Philanthropy: A New Player in Egyptian Development

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Research on democracy in Egypt (Dunne 2003; Ibrahim 2002; Kassem 2004) emphasizes the important role of a strong civil society to support democracy (Ben-Nafissa et al. 2004; Fahmy 2002; Norton 1995). The establishment of a strong philanthropic sector in the Middle East is a cornerstone of building an active civil society. Philanthropists, with their wealth of resources and connections and an ability to use both “risk” and “patient” capital to support civil society, have the potential to radically alter practices of development and governance as well as relationships between the public, nonprofit and private sectors. Our investigation of Egyptian philanthropy indicates that the philanthropic sector is an important space through which private, public and nonprofit actors interact in support of sustainable development. Philanthropy is also a productive lens through which to understand the interaction of religious and secular notions of civic engagement taking form in the contemporary Middle East (Al-Sayyid 2000; Bayat 2002).

This paper discusses the development of the Egyptian philanthropic sector in light of legal and economic changes that transformed the sector. In 2002 a legal transformation in Law 84 allowed for the formation of philanthropic foundations as separate entities from associations (ICNL 2006). In the years that followed, over 400 such organizations have been formed, having profound effects on the third sector. The rise of corporate philanthropy in Egypt and the focus within development on the changing role of private sector donors is a key driving force in Egyptian philanthropy. Several corporate leaders have taken the stance that in order for their business practices to be sustainable they must strategically invest in their communities. There is a renewed urgency among the wealthier class to become active citizens and this is often articulated through their philanthropic work.

The paper maps contemporary iterations of philanthropic formations that are taking root in Egypt. Since practices of giving are contingent cultural productions rooted in particular places and time, it is critical to examine such practices in their unique contexts. We apply a geographical and interdisciplinary perspective to the study of institutional forms of giving and provides a wide analytical lens through which to understand the role of these institutions. We approach giving as a socio-cultural space and practice and use qualitative methods and geographic concerns with space and scale to examine the on-the-ground practices of philanthropic organizations in Egypt. We analyze several sectors (public, private, non-governmental) and scales (local, national, international) to consider some of the political economic and cultural factors contributing to the transformation of philanthropic practices.

Some of the factors influencing the development of the philanthropic sector in Egypt include patterns of global economic change, income stratification, a burgeoning corporate social sustainability effort, changing attitudes towards cross-sector poverty alleviation efforts and new interpretations of traditional philanthropic forms. Through fieldwork we have identified that institutional forms of philanthropy in Egypt are both secular and religiously inspired (Douara 2007). Egyptian philanthropists are engaging in new forms of giving that combine notions of social enterprise and grant-making foundations with Islamic practices of waqf (endowments), sadaqa (charity) and zakat (alms).

The methods used to conduct this research include semi-structured interviews, focus groups and discursive analyses of organizational documents. Interviews were conducted with private, public and third sector representatives engaged in the Egyptian philanthropic sector, including in-depth interviews with twenty of the most active foundations in Egypt, focus groups with corporate social responsibility managers in Egypt, interviews with key governmental figures and discussions with participants in Egyptian business associations.

There are three main trends in Egyptian philanthropy: a geographical driven approach to giving, expanding networks and partnerships and finally professionalization of the sector. While the sector faces many hurdles in terms of government intervention, a lack of transparency and few mechanisms for accessing long-term impact, huge strides have been
made in terms of thinking strategically about resource mobilization, breaking down barriers to cooperation with NGOs and using the web for advocacy. There remains a great deal of work in terms of actually mobilizing resources in a strategic manner, building capacity for grantees, assessing impact in nuanced ways that do not reduce NGO work to a number, communicating the important work being done in the sector and finally increasing transparency by accurate and open reporting of financial, operational and strategic plans.

References


