

The death of philanthropy as we know it

People around the world are getting laid off, stock markets are hurting, and banks are going bell up. In an economic environment gone haywire, philanthropy often seems to be the last thing on peoples' minds. But like many other sectors, it is undergoing major changes.

By [Lucy-Claire Saunders](#) 2 Mar 2009

“In the last five months more than \$30 trillion in wealth has disappeared globally,” former U.S. President Bill Clinton said at a conference on philanthropy at United Nations headquarters in New York last Monday. “I expect that much philanthropic activity will have to be financed in a different way going forward.”

Historically, during an economic recession the first targets on national budgets are often social expenditures particularly for health. Fundraising has to get more creative to fill in the gap, according to participants at the UN conference.

“This is a call to philanthropists to drive that change, to be more efficient with funds,” said Kari Stoeber, manager of the tropical diseases division at the Sabin Vaccine Institute, a non-profit that promotes vaccine development, in an interview with MediaGlobal.

The lack of money in circulation due to the current economic situation might make non-governmental organisations “more efficient,” “smarter,” and “may drive results,” Stoeber added.

Charity as we know it is dead, according to Amir Dossal, executive director of the UN Office for Partnerships. The question is no longer about how to access wallets by appealing to grandiose notions of justice, but rather how investing in the world's poorest will produce monetary and social benefits.

“We should be thinking of an investment model, investing in the poor so that they become consumers,” Dossal told UN correspondents. “That's what we are trying to focus on.”

At the UN conference, Swedish furniture company IKEA announced that it would donate \$48 million to United Nations Children's Fund (UNICEF) to help improve conditions of children in some of India's poorest regions. IKEA is UNICEF's biggest donor.

Some philanthropic endeavors in the private sector have been denounced as mere window dressing, promoted among businesses only after a scandal has occurred. In the past, IKEA was criticised for selling carpets produced in sweatshops in India, Pakistan, and Nepal.

Instead of viewing philanthropic activities as a chance to wipe the slate clean, the business community must see that helping the developing world is an investment. And it is the job of NGOs and non-profits to help sell this idea, said Stoeber.

“We need to speak in terms that the business community understands, which is driving results, showing value, being transparent, showing the rate of return,” she said, “and talk about social return on an investment and what does that mean.”

Bernard Pecoul, executive director of the Drugs for Neglected Diseases Initiative, a not-for-profit that

develops drugs, reiterated Stoeberl's sentiment. He warned that traditional philanthropy is "fragile" and called for more "sustainable funding."

While the global economic crisis has not provided the ideal environment for those seeking to help the world's poorest and most vulnerable, it has created a situation whereby appealing to moral sentiments is no longer viable.

Stakeholders must create innovative market-based solutions to fundraising, Clinton said at the UN conference, like UNITAID, an international drug purchase facility funded by the tax on air tickets. Simply walking away from aiding those most in need is not an option, he added.

"I know we're in a mess now but no serious person believes that it won't come to an end at some time," said Clinton. "Do you want to be living when we come out the other side of this financial crisis with the wreckage of yet more years of neglect, or do we want to keep going with this when you know as well as I do that working in the poorest countries is the least expensive thing we can do to fulfill our responsibilities as global citizens?"

Article published courtesy of [MediaGlobal](#)

For more, visit: <https://www.bizcommunity.com>