72]

Unfortunately, as a private foundation, Tencent Foundation's development activities are restrained by strict Chinese philanthropic laws on the management of foundations.[73] These regulations do not allow private foundations and international organizations to fundraise from the Chinese public. Thus, technically speaking, Tencent and the WFP could not directly receive donations from China, unless they partnered with a Chinese public foundation like CFPA. Consequently, Tencent Foundation's donations received for the "Weave Hope" campaign were channeled through CFPA to WFP using a three-party partnership.

These policy restrictions have not greatly hindered Tencent Foundation's interest and ability to build international partnerships with multilateral organizations. Apart from the nutrition program with WFP in Cambodia, the foundation has participated in the UN's Environment Programme's World Environment Day Program and the Earth Hour program of World Wide Fund for Nature.[74] Compared with corporate foundations in the West, Tencent Foundation is still in its infancy of international involvement. Nevertheless, it provides a positive role model for Chinese companies' international philanthropy.

-Haowen Chen

India

Indian culture has included the notion of giving for centuries. Generosity is often linked to religious giving, whether it is zakat in the Muslim tradition, daan in Hinduism, or seva in Sikhism. In fact, over 80% of Indians report giving at least once a year, with the majority giving to religious causes.[75] This informal giving has served as a safety net for at least some of the poor in India, in conjunction with the growth of institutional philanthropy over the past several decades.

Philanthropy in India today is dominated by large foundations that are often started by high net-worth individuals. The line between family and corporate foundations in India is blurred, as single families run most of the country's corporate sector.[76] Thus, when these families launch foundations, they are often started with donations of corporate shares that obscure distinctions between family and corporate foundations. The individuals who start these foundations are a mix of different professions, including corporate executives, entrepreneurs, and medium sized business owners.[77] In 2012, the top ten Indian philanthropists gave over two billion dollars, mainly by transferring business shares to set up foundations.[78]

India has a flourishing nonprofit sector with over three million active societies and organizations, the majority established after 1990. According to a 2012 study by the Indian government, nonprofit organizations in India derive 70% of their funding from private sources.[79] Societal trust in nonprofit organizations has room to improve, with a need for much greater transparency.

According to a 2011 report by Bain & Company, private charity makes up between 0.3% and 0.4% of India's GDP or an estimated $5-$6 billion.[80] This is an increase from the 0.2% of GDP in 2006. The 2013 edition of the report found that wealthy philanthropists in India are increasing their giving from an estimated 2.3% of annual household income in 2010 to 3.1% in 2011, with the intention to continue increasing in the future.[81]

Engaging in philanthropic activity outside of India remains a challenge as the cost of sending money abroad is high and the process is highly regulated. Nevertheless, in India and Asia in general, younger philanthropists are demonstrating a greater interest in international philanthropy than the previous generation.[82] A 2011 INSEAD survey of top philanthropists in the Asia region found that 15% of the younger generation give to international causes, compared to 10% of the older generation.[83] Younger philanthropists in India and Asia as a whole, reported a greater interest in results-driven

...in India and Asia in general, younger philanthropists are demonstrating a greater interest in international philanthropy.

philanthropy, much like younger donors in developed nations. International philanthropy was not viewed as a priority in most Asian countries, apart from Singapore and the Hong Kong region of China. In India specifically, the INSEAD survey found that 93% of donated funds was given within Indian borders, and 6% was donated outside of India. It must be noted that the survey focused on interviewing individuals and researching secondary data, and it does not report the actual figures on international giving, which are likely much less than 6% of total giving.

As the philanthropic sector in India is growing, research on philanthropy is becoming more sophisticated. India has a number of intermediary institutions which function as a source for philanthropic information and best practices. One such organization is the Center for the Advancement of Philanthropy (CAP), a nonprofit started in 1987. CAP is not a funding source but serves as a guide for nonprofit registration processes, helps companies develop their corporate social responsibility practices, and serves as a general source of information on Indian philanthropy.

Another similarly focused organization, Sampradaan Indian Centre for Philanthropy, was started in 1995 and is supported by international and Indian organizations, such as Worldwide Initiatives for Grantmaker Support, the Aga Khan Foundation, the Tata Trusts, and others. Sampradaan serves as a knowledge base for philanthropy in India by publishing books and reports and is currently working to strengthen community foundations and the civil society sector in India. Due to its vast research experience on the topic of Indian philanthropy, Hudson's CGP partnered with Sampradaan to collect data on Indian international giving.

India provides high tax benefits both for individuals and corporations making donations. However, the benefits are limited to making donations within India. While receiving cross-border donations in India is met with little restrictions, sending charitable donations abroad requires permission from the Reserve Bank of India and can be a complex bureaucratic process. Partnering with CGP, Sampradaan administered a questionnaire and collected data from over 600 foundations and corporations in India to measure their philanthropic in-kind and cash donations to overseas causes. Because the direct response rate from the organizations was low, Sampradaan also relied on secondary research using annual reports, websites, and other data sources to col-

Local Voices: Perspective on Global Philanthropy in India.

By Dr. Pradeepta Kumar Nayak, Executive Director: Sampradaan Indian Centre for Philanthropy

Indian society has always had a global vision as there is persistent emphasis on humanity in Indian culture. In fact, India's contribution to 'unity of humanity' can be traced back to ancient times. People refer to the 5000 year-old Vedic contribution that preaches *basudheiba kutumbakam* which translates to "the whole world as one family." With family as an institution of giving, this phrase reflects that giving to fellow human beings without regard for geographic boundaries is an important element of the Indian ethos.

While philanthropy and internationalism are innate to India, the economic boom of the 21st Century has offered new opportunities to strengthen philanthropy in terms of its quantity, diversity, and professionalism. With expectations of more philanthropic contributions from India to international causes, Sampradaan Indian Centre for Philanthropy partnered with Hudson Institute's Center for Global Philanthropy (CGP) to conduct a survey of Indian foundations and corporations.

Research on philanthropy has always been a problem in India because of lack of interest by philanthropic organizations to either fund or participate in research projects on philanthropy. Not unexpectedly, the response to this research was not encouraging as most of the respondents did not reply or were unable to provide specific information. For this reason, we believe that institutional philanthropy in India as a professional practice has much to learn.

While foundations expect grant-seekers to be transparent, these foundations themselves do not openly share their information. It is important that foundations value their own contribution to the research projects of other participants in the philanthropic arena. We would hope that there can be agreement on the reliance and relevance of data in planning and policy making for better practice and effectiveness of philanthropy. Philanthropy should not be simply regarded as the mechanical giving of money. We would also hope that a philanthropist of high net worth can be a philanthropist of time, insights, advice, and a contributor to the philanthropic sector.

As the survey did not have an adequate response rate, we relied primarily on secondary research. In our efforts to collect data on domestic and international philanthropy in India, we faced challenges in collecting even basic data such as contact numbers, emails, program details, and quantitative information on philanthropy and corporate social responsibility programs. In many cases, telephone numbers and email addresses on websites were outdated. The annual reports were often not uploaded on websites, and where uploaded, in many cases, there were no clear and separate data on philanthropy.

Because research on domestic philanthropy was difficult, we found it even harder to obtain data on Indian international philanthropy. In the private sector, there are some Indian corporations who operate in other countries and engage in CSR activities in those countries. With the exception of one-time contributions by Ratan Tata, Anand Mahindra, and the Murthy family, international giving by Indians has been minimal. Furthermore, donor organizations and high net-worth individuals are faced with social pressure to confine their philanthropy to domestic issues. Nevertheless, we were able to determine that international private giving by Indians is $249 million. This is an underestimate because of the lack of information that we have discussed. At the same time that some global philanthropy in India is emerging, the Indian government has become a significant foreign aid donor with a 2013 budget of about $1.2 billion for the year.

India's domestic philanthropy is only beginning to institutionalize with India's prosperity on the rise. The practice of international philanthropy will take time to evolve. While internationalism remains a value and is highly appreciated by Indians, there are powerful and contrasting ideas that confine Indian philanthropy to India. The dominant idea is that with 33% of the world's poor living in India alone, Indian philanthropists have domestic issues to address. For this reason, it is a matter of choice between community philanthropy and international philanthropy.

lect more complete information. In total, Sampradaan found $249 million from foundations and corporations in philanthropic contributions to activities outside India.

The regulatory barriers to sending charitable contributions abroad are one of the main setbacks to increasing international philanthropy from India to the developing world. At present there is an understandable focus on improving domestic philanthropy to alleviate poverty in India. Assuming that the regulatory environment for cross-border giving improves, as India becomes more prosperous and a prominent leader in Asia, individual and corporate giving should increase for international causes.

Success Story from India: Women Helping Women: India's Training Program in Afghanistan

In 1880, Malalai of Maiwand—known now in the west as the Afghan Jeanne D'Arc—carried the Afghan flag forward and heroically helped lead the Afghan army in its efforts against the British in the Second Anglo-Afghan War. This young girl is still viewed as a heroine in Afghanistan, a country that has historically found strength and determination in its women.

Today, women in Afghanistan need this strength and determination to overcome many of the challenges they face. The country has the world's highest infant mortality rate and an average life expectancy of 50 years. As poor as these indicators are, the plight of women is cause for even greater alarm. While only 43% of Afghan men can read and write—a shocking number in its own right—less than 13% of women are literate.[84] This statistic is largely a result of the obstacles in their own society, including overt gender discrimination and lack of education. To address these issues, India's Self Employed Women's Association (SEWA), a nonprofit organization in a country with similar gender issues, launched an ambitious "train the trainer" program in 2008 for Afghan women.

SEWA's founder, Ela Bhatt

Whereas the Karzai administration of Afghanistan preferred to simply fill an arbitrary quota of government jobs with women—jobs where they were often relegated to menial or even abusive tasks—SEWA organizers worked to restore independence among Afghanistan's women by training a young socially mobile class of female entrepreneurs.

Founded in India in 1972 as an offshoot of the Textile Labor Association, SEWA was India's first trade union for self-employed women in the garment and textile industries. SEWA performed two important functions: it organized the historically downtrodden urban poor and worked to ensure opportunities for its members to attain economic independence. Since its founding, the association has seen its small membership grow to nearly a million and its service offerings expand into health services, microfinance, and child care.[85] SEWA's founder, Ela Bhatt, has received many accolades, including an Honorary Doctorate from Harvard. Bhatt has also been praised by such leaders as former Secretary of State Hillary Clinton who described Bhatt as a "heroine."[86] SEWA's programs are funded by public and private grants and its own revenue from membership fees.

Relying on its experience and backed by a $165,000 grant from the Indian Ministry of External Affairs and its own membership and donation-based budget, SEWA crafted a unique program for Afghanistan.[87] First, SEWA recruited 32 Afghan women and brought them to India for training. Housed and tutored at the organization's facilities in the Indian city of Ahmedabad, the recruits were instructed in the techniques and strategies that SEWA used in India to teach women how to start, manage, and grow a small business. With these skills in hand, the Afghan trainers went back to Afghanistan to SEWA's Women's Vocational Training Center in Kabul which had been built by SEWA members.[88] Working hand-in-hand with SEWA's trainers, the newly- returned Afghan women provided schooling and vocational training to other women—many widows or orphans—from the local population. Along with basic education in math and reading, this training included skills in marketing their arts and crafts, and manufacturing traditional goods such as home furnishings and embroidered clothing.

While SEWA's program began in India, it resulted in a domino effect of Afghan women training other Afghan women in Afghanistan. Since opening in 2008, SEWA's Afghanistan operation has trained over 3000 women, nearly half of whom now operate businesses of their own, earning on average between $50 and $100 per month.[89] While such an amount might seem small, in a country with an average per capita GDP of just over $1000, such earnings can be the difference between destitution and social mobility. Greater than these earnings, however, is the confidence and independence gained by Afghan women.

- Jesse Barnett

South Africa

Philanthropy in South Africa is on the rise, with a similarly flourishing civil society composed of thousands of organizations. The nonprofit and philanthropic sector on the continent as a whole is diverse and made up of "private, corporate and family foundations, public trusts, corporate social investment units, community foundations and intermediary agencies."[90]

Public perception of philanthropy tends to focus on the large role of corporate philanthropy, or as it is referred to in South Africa, corporate social investment (CSI). Indeed, corporate philanthropy is perhaps the best measured form of giving in the country. According to an annual publication, the CSI Handbook showed

that in 2012 South African corporations spent $663 million on corporate social investment programs, a 5.4% increase from the previous year. Over half of CSI was donated to nonprofit organizations. Corporate philanthropy spending is dominated by the education and health sectors. In addition to cash contributions, 77% of the 108 companies surveyed report having employee volunteerism programs.[91] While this report did not measure international spending, three of the companies surveyed noted that international spending was part of their CSI.

With the improvement of South Africa's economic conditions, the number of high net-worth individuals is increasing. According to a recent report, 94% of the 400 high net-worth individuals surveyed donated money, goods, or time to social causes.[92] Unlike corporate giving, the largest amount of which goes to education, individuals donate to community development and religious causes. The majority of giving from both corporations and individuals is channeled through nonprofit organizations in South Africa.

As philanthropy is rising, so are intermediary organizations, which support the infrastructure, research, and knowledge building for the sector. For example, the Southern African Community Grantmakers Leadership Forum, launched in 2005, works to create a synergy between independent development trusts and community grantmakers.[93] The forum provides a platform to share ideas, build partnerships, and increase the culture of giving in SA.[94] Similarly, The Inyathelo: South African Institute for Advancement is a leader in promoting philanthropy and strengthening civil society in the country. This organization launched Philanthropy SA, a website that provides news and information on philanthropy in South Africa. Inyathelo also hosts annual philanthropy awards that highlight role models in SA philanthropy and increase the public awareness for private giving.

Charity SA is another organization that provides useful and needed information on the nonprofit sector in South Africa. Charity SA has a database of 1,096 nonprofit organizations operating in the country and serves as an information platform for the sector. Through a grant from the International Development Research Centre, CGP commissioned Charity SA to undertake a survey of the nonprofit organizations in its database. Charity SA made the survey available online and advertised it to all of its members. Nonprofits in the Charity SA database answered the survey questions on how much funding they received from private sources in 2011, and how much of this funding was spent on international causes. Of the 102 organizations that responded to the survey, 92 reported receiving funding from private sources, which amounted to a total of $22.2 million. Over two thirds of the organizations, or 71% reported receiving donations from individuals, 50% reported donations from corporations, and 40% reported donations from foundations.

A total of 12 organizations or 13% reported engaging in activities outside of South Africa. Estimated private donations for international activities from just these 12 organizations amounted to $6.4 million. Thus, international philanthropy was 29% of this $22.2 million sample of giving.

Since nonprofit organizations in South Africa receive a large portion of their funding from corporations, individuals, and foundations, this survey was able to capture giving from all three sources. However, since there are over 100,000 nonprofit organizations in South Africa, the Charity SA survey captures only a small sample of these organizations. Thus, the $6.4 billion value reported above is significantly underestimated and does not reflect the entire philanthropic sector.

This survey information is nevertheless valuable because it shows that about 13% of organizations reported being involved in international work. If we assume that this percentage can be applied to the total of 100,000 nonprofit organizations in South Africa, then some 12,000 South African nonprofits may be involved in international activities. Furthermore, from the larger data set of the survey on CSI mentioned earlier, corporations donate a total of $663 million annually to philanthropy, of which over 50% or $332 million is channeled to nonprofits. From the Charity SA survey we learned that 29% of nonprofit expenditures was international. Thus, if we take 29% of the $332 million of nonprofit private domestic philanthropy, we can extrapolate that roughly $96 million flows to international causes. This estimate uses a percent from one survey on a total dollar number of another survey to determine what an upper level of international giving might be. Since it does not include individual or foundation giving, the amount might be even higher. This number needs to be refined through further survey work and analysis.

CGP's research is only the first step in measuring South African domestic and international philanthropy. Future improvements in data collection will lead to more robust methodologies and much larger values. Better collection of data from foundations, nonprofits, individuals, and religious organizations can be achieved by questionnaires that explicitly ask for estimates of international giving from each of these separate giving sources. Such methodologies will lead to more complete estimates in the future.

Success Story from South Africa: A South African Social Business Spreads a "Treevolution" in Africa

As an initiative to offset the pollution of his frequent air travel, Misha Teasdale, a young South African activist, decided to plant 1,000 trees in one month upon returning home from a trip. With the help of his friends, Lauren O'Donnell and Jeremy Hewitt, both born in South Africa, the planting campaign soon attracted a number of like-minded individuals and businesses. Inspired by the impact of their project, the three friends made a decision to raise this small campaign into a vigorous nation-wide "treevolution".

And thus Greenpop was launched in 2010 as a South African social business that gathers support from individuals, businesses and governmental agencies to give "green" back to the planet. This is no small feat, as some estimates predict that 30% of forests will vanish by 2030.[95] In Africa the current rate of deforestation is four times the world's average.[96] Greenpop works with clients who purchase trees to be planted on their behalf to offset their own carbon footprint, and then carries out additional reforestation programs as a more traditional nonprofit would using volunteers. Not entirely a business, and not entirely a nonprofit, Greenpop calls itself a social business which is comparable to a social enterprise, the more common term used.

Founder of Greenpop, Misha Teasdale with Benjamin Mibenge, known as Uncle Benji, Greenpop's director of Trees for Zambia. (Courtesy of Sarah Issacs/Greenpop)

The organization has successfully implemented numerous reforestation projects, educational events, and workshops in both rural and urban areas of South Africa. Thus far, they have planted over 23,000 trees in 245 locations with the participation of over 3,000 domestic and international volunteers. Although it has been in operation for less than three years, this young South African organization has grown beyond the country's borders, spreading the "treevolution" to other African countries.

With 250,000 to 300,000 hectares of forest lost per year, Zambia is plagued with deforestation. Concerned about Zambia's rapid deforestation rate, Greenpop launched the Trees for Zambia project in Livingstone, Zambia in 2012. As a "reforestation and eco-awareness project," Trees for Zambia featured a three-week tree-planting activity in Dambwa Forest, Maramba River Lodge, and Victoria Falls of Zambia.[97] Businesses, local farmers, and students from local Zambian schools joined the activity, planting over four thousand trees.

The reforestation was followed by a holistic awareness campaign to teach the value of environmental conservation. Additionally, Greenpop made 30 handmade solar cookers for the local farmers and demonstrated the efficiency and low cost of cooking with alternative energy. The "Trees for Zambia" project received tremendous support from public and private partners, such as the Zambia Ministry of Forestry, a Livingston-based radio station, and South African businesses and nonprofits. Organizations such as Wilderness Safaris, a South Africa-based ecotourism company, sponsored 1,000 trees for the project, and SunFire Solutions, a social enterprise promoting solar cooking, helped Greenpop make solar cookers for local farmers in Zambia.

After the success in 2012, the reforestation project will be repeated in Zambia every year to ensure sustainability. Trees for Zambia 2013 has recently come to a successful end, planting a total of 3,358 trees in 21 days, according to Greenpop's latest project report.[98]

Greenpop has already gained attention from the media and the United Nations. Jan McAlpine, the Director of UN Forum on Forests has endorsed the project and encouraged more people and corporations to join Greenpop's "treevolution." As Greenpop continues to grow, the hope is that its impact will go beyond the borders of South Africa and Zambia, becoming a model on how to successfully address the serious deforestation in Africa.

-Haowen Chen

Local Voices: An Overview of South African Philanthropy

By Shelagh Gastrow, Executive Director, Inyathelo: The South African Institute for Advancement

In South Africa, the term "philanthropy" has a history that is not necessarily favourable with most of the population. This history goes back to the missionaries in the nineteenth century who were philanthropic in their intentions, but also paternalistic in their attitudes. Nevertheless, missionary-based philanthropy developed with time and provided health and educational facilities for the local population. Some of the best historic schools in South Africa emerged from this missionary philanthropy movement.

Currently, philanthropy in South Africa is not well defined. Normal indigenous philanthropy, community assistance, and mutual help are rolled into one classification along with charities, foundations, grant-making, community foundations, corporate social investment, social entrepreneurship, impact investing, international aid, and individual giving. These forms of giving are very different in behaviour, values, and methodology, but are generally grouped together in South Africa.

General charity and strategic philanthropy are growing in South Africa. There are hundreds of private philanthropic foundations in the country, mostly unknown to the general public, operating in the areas of poverty relief, education, environmental conservation, and health. The sector is partly organized through an established network of local foundations, The Private Philanthropy Circle, which now also includes international foundations that have established offices in South Africa.

While there are no data on the size and scope of formal philanthropy in South Africa, we do know that the annual expenditures of local foundation network members is over $100 million and is probably underestimated. Unlike in the United States and other countries, where tax returns are public information, they are considered confidential in South Africa, making it extremely difficult to assess the scale of philanthropic giving. Various studies have been undertaken, but they only estimate the level of "giving," rather than measure the contributions of the formal philanthropic sector.

The relationship between the public and the philanthropic sector in South Africa is a complicated one. The government has not been keen to open the floodgates with tax benefits related to philanthropy. Individuals and corporations can receive a tax deduction of up to 10% of their taxable income to organizations approved for a public benefit status. However, donations made to unapproved organizations can be taxed up to 20%. There are current efforts being made by philanthropic leaders and philanthropic sector service providers to advocate for changes in the tax legislation. The aim of such advocacy efforts is to promote the growth of philanthropic foundations and to enhance tax benefits for all donors. There are also some concerns about the role philanthropic foundations play in supporting organisations that may differ with government policy.

Interest in philanthropy has been steadily rising among South African elites. In 2013 one of South Africa's wealthiest businessmen, Patrice Motsepe of the Motsepe Foundation, announced his family's commitment to Bill Gates Giving Pledge. This aroused significant interest in influential circles and among high net-worth individuals. Whether this will translate into any long term impact and an increase in establishment of philanthropic institutions is yet to be seen.

International philanthropy outside South Africa's borders is still in its infancy. The current view is that the needs within the country are significant, and thus philanthropy should focus first on addressing domestic problems. Furthermore, private foundations can only spend up to 15% of their annual grants outside South Africa which greatly limits their ability to work internationally. There are, however, substantial remittances to Mozambique, Zimbabwe and other African countries from migrant workers in South Africa.

Interest in philanthropic activity in South Africa is growing. Various wealth management companies and banks now offer philanthropy services and, for the first time, a donor-advised fund has been established through Citadel Wealth Management. As the euphoria of our new democracy wanes, and people begin to see the scale of the problems that face the country, more people are exploring how philanthropy can assist in solving some of these problems.

At the same time, they are moving away from a paradigm of charitable giving to meet immediate needs and looking towards making systemic changes with clear outcomes and impact. In many respects the discourse around philanthropy in South Africa is sophisticated and certainly current with the rest of the world. However, the context may differ somewhat from North America and Europe, with South Africa's fast changing society needing more cutting edge and innovative thinking within philanthropic and other civil society sectors.

Success Story from South Africa: On a Roll: Developing New Ways to Carry Water in South Africa

Water quenches our thirst, hydrates our crops and cleans our bodies. When the supply of this precious liquid falls short of its demand, access to water can become one of most challenging and important problems in global development. This struggle to get water - waged every day by nearly a billion people - is largely endured in rural Sub-Saharan Africa, where it is estimated that over 40 billion hours are wasted every year collecting water.[99] This is time that could have been spent in school or work. Yet despite the scope of the problem, water access issues remained largely unaddressed by innovators and social entrepreneurs.

Into this void stepped, or perhaps more accurately, rolled a new device. With a 24 gallon capacity, the Hippo Water Roller is a barrel shaped container that allows users to transport more water over greater distances with less effort.[100] Johannesburg based Imvubu Projects, a South African co-operative, launched the Hippo Water Roller in 1991. Unlike the previous method of carrying 20 kilograms of water on one's head, the roller enables users to transport five times as much water in one trip. In South Africa, Imvubu Projects falls under the definition of a primary co-operative—a for-profit organization that facilitates community development.

The quality of the product, which has been continually improved since its debut, reflects the exacting standards of its creators: South African engineers Pettie Petzer and Johan Jonker. The roller is designed specifically for rural settings and has an average lifespan of six years. With an ambitious goal of reducing the number of individuals without sufficient access to water by one percent—roughly 10 million people—the two developed a business model whose innovation outshone even that of the roller.[101]

Although Hippo Rollers are also sold for profit in the developed world where they are often used for gardening, Imvubu Projects wanted to distribute the roller to needy areas for free. To do so, Imvubu Projects created the Hippo Water Roller Project, a social venture which distributes free rollers to over 20 countries, including the conflict wracked states of the Democratic Republic of Congo and South Sudan.[102] Thus far, nearly 40,000 free rollers have been distributed.

A Woman Using a Hippo Water Roller in Al Fashir, Sudan

The project utilizes a four-step planning and distribution process, an example of which can be seen in their widely touted and studied South Sudan venture. First, the project identifies those areas in need of its services. In the case of South Sudan, the organizers determined that the area of Maleng-Agok was suitable based upon information from its contacts in the NGO community. Second, it solicits donations from corporate sponsors and other donors in order to ensure that the product is delivered to recipients free of charge. In South Sudan, the project was supported by an anonymous Australian donor. Third, the project manufactures the rollers, utilizing local labor in-country whenever conditions permit. Finally, the Hippo Water Roller is distributed to recipients in cooperation with locally active NGO's, regional authorities or sponsoring groups. This approach was closely followed in Maleng-Agok, where the distribution was coordinated with local chiefs and government officials which helped to promote political stability.

This model has proved undeniably effective. By hybridizing the rigor of market discipline with the desires of donors to do good, groups such as the Hippo Water Roller Project blur the lines between the profit and nonprofit sectors of the global economy. Most importantly, these programs produce results. Although still well shy of its original goal, the project has made a substantial contribution to the quality of life in Africa and will undoubtedly continue to grow.

-Jesse Barnett

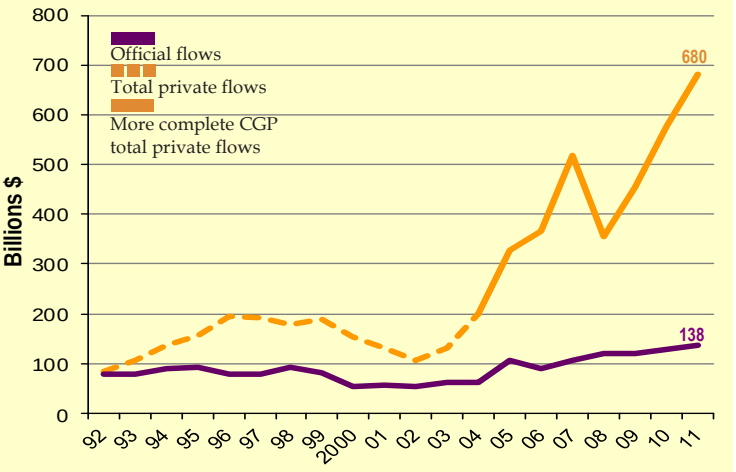
ALL DONORS' TOTAL ASSISTANCE TO DEVELOPING COUNTRIES

Since the 2013 *Index of Global Philanthropy and Remittances* includes data on selected emerging economies for the first time, Figures 4 and 5 include the financial flows from the 23 DAC donors and those from Brazil, China, India, and South Africa. Again, CGP's research shows that over 80% of all donors' total economic engagement with the developing world is through private financial flows, including the financial flows of selected emerging economies.

As in 2011, private capital flows remained the largest financial flow from donors to the developing world. Combined with philanthropy and remittances, all private flows were over four times larger than official flows. As seen in Figure 4, private capital investment, philanthropy, and remittances from all donor countries amounted to $680 billion in 2011, $577 billion of which came from DAC donors and $103 billion from the emerging economies in our *Index* this year. ODA, on the other hand, amounted to $138 billion, $134 of which was from DAC donors and about $4 billion from the four emerging economies included in our research.

Figure 4

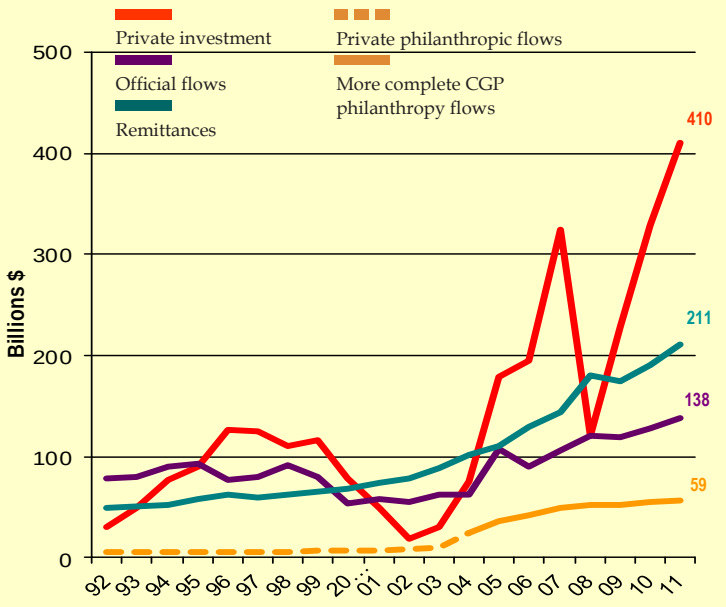
Total Official and Total Private Flows — Philanthropy, Remittances, Investment— from Donor Countries to Developing Countries, 1991-2011 (Billions of $)



Source: OECD; Hudson Institute's remittance calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittances Team's *Bilateral Remittance Matrix,* 2011; Hudson Institute, 2005-2013.

Figure 5

Official, Private Investment, Philanthropic, and Remittance Flows from Donor Countries to Developing Countries, 1991-2011 (Billions of $)



Source: OECD; Hudson Institute's remittances calculations from DAC donors to DAC recipients based on data from the World Bank's Migration and Remittances Team's *Bilateral Remittance Matrix,* 2011: Hudson Institute, 2005-2013.

Figure 5 provides a breakdown of the different forms of private flows, comparing them to public flows over the last 20 years. Private capital flows, represented by the red line, amount to $410 billion, which is $322 billion from DAC donors and $88 billion from the four emerging economies. OECD includes different types of flows under private capital flows, such as direct investment, bilateral portfolio investment, and export credits. Due to data limitations, CGP's calculations for emerging economies include only direct investment. Of the four emerging economies, foreign investment from China to developing countries was the largest, amounting to $48 billion. Foreign investment from Brazil, India, and South Africa amounted to $11 billion, $14 billion, and $15 billion, respectively.

The second largest private financial flow to developing countries is remittances, which amounted to $196 billion from the 23 DAC countries and $14 billion from the four emerging economies, totaling $211 billion when rounded. In 2011, total philanthropy from all donors, including DAC and the four emerging economies, amounted to $59 billion per annum, using the latest years for which data are available. Of this value, $366 million was from emerging economies.

The Hudson Institute began to measure private flows from developed countries more comprehensively in 2002. Since then, CGP has continued to include more countries in its research, expanding beyond the traditional donor countries to emerging economies with the hopes to create a more complete and inclusive data set on all resource flows to developing nations.

What is clearly illustrated in Figures 4 and 5 is that all donor countries provide far more to the developing world through private actors than through government aid. Private sector interactions - whether investment, remittances, and philanthropy or just remittances and private philanthropy—far exceed ODA. This reflects the diverse, new world of international development where for-profits, nonprofits, churches, universities, families and individuals from developed and emerging economies can and are contributing to international relief and development.

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GLOBAL REMITTANCES

In Malaysia people line up outside Western Union to send and receive remittances to their families in other countries.

In 2011, remittances from all nations to the developing world amounted to $372 billion, showing an 8% positive growth from the 2010 total of $325 billion.[1] Furthermore, these flows

continued to rise in 2012, reaching $401 billion and growing 5.1% from 2011, exceeding previous estimates. The World Bank estimates that remittances will continue to grow in 2013 and 2014 at an average annual rate of 8.8%.[2]

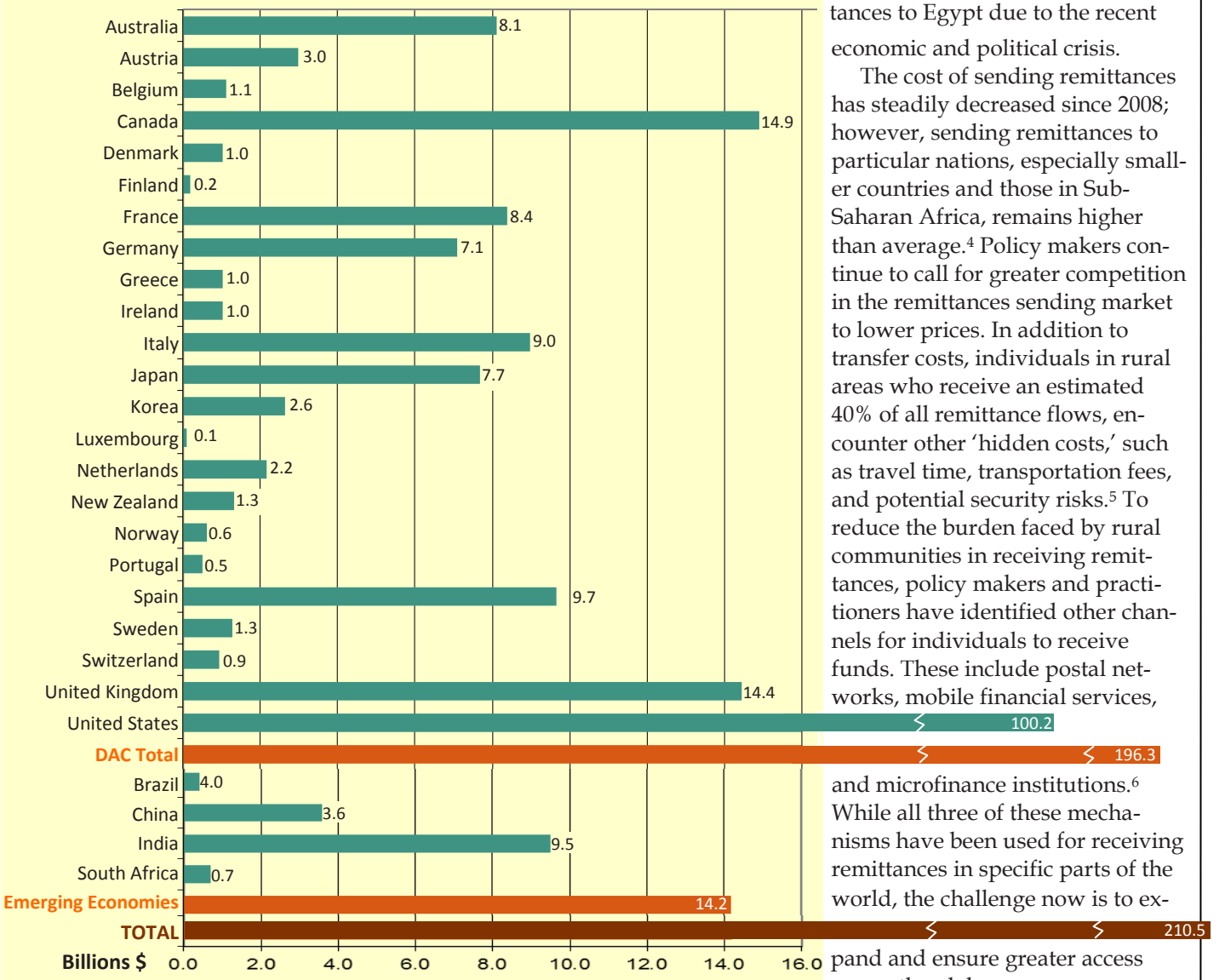
The World Bank estimates that remittances will continue to grow in 2013 and 2014 at an average annual rate of 8.8%.

REMITTANCES FROM ALL COUNTRIES TO DEVELOPING COUNTRIES

The rise in remittances from 2010 to 2011 was particularly important because it included increases to all developing regions, which had not occurred in previous years since the financial crisis. In particular, remittances to Latin America and the Caribbean increased, finally recovering from the drop due to the housing crisis in the U.S. However, the economic turmoil in Spain, which accounts for at least 10% of remittances to Latin America, may affect the growth of this flow in the future.[3] While remittances are relatively stable compared to other financial flows, they are nevertheless affected by economic and political conditions. For instance, remittance flows in 2012 increased the fastest to the Middle East region. The majority of this increase can be accounted for by the rise of remittances to Egypt due to the recent economic and political crisis.

Figure 6

Remittances from DAC Donor Countries and Emerging Economies to Developing Countries, 2011 (Billions of $)



Source: Center for Global Prosperity calculations using World Bank data; see Methodology.

The cost of sending remittances has steadily decreased since 2008; however, sending remittances to particular nations, especially smaller countries and those in Sub-Saharan Africa, remains higher than average.[4] Policy makers continue to call for greater competition in the remittances sending market to lower prices. In addition to transfer costs, individuals in rural areas who receive an estimated 40% of all remittance flows, encounter other 'hidden costs,' such as travel time, transportation fees, and potential security risks.[5] To reduce the burden faced by rural communities in receiving remittances, policy makers and practitioners have identified other channels for individuals to receive funds. These include postal networks, mobile financial services, and microfinance institutions.[6] While all three of these mechanisms have been used for receiving remittances in specific parts of the world, the challenge now is to expand and ensure greater access across the globe.

Total remittances from the OECD's 23 DAC members to developing countries amounted to an estimated $196.3 billion.

With the steady rise of remittances and improved data gathering, it is clear that this flow will continue to be a major source of external development finance. For this reason, as the Millennium Development Goals' timeline approaches completion in 2015, policy makers are planning to make remittances and migration part of the post-2015 development agenda.

REMITTANCES FROM DONOR COUNTRIES TO DEVELOPING COUNTRIES

As seen in figure 6, total remittances from the OECD's 23 DAC members to developing countries amounted to an estimated $196.3 billion in 2011. Of all remittances sent to developing nations, Asia received the greatest portion, with 47%, Latin America followed with 28%, the Middle East and North Africa received 10%, sub-Saharan Africa received 10%, and Europe and Central Asia received 5%. China, Mexico, India, Philippines, and Nigeria are the largest recipients of remittance flows from DAC donor nations.

U.S. remittances accounted for about half, or an estimated $100 billion, of the total remittances sent to developing countries from the DAC donor countries. This is a modest increase from the 2010 estimate of $95.8 billion. Latin America and the Caribbean region received the largest portion of U.S. remittances, an estimated $44.3 billion. Mexico accounts for more than half of this value. Mexico is also the single largest country recipient of U.S. remittances, at an estimated value of $23.2 billion, almost equal to that of India and China combined. U.S. remittances to Asia are not far behind Latin America, amounting to $42.9 billion, China at $13.4 billion and India at $10.8 billion, accounting for more than half of this value. U.S. remittances to Sub-Saharan Africa increased in 2011 to $7.2 billion from the 2010 value of $4.6 billion. Remittances to the Middle East and Eastern Europe and Asia stayed relatively the same at $3.6 billion and $1.6 billion respectively.

Remittances from Europe remained steady amounting to $61.4 billion in 2011 as compared to $60.5 billion in 2010. The United Kingdom was the largest source of remittances from Europe, at $14.4 billion, a figure that has remained relatively stable since 2008. Remittances from European countries that were hard hit by the economic crisis have remained stable, or shown a slight increase as did remittances from the other DAC donors.

REMITTANCES FROM EMERGING ECONOMIES TO DEVELOPING COUNTRIES

While emerging economies are large receivers of remittances, these countries have also seen an influx of immigrants within their own borders who are sending money back to their countries. Together, as seen in Figure 8, remittances from Brazil, China, India, and South Africa to developing nations amounted to an estimated $14.2 billion in 2011, a value that is likely to increase as measurements are improved.

Remittances from Brazil to other developing countries amounted to an estimated $393 million in 2011. Total outflows from Brazil to all countries are much higher since Brazil has a large number of immigrants from developed nations such as Portugal, Japan, and Spain whose remittances are not included in this estimate. While a large portion of this value is sent to other countries in Latin America and the Caribbean, about half goes to the Middle East, specifically to Lebanon. Brazil saw a large influx of immigrants from Lebanon in the early 20th century, and the Lebanese diaspora continues to send money home.

Remittance data from China has not been tracked well, but the World Bank estimates that in 2011 immigrants and migrants in China sent at least $3.6 billion to their countries back home.[7] There are no available data on which countries receive remittances from Chinese immigrants, so we do not know how much of the $3.6 billion goes to the developing world. According to the World Bank, about 40% of Chinese immigrants are refugees from countries like North Korea and Myanmar. Thus, it is safe to assume that a large portion of this total remittance value from China is sent to developing nations. In 2010, the Chinese government reported that it will begin collecting census data on its migrant populations, which should help improve estimates on remittance flows to specific countries.

India is home to over 5 million immigrants from destinations such as Bangladesh, Pakistan, Nepal, Sri Lanka, Myanmar, China, Malaysia, the United Arab Emirates, Afghanistan, and Bhutan.[8] Not surprisingly, its remittances to developing countries are estimated at $9.5 billion in 2011. Over 90% of this value goes to other countries in Asia, with Bangladesh receiving over half at $5.7 billion. With the open border between India and Nepal, remittance transfers in this corridor are also high, amounting to $1.4 billion in 2011.

In 2011, remittances from South Africa to developing countries amounted to an estimated $710 million. Due to limitations in data collection, this value is also an

underestimate, especially because remittance transfers from South Africa to Zimbabwe could not be tracked. South Africa is a top destination for migrants from Zimbabwe, and it's likely that these migrants send significant amounts home to their families. Not surprisingly, the $549 million in remittances to Lesotho make up more than three-quarters of South Africa's total remittances to developing countries. Other African countries such as Mozambique, Swaziland, and Botswana are large recipients as well.

As with developed nations, measuring remittances from emerging economies is not without obstacles. Remittance flows are difficult to track because many still flow through informal channels. In some countries remittances are only tracked through official channels if they meet a certain size. Thus, smaller transfers are not counted. However, as countries begin to improve their census data, the value reported above will likely increase significantly.

Post-Globalization: Increasing Remittances by Improving Post Offices

BY DARICE XUE

Diaspora communities living abroad have long provided a source of income for their families back home. In recent years, the emergence of mobile banking has improved both the speed and the reliability of remittances. Migrants can instantly wire money home, and their families can pick up the money at authorized financial institutions. In the process, money transfer companies charge a transaction fee that includes their own fees and other government taxes put on the money sent to primarily families in developing countries. These expenses are especially high for members of the African Diaspora, who lose on average 12% of the money they send home due to fees and taxes, a much larger cost compared to an estimated 5-6% for remittances sent to non-African countries. Furthermore, these fees can reach up to 20% in African rural areas. Of the $50 billion remitted by the African Diaspora in 2012, up to $10 billion may be spent on fees. Rural inhabitants, who have to miss a day of work to travel to urban financial centers, face significantly higher overall costs than their urban counterparts.

The high cost of sending money overseas is mainly a result of the low number of qualified institutions with remittance services. Recognizing the need to increase

Post offices provide services to the most remote areas of Africa, reaching even the town of Jambiani, a rural fishing village of 8,000 located on the island of Zanzibar, off the coast of Tanzania.

access to rural communities, the International Fund for Agricultural Development (IFAD), the Universal Postal Union (UPU), and the French government launched a project in 2008 to develop postal money transfer services in six West African countries. Tapping into the expansive network of African post offices, UPU connected 355 rural post offices in Benin, Burkina Faso, Mali, Mauritania, Niger, and Senegal to its electronic payment network, making it easier to send money to African countries. As a result, money transfer volumes doubled between 2009 and 2010. Furthermore, UPU was able to reduce the transfer time of remittances from two weeks to two days. The access to UPU's electronic postal payment services also incentivized private money transfer operators to decrease transaction fees due to the increase in competition.

Because of these results, the 2008 pilot initiative is a model for the African Postal Financial Services (APFS) initiative, an entirely new joint regional program sponsored by IFAD's Financing Facility for Remittances, the European Commission, and in collaboration with other international organizations. Budgeted at around $7 million, the APFS will work to extend postal money transfer services to ten additional African countries. The objectives are to reduce the cost and transaction time of sending and receiving remittances, broaden the overall network of post offices in rural Africa, and deepen the range of financial services that post offices can provide to clients. The IFAD estimates that the total number of African migrants and their families in the expanded number of countries will save $500 million for every percent that the new initiative reduces in remittance costs. By increasing the quality and quantity of post offices in rural African countries, this new initiative may not only reduce remittance costs but also encourage economic growth through new initiatives in African villages.

These exciting new projects suggest that developing countries can take advantage of a wider network of post offices to help reduce the cost of transferring money, especially when compared to banks and other money transfer services. In Sub-Saharan Africa, 80% of post offices are outside populated cities, whereas most banking outlets are in urban areas. Although many of these rural post offices still lack essential infrastructure such as internet and telephone connectivity and don't have the same training and authority as banks to handle international remittances, the new project can help them develop these. The modernization of these post offices will hopefully underscore the potential of alternative institutions to increase access to financial services. With 70% of the world's poor living in rural communities, improving the capacity of rural post offices to handle remittances may become an important lifeline to the poor in developing countries.

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METHODOLOGY

U.S. International Philanthropy

Foundations

The Foundation Center's estimates of 2010 international giving by U.S. foundations and of the share of this support benefiting developing countries are based on an analysis of the Center's grants sample database and on giving by the nation's nearly 75,600 grantmaking private and community foundations.

The Center's 2009 grants sample database includes all of the grants of $10,000 or more authorized or paid by 1,330 of the nation's largest foundations, including 192 corporate foundations. Estimates of international foundation giving include all grants awarded to recipients based outside of the United States and its territories and grants to U.S.-based international programs. Grants for developing countries include the subset of awards targeting recipients based in developing countries, U.S.-based and overseas international programs benefiting developing countries, and global health programs. Countries were classified as "developing" based on the 2010 Official Development Assistance Recipient List of the Organization for Economic Cooperation and Development (OECD).

The Foundation Center determined that overall giving by U.S. private and community foundations for international causes was $6,838,584,000: $6,384,685,000 by independent, community, and operating foundations and $453,899,000 from corporate foundations. The Foundation Center estimated the proportion that targeted the developing world based on a detailed analysis of its grants dataset over several years, closely examining the geographic focus of giving by all foundations included in its sample. Foundation giving for developing countries as a share of international giving for non-corporate foundations was estimated to be 71.7%. Applied to the figure of $6,384,685,000 in overall international giving by non-corporate foundations, the Center derived the figure of approximately $4.6 billion for giving by non-corporate foundations for developing countries. International giving for developing countries by corporate foundations was also estimated, but this figure is included in the corporate giving section of the *Index*.

Corporations

The Center for Global Prosperity (CGP) partnered with the Committee Encouraging Corporate Philanthropy (CECP), the Foundation Center, the Urban Institute's Center on Nonprofits and Philanthropy (CNP) and the Partnership for Quality Medical Donations (PQMD) for data on corporate giving for 2010. The CECP is the only international forum focused exclusively on corporate philanthropy and counts 171 business CEOs and chairpersons as members. The PQMD comprises 29 member organizations (NGOs and pharmaceutical and medical supply manufacturers) that share a common commitment to advancing effective drug and medical supply donation practices. In addition to information from CECP and PQMD, CGP systematically reviewed giving information for Fortune 500 companies not reporting through either organization.

A total of 184 companies, including 63 of the Fortune 100, participated in CECP's Corporate Giving Standard (CGS) survey on 2010 contributions. The survey was conducted under CECP's Corporate Giving Standard (CGS) philanthropy measurement initiative that enables giving professionals to report on their corporate giving. The CGS is a unique industry tool that provides immediate, on-demand reporting and benchmarking while preserving essential anonymity for individual company data.

For the 2011 survey on 2010 giving, CECP once again included questions on corporate giving to the developing world specifically for the *Index*. CECP received a total of 40 responses from U.S. companies to these questions, with 33 corporations reporting donations to the developing world. Of the 33 companies that reported giving, four were pharmaceutical companies that reported direct cash giving of $64,384,487. The remaining 29 non-pharmaceutical companies reported $56,496,987 in direct cash giving, $58,961,812 in giving through corporate foundations, and $93,982,304 in in-kind giving. Because foundation giving is included in the survey by the Foundation Center, only direct cash and in-kind giving from non-pharmaceutical companies is included from the CECP survey. Adding $7,887,500 in direct cash from the pharmaceutical companies, $56,496,987 in direct cash from non-pharmaceutical companies, and $93,892,304 in in-kind from non-pharmaceutical companies amounted to $158,276,791 in giving from CECP members to developing countries.

The Foundation Center through its survey of corporate foundations found that corporate foundations gave $453,899,000 internationally. Based on the Foundation Center's calculations, an estimated 57.1% or $259,183,000 of this went to developing countries specifically.

Private and voluntary organizations with a tax year ending 12/2010 filed the "new" IRS Form 990, which allowed the CNP to base estimates on the amount of "In-Kind Drugs and Medical Supplies" reported in Schedule M, Line 20 to be $4,868,395,737 donated to them by corporations. Schedule F also is used to identify assistance given to developing nations and regions (excluding assistance to domestic and developed nations). Most PVO's report "Wholesale Value," "Market Value," "Comparable Sales," "Red Book," or other published sources for valuation method in Line 20 of Schedule M.

Added to the in-kind donations of pharmaceuticals and medical supplies for international relief and development are the overhead costs incurred mostly by corporations donating these in-kind contributions. Based on their members' consensus, PQMD estimates that transport, insurance and handling costs add 10%, or $486,839,574 to donors' costs. Duties, taxes and tariffs accounted for 18% or $876,311,233. Storage, distribution and in-country transport cost an additional 15% or $730,259,361. When the aforementioned overhead costs are applied to the $4,868,395,737, total in-kind donations by corporations for 2010 amount to $6,967,805,904.

Finally, CGP staff conducted an extensive review of Fortune 500 companies not reporting through CECP. CGP reviewed annual reports, conducted Internet searches, and contacted some companies by phone, tallying a total of $259,183,000 in cash and in-kind giving from the companies for which figures were available. To prevent double-counting with the medical donations figure and the PVO number, this figure does not include giving by companies to U.S.-based PVOs.

Together, $158,276,791 from CECP research, $259,183,000 from the Foundation Center, $6,961,805,904 from in kind corporate donation data to PVOs, and $244,352,952 from CGP's own research amounted to a total of $7.6 billion in U.S. corporate giving to the developing world.

Private and Voluntary Organizations

The CGP once again collaborated with the Urban Institute's Center on Nonprofits and Philanthropy (CNP) to determine the dollar value of international development assistance projects run by private and voluntary organizations (PVOs). Building on its earlier research on international PVOs, the CNP examined approximately 7,550 IRS Form 990 and 990-EZ information returns that PVOs filed with the Internal Revenue Service for Fiscal Year 2010. The CNP also used annual reports and information from the *USAID U.S. PVO Registry* (also known as the USAID U.S. Voluntary Agencies list, or VolAg) for organizations that did not file Form 990s (fiscal year 2009 data as of February, 2012 are available at http://www.pvo.net/usaid/index.html). These were primarily religious organizations not required to file Form 990s and newly registered PVOs with international development activities.

The data set of 83,700 public charities newly registered with the IRS in 2010 was processed using an automated classification program to identify organizations with possible international development activities. Domestic organizations, such as community theaters and neighborhood associations, were excluded in the search, while environmental, human service, healthcare, and other types of organizations that could have both domestic and international activities were retained. To align the CNP data set with CGP specifications, the CNP removed all organizations that primarily supported activities in the United States or other developed countries. A final set of 1,934 new organizations showing possible international development activity was then manually reviewed, yielding 378 new organizations having international development program activity in 2010.

To differentiate international and domestic program activities, expenses and contributions, the CNP reviewed organizations' Form 990s, web sites, and annual reports, and the *VolAg* registry to determine the international to domestic ratio for the 5,850 largest organizations. Total program expenditures were identified by type of international development activity and region(s) served when available in Schedule F (Statement of Activities Outside the United States) of the Form 990 for the 4,200 PVOs filing Form 990 (tax years 2009/2010); and expenditures and activities per region were estimated from Form 990-EZ program service descriptions, organization web sites, and annual reports for 1,600 others. The organizations reviewed by CNP accounted for approximately 95% of the total private contributions.

For the remaining smaller organizations, the CNP estimated that contributions for international activities represented 95-98% of total contributions (the precise percentage varied depending on the size of the organization). The CNP then applied these percentages to the total private contributions, including cash and in-kind contributions, of these smaller organizations to determine the total amount of PVO contributions for international activities.

To eliminate double-counting that would occur if foundation grants to PVOs were included in the private contributions reported by the PVOs in their 990s or the *VolAg*, the CNP prepared a list of the 275 largest PVOs and the Foundation Center matched this list with the grants received by the organizations and determined whether the grants were intended for developing countries. Then the total amount of international foundation grants to U.S.-based organizations for development purposes, approximately $655 million, was subtracted from the estimate of private contributions for development and relief calculated from the 2010 PVO database total, approximately $19.54 billion, resulting in a subtotal of almost $18.9 billion.

To eliminate double-counting of corporate contributions of pharmaceuticals and other medical supplies or equipment that are accounted for in the Corporations section of the *Index*, CNP reviewed the *VolAg* data, IRS Form 990s, web sites and annual reports for all organizations reporting significant in-kind contributions of goods and that were active in health development and assistance work or that had major health-related activities. PVOs filing the revised Form 990 with Schedule M (Noncash Contributions) were examined for reporting large in-kind contributions of drugs and medical supplies (Line 20). These organizations reported a total of nearly $4.87 billion in in-kind contributions of pharmaceuticals or other medical supplies. This amount was deducted from the private contribution subtotal of almost $18.9 billion, resulting in $14.0 billion in private contributions received by U.S. PVOs and spent for international development and relief.

Volunteer Time

The *Index* estimate of the value of U.S. volunteer time for developing causes in 2010 is based on data taken from the Current Population Survey (CPS) and Independent Sector's estimated dollar value of volunteer time. The CPS is a monthly survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. As with the estimate of the value of U.S. international volunteer time for 2009, CGP based the 2010 estimate on two categories of respondents to the volunteer supplement: those who volunteered outside of the United States and those who volunteered in the United States for organizations that support international development assistance.

The CPS tallies individual volunteer time spent abroad and, separately, the type of organization for which individuals volunteer. Thus, CGP was able to determine how many people volunteered abroad and how much time they spent doing so and how many people volunteered for U.S.-based international organizations and how much time they spent doing so. For the second category, the CPS does not provide a breakdown of where the time was spent (abroad or in the United States) when volunteering for an international organization. Because of this, survey respondents who volunteered for a U.S.-based international organization and said they volunteered abroad might be double counted. To avoid this, CGP staff excluded the individuals who volunteered for an international organization and who also volunteered abroad. This resulted in two distinct groups of volunteers: those who volunteered abroad and those who volunteered in the United States in support of international development causes.

CGP staff calculated the value of U.S. volunteers' time spent abroad by multiplying the 2010 estimated hourly value volunteer time by the estimate of total volunteer hours abroad as calculated from the 2010 volunteer supplement data, which asked respondents: "Considering all of the volunteer work you have done since September 1st of last year, about how much of it was done abroad: all or almost all; more than half; about half; less than half; or very little?" CGP staff assigned percentage values (95%, 75%, 50%, 25%, and 5%, respectively) to each of these categories to calculate the numbers of hours served overseas. The percentages were assigned to the average amount of time spent volunteering by the individuals who went abroad. Based on Bureau of Labor statistics figures, Independent Sector estimated the dollar value of a volunteer's time to be $21.36 per hour in 2010. CGP found over 840,000 volunteers who went abroad spending 120.1 million hours volunteering. Multiplying the 120.1 million U.S. hours contributed overseas by the hourly wage of $21.36 brings the dollar value of U.S. volunteer hours contributed overseas to $2.56 billion.

To calculate the value of time volunteered in support of international development assistance causes in the United States, CGP staff identified CPS respondents who served with one or more international organizations and totaled the hours they served across all international organizations, removing those who had volunteered overseas. There were over 375,352 people in this category volunteering an average of 146 hours per year in 2010. These figures multiplied together yielded a total of 54.8 million hours. Multiplying 54.8 by the hourly wage of $21.36 brings the dollar value of U.S. volunteer hours contributed on U.S. soil for international development causes to $1.17 billion.

By adding the economic value of U.S. volunteers' time dedicated to international causes at home to the economic value of those who volunteered abroad, CGP estimates the total value of U.S. volunteer time for international causes in 2010 to be $3.7 billion. The estimate for 2010 is higher than the 2009 figure mainly due to an increase in the number of hours spent volunteering for an international organization in the U.S.

Universities and Colleges

The CGP once again used data from the Institute for International Education's annual *Open Doors* survey and data from NAFSA: Association of International Educators, which gathers information on international students in the United States and on U.S. students abroad. *Open Doors* covers the 723,277 international students who studied in the United States in the 2010-2011 academic year, an increase from the 2009-2010 value of 690,923. The study includes cost breakdowns of their tuition and fees, living expenses, and their sources of support.

Open Doors compiles information on all international students coming to the U.S. from all regions of the world. For the 2012 *Index,* CGP again refined the regional analysis to deduct from the total number of students from each predominantly developing world region the number of students who came to the U.S. from the few developed countries within the region. CGP determined that 65% of international students came to the United States from the developing world by calculating the proportion of students from developing world countries relative to the worldwide total.

The analysis for *Open Doors* accounted for various cost categories of international students in the United States to produce a total for all expenses for all international students in the United States in 2010-2011 of $27.6 billion. Among the sources of these funds were personal and family contributions, home governments, foreign private sponsors, international organizations, U.S. sources, and employment. According to NAFSA, the proportion of this $27.6 billion total that came from U.S. sources was $7.70 billion. According to *Open Doors*, the U.S. government was the primary source of funding for 0.6% of international students, which yields a contribution of $46,200,000. Subtracting this value of U.S. government support from $7.70 billion yields $7.65 billion in support from U.S. sources other than the U.S. government. Multiplying this figure by the 65% that represents the portion of students from the developing world yields a total of $4.94 billion for contributions to students from the developing world. While we removed the number of students whose primary source of funding is the U.S. government, the remaining students' funds came from U.S. private sponsors

and host university or college funds. The IIE does not provide information on what portion of the university/college funding comes from the U.S. government.

However, the IIE speculates that a large portion of the doctorate students receive funding from U.S. government sources such as the National Science Foundation or the National Institute of Health. To be conservative, CGP found the ratio of all international students in the U.S. who are in non-doctoral programs, which in 2010 amounted to 38%, and applied this ratio to the $4.94 billion total for non-governmental U.S. funding to students from developing nations. This yielded a final estimate of $1.9 billion. Thus the final estimate only includes U.S. private funding for non-doctoral students studying in the U.S. from developing countries.

The IIE's methodology for the **s**urvey includes a country classification system that organizes places of origin into regional groupings based on the U.S. Department of State's definition of world regions and states. The survey defines an international student as "an individual who is enrolled for courses at a higher education institution in the United States on a temporary visa." The survey pool consists of 2,881 regionally accredited U.S. institutions and is updated and refreshed regularly using the Integrated Postsecondary Education Data System (IPEDS) (produced by the U.S. Department of Education) and the U.S. Department of Homeland Security's SEVIS (Student and Exchange Visitor Information System). The overall institutional response rate for 2010-2011 was 65%.

Religious Organizations

The Center for Global Prosperity (CGP) has continued its groundbreaking work on U.S. giving for international relief and development by U.S. congregations with a survey for *Index* 2011 measuring giving in 2009. This year, CGP partnered with the Baylor University Institute for Studies of Religion, which supported the survey. As in the 2010 *Index*, the Urban Institute's National Center on Charitable Statistics (NCCS) teamed up with the Social and Economic Sciences Research Center (SESRC) at Washington State University to conduct a national survey on the scope and magnitude of congregational support for international relief and development.

The Congregational Survey consisted of all religious congregations in the United States. Urban Institute used the American Church List to select a stratified random sample to ensure congregations of different sizes, denominations, and geographic areas were included in the study. Churches with larger memberships were given a higher probability of selection. Each sampled congregation was asked about their overseas donations for relief and development in 2009. The final questionnaire was designed to be administered either by mail, by web, or by phone and consisted of four sections; 1) U.S.-Based Organizations, 2) Overseas-Based Organizations, Ministries, & Long-Term Missions, 3) Short-Term Missions, and 4) Organization Background.

The sample size of the congregation survey was 885. The response rate was 44%, which was calculated by including all completed and partially completed questionnaires and followed the guidelines from AAPOR (American Association of Public Opinion Research) on how to treat ineligible organizations, such as congregations with disconnected phone numbers. Since we are able to use the 2009 survey information for congregations that participated in 2009, but did not participate in 2010, the effective 2010 response rate is 71%. That is we are using information collected from 71% of the congregations sampled in 2010.

A hot deck imputation procedure was used for partially completed questionnaires and surveys that had missing information on total dollar amounts. In a hot deck imputation, the value reported by a respondent for a particular question is given or donated to a "similar" organization whose respondent failed to respond to that question. The hot deck approach replaces missing data with plausible values, which is why it is the most common method used to assign values for missing responses in organizational surveys.

Results were weighted to adjust for nonresponse, disproportionate sampling by size, and the estimated 328,000 congregations in the United States, a number recognized by scholars in the field to be in the middle range of estimates. The survey focused exclusively on international relief and development. Support for evangelism, church planting, discipleship, and street evangelism was explicitly removed from the totals for overseas-based organizations and missions.

The survey determined that 1) an estimated 222,564 congregations gave a total of approximately $6.3 billion to U.S.-based development and relief organizations; 2) an estimated 86,510 congregations contributed a total of $3.6 billion directly to programs in foreign countries including congregations that supported longer term mission trips for relief and development; and 3) an estimated 110,389 congregations financially supported short-term mission trips to foreign countries by providing $1.2 billion in support including participant contributions. The $6.3 billion given to U.S.-based development and relief organizations was excluded from our estimate of religious giving since we included giving to these organizations in our numbers for PVOs.

The congregation survey data comprises all U.S. religious denominations. Combined with data from the Church of Jesus Christ of Latter-Day Saints and the Billy Graham Center at Wheaton College on giving by Protestant mission agencies (denominational boards, nondenominational societies and other organizations involved in overseas development assistance), the *Index* continues to provide a unique look at overall religious giving by U.S. religious institutions.

The Church of Jesus Christ of Latter Day Saints (LDS) shared with the CGP its data on humanitarian assistance for 2009. Church congregations gave a total of $61.3 million dollars, which included both cash and in-kind contributions. Since no LDS congregations were included in the Urban Institute congregation survey results, the LDS total was added separately.

The Billy Graham Center at Wheaton College's most recently published *Mission Handbook* is a study of giving to 700 U.S. mission agencies (Protestant religious organizations engaged in missions overseas) and was based on data from 2008. The Billy Graham Center reported a total of $5.7 billion in revenue for mission agencies from grants, individual giving, bequests, and other sources. The figure includes contributions by a number of largely nondenominational nonprofit organizations also represented in the Index's PVO number, determined by NCCS. To account for the overlap, NCCS matched its database with the Graham Center's 2009-2011 Mission Handbook's list of organizations to determine that the overlapping organizations accounted for $3.41 billion of the mission organizations' revenues. Subtracting this amount from the Graham Center's total of $5.7 billion provides a total of $2.29 billion in unique giving by religious organizations included in the Graham Center study.

Due to data limitations, it is not possible to completely disaggregate evangelism activities from relief and development activities in the Billy Graham Center data. For this reason, the $2.29 billion might represent an overestimation; however, the Urban Institute's Congregational Survey and data from the LDS, which make up the majority of our religious giving number, includes only funds spent strictly on relief and development. The private giving from the Urban Institute's congregation survey ($4.8 billion), the Billy Graham Center ($2.29 billion) and LDS ($61.3 million) figures result in a total of $7.15 billion in religious giving.

International Philanthropy

Finland

To obtain private giving estimates for Finland, CGP partnered with Stein Brothers AB, a Swedish research and consulting firm. Peter Stein, CEO of Stein Brothers AB, collected data on Finnish international giving in 2010 in two areas: giving by international development PVOs and corporate giving.

Approximately 80% of private philanthropy to the developing world channeled through Finnish PVOs is accounted for by the 11 largest PVOs. Having identified these organizations through the Finnish Ministry of Foreign Affairs, each organization's annual report was also analyzed and follow-up contact was made. Private income for these PVOs amounted to $52.0 million in 2010. Additionally, Stein Brothers AB contacted the Service Centre for Development Cooperation (KEPA, www.kepa.fi), a service base for Finnish PVOs interested in development work and global issues, to obtain additional information on 2010 PVO self-financing for projects done in cooperation with the Ministry of Foreign Affairs of Finland. According to KEPA, the total amount of money that Finnish PVOs contributed on their own was $16.0 million in 2010.

Corporate giving data was collected by analyzing annual reports of

the largest Finnish transnational corporations and, when necessary followed up with personal contacts.. The relevant corporate philanthropic contributions were $4.0 million. Together these categories total $72.0 million in Finnish private giving to the developing world.

France

To obtain our private giving estimate for France, the CGP was able to obtain an update on French individual giving to developing countries. Because 2008 data on French corporate giving was not available, CGP used data from 2007. Thus French giving to international development consisted of two sources: corporate giving and individual giving.

Corporate giving data were taken from a corporate giving survey by L'Association pour le Développement du Mécénat Industriel et Commercial, a French corporate sponsorship organization, and the market research firm CSA. The data were based on a sample of 750 French corporations of 20 or more employees. An estimated 15% of total French corporate giving was internationally oriented. Using a 2007 conversion rate of 0.74625 published by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars, this amounted to €375 million or $502.2 million.

Studies by the Centre d'Etudes et de Recherches sur la Philanthropie, a Paris based think tank that conducts research on French philanthropy, show that bequests from individuals rose to €500 million in 2007. Five percent, or €25 million, of this went to international charities. Using the above 2007 conversion rate this amounted to $33.5 million.

To estimate individual giving, CGP used data commissioned by Charistar, an Amsterdam based advisory agency with a focus on nonprofit organizations. Dr. Wiepking from the VU University Amsterdam Department of Philanthropy designed the questionnaire and supervised the fieldwork, a household survey of French giving, which was conducted by TNS (tnsglobal.com), an international global data collection agency. One of the questions on the survey asked, "What is the total amount that your household donated in 2008 to charitable organizations active in the field of international assistance?" Survey results and data analysis found that 18.9% of French households gave to international assistance with an average donation of €114.0 or $161.4, using a 2008 conversion rate of 0.706 published by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars. In total, French giving to international assistance organizations amounted to €330.8 million or $468.6 million in 2008.

Together these three categories total $1.0 billion in French private giving to the developing world. This figure contains the most recent 2007 data on corporations and bequests, and the most recent 2008 data on individual giving in France.

Italy

To obtain our private giving estimate for Italy, the CGP partnered with Istituto per la Ricerca Sociale (IRS), an independent, nonprofit research organization based in Italy. IRS has been involved in research on a variety of social issues for over 30 years. To estimate the value of private contributions to international development, IRS collected giving data from certified PVOs and banking foundations.

According to Italian law certified Italian PVOs can obtain approval for the management of International Aid by the Ministry of Foreign Affairs. In order to obtain this certification the institution has to have a mission aimed at "international cooperation for developing countries" and is responsible for assigning all collected funds to international activities. IRS identified these PVOs from the "Report on Social Economy" produced by Instituto Nazionale di Statistica and Consiglio Nazionale dell'Economia e del Lavoro. IRS identified 241 PVOs that work in international aid in 2008. The total funding to these PVOs amounted to €1,056,077,000 or $1,495,860,000 of which €647.8 million or $918 million came from the public sector, while funding from private sources amounted to 38.7%. In total, the IRS estimates that private contributions to these PVOs amounted to €409.0 million or $579.3 million.

Italian banking foundations stem from a long tradition of Italian savings banks playing an active role in socially responsible activities. To obtain the value that banking foundations contributed to international development in 2008, IRS contacted the Banking Foundations Association (ACRI) and analyzed its annual reports. IRS found that in 2008 these foundations contributed a total of €1,277.0 million or $1,809.0 million in donations to all sectors. Based on IRS assessment, an estimated €2.7 million or $3.8 million of these donations was transferred to developing countries directly. These funds do not include money transferred to Italian PVOs.

Together these categories total €411.7 million. Using the conversion rate of 0.706 published by the Financial Management Service of the United States Department of the Treasury to convert Euro to U.S. dollars provided an estimate of $583.1 million in Italian private giving to the developing world.

Japan

Japanese private giving to developing countries was collected by CSO Network Japan (CSONJ) in cooperation with Osaka University with reference to the methodologies developed for the *Index* by the CGP. This data collection was based on the use of publicly available data. Data was collected data for foundations, nongovernmental organizations (NGOs), volunteer time, and corporate giving.

For Foundations, data was obtained with the cooperation of The Japan Foundation Center, for the fiscal year 2010 data from the "Database of Grant-making Organizations" concerning funding provided for overseas activities and scholarships provided to foreigners. This data covered total of 1,316 organizations in Japan. Based on the data obtained from the Center, the grant-making activities of the various organizations were classified as research grants or project grants; lists of the number and amounts of scholarships provided to foreigners were also prepared. This data was further supplemented by data for large-scale organizations not appearing in the lists (such as the Toyota Foundation and the Uehara Memorial Foundation). Grants and scholarships for non-developing countries were excluded, based on the OECD-issued "DAC List of ODA Recipients, Effective for reporting on 2009 and 2010 flows." In order to avoid double-counting of governmental funding, an additional calculation was made to exclude the proportion of overall funding for overseas projects which had been received in the form of public subsidies. Government-subsidized funding in the form of grants from the Ministry of Foreign Affairs accounted for 77% of the revenues of Japan Platform, an organization specializing in international emergency relief activities; in this case, therefore, only 23% of their total funding was considered to be expenses for overseas projects. The total private funds from Japanese foundations going to international causes in 2010 amounted to $0.06 billion.

Figures related to NGOs were compiled from data available in the online "International Cooperation NGO Directory" of the Japan NGO Center for International Cooperation (JANIC). The "International Cooperation NGO Directory" provides a compilation of reports of voluntary project activities conducted by private nongovernmental and nonprofit organizations throughout Japan that are active in development cooperation activities. First, the overseas project expenditures (including personnel expenses) of each organization were calculated; when such information was not provided in the Directory for a given organization, calculations were made based on the figures available on organizational websites. Most organizations provided reports of their project expenditures for fiscal year 2010. In order to avoid double-counting of public funding, for those organizations having overseas project expenditures of 10 million JPY or more, a calculation was made of their total funding after excluding the proportion comprised by public subsidies and contracts. Because there were many earnings and expenditure statements which did not distinguish public subsidies and contracts from those from private sources, five different patterns for calculating the amounts of overseas expenditures were identified: (1) amounts for which subsidies and contracts were not excluded; (2) amounts for which only the portion clearly identifiable as public subsidies was excluded; (3) amounts for which the portion of subsidies and contracts was excluded, except for that portion clearly identifiable as private funding; (4) amounts for which only the portion clearly identifiable as public subsidies and contracts was excluded; and (5) amounts for which the proportion of grants, subsidies and contracts was excluded, except for that portion clearly identifiable as private grants and contracts. Excluding public funding in the case (4), the total private funds from Japanese NGOs going to international causes amounted to $0.47 billion.

For data regarding corporations, the results of the "Corporate Philan-

thropy Activity Report" for fiscal year 2010 produced by the Japan Business Federation (Nippon Keidanren) was used. This is a survey of the activities of its committee on Corporate Philanthropy and corporate members of the philanthropic "One-Percent Club." In order to clarify the CSR activities of its member companies, since 1991 Keidanren has conducted an annual survey of the CSR activities that corporations carried out during the previous fiscal year. For the fiscal year 2010 survey, questionnaires were sent to 1,304 companies, including the members of the One-Percent Club as well as other Keidanren member companies; responses were obtained from 425 companies. The total CSR expenditures reported covered all donations (including financial grants, as well as the total monetary value of in-kind contributions including the provision of goods, access to facilities, and activities by dispatched employees), as well as expenses for independently conducted programs and expenditures related to assistance for areas experiencing disasters.

Overall expenditures for CSR activities by the 407 companies for which responses were obtained were 15.7 billion JPY. Of this, expenditures in the fields of international exchange and cooperation accounted for 2.1%, for a total of 3.3 billion JPY or $0.04 billion. However, because activities undertaken domestically in Japan are included within the totals for the international exchange field, and because some funding also flows to developing countries within other fields, such as environment and disaster assistance, this figure should be used for general reference only. Therefore, this figure was not included in the table of Japanese Global philanthropy.

The report "Giving Japan 2011" issued by the Japanese Fundraising Association calculated the economic value of volunteer activities related to international cooperation for fiscal year 2010. According to this report, the economic value of all activities by Japanese volunteers reached 13,242.6 billion JPY, and the total hours of volunteering time reached 7,263,200,000 hours. We figured out that the economic value in the fields of international exchange and cooperation reached 436.8 billion JPY equivalent to $4.98billion. This figure was arrived at by multiplying the total hours of volunteering time in these fields (264,700,000 hours, accounted for 4.2% of the total) by the average wage of the all fields (1,650 JPY) . However, because it is not possible to isolate the international cooperation and exchange activities that are related solely to developing countries, this amount should be considered as an upper limit.

Together, foundations, NGOs, and volunteer time amounted to $5.51 billion in 2010.

Luxembourg

The private giving estimate for Luxembourg is based on research performed by CGP staff. We researched 62 of the largest members of Le Cercle de Coopération des ong de Développement, the only international development PVO umbrella group in Luxembourg. By analyzing their annual reports and through direct contact with them, we were able to establish private giving numbers for 13 of the organizations.

Their private income for 2010 totaled €22,199,140. Using the conversion rate of 0.7595 published by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars provided an estimate of $29.2 million in private giving to the developing world from Luxembourg.

The Netherlands

The private giving estimate for the Netherlands is based on the 2011 edition of the biannual report *Geven in Nederland* produced by the Vrije Universiteit Amsterdam, which provides data for 2009. The report includes giving in the category of "international aid" from five sources: households, bequests, foundations, corporations and lotteries. According to the report, households gave €284 million, or $408.6 million to international aid causes in cash and in-kind donations; €51 million, or $73.4 million came from bequests; €54 million, or $77.7 million, came from foundations; €77 million, or $110.8 million, came from corporate gifts and sponsorship; and €106 million, or $152.5 million, came from lotteries.

Together these categories total €572 million. Using a 2009 conversion rate of 0.6950 provided by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars provided an estimate of $823 million in Dutch private giving to the developing world.

New Zealand

The private giving number for New Zealand is based on data from the Council for International Development (CID), an umbrella body for New Zealand's major international development PVOs.

According to CID's 2011 annual report, 2010 private income for its members came to NZ$130.7 million, or $91.6 million using the 2010 conversion rate of 1.43. Of this amount, NZ$113.8 million or $79.7 million of donations came from the public and NZ$16.9 million or $11.9 million came from endowments, grants from foundations, investment income, private sector organizations and the sale of goods.

Norway

To obtain private giving estimates for Norway, CGP partnered with Stein Brothers AB, a Swedish research and consulting firm. Peter Stein, CEO of Stein Brothers AB, collected data on Norwegian international giving in 2010 by measuring giving by international development PVOs.

To estimate giving by PVOs, Stein contacted the Norwegian Agency for Development Cooperation (NORAD) to identify the top 10 largest Norwegian PVOs. Stein reviewed the annual reports of each PVO and when necessary contacted the organization directly. By analyzing data, he estimated that Norwegian PVOs gave $250.8 million in private giving to the developing world.

While Norwegian corporations also give to philanthropic activities in the developing world, they do so mostly by giving to international PVOs. Thus in order to avoid double counting, it can be assumed that any Norwegian corporate contribution is included in the PVO figure. Therefore, total Norwegian giving amounted to $250.8 million.

Portugal

The private giving estimate for Portugal is based on research performed by CGP staff. Using Plataforma Portuguesa das ONGD, the largest Portuguese international development organization umbrella groups, as a resource, CGP researched 55 of the largest international development PVOs and foundations. By analyzing their annual reports and through direct contact with the organizations, CGP was able to establish private giving numbers to the developing world for 12 of the organizations. Their private income for 2008 totaled €6,387,186. Using the conversion rate of 0.706 published by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars provided an estimate of $9.0 million in Portuguese private giving to the developing world.

Spain

Private giving estimates for Spain are based on a yearly publication by the Coordinadora de ONG para el Desarrollo, a Spanish organization comprised of 108 organizations. For the 2009 report, containing data from 2008, data was collected from 106 member organizations. Private income for these organizations came from five main sources: €107 million, or $137.9 million, in regular donations and fees; €93.4 million, or $120.4 million, in one-time donations; €38 million, or $49.0 million, from private enterprises; €19 million, or $24.5 million, from the sale of fair trade products and merchandising; and €9.8 million, or $12.6 million, from other private funds. Together these sources total €267.2 million. Using a 2008 conversion rate of 0.7760 provided by the Financial Management Service of the United States Department of the Treasury to convert Euros to U.S. dollars provided an estimate of $344.4 million in Spanish private giving to the developing world.

Sweden

To obtain private giving estimates for Sweden, CGP partnered with Stein Brothers AB, a Swedish research and consulting firm. Peter Stein, CEO of Stein Brothers AB, collected data on Swedish international giving in 2010 in two areas: giving by international development PVOs and foundations and corporate giving.

To estimate giving by PVOs and foundations, Stein used data from the Swedish International Development Cooperation Agency and from the Swedish Committee on Fundraising Organizations, which holds comprehensive data on all PVOs and foundations based in Sweden. By analyzing data from both this source and by using individual PVO and foundation annual reports, he estimated that Swedish PVOs and foundations gave

$193.2 million.

Corporate giving data was collected by selecting the 50 largest Swedish exporters. Together these companies account for over two thirds of total Swedish exports. Furthermore this selected group includes most large well known Swedish multinationals.

We studied the annual reports of each one. That information provided us with enough knowledge to know which companies might as well not be involved in any philanthropy in the developing world. The figure calculated was 227.2 million SEK or $22.2 million to the developing world. None of this money was channeled through Swedish PVOs or foundations. This figure does not count in-kind giving, technical assistance and volunteering. Together these categories total $215.4 million in Swedish private giving to the developing world.

Switzerland

To obtain private giving estimates for Switzerland, CGP partnered with Stein Brothers AB, a Swedish research and consulting firm. Peter Stein, CEO of Stein Brothers AB, collected data on Swiss international giving in 2010 in two areas: giving by international development PVOs and corporate giving.

There are over 300 registered PVOs in Switzerland. To estimate private giving by PVOs Stein used data from the Swiss Federal Department of Foreign Affairs, which conducts an annual report survey of 339 Swiss PVOs. Stein Brothers AB also analyzed the annual reports of additional PVOs not included in the survey. By analyzing data from both these sources and by using individual PVO and foundation annual reports, he estimated that Swiss PVOs and foundations gave $431.4 million.

Corporate giving data was collected by contacting and analyzing data from the top 20 Swiss corporations. Companies that replied collectively gave $115.2 million to the developing world. None of this money was channeled through Swiss PVOs. This figure does not count in-kind giving, technical assistance and volunteering. Together these categories total $546.6 million in Swiss private giving to the developing world.

United Kingdom

To obtain our private giving estimate for the United Kingdom for 2010, the CGP partnered with Charities Aid Foundation (CAF). In previous years CGP worked with GuideStar to collect private giving data. However, GuideStar recently changed ownership and is no longer active in this research.

CAF identified all U.K. charities that work in the area of "overseas aid/famine relief," one of 17 categories by which charities define their activities when they register with the U.K. Charity Commission. This subset was further narrowed by removing charities that are not working in countries classified by the OECD as developing countries or working in regions of the world known to include a high proportion of developed countries. For the remaining charities identified as working in overseas aid/famine relief in developing countries, CAF was able to obtain information on voluntary income of charities which had a total income of more than £500,000 in the year of the return. The components of this income are: gifts and donations received including legacies; any tax reclaimed on amounts received under gift aid; grants that provide core funding or are of a general nature; membership subscriptions and sponsorships where these are, in effect, donations; and gifts in kind and donated services and facilities.

Charities with an annual income of less than £10,000 ($19,773) are not required to submit detailed accounts and therefore no information is available from these charities about the proportion of income that comes from private sources. However, the total income of these charities is less than half a percent of the population of charities analyzed so their exclusion has little effect on the overall private giving number.

Total private income for U.K charities working in overseas aid/famine relief amounted to £2,741,022,467 in 2010 raised by 333 charities. Using a conversion rate of 0.648 reported by the Financial Management Service of the United States Department of the Treasury to convert British pounds to U.S. dollars provided an estimate of $4.2 billion in U.K. private giving to the developing world. The value obtained by CAF is less than the 2008 value reported and delivered by GuideStar. This could be a combination of methodological and actual differences. The number of charities assessed by CAF is significantly less than the number included by GuideStar in 2008 because CAF is limited solely to charities that are included in the Charity Commission for England and Wales.

International Philanthropy from Emerging Economies

Brazil

To obtain data on Brazilian international philanthropy, CGP partnered with Comunitas, a civil society organization, with the main goal of promoting social development in Brazil through the engagement of corporate and other sectors. Comunitas is modeled on the New York-based Committee Encouraging Corporate Philanthropy (CECP), with which CGP partners to collect statistics on corporate philanthropy from U.S. corporations. Similar to CECP's "Giving in Numbers" report, Comunitas publishes a "Benchmarking in Corporate Social Investment" (BISC) report that measures and assesses corporate giving in Brazil. Through our collaborative research project, Comunitas found over $1.2 billion in contributions and corporate social investment from Brazilian corporations in 2011. The data are limited to the institutions that participated in the survey, a total of 201 companies and 29 foundations linked to corporations. Of the $1.2 billion total, Comunitas found that $19.8 million were given to activities outside of Brazil.

China

CGP partnered with the China Foundation Center to survey the top 77 private and top 73 public foundations by expenditures in China. Initially, CFC only analyzed the top 50 private foundations and top 50 public foundations. Since few foundations reported giving to international causes, however, CFC expanded the sample size by 50 foundations, including both public and private foundations. According to CFC, annual expenditures of all Chinese foundations amount to about $3 billion per year. The foundations included in our research accounted for over 75% of all foundation expenditures in 2011.

CFC found that Chinese private foundations gave an estimated $1.2 million to international causes, and Chinese public foundations gave a lower amount of $713,000. Because it is unclear whether the public foundations were solely government funded or some mix of government and private funding, CGP is using only the $1.2 million from private donations in its estimate of Chinese international philanthropy.

India

CGP partnered with the Sampradaan Indian Centre for Philanthropy, which was started in 1995 and is supported by international and Indian organizations. Sampradaan serves as a knowledge base for philanthropy in India by publishing books and reports and is currently working to strengthen community foundations and the civil society sector in India. Sampradaan administered a questionnaire and collected secondary research for over 600 foundations and corporations in India to measure their philanthropic in-kind and cash donations to overseas causes. Because the direct response rate from the organizations was low, Sampradaan also relied on secondary research using annual reports, websites, and other data sources to collect more complete information. In total, Sampradaan found $249 million from foundations and corporations in philanthropic contributions to activities outside India.

South Africa

To collect data on South Africa, CGP partnered with Charity SA. Charity SA has a database of 1,096 nonprofit organizations operating in the country and serves as an information platform for the sector. CGP commissioned Charity SA to undertake a survey of the nonprofit organizations in its database. Charity SA made the survey available online and advertised it to all of its members. Nonprofits in the Charity SA database answered the survey questions on how much funding they received from private sources in 2011, and how much of this funding was spent on international causes. Of the 102 organizations that responded to the survey, 92 reported receiving funding from private sources, which amounted to a total of $22.2 mil-

lion. Over two thirds of the organizations, or 71% reported receiving donations from individuals, 50% reported donations from corporations, and 40% reported donations from foundations.

A total of 12 organizations or 13 % reported engaging in activities outside of South Africa. Estimated private donations for international activities from just these 12 organizations amounted to $6.4 million. Thus, international philanthropy was 29% of this $22.2 million sample of giving.

Since nonprofit organizations in South Africa receive a large portion of their funding from corporations, individuals, and foundations, this survey is able to capture giving from all three sources. However, since there are over 100,000 nonprofit organizations in South Africa, the Charity SA survey captures only a small sample of these organizations. Thus, the $6.4 billion value reported above is significantly underestimated and does not reflect the entire philanthropic sector.

This survey information is nevertheless valuable because it shows that about 13% of organizations reported being involved in international work. Previous research from an annual publication, the 2012 CSI Handbook, showed that South African corporations spent $663 million on corporate social investment programs Furthermore, of this amount, 50% or $332 million is channeled to nonprofit organizations. From the Charity SA survey we learned that 29% of nonprofit expenditures was international. Thus, if we take 29% of the $332 million of nonprofit private domestic philanthropy, we can extrapolate that roughly $96 million flows to international causes. This estimate uses a percent from one survey on a total dollar number of another survey to determine what an upper level of international giving might be. Since it does not include individual or foundation giving, the amount might be even higher.

Direct Investment from Emerging Economies

The estimate for outward foreign direct investment by Brazil, China, India, and South Africa was obtained by first obtaining investment flow data from Table 3-I IMF's 2011 Coordinated Direct Investment Survey. This raw data was then compared against the OECD's DAC List of ODA Recipients, which allowed CGP staff to exclude those countries that the OECD classified as "developed". Additionally, CGP staff excluded Chinese FDI in Hong Kong from the China's total outward FDI in developing states. According to this data set, DAC recipient countries reported receiving $10.8 billion from Brazil, $48.4 billion from China, $13.9 billion from India, and $14.9 billion from South Africa.

Global Remittances

The World Bank's updated 2011 bilateral matrix, which is the only comprehensive and comparable source of all bilateral remittance flows, was used to calculate remittance transfers from OECD donor countries to DAC recipient countries in 2011. Dilip Ratha and William Shaw of the World Bank created the original bilateral matrix in 2006 by allocating remittances received by each developing country among the countries of destination of its migrant nationals (for a complete discussion of how the matrix was complied, including the formulas used to calculate remittances, see Dilip Ratha and William Shaw, *South-South Migration and Remittances*, World Bank Working Paper No. 102, 2007, Appendix A and Appendix B). An updated matrix with 2010 figures is available for download at the World Bank web site: http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDCEXTDECPR SPECTS/0,,contentMDK:22803131~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html.

The 2011 matrix data ("Bilateral remittance estimates using migrant stocks, destination country incomes, and source country incomes.") was used to estimate the total remittances that were transferred from each DAC donor country to all of the DAC recipient countries. Countries that were not classified as developing by the OECD were excluded from the total calculations.

In addition to calculating remittances for the DAC donors, CGP also used the same methodology to calculate remittances for Brazil, India, and South Africa. In the case of China, data was not available on the bilateral remittance matrix. Thus, CGP had to rely on total remittance outflows from China to all countries. This figure was available through the World Bank's 2011 Migration and Remittance Factbook.

Our estimate is likely to be conservative for all countries due to limitations in data. Bilateral matrix data were not available for a number of DAC recipient countries: Afghanistan, Angola, Barbados, Bhutan, Burundi, Central African Republic, Chad, DRC, Cuba, Djibouti, Equatorial Guinea, Eritrea, Iraq, Liberia, Marshall Islands, Mayotte, Micronesia, Myanmar, Oman, Palau, Somalia, Timor-Leste, Turkmenistan, Uzbekistan, Vanuatu, Zimbabwe.

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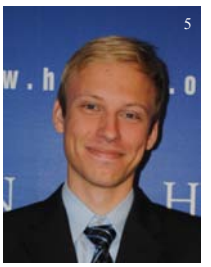

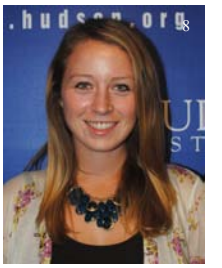

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