PHILANTHROPY
IN THE ARAB WORLD

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Philanthropy, or the act of giving for the public good, is deeply rooted in Arab culture. Whether through the Muslim zakat and sadaqat or the Christian ‘usur, men and women have contributed to the welfare of the less well off for centuries. The political and economic changes of the past decades have dramatically reshaped the region, paving the way for generations of philanthropists with unprecedented means to do good for their communities and beyond. With development levels in the Arab World approaching those of Western countries, a new educated elite has taken philanthropy a step further, professionalizing and internationalizing their actions. Bigger, wiser – those are the current trends in philanthropy in the region.

However, very few high-level studies address these changes and the challenges that still lay ahead. In its 2013 annual report on philanthropy Coutts included, for the first time, a handful of interviews with citizens involved in philanthropic activities in the Arab world. Thinkers & Doers pushed this dynamic further by conducting a one-of-a-kind, large-scale study about philanthropy. This study gathered more than 50 interviews of philanthropists, experts and practitioners spanning from all over the world, with a special focus on the region. In exchanging with the most inspiring and passionate individuals, we realized how fortunate we were to take part in this milestone study. Indeed, philanthropy is more than giving to the public good. It is simply a new take on an active and innovative form of citizenship.

Helping individuals and societies achieve their potential is the underlining objective of Thinkers & Doers' publications and studies department. Our wide range of print and digital products combine comprehensive understanding of the issues at stake, analysis and testimonies of relevant experts and partitioners as well as recommendations tailored to have a positive and lasting impact. From commissioned studies and white books to exclusive monthly professional newsletters and special issues, you will find everything you need to expand your understanding of today’s Arab world and adapt in consequence.

AMANDINE LEPOUTRE
President of Thinkers & Doers
More than 250 people have been approached to take part in the study, from donors and beneficiaries to grant-makers and grant-seekers. The low response rate from philanthropists compared to those of makers and experts showed that an important number of donors preferred to remain discrete on their giving.

On the contrary, makers and experts are aware of the benefits of sharing their experience and good practices.

A striking feature of the study was the quality of the interviews and the commitment of interviewees to provide detailed answers -even in written form- to better contribute to the study.

The interviews lasted between 25 and 55 minutes when conducted on the phone, and around an hour and a half when conducted face-to-face. Some interviews lasted up to two hours.
EXECUTIVE SUMMARY

CONTEXT

PHILANTHROPY IN THE ARAB WORLD IS UNDERSTUDIED

However, despite this particularly favourable context, very few studies are available about philanthropy in the Arab world. The first comprehensive report on the subject was published in 2008 by Dr. Ibrahim and D. Sharif under the title “From Charity to Social Change: Trends in Arab Philanthropy (American University in Cairo Press). Other main publications are conducted by financial institutions who recently incorporated the Middle East in their scope of study: BNP Paribas Individual Philanthropy Index, Coutts Million Dollar Donor Report…

THE REGION HAS A UNIQUE POTENTIAL

With one of the highest average donation in the world (data for > $ 1 million, as of 2013: $ 48,4 M for the GCC compared to $ 18,8 M for Singapore, $ 14,4 M for the USA, $ 12,7 M for China, $ 8 M for Russia, $ 7,8 M for Hong-Kong and $ 7,7 M for the UK) and a deeply-rooted tradition of religious giving at all levels of societies, the Arab world has an exceptional growth potential as far as philanthropy is concerned.

THE IMPACT OF GIVING IS FEEBLE

Philanthropy in the Arab world today is characterized by a low impact on the communities that benefit from these donations. The Middle East’s score in the BNP Paribas/Forbes Global Philanthropy Index is of 30,3 compared to 55,7 for the USA, 55,5 for Europe and 49,5 for Asia. GCC countries also represent a mere 7% of all donors in the world (Coutts, 2013). These results are explained by the fact that philanthropic actors are scattered and giving is often not structured around official organisations. It is therefore more difficult to track donations and evaluate their impact.
GIVING CONCERNS ALL

Philanthropy is a phenomenon encompassing individuals from all paths of life. Women and men are equally represented in donors, although it must be noted that men usually give more than women. This is due to the fact that they are likely to donate on behalf of their household, which includes their spouse.

On the contrary, working and non-working women represent the bigger share of volunteers to charity organisations. On another note, people start giving once they are financially independent, and the amount of their donation increase with age along with their financial means. Family upbringing and personal reasons were quoted as the main reason to give, much more than strictly-speaking religious motives.

PHILANTHROPY IS TWO-FACED

Philanthropists in the Arab world can be divided into two categories: the traditional and modern givers. The former incorporate giving to their social and economic status strategy by using their donations to maintain their influence over a particular community. They are therefore more focused on the action of giving that on the impact of their donation.

This behaviour is also noticed among individuals giving for purely religious reasons, who represent the “grey zone” of this study due to the secrecy of their donations. The latter might come from traditionally donating families or might have made a fortune for themselves at a relatively young age. Focused on the impact of their giving, they adapt the values and tools of the private sector to philanthropy for a more professionalized and efficient approach. Far from being particular to the region, these categories are also present in traditionally Catholic Southern Europe.

GIVING IS LOCAL AND FOCUSED ON EDUCATION & HEALTH

The overwhelming majority of philanthropists donate to their local community or national organisations. The remaining give to regional issues such as Palestine and more recently Iraqi/Syrian refugees. Only a few donors focus on funding causes in other regions. Donations are made primarily to the health and education sector as a response to the lack of public endeavours in this regard. An increasing part of donors turn to new issues such as employment and entrepreneurship in a bid to solve poverty and illegal migration by enabling individuals to make a living in their own community.
EXECUTIVE SUMMARY

ANALYSIS

RELATIONS WITH THE STATE REMAINS AMBIGUOUS

Historically philanthropic endeavours have been considered by governments as de facto challengers of their leadership because their actions highlighted the limits of the State. A tension grew between governments that increasingly rely on private initiatives to relieve pressure on development budgets and philanthropic foundations who want to have their say in official policies. However, here is a real complementarity between both types of actors as public institutions remain the most-suited to conduct major infrastructure development plans and private organisations are more at liberty to fund experimental projects and take sometimes necessary risks.

LEGAL FRAMEWORKS ARE AN OBSTACLE

In general, the legal context in Arab countries is not favourable to non-governmental organisations and private foundations. Endowments for instance are rarely protected by law and neither foundations are allowed to work outside their own countries nor individuals are granted the right to officially donate to a foreign organisation. This explains why numerous organisations are registered abroad (mainly in the USA and Europe).

GIVING BEHAVIOURS EVOLVE

A number of obstacles still remain for a full development of philanthropy in the Arab world both outside (legal, political) and inside organisations (communication, cooperation, lack of professionalization). However one should note a growing -yet timid- professionalization and structuration dynamic that is emerging along with new philanthropic behaviours. The development of a new educated middle class allows for a lot of programmes nowadays to be funded by a large pool of small donors, which ensure a more democratic functioning of the projects as well as a sense of active belonging to a community by the donors.

« Mistrust and skepticism towards the private sector’s actions are an obstacle to sustainable philanthropy. »

Badr Jafar
Founder, Pearl Initiative, UAE
EXECUTIVE SUMMARY

RECOMMENDATIONS

« Shareholder foundations, impact investing and venture philanthropy are the two trends we focus on. »  
Dr. Arthur Gautier  
Executive Director, ESSEC  
Chair in Philanthropy, France

TRAIN AND WIDEN THE DONOR PANEL

If the most forward-thinking philanthropists usually know where to look for advice and information about their giving, the overwhelming majority of donors in the Arab world lack these opportunities to make a real impact. It is therefore crucial to provide regular training and learning opportunities at all levels to the widest donor panel possible. Advocacy and awareness raising of philanthropy is key in this regard.

SHARE DATA AND KNOWLEDGE

62.5% of our interviewees claimed to rely on informal networks to structure their giving. However it is a priority to not only share practices beyond one’s professional and personal circle but also to gather data about philanthropy in the Arab world. One of the most studied region in the field of political and social sciences, the Middle East has yet to become an actor of its own understanding. Bringing back data into the region contribute to building a truly independent narrative for the past, present and the future.

LEARN FROM THE FOR-PROFIT SECTOR

Private sector tools and values have a lot to bring to philanthropy through three main channels: impact investing, venture philanthropy and evaluation. Impact investments are a very effective way to ensure that the funds are channelled towards a challenge that an investor may have a personal desire to address. Venture philanthropy relies on strong involvement, development of the beneficiaries’ structural capacities, tailor-made funding, financial and non-financial multi-annual support, network involvement and performance evaluation. Evaluation, assessment and monitoring create a feedback loop and regularly retrieve important data from similar institutions to correct any wrongdoings and ensure a better return on the time and money invested.
Abdelmonem bin Eisa Alserkal, Alserkal Avenue, UAE
Princess Adila Bint Abdelaziz Al Saud, Sanad Children’s Cancer Support Society, Saudi Arabia
Akram Miknas, Promoseven Holdings, Lebanon
Sheikha Altaf Salem Al Sabah, Sadu House, Kuwait
Andrew Doust, Legatum Foundation, UAE
Anita Nassar, Teach for Lebanon, Lebanon
Anonymous, Royal family, Bahrain
Anonymous, Government, UAE
Anonymous, Consultancy firm, UAE
Anonymous, Private company, Qatar
Anonymous, Foundation, UK
Anonymous, Private company, Qatar
Anonymous, Family office, USA
Anonymous, Philanthropy organisation, Kuwait
Anonymous, Philanthropy organisation, Saudi Arabia
Anonymous, Philanthropy organisation, Qatar
Dr. Arthur Gauthier, ESSEC Chair in Philanthropy, France
Dr. Atallah Kuttab, SAANED, Jordan
Badr Jafar, Pearl Initiative, UAE
Princess Bandari Abdulrahman Al Faysal, King Khalid Foundation, Saudi Arabia
Dr. Barbara Ibrahim, John D. Gerhart Center for Philanthropy and Civic Engagement, American University in Cairo, Egypt
Bassam Freiha, Said and Hassiba Freiha & Sons Foundation for Humanitarian Services, Lebanon
Béatrice Néré, Bill & Melinda Gates Foundation, UK
Brian Wilkie, Gulf for Good, UAE
Catherine Ferrant, Total Foundation, France
Christopher Harris, Foundation Center of New York, USA
Clare Woodcraft-Scott, Emirates Foundation, UAE
Doug Balfour, Geneva Global, USA
Gaby Salomé, The One, Qatar
Haifa Al Kaylani, Arab International Women’s Forum, Lebanon
Jean Boghossian, Boghossian Foundation, Belgium
Kamel Lazaar, Kamel Lazaar Foundation, Tunis
Karima Benabderrazik, BMCI Foundation, Morocco
Khaled Al-Mutawa, AAW Sons & Co, Kuwait
Lama Al Suleiman, Jeddah Chamber of Commerce, Saudi Arabia
Lynn Zovighian, Zovighian Partners, Saudi Arabia
Marie Yateem, Bahrain Young Ladies Association, Bahrain
Matthew Bishop, The Economist, UK / USA
Mishal Hamed Kanoo, The Kanoo Group, UAE
Mona Almoayyed, Bahrain
Businesswomen’s Society, Bahrain
Muna Al Gurg, Al Gurg Group, UAE
Muna Wehbe, Stars Foundation, UK
Myrna Atallah, Alfanar, UK
Nada Naja Salam, Dar Al-Aytham Al-Islamiyah, Lebanon
Sheikh Nahyan bin Mubarak Al Nahyan, Ministry of Culture, Youth and Social Development, UAE
Naila Farouky, Arab Philanthropy Forum, Jordan
Nathalie Sauvanet, BNP Paribas Wealth Management, France
Omar Al-Qattan, A M Qattan Foundation, Palestine
Patrick Chalhoub, Chalhoub Group, UAE
Priti Devi, UWSCEA Foundation, Singapore
Ramin Salsali, Salsali Private Museum, UAE
Princess Reema Bint Bandar Al Saud, 10KSA, Saudi Arabia
Riham Khafagy, Abdulrahman Bin Saleh Alrajhi and Family Charitable Foundation, Egypt
Wissam Al Mana, Al Mana, Qatar
Zeina Abdo, Smile For Hope, UAE

10KSA
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BILL & MELINDA GATES FUNDATION
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FONDATION PHILANTHROPIA
LEGATUM
PEARL INITIATIVE