

Philanthropy: Trends and Approaches A Case Study of Karachi

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Abstract: *Societies comprise of different economic elements. According to the rule of nature, every individual is endowed with qualities and privileges, which set him/her apart from the other person. In order to overcome the inequalities, a society trains individuals to think as a collective whole. Understandably, if one behaves selfishly, then cooperation between individuals becomes impossible. Hence, certain practices of general benevolence exist in almost every society which is intended to provide a helping hand to the less fortunate. This is referred to as Philanthropy - the original Greek meaning of "love of mankind". This word is often used as the embracive term for voluntary action for the public good. Philanthropy becomes an essentially contested concept when it is seen as a struggle between mercy and justice, between relief and development, between the alleviation of suffering and the reform of social institutions. Through the conducted study, we have tried to identify and examine the trends and approaches that exist in our society and the perception of a common man related to this noble act, which is an integral part of our religion and culture.*

1. INTRODUCTION

The word Philanthropy comes from the ancient Greek word, philanthropy which translates as "love of mankind". In modern times, it is defined as "a desire to improve the material, social, and spiritual welfare of humanity, especially through charitable activities". One can simply explain philanthropy as a voluntarily act and generously giving money or other assets to meet the needs of individuals, institutions, or causes that are important to each of us [1]. People can give to philanthropic causes in many ways, such as:

- Responding to various solicitation letters and calls with cash donations
- Allocating money or other assets to non-profit organizations through a personal or family foundation
- Donating goods, services, or in-kind assistance to an agency
- Giving directly to a needy recipient
- Volunteering at organizations such as hospitals, schools, and welfare organizations

In the early 19th century, however, philanthropy was strongly associated with the rise of various civic associations promoting a particular brand of social reform [2].

1.1 Religious Facet of Philanthropy

Philanthropy is one of the unique features of the society, which has been frequently discussed by all the great religions including Islam, Judaism, Christianity, and Buddhism. It is recognized as the duty of materially well-off persons to aid the less fortunate. In Asia, Budha formed a religion based on personal resistance and charity to the poor [3]. From the very early days, the Christians organized church funds to feed the needy. Later, almshouses, orphanages, shelters and hospitals were set up; all out of church funds [4]. Islam provides a complete set of rules to its followers who are bound with each other with the metaphorical rope of brotherhood; therefore, they must willingly come to one another's assistance, like members of a large family. It is marked as a sacred duty for those who are privileged to help the deprived and less fortunate people of society [5]. This act of helping each other is referred to as "Haqooq-ul-Ibad" (The rights of people), which is an obligation towards fellow human beings and forms the basis of an Islamic society.

2. THE ASPECTS OF PHILANTHROPY

2.1 Indigenous Philanthropy

Philanthropy is not just done by high net-worth individuals, by wealth creators or inheritors. Historically and across cultures, local giving has been done by average citizens via charities, mutual aid societies, pooled funds, donor collaboration, federated campaigns, and hometown associations; religion and congregations of course have also played a major role. The term "Indigenous Philanthropy" recognizes that the primary investors in a society, those providing human and capital resources for purposeful social returns, must ultimately come from within. It also realizes the need to enhance co-operation and mutual understanding between the three sectors of the society, viz business, citizens and government [6].

2.2 Corporate Philanthropy

Corporate philanthropy is an emerging trend, one with little tradition in most countries. With business and markets becoming more transnational, with operations and sourcing being done in all parts of the world, companies of all nationalities are becoming globalized. This is projected to increase with the new generation of wealthy high-tech entrepreneurs; who know the world and want to make an impact. Furthermore, businesses are

eyeing philanthropy not just as an opportunity to do well and enhance public relations, but as an important aspect of their competitive advantage. A growing infrastructure worldwide is now in place to help the private sector realize its enormous philanthropic potential; an example is organizations, such as the Business for Social Responsibility [7].

2.3 The Third Sector (Civil Society)

The voluntary sector of a nation's economy consists of those entities, which are not for profit; and yet, at the same time, are not agencies of the state, these include: charities, volunteer community centers and religious organizations. The London School of Economics defines the Civil Society in the following manner:

“..... Civil societies are often populated by organizations such as registered charities, development non-governmental organizations, community groups, women's organizations, faith-based organizations, professional associations, trade unions, self-help groups, social movements, business associations, coalitions and advocacy group” [8].

3. PHILANTHROPY IN PAKISTAN

3.1 Historical Background

The modern understanding of the term 'philanthropy' emerged in the area that comprise the present day Pakistan, in the eighteenth century, as the state and private individuals began to assume the responsibility for the care and welfare of the less fortunate, a role traditionally held by religious authorities. The horizon of current practices of giving in Pakistan is dynamic and at the same time substantial in scale. Pakistan is one of the unique countries in the world having strong cultural and religious heritage in terms of volunteering, which is complimented by religion. The countries primary religion, Islam, provides a universal context for giving; which not only marks the rules and regulation of obligatory giving but also mentions through the Quran at several places to assist the less fortunate as much as one could. In her formative phase, Pakistan, as a newborn state had to face enormous challenges for nation building. At that crucial moment, many philanthropy based voluntary and social welfare organizations were established to assist the fledgling government in its efforts to provide basic services to the citizens. This voluntary citizen response to social needs has been sustained in various forms, since that time. The Non-Profit sector has nurtured considerably in Pakistan, in the past few decades. It has evolved over the years from the limited sphere of charitable and philanthropic activities to wider public welfare oriented and development roles that supported the state's efforts. During the decade of 1960s, the government of Pakistan made a move towards legalizing the philanthropic activities. To achieve this target, The Voluntary Social Welfare Agencies Ordinance of 1961 was promulgated to invite participation of

members for a welfare state. The government organized and funded hundreds of voluntary organizations across the county to deliver social services to the underprivileged [9]. A survey of registered social welfare agencies carried out, in 1968, by the Research Unit of Social Welfare Department of Pakistan revealed some interesting facts. The survey reported that a large majority of the third sector organizations about 91 percent were located in Karachi and Lahore, out of which 29 percent of the organizations had been established before 1947; while 35 percent were established during 1947-57, about 46 percent came into existent [10].

With the emerging trends of globalization in the world, a visible and significant shift that took place during the 1980s was the appearance of special purpose and interest based development NGOs in the modern-urban sector, during 1957-68. The establishment of a number of women NGOs was instituted during this period, coinciding partly with the International Women's Decade of Development and the Government's efforts to protect the rights of women and minorities which included Aurat Foundation, Shirkat Gah, Alasar, Behbood, Daman, Kashf etc. The phenomenal increase in the volume and changes in character may be attributed to a number of factors, including:

- State's failure to provide adequate basic social services to the masses
- Increased awareness for third sector's role as partner in socio-economic development
- Corporate sector's drive for social responsibility (CSR)
- Paradigm shift in terms of focus of third sector from mere relief to reliance and charity to social investment
- Globalization and availability of public grants and international aid from affluent countries to the third world as part of their equity and development agenda [11]

3.2 The Institution of Zakat

The word 'Zakat' in Islam means the specified amounts God has obliged the rich to pay for the poor in need. Zakat, in Arabic, is equivalent to cleanliness and purity, prosperity and affluence. It plays a vital and deep role in self-improvement and the development of the manners and attitudes [12]. Under Article 31 of the constitution of Islamic Republic of Pakistan, the government is duly-bound to “enable the Muslim, individually and collectively, to order their lives in accordance with the fundamental principles and basic concept of Islam and to provide facilities whereby they may be enabled to understand the meaning of life according to the Holy Quran and Sunnah” [13].

On 20th June 1980, the President of Islamic Republic of Pakistan promulgated the Ordinance. The ordinance became effective from that date except the provisions

relating to Ushr, which were enforced later with effect from 15th March 1983. The Ordinance lays down the principles for the collection of Zakat and Ushr and its disbursement to Mustahqueen. It has basically two broad objectives:

- Assistance to the needy, the indigent and the poor; particularly orphans and widows, the handicapped and the disabled
- Assistance to the needy person affected or rendered homeless due to natural calamities

3.3 Individual Philanthropy

One of the most important components of philanthropy in Pakistan is in progress by the individual citizens. People of Pakistan help each other not only in the form of monetary giving, but they donate their time and additional used items from their household. From the platform of The Aga Khan Development Network, an effort was made to gauge the role of individuals in the areas where privileged people are in position to help the less fortunate. To fulfill this objective, the first nation survey of individual giving was conducted through this network, in the year 1998, through Pakistan Center for Philanthropy, Islamabad. Some very interesting facts came out of the survey; one of which is that in Pakistan; most of the people engaged themselves in philanthropic activities whether they are from a very poor class with minimum salaries or those who are jobless and suffering from chronic poverty. Figures 1.2 and 1.3 depict picture attained through the PCPs NICE survey [14].

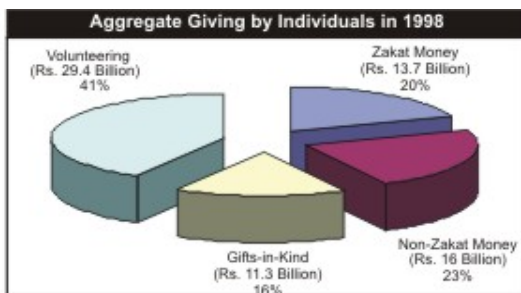


Figure 1.2: Source: Pakistan Center for Philanthropy

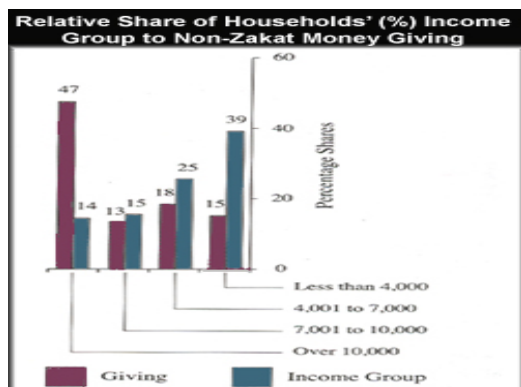


Figure 1.3: Source: Pakistan Center for Philanthropy, PCP

4. SURVEY ANALYSIS

The research is conducted as a theoretical and exploratory study based on primary and secondary sources. Internet resources are also used to get the required material on the subject, as well, and especially to gather the statistics publicized by government ministries.

The primary data was collected through a survey from the residents of Karachi, through the convenient sampling method. To get the results and find out the trends of giving, identified target population was divided into two categories:

- Lower income category (Government Employers from grade 1-5, who earn a low amount according to the salary scale prescribed by Government of Pakistan)
- High income category (corporate)

The interviews were taken from the upper and middle management, aged 25 above; of multinational companies, and from public sector organizations through a semi structured questionnaire, separately. The size of focus population was 40 people, with 20 people in each of the above-mentioned categories. Graphs and pie charts are used to interpret the outcome of the study.

To shape up the available data and to find out the existing trends and approaches of giving, that give insight into determinants of philanthropy, the information is distinguished into two types on giving:

The first type is based on 'why people give'

- People convictions regarding the affectivity of philanthropy
- For what reasons do people engage in philanthropy?
- Which types of cues, situations and circumstances motivate people to give and specially the role of religion?

The second type is 'who gives what'

- What are the characteristics of individuals and households that engage in philanthropy?
- Which characteristics are related to the amount of money donated?
- How the philanthropic money can be effectively canalized?

The results indicate (Figure 2) that most of the stakeholders truly believe on the affectivity of Philanthropy, but the modes of giving and motivation are distinct from each other.

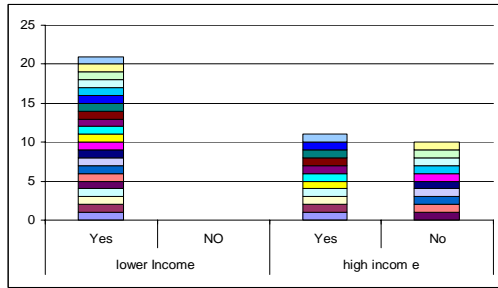


Figure 2

The economic situation of our society, with increasing inflation is, however, the hindering forces in the fulfillment of the notion to help others. The constant rises in consumer item prices make it difficult to manage the household budget in the limited salaries. In the view of people who belong to the high income corporate sector, (Figure 2.2) helping the needy people is an act of fulfillment of their social responsibility; a small percentage of sample size also believe that charity is a good way to purify their assets which is accompanied by recognition, but still a larger ratio of population volunteer only because it is a religious obligation.

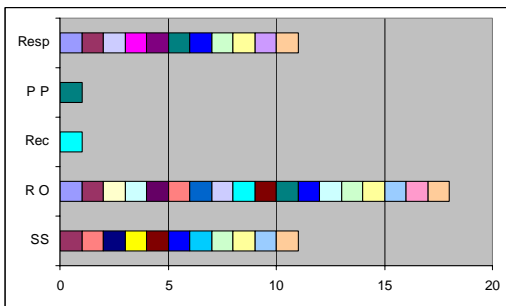


Figure 2.2

The data gives an idea that the major beneficiaries of philanthropic money are beggars, who are taking the largest share out of the individual philanthropy; which is in its most disorganized form at the moment.

With the increasing social responsibilities, people don't have time to find out those who are in need and so, the normal mode is to give away in the form of money.

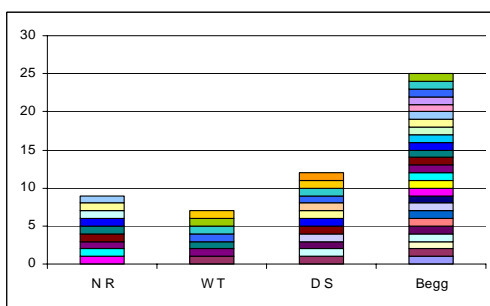


Figure 2.3

5. CONCLUSION & RECOMMENDATIONS

Through this piece of research, an effort was made to figure out the role of individuals in the culture of giving and philanthropy and how do people perceive the share of their generosity in the society through the attitudes and approaches behind their philanthropic practices. Despite the increasing role of the third sector, awareness and availability of funds and deepening roots of electronic media, we are still unable to transform ourselves into a welfare state.

The work in this area involves the work of Non Profit Organizations (NPOs), Community Base Organizations (CBOs), Social Welfare Trusts and Non Governmental Organizations (NGOs); which may or may not be religious based. However, in spite of heavy funding available from the donors from around the world, questions have been raised time and again regarding the proper channelizing of the money.

The indigenous and individual scene of philanthropy is not discouraging, however, but requires appropriate channels from where it can be activated for the developmental purpose to raise the standard of livelihood of those, who are suffering from chronic poverty since decades. On a daily basis, a substantial amount is distributed by 'individuals' to the street beggars and there is no check and balance available for the given money. Contributors in the research, in addition, showed their deep concerns regarding the effective usage of their money, which is given by them every year, in the form of the Zakat and other modes of giving like Sadqa, Fitra and the money which they use to give away personally in their supervision; because their mistrust on the process of the distribution of Zakat.

According to the State Bank report of 2005, the total collection of Zakat receipts was Rs. 5,204 million. The amount seems reasonable to generate the vigorous and functional support system to help the less fortunate. Moreover, the schemes of multiplication of money through various activities can also be made possible; such as enrolling manpower and getting some contracts where people, who are engaged in various occupations.

Most of the respondents put emphasis on the need to device some programs or mechanism to operate this huge amount of money, which should be used for the long-term benefits instead of immediate relief. They suggested that the system of union council could be effectively utilized for this purpose and work can start from grass root level for this purpose.

The suggestions for effective utilization of the institution of Philanthropy are as under:

- Schemes like, Guzara allowance should be initiated with the system of check and balance.
- The union councils should have the complete data of the number of households in the vicinity and

their sources of income along with the approval rights to sanction the amount for those who deserve.

- The system of Zakat is in need of major reshaping. Through media, their mechanism should be publicized regarding the eligibility criterion.
- The functions of Bait-ul-Mal and process of the distribution of Zakat should be made known by using the electronic media; especially radio, which is the only source of information for majority of the rural areas.
- The process of getting Zakat money should be made user friendly and accessible.
- Zakat committees should work effectively in the rural areas where poverty level is relatively high. This will prevent people from migrating in large numbers in search of employment.
- The access money could be use to give away small loans to the unemployed.
- A fund could be created for the construction of 'Low Cost Housing Societies'; by utilizing the vast land available in the suburbs for the beggars, along with job openings, who apparently are the major cause of disorder on the streets, markets and every other public place.
- Awareness campaign should be launched first; to guide people against supporting begging.

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