

# INDIVIDUAL GIVING IN INDIA, RUSSIA, THE ARAB REGION AND BRAZIL

A working paper

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### Cover photo

A giving circle in Pryazha, organized by the Mill Community Foundation. Pryazha is a village of 3,500 people in Karelia in the north-west of Russia. The giving circle meeting, the second of its kind in Pryazha, took place in June 2019 and raised around 100,000 rubles for three community building projects: a playground; a toilet and changing room at a skiing trail; and information stands in the centre of the village.

Photo credit: Mill Community Foundation/ Alena Lebedeva (June 2019)

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## INTRODUCTION

In the last year and a half Philanthropy for Social Justice and Peace (PSJP) has published [four studies on philanthropy](#) – in India, Russia, the Arab region and Brazil. These studies have taken a broad view of philanthropy, encompassing everything from individual giving (by the very wealthy and by people of more modest means, including crowdfunding) to giving by private and corporate foundations, CSR, community philanthropy, social justice philanthropy, self-funded movements and impact investing.

We are now taking this to the next level, looking at some of these areas in more depth and building on these studies in a thematic way. One area we are looking at is individual giving by ordinary people. Seen as an area of great promise in India and Russia, it is at an earlier stage in Brazil. In the Arab region giving to the social sector is barely making headway, though traditional giving is very much alive.

This paper draws on two sources. As a first step, we brought together the different accounts of individual giving in these different places. We shared the resulting paper with people from each country/region, mostly people who had contributed to the original studies, and invited them to take part in a webinar to discuss the findings. On 30 April 2019 we held two webinars, during which we asked participants three questions:

- How significant is the development of giving by ordinary individuals in your country? Could you expand on what's in this paper, thus extending and deepening our picture of individual giving?
- How important is technology in this development?
- What kinds of things would enhance individual giving in your context?

This paper brings together the findings of the original studies and the responses from the webinars. Headline points include:

- In both India and Russia the rise of middle-class giving is widely seen as the most significant trend in philanthropy.
- In the present circumstances in Brazil, the future of the civil society sector lies with individual giving. NGOs can't depend on government, major corporations mostly develop their own projects, and international funding is likely to turn away from Brazil if it joins the OECD.
- In Russia advocacy may be gaining public support through the back door as a result of the success of the 'fundraising foundations'.
- Successful crowdfunding campaigns by young activists in Lebanon in 2013/14 and by Russian human rights NGO OVD-info in 2016 and 2017

demonstrate the potential to raise money from individuals for rights-based causes.

- The most significant thing about crowdfunding and #diadedoar in Brazil is not the amounts raised but the gradual change in attitude they are bringing about and the growing perception that you can raise money for social causes from individuals.
- Technology is seen as playing an increasing role in individual giving in India, Russia and Brazil, especially among the younger generation, with smartphones and mobile apps playing a key role.
- Observers in India, Brazil and Russia see no significant external obstacles to the development of individual giving. It's more a matter of finding some glue to bring the pieces together or taking advantage of the opportunities – or just a matter of time.
- Nevertheless, there are things that would enhance giving in all three countries: building trust in NGOs and greater understanding of what they do; NGOs communicating better with the public; and capacity building for NGOs, particularly in fundraising skills.

## DEVELOPMENT OF INDIVIDUAL GIVING

In both India and Russia the rise of middle-class giving is widely seen as the most significant trend in philanthropy. Where the two countries differ is in the history of giving. In India, informal giving is a key part of cultural and religious traditions; in Russia there is no tradition of individual giving before the fall of Communism in 1989. Of the four areas studied, the Arab region is probably the one where the tradition of giving is most strongly embedded, yet giving to social causes by middle-class people is little developed. Brazil comes somewhere in the middle on both counts: there is some tradition of giving in the country, and giving by individuals is starting to grow, but it is still in its fairly early stages.

### INDIA

Family values, upbringing and religion all play a part in giving in India, with Hinduism and Islam both mandating giving. But this is not ‘the formal giving to the social sector that most of us track’, says DaanUtsav volunteer Venkat Krishnan. ‘There’s an equally large if not bigger “informal giving” sector – giving through religious/spiritual and community organizations, as well as direct giving of assistance to those in need, cash and in kind, like sponsoring the education of one’s maid or chauffeur.’ Pushpa Sundar, philanthropy expert and author of *Giving with a Thousand Hands*, cites an NGO called Goonj which collects old clothes and recycles them – just one of several NGOs ‘using innovative methods to recycle what is waste material into development tools’ – and DROS (dal, rice, oil and sugar) clubs, whereby people donate in kind and donations are used in old people’s homes, orphanages, etc. A new study by Sattva of *Everyday Giving in India*<sup>1</sup> estimates total individual giving at roughly USD5 billion per annum, of which 90 per cent is informal. Sattva’s estimated USD528 million for individual giving to NGOs in 2017 includes giving to religious, cultural and community organizations as well as disaster relief.

This formal giving – what Ingrid Srinath of the Centre for Social Impact and Philanthropy at Ashoka University describes as “retail” philanthropy from India’s burgeoning middle classes’ – is growing rapidly, including online giving and crowdfunding, especially among younger givers. According to the Sattva report, online giving is growing at 30 per cent and offline giving at 25 per cent per annum. GiveIndia, CAF India and United Way have popularized payroll

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<sup>1</sup> Sattva (2019) Everyday Giving in India: Harnessing the potential of a billion givers for social impact: A Research Study: <https://www.sattva.co.in/publication/research-everyday-giving-in-india-report>



giving, and fundraising through marathons has become popular. DaanUtsav (festival of giving; see below) goes from strength to strength. According to CAF India, the country has added over 100 million new donors since 2009. These new givers are professionals, working class people, people from the start-up economy.

Paradoxically, says Sundar, although demonetization created a lot of hardship, it also gave a fillip to online giving because it led to the creation of portals for quick transfer of money and people got more familiar with using credit cards.

## RUSSIA

Russia, by contrast, has little tradition of giving. In Soviet times, public well-being was considered the sole responsibility of the state so organized charity or philanthropy was not permitted. Despite this, for the last 10-15 years Russian charitable organizations working on medicine, education and children have been raising large amounts of money, mostly from ordinary people. 'Philanthropy is becoming more popular and attitudes to it more positive,' says Oksana Oracheva of the Vladimir Potanin Foundation.

Women are more active as donors to charity than men, and those aged over 55 are the least active of the different age groups. The most popular methods of giving in 2019 were in cash (44 per cent), online with a bank/credit card (36 per cent) and by SMS/text (35 per cent).<sup>2</sup> Giving is also taking place at a very local level, even in rural areas, for example through giving circles. The preferred methods of giving reflect the fact that most Russians do not give regularly. Most give spontaneously, immediately after becoming aware of a cause or an appeal. The most common source of information about NGOs is TV, which is widely trusted. Younger people are more likely to find out about the NGO/cause before donating.

## THE ARAB REGION

'Philanthropy in the Arab region is embedded in its culture,' says Atallah Kuttub of Saaned Philanthropy Advisory. Giving is mandatory for Muslims. 'No one gives less than 2 per cent of their income. Giving less incurs "eternal shame".' Everyone gives, from the very rich to the very poor, and the tradition appears to remain strong among the younger generation. Giving is also encouraged by the Coptic Christian church.

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<sup>2</sup> CAF (2019) *Russia Giving 2019*: [https://www.cafonline.org/docs/default-source/about-us-publications/caf-russia-report-web20master.pdf?sfvrsn=67de9740\\_2](https://www.cafonline.org/docs/default-source/about-us-publications/caf-russia-report-web20master.pdf?sfvrsn=67de9740_2)

But giving is fragmented, says Kuttab, with giving by individuals going largely to family, friends and communities. ‘Giving for the public good is not at all widespread.’ However, says Noha El-Mikawy of the Ford Foundation, there have always been rich families establishing scholarship programmes for their less fortunate community members. ‘Today, there is public giving by rich and less rich individuals that goes to hospitals located hundreds of miles away from the person’s immediate family or community.’

There are also differences within the region, which has three distinct subregions: the Eastern Mediterranean (Levant), the western part (Maghreb) and the Gulf (GCC). Though trends are similar, the amounts of funds donated are more substantive in the wealthier GCC. In some countries, *zakat* giving goes directly to the government, especially in the GCC, where it is regulated by the government and only certain NGOs are allowed to receive it.

More formal giving by individuals has still to develop. Kuttab’s experience is that fundraising in the region can be ‘extraordinarily easy’. ‘Admittedly this was philanthropy by wealthy individuals, but there is no reason to think that people of more modest means will be less generous.’ This optimism is borne out by the 2016 Arab Giving Survey,<sup>3</sup> which analysed the giving patterns and motivations of GCC residents aged 18 and above from varying socioeconomic backgrounds and found that almost nine out of 10 people in GCC countries had made a donation in the last year, often inspired by friends, family and colleagues. In Saudi Arabia and Kuwait, crowdfunding for *waqf* is carried out successfully. One of the less-known facts about the so-called Arab Spring, says El-Mikawy, ‘is how it opened channels of communication between the middle class and civil society and how that translated in many instances, whether in Lebanon, Tunisia or Egypt, into novel ways of supporting social causes’.

## BRAZIL

In Brazil the term philanthropy has negative associations, often associated with traditional charitable initiatives (churches, hospitals, social care organizations, etc, often run by religious institutions). While philanthropy in Brazil has been growing since the establishment of democracy in 1988, it has yet to fulfil what most observers see as its full potential. With funding from overseas donors and from government drying up – overseas donors are withdrawing from what they see as a middle-income country and a conservative government has been cutting back on spending on welfare – NGOs are now realizing the need to try and engage a largely untapped well of individual donors.

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<sup>3</sup> The survey was conducted by *Philanthropy Age* in partnership with UKAID and YouGov: <http://www.arabgivingsurvey.com>



In fact both CAF's *Brazil Giving 2017*<sup>4</sup> and IDIS's 2016 report *Pesquisa Doação Brasil*<sup>5</sup> (*Picture of Giving in Brazil*) show giving to be fairly widespread. Two-thirds of CAF's sample of 1,313 had given money in the previous 12 months, while IDIS found that 52 per cent of a survey sample of some 3,000 Brazilians gave money in 2015. IDIS also found that most of those who give do so regularly, with 66 per cent giving at least on a monthly basis. The most popular method of donation is giving cash directly to the office of an NGO, and 20 per cent said they had given online. Giving is more prevalent among older age groups. Women are also more likely to give, as are the better off and those who profess a religious faith.

Several initiatives to promote a culture of giving in Brazil have emerged in recent years. One is the *Movimento por uma Cultura de Doação* (Movement for a Giving Culture), composed of NGOs and individual philanthropists, set up in 2013 at the 8th GIFE Congress. Another is #diadadoar (day of giving), the first of which took place later that year under the aegis of the Brazilian Fundraisers Association – ABCR. Founded in 1999, ABCR has over 350 members. It has its own annual conference and a weekly newsletter; it also runs a free online platform on fundraising, Captamos ([www.captamos.org.br](http://www.captamos.org.br)). In December 2018, IDIS launched a campaign for a culture of giving based on a quiz to help people to identify their cause, and to reflect on how to engage in a cause ([www.findyourcause.net](http://www.findyourcause.net)). Finally, Elie Horn, the only Brazilian billionaire to sign up for Bill Gates' Giving Pledge, has set up an organization called *Movimento Bem Maior* (Greater Good Movement), and their plan is to double individual giving in Brazil in 10 years.

## CROWDFUNDING AND ONLINE GIVING

In Russia, all kinds of fundraising technologies, including crowdfunding, are advancing very quickly, says philanthropy consultant Viacheslav Bakhmin, helped by the rise of online banking. Many charities now have a 'donate' button on their websites. 'There is also a growing choice of online donation platforms run by non-profits and commercial companies that help to facilitate giving to a wide variety of charities from across Russia.' He also reports an 'interesting tendency' for people to donate to the media. *New Times* magazine, for example, collected more than RUB25 million (almost USD396,600) in four days to pay a penalty incurred for late notification about receiving foreign funding.

'But online fundraising is only beginning,' stresses Grigory Okhotin of OVD-info, 'notwithstanding some very successful campaigns on platforms such as

<sup>4</sup> [www.cafonline.org/docs/default-source/about-us-publications/caf-brazil-report--finalv24.pdf](http://www.cafonline.org/docs/default-source/about-us-publications/caf-brazil-report--finalv24.pdf)

<sup>5</sup> IDIS (2016) *Pesquisa Doação Brasil (Picture of Giving in Brazil)*: <http://idis.org.br/pesquisa-doacao-brasil>

Planeta.ru (this is like Kickstarter, raising money for particular projects). Greenpeace and WWF have also been quite successful for 10-15 years.’

In Brazil, says João Paulo Vergueiro of ABCR, online giving has been growing in significance over the last five years. ‘Everyone has a smartphone,’ he says, and even if they are not giving online, they get the message online. NGOs are investing in raising money online. Although there is no systematic research on online giving and crowdfunding, there are examples of success, such as the US-based Brazil Foundation’s successful Hug Brasil online fundraising campaign in 2017. Crowdfunding is also gaining ground. Some organizations have specific crowdfunding pages for #diadedoar, with over a third of the 2017 proceeds coming through crowdfunding website [Juntos.com.vc](http://Juntos.com.vc). Crowdfunding is more confined to young people and often used for social business.

In India, too, crowdfunding platforms are being established, with Milaap, Ketto and ImpactGuru among the largest. ‘Only in the last two years have non-profits started to look at it,’ says Varun Sheth of Ketto, ‘mainly those that are more technology aware.’ Seventy per cent of Ketto’s donors are from India, largely from the big cities; the age range is mainly 25-45. Funding is largely for projects rather than for organizational support ‘because it drives more people to contribute’. Donations go mostly to service-oriented charities. Human rights organizations are not involved as yet. (In fact at least 80 per cent of the money raised by all these platforms goes directly to patients and hospitals to cover medical expenses, of which 90 per cent are incurred privately in India.)

Small Change is a new venture that raises money online. Its website, live since mid-June 2016, presents 55 NGOs that have gone through a process of verification by GuideStar India. ‘It started with a vision of growing a new generation of givers,’ says founder Sara Adhikari. ‘All we want is for people to give; we’re looking at donations as small as INR200 (roughly USD3).’ ‘Donors have to begin to trust us,’ says Adhikari. ‘NGOs now need to present themselves in a way that’s accessible to givers who are out there online.’

There are 23 crowdfunding platforms in the Arab region, says Abdallah Absi, founder of GivingLoop, but many of them are not operating, and most would have challenges supporting non-profits. Zoomaal is one that does fund NGOs; its top funded projects are community-based ones followed by educational initiatives. However, it was recognized that the way it supports non-profits is not necessarily well suited to their needs, so a decision was taken to create a space specially designed for them, GivingLoop. GivingLoop aims to enable NGOs to raise regular monthly funding to cover basic costs rather than having to fundraise every year for projects to sustain existing operations. It also meets donor concerns about transparency by insisting that NGOs send monthly reports to regular donors. ‘The Arab world has a culture of obligatory giving so we want people to plan their giving through GivingLoop, tapping into *zakat* and

cultures of monthly tithing,' says Absi. 'It's natural to respond to a disaster or a person in need. But giving on a regular basis requires more of a decision; building trust in NGOs is key here.' Another issue here is the lack of infrastructure for online giving and the lack of support from government and banks for giving that is not well monitored and controlled.

## NATIONAL GIVING DAYS/WEEKS

Three of the areas studied now have their own national giving days or week. Brazil's first *Dia de Doar* – or #diadedoar (day of giving) – took place under the aegis of ABCR in 2013 as a development of the Giving Tuesday idea popularized in the US. In 2017, João Paulo Vergueiro estimates that around BRL678,000 (around USD207,000) was raised (the figure for 2016 was BRL588,000/USD179,000) and 16.4 million people were reached through social media, 7 million more than in 2016. In 2018 BRL1.2 million (USD311,600) was raised, and 22 million were reached through social media. He notes that every state has at least one organization running a #diadedoar campaign.

In Russia, Giving Tuesday, held for the first time in 2016, is about admitting you give to charity: although over half of Russians do now give to charity each year, most didn't talk about their giving, says Maria Chertok of CAF Russia. The first Giving Tuesday was a huge success, with 900 partners – charities, companies, government institutions – and more than 1,500 events and campaigns in 124 cities and towns across Russia. Online donations made via donations platforms grew 2.5 times on the day and there were 60,000 visits to the Giving Tuesday website. There were also 3,000 'confessions' generated as part of Confessions Week, which involved people sharing stories about helping those in need. The most recent Giving Tuesday, in November 2018, built on the success of the first two years, with 2,500 partners and over 3,000 events in 300 cities and towns across Russia. Another effect of Giving Tuesday is a 30 per cent growth of people who now openly admit that they give to charity, thus setting an example to others.

But the longest standing is India's DaanUtsav, which started in 2009 as Joy of Giving Week, three years before the first Giving Tuesday in the US, with the aim of deepening the culture of giving in India. Initially the idea was to have a national giving day – based on the idea of telethons in the UK and US, says Venkat Krishnan, one of those behind the original idea, but in the end it was expanded to 'a weeklong celebration of giving, not to be owned or controlled by any organization, but something the whole country celebrates'. DaanUtsav has grown from over 1 million givers taking part in the first year to around 6 or 7 million now. Many of these are lower-income givers, such as autorickshaw

drivers and women in urban self-help groups. It is largely informal, says Krishnan, maybe three or four times as much volunteering as giving.

In 2017 GuideStar India launched India's first Giving Tuesday as part of DaanUtsav. More than 225 NGOs vetted by GuideStar India and 12 collaborating organizations launched campaigns to promote individual giving in India. The 2018 edition of #GivingTuesdayIndia raised around INR90 million (USD1.3 million) from nearly 19,000 donors, registering a sevenfold growth.

In the Arab region, Ramadan is a month of national giving as well as fasting. In Egypt, for example, cancer and children's hospitals raise millions of dollars during the month of Ramadan. It has become a national giving month for which organizations plan and prepare professional funding campaigns.

## FUNDRAISING BY NGOS

In Russia the emergence over the last ten years of public charities with a devoted base of supporters – the 'fundraising foundations' – is a big story. Founded by active citizens with the aim of resolving acute social issues, their focus has tended to evolve from providing services to trying to change the field. The Vera Hospice Charity Fund, for example, which works on palliative care and hospices, has brought the topic on to the agenda in Russia and changed the approach to helping people who need palliative care, says Maria Chertok. 'Russia doesn't have a campaigning/advocacy culture but it is growing organically out of the work of organizations that started as pure charities,' she says. These charities have wide public support and raise millions of rubles a year from the public.

One very successful fundraiser is the Podari Zhizn (Gift of Life) Foundation, Russia's largest cancer charity, which gets 80 per cent of its income from small donations from individuals. Just under a third comes from SMS donations, mainly triggered by videos about cancer patients on TV. It also uses direct mail and affinity cards, but not face-to-face fundraising, which is not a cost-effective way to raise funds and attract new donors in Russia. Regular donations through credit cards only started a couple of years ago. Donors are mainly 25-55, largely in Moscow and big cities. Other prominent examples are Volunteers to Help Orphaned Children Foundation, which is transforming orphanages in Russia; and Starost v Radost (Enjoyable Ageing), which works on implementing modern standards of long-term care for the elderly in hospitals and at home, and received over half of its 2016 budget of RUB80 million (USD1.24 million) from members of the public (including through crowdfunding projects like Globalgiving.com).

In Brazil, #diadedoar is part of a larger trend for NGOs to see individual donors as a potential source of donations. But most NGOs lack fundraising experience. Seventy per cent of NGOs were founded in the last 30 years; until 10 years ago they could rely on international donors, government and corporations for funding, but this has changed. While some larger NGOs have conducted successful public fundraising campaigns, these are mostly international NGOs with a big infrastructure and the experience to run campaigns successfully, like Greenpeace and *Médécins Sans Frontières*, which has gone from 15,000 donors to 400,000 in 20 years. Many local organizations are trying to follow suit – some with considerable success. GRAACC, a children’s cancer hospital in São Paulo, has over 150,000 recurrent donors, while Fundação ABRINQ, which makes grants to children’s organizations, has 35,000. For religious-based non-profits, the numbers are even bigger. Santuário Nacional, for example, has over 450,000 donors.

These are all well-established NGOs with a national-level profile, but their success shows that it is possible to raise funds from the public. The aim of Movimento Arredondar (Rounding Up Movement), founded in 2011, is to facilitate donations to NGOs of all sizes. This happens through shoppers rounding up the value of their purchases and donating up to BRL1 to participating NGOs. Since April 2014, over 7 million micro-donations have been made.

There are also annual fundraising campaigns supported by television broadcasts. The most traditional is *Criança Esperança* (Child Hope), run since 1985 by Rede Globo, which raised BRL17.7 million (USD4.7 million) in 2018, to be distributed among projects focusing on children. Telethon has also had its Brazilian version since 1998, supported by SBT, which raised almost BRL40 million (USD10.5 million) in 2018. The television broadcasts do not say how much has been donated by individuals and how much by corporations.

In India, the first NGO to fundraise on a mass scale was children’s rights charity CRY, starting in 1979. Thirty-eight years later, 80-90 per cent of its income comes from small individual donations, all from Indians. It was CRY that created the concept of fundraising from middle-class Indians, now 6 per cent of the population. Starting with the sale of greeting cards, CRY now uses direct mail, face-to-face fundraising, telephone and online – though online is still minuscule. CRY undertook its first crowdfunding initiative last year with Ketto, and CRY members opened up fundraising pages. The US entity was successful, but in India it didn’t really take off.

But there is a long way to go. Donations are mostly one-off, with a small amount coming from regular monthly donations. There aren’t many young donors. And since around 2009 there is competition from the big international NGOs, who have caught on that India is a growing economy and are

fundraising very successfully – ‘everybody is here’, says Puja Marwaha of CRY. This has been ‘really bad’ for CRY, she says, and for Indian NGOs more widely.

In the Arab region, says Noha El-Mikawy, some independent online journalism outlets, eg MadaMasr, have started to request subscriptions and regular sponsorships from individuals to help cover regular operating costs and achieve some independence from activity-driven donor funding or one-off donations. In the GCC, adds Atallah Kuttab, there are certainly NGOs that are very capable of fundraising – ‘though all for services and nothing edgy’.



## WHAT CAUSES DO PEOPLE SUPPORT?

Supporting children (orphans, seriously ill children, children with disabilities) is the most popular cause in Russia, supported by over half (57 per cent) of those who have donated. Supporting religious organizations/churches (36 per cent) and helping the poor (26 per cent) come in second and third, followed by animal welfare (21 per cent) and supporting disabled people (19 per cent).<sup>6</sup> But support for the environment, disability and other so-called ‘unpopular causes’ is growing. Palliative care is an unpopular cause where fundraising has been very successful, Oksana Oracheva points out. Environmental organizations have also been successful, she says – ‘as long as they’re not focused on environmental rights’.

In Brazil the most popular causes are health, children and combating hunger and poverty. For most other causes, the percentages are in single figures. Supporting religious organizations/churches is also very popular, according to the CAF survey. Scientific research, medical research, and community development and urban environment were the least popular causes.

In India, according to Ingrid Srinath, the bulk of philanthropy is still religious/communitarian, going to local neighbourhoods and ethnic groups. Support to NGOs accounts for only a small proportion of Indian philanthropy, and the bulk of this is for ‘alleviating the condition of India’s poverty-stricken millions through delivering services – basic education, healthcare for the elderly, the indigent and the infirm’. Although she is talking about philanthropy in general, it is likely that it applies to individual giving along with the rest.

Most donors in the Arab region support services projects rather than tackling the causes of inequity in society, says Atallah Kuttub. Most funding will support the provision of services in sectors such as health, schooling and orphanages, with little focus on the quality of services.

According to the Arab Giving Survey, giving to individuals is more popular than any other cause, favoured by 51 per cent of GCC residents. Poverty alleviation is also a popular cause, mentioned by almost half of GCC residents, while 42 per cent of GCC residents support refugee causes. But the landscape is changing, says Noha El-Mikawy, with some rich individuals in the region beginning to support unconventional causes such as research on civil society or opinion polling on social and economic issues.

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<sup>6</sup> CAF (2017) *Russia Giving 2017*

## ARE INDIVIDUAL DONORS SUPPORTING RIGHTS-BASED CAUSES?

In Brazil there is little evidence of individual givers supporting rights-based causes, and only a handful of social justice funds have tried to raise funds from the public. The Brazil Human Rights Fund has been trying to implement an individual giving strategy for three to four years, investing money in campaigns and communications, reports Ana Valeria Araujo. 'The number of people who donate to us is still very small. It's increasing but slowly. It's going to take us a long time to get there.' Baobá Fund for Racial Equity does have some small individual donors. They made a fundraising business plan two years ago but didn't have enough money to implement it. Elas Fund for Women did try fundraising from smaller donors. They had 30 but after a year they mostly stopped giving. 'To have small donations you need a large staff, which is expensive,' says Amalia Fischer.

Amalia Souza of CASA Socio-Environmental Fund is pessimistic about the opportunities. In her view, the positive agendas that crowdfunding or international NGOs raise money for appeal to the public. 'If you are talking about protecting minority rights, repairing damaged rivers, creating opportunities for displaced communities, and an array of other crucial agendas for the country, the complexity level makes it difficult to engage the general public. So the fact that individual giving has a potential to grow exponentially in Brazil still leaves struggling social justice NGOs very much out of the picture.'

On a more positive note, CAF found that around one in 20 people in Brazil aged 18-34 said that they support human rights protection, including LGBTQ rights, compared to fewer than one in 100 of those aged 55 or over. Given the paucity of funding for rights issues, this may be of considerable significance for the future.

Wealthy donors in the Arab region are mostly unwilling to risk alienating government by supporting organizations working on edgy issues like human rights, violence and poverty. In the long term, suggests Atallah Kuttub, it might be easier for these organizations to gain support from less wealthy people – though there is no evidence yet of their doing so. But he does cite one successful campaign by young activists in Lebanon in 2013/14 to shame the government over its inaction in dealing with garbage collections. This was funded purely by crowdfunding. 'It was a cause-driven campaign with very clear objectives ... and it was hard for government to clamp down on it as it involved so many people.'

As in the Arab region, there is little evidence to date of individual donors in India supporting human rights and other complex causes, so it is largely a

matter of speculating about how likely this is to happen. Although they would often not be considered as part of 'philanthropy', self-funded activist movements are an important and longstanding phenomenon in India. These are largely marginalized groups using their own resources to support their struggles, for example villages that are going to be displaced by a large industrial project or a dam, caste struggles, women struggling against violence against women. Venkat Krishnan cites the India Against Corruption movement, which he describes as a 'massively successful crowdfunding campaign' which was able to mobilize at least 50 million citizens into action on a subject as abstract as governance, and it resulted in the passing of legislation with significant implications. 'It wasn't the sort of issue that you'd expect to be successfully crowdfunded.' The success of these activist movements is cited by Krishnan and others quoted in the India report as showing the potential for ordinary Indians to support more permanent NGOs working for social change.

Indian activist Aruna Roy, who has been at the forefront of a number of campaigns for the rights of the poor and marginalized, is more sceptical about what their success means for wider fundraising. 'A completely different group would fund CRY, for example, and the Right to Information,' she says. 'While activist groups are looking at rights-based demands, NGOs are supporting development and empowerment in terms of very specific issues. We need a different kind of lexicon.'

What is clear is that human rights NGOs aren't yet geared up to do this. Krishnan doesn't dismiss the idea of crowdfunding for rights-based issues now, but 10 years down the line he's optimistic. 'The potential is far higher than what is actually happening today.' He cites the success of Greenpeace and Amnesty India.

In Russia, human rights organizations and advocacy organizations, often branded as 'foreign agents', are seen by many as hostile to the country. Very few human rights organizations have fundraised successfully from the public, says Maria Chertok. One of the first to succeed was OVD-info, which monitors public assemblies – the behaviour of the police, arrests and court hearings of civic activists, etc. In 2016 they ran a successful crowdfunding campaign to cover the activities of its monitoring group, making extensive use of social media, asking prominent journalists, lawyers and activists to talk about them, and using Russia-based instruments like Yandex.Money to collect donations. In 2017 OVD-Info doubled the amount collected. Grigory Okhotin attributes their success to being 'clear about our audience, clear about our message, and very transparent'. He is very specific about the audience: 'middle-class people aged 25-55 in Moscow who have been involved in protest actions in the last five years and already know about our project and have some money. They

don't have time and energy to be active now but they know who we are and what we do and understand the importance for those who are still active.'

Mother's Right Foundation, which provides legal assistance to parents whose sons died while in the regular army, has also crowdfunded considerable sums, mostly from people whom the foundation has helped. But human rights organizations often don't themselves believe that people will support their activities, says Viacheslav Bakhmin. They may be receiving less money from ordinary people partly because they aren't asking for it.

But advocacy may be gaining public support through the back door as a result of the success of the 'fundraising foundations'. As described above, a campaigning/advocacy culture is growing organically out of the work of these organizations.

## HOW SIGNIFICANT IS THE RISE OF INDIVIDUAL GIVING?

### INDIA

Indian philanthropist Rohini Nilekani speaks for many when she expresses optimism about individual giving. 'There is an understated story about Indian giving by ordinary people,' she says. '... we see organizations like Amnesty, Greenpeace and CRY, year on year, tapping into middle-class people who believe in these organizations and their goals. This makes me feel very hopeful.'

Individual giving is growing fairly rapidly, says Ingrid Srinath. There's a long tradition of domestic giving in India. NGOs are raising money domestically, and that continues to flourish, but 'essentially it's a small base'. 'Among ordinary people there isn't a culture of giving to organizations that are going out and doing great work,' says Sara Adhikari. 'This isn't going to happen overnight but the notion of giving and hunger for change is growing, especially among young people – the internet generation.'

Online giving is clearly on the rise, and it is predicted that 20 per cent of all giving in India will occur online within two years and 50 per cent within 10 years,<sup>7</sup> despite the fact that many NGOs continue to struggle to build the capacity and expertise needed for online fundraising. But online giving is not as large as one would expect, says Pushpa Sundar, because of limited computer ownership and computer literacy. 'So it will take time.' Online giving has huge potential for India's 4 million NGOs in the next five years, says Varun Sheth. The big charities are finding it easy, he says, 'a cost-effective, efficient way of fundraising. Small ones are finding it difficult as they are new to the internet world.' Ketto is building new products for smaller charities. 'I wouldn't think we have tapped even a fourth of the potential,' says Pushpa Aman Singh. A recent GlobalGiving pilot with crowdfunding platform ImpactGuru suggests potential for online giving, says John Hecklinger of GlobalGiving, and an appetite to use local platforms to engage with donors.

Fundraising by Indian NGOs seems to hold out potential. When CRY started fundraising from individuals, says Puja Marwaha, they were one of only two organizations doing this, 'and now we are at least six', each one with a database of perhaps a million. 'Individual giving has definitely grown by leaps

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<sup>7</sup> CAF India/Ethica (September 2015) *Online Giving in India: Insights to improve results*: [http://cafindia.org/images/Online\\_giving\\_research\\_report.pdf](http://cafindia.org/images/Online_giving_research_report.pdf)

and bounds in the last 18 years.’ But a lot of this is one-time giving, so creating loyalty and converting people into regular monthly givers is a challenge.

In Marwaha’s view, fundraising by international NGOs is seriously damaging the Indian fundraising marketplace. ‘They all have an India war chest,’ she says. ‘CRY’s income is shrinking because of competition from them. They can put in money for 10 years while they build their brand, while we have no other source of income.’ This makes it hard for other Indian charities to come into the field. CRY has been training and encouraging others, as has Resource Alliance, but Indian charities are intimidated by the amount of investment needed to develop fundraising. A more optimistic view is that local NGOs will be able to piggyback on the money spent by international NGOs on creating a marketplace and fundraising infrastructure and a new giving mindset. ‘The potential should be much greater now there are more players and many, many more donors,’ says Alison Bukhari of Educate Girls. ‘There are now marathons in most cities, door-to-door fundraising is more established, call centre fundraising is up and running, telethon Comic Relief style funding happens. I would hope that there is a tipping point soon when the “local is better” message can be heard and local NGOs can start to utilize the channels that have been set up by the international NGOs.’ The problem is partly one of attitude, says Pushpa Sundar. ‘Until now Indian NGOs have depended on foreign NGOs, and the amounts given were large. Now they need to fill the gap.’ Nor is Puja Marwaha so pessimistic in the longer term. ‘The overall universe must grow,’ she says. ‘Numbers are growing because of support for international NGOs as well as CRY. Good will isn’t lacking, people are very trusting.’

## RUSSIA

Despite the continued dominance of corporate giving, the growth of individual giving by ordinary, middle-class individuals has been identified by Maria Chertok, Oksana Oracheva and others as the most significant trend in Russian philanthropy over the last ten years. Individual giving, especially online giving, is increasing year on year. According to OECD projections, Russia could see middle-class incomes soar from a reported US\$870 billion in 2009 to US\$1,448 billion by 2030. Based on this, if middle-class Russians were to give 1 per cent of their income to NGOs it could raise as much as US\$14 billion per year for charitable causes within a generation.<sup>8</sup> Oracheva cites the encouraging example of a Russian NGO that launched an initiative to get people to donate 1 ruble a day, managing to raise a million rubles very quickly. ‘This demonstrates that people are ready to support NGO work with small donations on a regular basis, and that online giving is a tool that should be developed in the future.’

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<sup>8</sup> CAF Russia (October 2014) *Russia Giving*.



Viacheslav Bakhmin is optimistic about the future. Giving is 'easy, comfortable, immediate and fast for everyone who is ready to donate', he says. All kinds of fundraising technologies (including crowdfunding) are advancing very quickly. As he sees it, philanthropy is shifting 'from being a fashion to becoming part of everyday life'. He notes the encouraging tendency for people with low incomes to participate in this private giving as well as middle-class people. In 2017 the share of poor citizens among donors was 17 per cent and at the end of 2018 the figure had increased to 21 per cent.

Looking ahead five years, Grigory Okhotin is 'quite optimistic' that fundraising from the public within Russia for human rights causes will grow. More people are now familiar with online transactions and with philanthropy, he says. In addition, opposition leader Alexei Navalny is 'a pioneer in teaching people that it's normal to give financial support to political and human rights organizations, not just those working on social issues. A hundred thousand people support him. Increasingly it's seen as normal to pay if you want to have civil society around you; just ten years ago it wasn't normal.'

Also evident is an increased willingness on the part of Russians to help those who are in need and suffering and to solve problems that the state can't solve or doesn't have sufficient resources to solve. Maria Morozova of the Elena & Gennady Timchenko Foundation talks of 'Russian citizens' increasing community commitment and their readiness to create a joint effort, to unite in order to resolve their problems'.

While acknowledging 'great progress in growing individual giving, mostly as a result of NGO efforts, Chertok has a note of caution: 'The bad news is that there isn't that much continuous growth because of the economic situation – people feel that they are not economically secure because of pension reform, etc. We predicted that individual giving will be fast growing, but I don't think it will be.'

## **BRAZIL**

'Individual giving is pretty much the future of philanthropic sector development in Brazil,' says João Paulo Vergueiro. 'Given Brazilian conditions right now, we can't depend on government, and if we join the OECD, international funding will turn away from Brazil. Corporate funding is also mostly not relevant to NGOs as major corporations develop their own projects rather than supporting non-profits. For the sector to grow stronger, we have to develop individual giving. That's where the money is and where the future of the sector is right now.'

All respondents agree that individual giving can play a much bigger role than it currently does in supporting an independent civil society. 'We are a rich country, people have money, at least half of the population is politically engaged with some cause and there is a willingness to see change,' says Ana Valeria Araujo. As elsewhere, the development of online giving and crowdfunding is creating increased opportunities to give, and for a different group of givers, particularly the younger generation. Growing efforts to stimulate a culture of individual giving include the #diadedoar initiative and the Movement for a Culture of Giving.

Vergueiro acknowledges that it is too early to say that 'there is a changing public attitude to giving in Brazil', but he notes hopeful signs. A human rights NGO told him that they had 25 new regular donors as a result of the 2016 #diadedoar – a 25 per cent increase. He sees #diadedoar as 'a window of opportunity for NGOs that work in different areas, like human rights, minorities, etc, to promote themselves and their fundraising work. A celebration of giving like #diadedoar will make people more open to giving to other causes, not just traditional ones.' Nina Valentini of Arredondar, the rounding up scheme, sees huge potential for checkout donations. Arredondar is growing fast and now has the support of Google Foundation to invest in new kinds of technology 'to reach scale all over Brazil in the next three years'.

As in India, most observers feel that the significance of individual giving is greater than the absolute amounts involved at present. While the amounts raised through crowdfunding are small, Andre Degenszajn believes that its significance lies in the cultural change it is helping to bring about: 'it suddenly made people see they could raise money for causes from individuals and that wasn't an option before.' Vergueiro makes a similar point about #diadedoar. The most significant thing about it, he says, is the gradual change in attitude it is introducing. 'Initially, people didn't have the concept of giving days. There is nothing like Christian Aid Week or Red Nose Day in Brazil, so #diadedoar is groundbreaking.'

Citing IDIS research showing that roughly half of the population give to social organizations at least once a year, IDIS's Andrea Wolffenbuttel feels that 'individual giving in Brazil is deeply in the heart of the population'. But in her view this is 'more a feeling that you need to help the poor rather than that you need to transform society. It's solidarity but not civic engagement.' Easy causes like religion, health and children are popular because people feel they are giving directly to individuals. But this doesn't apply to human rights and advocacy and organizations that want to transform society.

Degenszajn also emphasizes the difficulty of talking about individual giving as a whole. He compares two NGOs with different profiles. One is developing a large platform for face-to-face giving. As an international NGO, it draws

experience from different countries. This needs a lot of investment and time, but experience shows that giving tends to increase if the NGO observes certain standards. The second is a Brazilian NGO that sees individual giving as a way of building its constituency. It's less concerned with how much of its budget will come from individuals than with how much engagement will come from society.

As in India, there are mixed views about the role of international NGOs in stimulating fundraising from the public by NGOs. Amalia Souza takes a negative view: 'many Brazilian NGOs that have struggled so much see their new opportunities usurped by international NGOs with well-established structures and the experience to capture public attention to their causes.' But Araujo puts the more positive argument 'that international NGOs, with their expertise from other countries, help build the culture of giving in Brazil, which is much needed'.

Finally, Araujo mentions the political context, which has changed a lot since publication of the *Philanthropy in Brazil* report in May 2018. 'We have a government that is trying to complicate everything, even people's understanding about civil society.' She sees Brazil in a limbo situation. 'It could take us in either direction and we are not sure where yet.'

## THE ARAB REGION

'There can be few places where the gap between the potential for giving by individuals for social causes and the reality is greater than in the Arab region,' says Atallah Kuttab. 'When considering the potential funds for giving for social causes, 2 per cent of country GDP seems to be plausible. This is where it stands in Saudi Arabia, UAE and the US. In Muslim countries, the guideline for *zakat* is 2.5 per cent of one's accumulated income over one year.'<sup>9</sup>

What is the potential to channel traditional giving to social causes? Abdallah Absi hopes that GivingLoop will be able to tap into *zakat* giving. 'While giving is obligatory in Islam for those who are capable, not many people put a lot of thought into how effective their giving is. GivingLoop will make it easy to compare non-profits based on their impact data.' There seems to be general agreement that not much online giving is happening at the moment, but Absi is optimistic about the prospects for GivingLoop. 'There's a lot of money out there but people are only doing impulse giving,' he says. There is potential for people to give money regularly. He sees younger people as the main target here as they are comfortable with credit cards and technology aware. But they are also

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<sup>9</sup> Atallah Kuttab (September 2015) 'The rich diversity of global philanthropy', *Alliance*: <http://www.alliancemagazine.org/feature/a-philanthropic-map-transcending-traditions-beginning-anew>

harder to please. If they are going to give monthly donations, they want to see regular reports; they want to be convinced that the organizations they support are having an impact. 'It's all about creating trust between non-profits and donors, which is now lacking,' says Absi.

## HOW IMPORTANT IS TECHNOLOGY IN THE DEVELOPMENT OF INDIVIDUAL GIVING?<sup>10</sup>

### INDIA

Technology is increasingly playing a critical role in India's 'retail giving' space, says Venkat Krishnan. 'Crowdfunding, checkout charity and usage of e-pay platforms will see a lot of growth in giving in the coming years, and traditional forms of giving like payroll/workplace giving will also migrate online.'

Sara Adhikari sees a huge potential for text giving and checkout giving. Text giving hasn't really happened in India in any big way, but it can be huge and much more universal, she says. Checkout charity is a huge source for CRY, says Puja Marwaha, but you need corporate involvement to get to individuals.

Pushpa Sundar sees access as an issue, as the technology is currently limited to a small segment of people. 'I think unless digitalization progresses and it penetrates everywhere, online giving won't matter as much as giving person to person.' Puja Marwaha doesn't see this as the issue. Mobile access has grown by leaps and bounds, she says. 'It's about confidence, and at the NGO end it's about creating campaigns to pull in people using mobile technology. As NGOs increasingly understand what works and what doesn't work, we are able to get the gateways right but we don't know how to make smaller and smaller giving happen.'

Crowdfunding is clearly becoming more popular. In Sundar's view, this is more true for rights-based causes, local issues and activist movements than for development NGOs as such. Adikhari sees crowdfunding as a huge part of the new kind of giving. 'We expect millennials to join the bandwagon,' she says. But crowdfunding is not concentrating on the social sector, in her view. NGOs aren't good at campaigning for themselves, and some don't see the value of it. In their view the amount of effort they have to put into getting small donations from people they don't even know through crowdfunding is not worth it compared to putting the same effort into raising money through CSR. Puja Marwaha cautions that the data on crowdfunding, and online giving more generally, is largely anecdotal. 'And the space is so small that even if I say online giving has grown five times, it's still a really small bit.'

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<sup>10</sup> This section does not include the Arab region because this question was posed in the webinars and unfortunately no one from the region was able to take part in them. However, Atallah Kuttub and Noha El-Mikawy have subsequently read this paper and added their comments.

## RUSSIA

Oksana Oracheva sees great potential for technology to play a bigger role in giving in Russia too, especially for middle-class people and even those with lower incomes. Online giving is becoming more and more popular, she says. It is the platform though which philanthropy will be working in the future.

Currently, digitalization is seen as a priority in economic development as a whole, and different investments are being made to help digitalize the everyday lives of Russians.

Viacheslav Bakhmin agrees that technology has played a key role in increasing private donations in Russia. Mobile applications and smartphones make giving simple and comfortable. Organizations are increasingly using crowdfunding to raise funds. For example, Planeta-ru has supported 4,500 successfully completed projects over seven years. Planeta-ru is only one of Russia's crowdfunding platforms, which mostly raise money for social projects, and also for campaigning groups like stop emissions groups.

Maria Chertok mentions research on online giving platforms carried out by CAF Russia last year which shows very rapid growth on all fronts. Ten years ago there was only one online giving platform, CAF's own; now there are ten. In the last five years the volume of funds given through online platforms increased 15 times. 407 million rubles was raised in 2018 alone, and 10 per cent of this was regular (monthly) donations. Some platforms are hosted by companies as part of their CSR, and some are exceptionally successful. Giving via phones means people can give at any time. She also mentions the tremendous growth of NGO capabilities in this area. The agendas of fundraising conferences reflect a huge shift to digital. One upcoming conference will have a session on fundraising through streaming. 'This reflects the influence of the young, a whole new subculture. Digital will be everywhere. Conversations about how we use AI and the future of block chain are yet to come, but the use of big data to understand donor behaviour better and make fundraising more efficient is beginning.'

## BRAZIL

Technology will be key in Brazil, says João Paulo Vergueiro. 'Giving has to be made easy. And it's not just about giving but also about communicating with your supporters and demonstrating compliance. It's a central part of making giving stronger.' In Brazil everyone has a cell phone; people can give through WhatsApp. People may not have credit cards, but they may have their own digital wallets or apps that can also be used for making donations. But this isn't necessarily happening yet. At the moment, says Andrea Wolffenbuttel, people mostly like to give in cash directly. 'But we do expect technology will play a



bigger role because people are very big fans of using smartphones and apps for everything. So we have a huge potential for online giving but it's just starting.'

In Ana Valeria Araujo's view, technology for giving is still very underdeveloped in Brazil. Most NGOs are still at the beginning, and have a long way to go. She sees this as a missed opportunity. Everyone in Brazil has a smartphone. Online fundraising is much cheaper than face to face, which requires infrastructure. There is also the issue of generation. 'While older people have difficulty in trusting new methods of dealing with money, younger donors are willing to donate through websites.' It's also much easier to engage people through phones. 'In the last two elections we saw a lot of people using smartphones to donate to political parties, and discuss politics and the elections. Rights-based organizations need to bring technology into their efforts to develop individual giving – though it will not of itself solve the problem of people's lack of understanding of human rights organizations.'

## WHAT KINDS OF THINGS WOULD ENHANCE INDIVIDUAL GIVING?

Interestingly, several commentators make the point that there aren't any significant barriers to individual giving. 'India has all the tech know how it needs to make this happen,' says Ingrid Srinath. 'We have the technology but what we don't have is trust in transacting online. This is relatively new for middle-class Indians, though they are starting to get into it with theatre bookings, tax returns, etc. Awareness of the online giving platforms that exist is largely lacking. We have all the pieces of the puzzle. What we need is some glue to put it all together.' In Venkat Krishnan's view, this is about building philanthropy infrastructure – including better regulation of the now completely unregulated crowdfunding space, improving the 'discoverability' of NGOs through better tech interfaces at GuideStar India, matching campaigns during events like #daanutsav and #givingtuesdayindia, etc.

In Brazil, likewise, Andre Degenszajn doesn't feel there is any significant obstacle to giving. 'I don't think it's a matter of the regulatory environment. I don't think there is any external hindrance. What is lacking is organizations taking the opportunity and running larger campaigns, taking advantage of the huge polarization of the political context in Brazil.'

In Russia, says Maria Chertok, 'The process will develop. It's just a matter of time really. We see through our research that the younger generation is more active in giving money. Young people give because they believe that they can change something – unlike older people, who give when asked. So this is the key hope: that as young people earn more and become more independent, there will be more giving.' A bit of economic growth and people feeling confidence in their income would help, she admits, 'but that's out of our reach'. According to CAF's *Russia Giving 2019*, the top thing that would encourage people to donate more is having more money themselves (58 per cent), while knowing how their money would be spent comes in second (55 per cent).

Despite their feeling that all the pieces are there and it's just a matter of time, webinar participants all suggested things that could be done to enhance giving. Srinath's own list comprises four Ts – trust, training, technology, tax incentives – plus data.

## BUILDING TRUST IN NGOS

The most important barriers to individual giving, according to CAF Russia research carried out in 2014,<sup>11</sup> are a lack of trust in NGOs and people not understanding the importance of their mission. This mistrust is caused mainly by a lack of transparency and accountability – something that is identified as a barrier to giving in all countries studied. Many Russians suspect NGOs of not using funds for their stated purpose, with as many as 65 per cent of those surveyed by CAF Russia convinced that money given to a charitable organization will never reach the end beneficiary. There is also a widespread lack of understanding of what NGOs are and what they do. Only 31 per cent believe they have the power to bring about positive change, while many believe that the purpose of charitable activities is tax evasion. Although information about NGOs isn't lacking, there is a lack of information about some of the less obvious social problems and this is one of the reasons why the vast majority of Russian donors are willing to support such a limited range of causes.

Both Oksana Oracheva and Viacheslav Bakhmin stress the importance of NGOs becoming more transparent – though Bakhmin draws attention to research showing that only one third of donors are interested in how their money has been used. Sometimes people give money not to support something but because they feel the need to be participating in something big and important, he suggests.

More information is also needed. If giving levels are to be increased in Russia, a transition will be needed from one-off donations to regular, strategic giving, and mechanisms will need to be developed to allow monthly giving from donors' bank accounts, credit cards or digital wallets. The fact that 34 per cent of individuals make donations online is a good starting point. To overcome the barrier of mistrust, potential donors should be provided with high-quality information on NGOs from a variety of trusted sources. Key here is getting the media more interested in reporting on the activities and achievements of charitable organizations and on social issues in general, particularly on TV. Employers can also play a role by introducing payroll giving programmes and providing their employees with reliable information about NGOs.

As in Russia, we see in Brazil both public mistrust of the NGO sector and ignorance of the work NGOs do, adding up to 'widespread reluctance to give to NGOs'. Greater public trust will be needed if fundraising efforts are to be successful. Only 26 per cent of respondents to IDIS's 2016 *Picture of Giving* study thought that NGOs were trustworthy and only 10 per cent of those who did give to NGOs said that it was because they trusted the recipient organization. There is also widespread ignorance of what NGOs do – for which

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<sup>11</sup> CAF Russia (October 2014) *Russia Giving*.

NGOs themselves are at least partly to blame. ‘Most people who have rights now don’t know that those rights are the result of NGOs struggling for them,’ says Ana Valeria Araujo.

To address this, says Araujo, ‘we need a massive campaign to enhance the trust of Brazilian society in rights-based organizations and civil society as a whole. This isn’t just about the specific causes. We need people to understand that without a strong civil society, we don’t have democracy.’ Andre Degenszajn agrees about the problem but not the solution. ‘It’s critical that people should understand the importance of civil society in Brazil, but I’m not sure this is the most effective way of conveying the message. I think it might be too abstract. Sometimes it’s important to show the importance of civil society by presenting the work itself – rather than civil society’s role generally.’

Distrust of NGOs is a recurring theme in India, too. Here, a new set of players has emerged whose task is to certify/verify/accredit NGOs, and they are helping to change attitudes. This includes GuideStar India, Credibility Alliance, CAF India, Dasra, GiveIndia, Give2Asia, Caring Friends and the various giving portals and crowdfunding platforms. Most of these offer their own bespoke due diligence, says Pushpa Aman Singh, with the objective of matchmaking between donors and NGOs. ‘If you are looking at certification or accreditation of NGOs that can be used by anyone ... there are only a few organizations doing this: GuideStar India, Credibility Alliance and TISS CSR Hub.’ ‘While many certified NGOs are providing services, we have a good number working on advocacy, environment and human rights,’ she says.

Sara Adhikari points out that the trust issue wouldn’t apply to text giving: ‘if it’s a small amount of money involved, say 1 to 10 rupees, people won’t be that worried about being robbed.’

## COMMUNICATING BETTER WITH THE PUBLIC

‘I feel that the communications around individual giving in India is really poor,’ says Adikhari. ‘No one talks about why individuals should get involved in the social sector.’ NGOs need to do this better themselves, but we also need to have online and traditional media on our side. ‘Newspapers could have a section on development with say five stories a week to raise awareness about the development sector,’ she suggests. Ingrid Srinath also mentions a lack of evangelization about online giving, despite two years of Giving Tuesday. ‘What it’s really going to take is large investments in this. Giving Tuesday is a start but we need to reach the 1 billion potential givers rather than the few hundred thousand we’re currently reaching.’

NGOs reaching out more actively to potential donors, particularly rights-based NGOs, is seen as key to realizing the potential of individual giving in Brazil too. We need to campaign, says João Paulo Vergueiro. 'We need to promote giving.' We have already seen that a lack of understanding about what NGOs do, particularly human rights NGOs, prevents people from giving. Ana Valeria Araujo also notes a general expectation on the part of Brazilians that the government will provide when it comes to social matters. The IDIS report reflects this, with 47 per cent of those who don't make donations saying this is because 'solving social problems is the government's responsibility' and only 2 per cent of those who do give saying it is because they feel everyone needs to contribute to the solution of social problems. NGOs clearly need to promote giving in a way that counters this feeling.

In Russia, there is little feeling that people are responsible for their own lives. But Arina Gaba of the Podari Zhizn Foundation mentions changing attitudes, including a growing trust in NGOs. 'In the past five years,' she says, 'people have started to realize that if they don't solve their problems no one else will.' Oksana Oracheva talks about the need to continue to develop a giving culture. 'Communications are important, including online communication, on what giving is about and why it should be part of our culture. We need to tell stories, share best practices. etc.'

In the Arab region, too, people tend not to see it as their role to contribute to social causes. 'There is lukewarm public acknowledgment of the role of philanthropy as a sector,' says Noha El-Mikawy. There is no public understanding of or support for development-oriented initiatives versus charity-based ones, and the ideal of anonymity in religious giving stands in the way of encouraging greater transparency and accountability. 'The professional philanthropy entities in the region must take some responsibility for this,' says El-Mikawy. 'The sector needs to invest in telling its story, voluntarily collecting data about itself and making this information accessible. It also needs to invest in measuring its impact.' For that to happen, she says, Arab philanthropy needs intermediary organizations. 'Beyond God,' says Naila Farouky of the Arab Foundations Forum, 'there is little to incentivize the average citizen to give.'

## IMPROVING THE LEGAL/FISCAL SITUATION

In Brazil, legislation is needed to encourage a more active culture of philanthropy. Some tax incentives do exist but they are confusing and narrow, applying only to a few causes such as cancer, children and sport. In addition, the donations tax actually penalizes donations. Although it is in principle payable by recipients, would-be donors may well be dissuaded from making donations because they don't trust the recipient organization to pay the tax, in which case the government could come after *them*. Complexity is also an

issue. 'There are 10 states with such complex legislation that it is impossible for us to operate,' says Nina Valentini.

Another problem is that banking regulations make regular donations difficult. Brazilian banks don't recognize non-profits as a distinct category: they have no specific structure for recurrent donations or protocols for opening up bank accounts for non-profits, and they refuse to give credit cards to NGOs. 'We want the banks to understand that donations and payments are distinct transactions and therefore create specific products for NGOs to use,' says João Paulo Vergueiro. A year ago ABCR joined forces with major NGOs in Brazil to start a movement to create a Bank Framework for Giving (*Marco Bancário da Doação*). The proposal has now been formally presented to the Federal Senate and is under evaluation by the senators.

In many countries of the Arab region, burdensome regulations make it difficult for NGOs to receive funding from abroad, and more recently *any* cross-border funding has become difficult. There are strict restrictions and severe penalties on banks that do not follow anti-money laundering and anti-terrorism laws. Online payments face the same difficulties. In most countries in the region it's very difficult to make any sort of online payment, says Naila Farouky. 'Crowdfunding is almost impossible unless it's local. Some sites do PR online but cash is handed over face to face. It has yet to be seen if GivingLoop will be able to operate beyond Lebanon.' Abdallah Absi is not discouraged. 'Banks require a reason for any transfer being made,' he agrees, 'and in some countries receiving funds is a challenge, especially for NGOs, but we haven't had any project that wasn't able to receive its funds so far.'

## BUILDING NGO CAPACITY

We need a huge amount of investment in NGO capacity to convert the potential of individual giving into actual receipts, says Ingrid Srinath. The average NGO in India is a tiny organization: fewer than five staff members, no expert fundraisers, etc. 'We need training in all aspects of fundraising, especially online.' According to the Sattva report, a couple of significant donors have made significant grants to a few NGOs with the express intent of helping them grow their capacity to fundraise from individual givers. But smaller NGOs don't have that kind of money, Puja Marwaha points out, so they aren't able to make the substantial investment needed to develop online giving.

Vergueiro talks about 'a weak culture of fundraising' in Brazil. 'NGOs are used to getting money from the government. We have to invest in the sector as a whole to help individual giving grow.' That means investing in NGO staff, and building their skills, and enabling NGOs to invest in fundraising tools. Oksana Oracheva also stresses the need for capacity building in Russia –

'development of tech and training for people working in NGOs about how to organize fundraising campaigns, etc'.

Foundations/grantmakers can also support NGO fundraising more directly. Viacheslav Bakhmin mentions fundraising platforms where Russian foundations can be registered, and undergo legal and financial due diligence, in order to provide services and help NGOs collect private donations. The volume raised in this way has increased 15 times in five years. In 2017 alone RUB350 million (USD5,552,700) was collected. Similar initiatives are taking place in Brazil, according to Andre Degenszajn. Here grantmakers are looking to support NGOs interested in bridging the gap between the causes they support and potential mid-income donors by offering NGOs a process of accreditation.

## **DEVELOPING DATA ON INDIVIDUAL GIVING**

India is hampered by a serious lack of any reliable data, on individual giving particularly, says Ingrid Srinath. 'So we are going by our collective instincts on this and some media coverage.' Pushpa Sundar and Puja Marwaha agree on the need for better data. Hopefully Sattva's new study of individual giving will be a step in the right direction. It seems that both Russia and Brazil have more data available, regularly updated.



## CONCLUDING THOUGHTS

Those observing and commenting on the philanthropy sector have tended to focus on institutional philanthropy – involving foundations and companies – and philanthropy as practised by wealthy individuals. While mostly conservative and responsive, this kind of philanthropy is seen as having the potential to be ‘strategic’ and innovative, and great efforts are brought to bear to make it more so. ‘Giving’ by ordinary individuals with modest incomes, on the other hand, has largely been seen as much less interesting, messily motivated by a range of factors that make it essentially ‘unstrategic’. Maybe it is time to turn this thinking on its head.

While foundations, companies and the very wealthy have been seen as the main potential sources of funding for social causes, there is increasing recognition of the problematic nature of philanthropy. Philanthropy is the child of capitalism, which allows individuals to amass vast wealth. The wealthy then ‘give back’ some of what they have amassed in the form of philanthropy, often establishing foundations. But these philanthropists are never likely to dismantle the systems that allowed them to become so wealthy. The same is true of corporate philanthropy, which is so often carried out to cover the company’s back and legitimize their operations, especially with extractive industries. It’s no accident that NGOs working on human rights and social justice tend to receive little funding from these sources.

But that’s not all. If foundations or individual philanthropists do start to act more ‘strategically’, in ways that could really change policy and affect people’s lives, we – rightly – start to question their legitimacy. In a democratic society, should ownership of wealth give people the ability to influence policy – especially if they are people who have a strong vested interest in maintaining the status quo? Are we looking for strategy in the wrong place? Should it lie with the organizations working for change rather than their donors?

If we seek a more equal and just society, giving by ordinary individuals with modest or even low incomes is surely where the future lies. Organizations working on rights-based issues gain legitimacy from local support, says Venkat Krishnan, referring to the successful India Against Corruption campaign, and not having it undermines their legitimacy. Funding by ordinary people who believe in causes is the way forward, says Indian philanthropy expert Pushpa Sundar. ‘NGOs need to gear themselves up to appeal to this audience. Small donors, small amounts, given anonymously – it’s difficult for government to oppose.’ The Russian fundraising charities have wide public support, and ‘as a result government listens to them’, says Maria Chertok. For a Brazilian NGO that sees individual giving as a way of building its constituency, says Andre

Degenszajn, 'public support is more important than the money raised'.  
'Individual giving brings legitimacy to a cause irrespective of the amount given,'  
agrees Kuttab.

This is all the more true in repressive states where the government is suspicious of civil society, often keen to support NGOs carrying out service delivery but hostile to organizations advocating for people's rights and social justice, which are often branded as carrying out a foreign agenda – and the countries/regions covered by PSJP's philanthropy reports all fall into this category. In these circumstances rich individuals and companies tend to feel very exposed and afraid of falling foul of the government, so wary of supporting 'edgy' causes, while the strength of numbers involved in 'retail' giving by ordinary individuals demonstrates public support and gives legitimacy to the causes supported.

We hope that this paper will deepen our understanding of the potential of individual giving by ordinary people not just in the countries/regions already studied but more widely. As always, PSJP sees the paper as work in progress and not a definitive statement, and welcomes any comments on/additions to it.

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- Puja Marwaha, CEO of CRY, India
- Pushpa Sundar, Indian philanthropy expert and author of *Giving with a Thousand Hands: The changing face of Indian philanthropy*
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