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OPENING CEREMONY: “PHILANTHROPY’S VISION”

Philanthropy in Latin America: Challenges and Opportunities

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Philanthropy in Latin America is traditionally related to the Catholic Church – since colonization in the region in the 16th Century was mainly Portuguese and Spanish, and both are Catholic.

In fact, most social policies in the region, with its population of more than 600 million people, were delivered by religious institutions, and not by governments, well into the 20th Century.

In Sao Paulo, where I live, and in many Latin American communities, especially the poorer ones, these Church related institutions are still responsible for the access of millions of people to hospitals and schools.

But today one of the major challenges for philanthropy is how to reduce poverty related problems, such as hunger or infant mortality, without reinforcing the culture of lack of responsibility that governments *and* many citizens usually have over public issues.

The image that we frequently use is to go beyond just giving the fish, to teach how to fish. But the field is rapidly developing nowadays, and the image that applies best for the most advanced philanthropy programs today is how to reorganize the whole fishing industrial chain, in such a way as to generate wealth and labor opportunities for all the community, and at the same time to preserve the environment.

In Mexico this is called strategic philanthropy. In Brazil, in Argentina and in a few other countries, the concept that has been adopted is Private Social Investment. It is a concept that differentiates these practices from more charity like approaches and from tax evasion or corruption scandals that frequently affect the NGO sector.

Latin America has been undergoing a corporate philanthropy boom since the 1990s. This is related to the globalization of Latin American economy, especially in larger and more industrialized countries, like Brazil, Mexico and Chile. Local businesses and transnational corporations in the region are the new and very active players in the philanthropic arena.

Business participation in civil society activities has introduced tools such as strategic planning, result oriented programs and balanced score cards into social, cultural and environmental projects.

But maybe because of this corporate philanthropy predominance, or because of our culture, most programs have short term perspective, and potentially polemical issues, such as race and gender relations, indigenous rights, and civil society accountability tend to be excluded from the Latin American philanthropy agenda. Even environmental

causes, such as the preservation of the Amazon forests, where there are many conflicting economical interests, are funded more by Northern than by local foundations.

So there is the need for a larger set of grantmaking institutions, especially independent ones that can cover areas that today have great difficulty in raising resources. One interesting experiment is the creation of some county based Human Rights Funds, started by the Ford Foundation and others like the Avina Foundation.

In the last two decades, there was also a rapid development in civil society infrastructure. The first and, up to today, the largest national philanthropy association in the region is **Cemefi**, the **Mexican Philanthropy Center**, created in 1988.

GIFE, the **Group of institutes, Foundations and Enterprises**, where I am the Secretary General, was established in 1995.

Argentina created its philanthropy association a few years later, naming it **Group of Foundations (GDF)**. But, significantly, they have added businesses to their name a year ago – so now, Argentina has a **Group of Foundations and Enterprises (GDFE)**.

Although corporate philanthropy is very diverse, it has two main focuses in the region today: education and youth. For example, the **International Youth Foundation**, together with the **Inter-American Development Bank**, are partnering with local private grantmakers to scale up youth employment programs.

Education, seen in the region as a way to overcome historical inequalities in wealth distribution, has also been a field that catalyzes and convenes large numbers of foundations. In Brazil and in Colombia businesses and private foundations funded together the development of sophisticated mechanisms to help *and* pressure governments to deliver quality public education.

There is a growing awareness that economic development depends also on community empowerment, and the recent emergence of the **Inter-American Network of Corporate Foundations and Companies for Grassroots Development**, the **RedAmerica**, with more than 50 members in 12 countries, is showing how philanthropy partnerships can deal with the underlying causes of poverty. Basically what they do is to fund and help the development of organizations – *with* communities and not *for* communities.

Almost 80 years ago, Mr. Will Keith Kellogg established a foundation here in the US that has had a central role in the development of philanthropy in Latin America. I would not be here if the Kellogg Foundation had not given the seed money that started up GIFE. I believe that his vision is today even more contemporary than it was in 1930: maybe, the best we can do, in a globalized world, is to really *help people help themselves* – but in evermore elaborate and strategic ways.