Gulf Philanthropy: Structural, Domestic, and Global Challenges

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A philanthropic foundation is defined as “a non-governmental and non-profit organization, self-funded by private endowments, aims to practice several social, religious, educational, social and any other activities in order to achieve public prosperity” (Howe, 1980: 25-26). Thus, a philanthropic foundation should be private, asset-based, self-governing, non-profit, and serving public purposes (Anheier and Daly, 2004: 162). Most of these characteristics, however, have been, until recently, features of mainly American, and to less extent European, philanthropic foundations.

However, since the beginning of the 21st century, Gulf philanthropic foundations have developed institutionally and gained a significant increase in their financial assets, partly as the result of the second wave of oil price inflation. They successfully enhanced their financial and human resources, improved their administrations, and developed new domestic activities. Thanks to the great flow of wealth in the Gulf states during the last few years, philanthropy have gained new features. Firstly, many Gulf families now increasingly donate or endow for the sake of philanthropy. In fact, the involvement of many members of Gulf royal families in Saudi Arabia, Qatar, Bahrain, and United Arab Emirates, in philanthropic activities is a step forward enhancing these now common practices. Secondly, according to "From Charity to Change: Trends in Arab Philanthropy" report, a sizable number of Gulf philanthropic foundations are inspired by, or adopt, the Islamic endowment method (Awqaf) whose structure and beneficiaries has been successfully institutionalized. Thirdly, Gulf philanthropic foundations vigorously move toward supporting sustainable development and strategic planning, beside their active humanitarian role. (Ibrahim, Barbara, 2008: 25-26).

Moreover, Gulf philanthropic foundations have witnessed a significant expansion in their regional as well as international roles. They have been involved in educational, social, and humanitarian activities. In fact, many Gulf philanthropic foundations are looking forward to expanding their domestic and international roles in more effective and institutionalized ways, in order to be more influential. Unfortunately, however, Gulf philanthropic sector has to face various internal and external challenges; structural and institutional, domestic, and global. Structurally, several of Gulf philanthropic foundations still lack the strategic orientations and suitable mechanisms necessary for domestic influence and international expansion. Also, these foundations act in a complicated social environment; dealing with dominant states control legal and financial incentives of domestic philanthropy, and working to enhance the culture of giving and the Corporate Social Society. Additionally, after the tragic events of September 11, 2001, Muslims generally, and their philanthropic organizations in particular, have continuously been targets of accuses of terrorism. Consequently, American and European governments have imposed restrictions to prevent any financial support of terrorists. Their new regulations had severely negative impacts on global philanthropy.

Therefore, this paper aims to highlight structural, domestic, and global challenges facing Gulf philanthropic foundations. It seeks to evaluate challenges hardening enhancing the current domestic and international roles of Gulf philanthropic foundations. It will empirically question challenges facing philanthropic foundations in the Gulf states and, accordingly, suggests some methods and procedures could be applied to overcome these challenges. The paper contributes to the continuous efforts to improve the prospects’ of Gulf Philanthropy significantly.

References


