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Diaspora Engagement Seminars

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Diaspora Philanthropy: Private Giving and Public Policy

Diaspora Engagement Seminar #6

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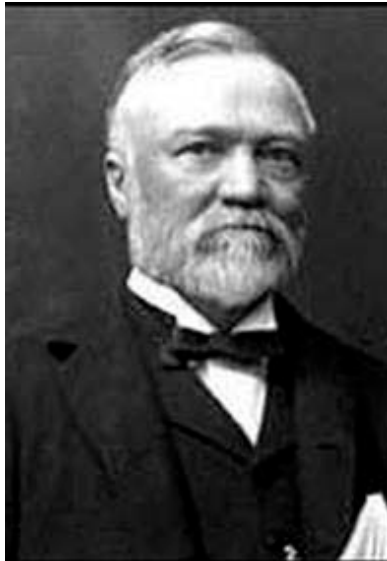
Danny Pins

The American Jewish Joint
Distribution Committee

December 15, 2011

An introduction to diaspora philanthropy

**Diaspora
philanthropy
circa 1910**



**Diaspora
philanthropy
circa 2010**



Diaspora philanthropy is...

- Private resources donated out of an altruistic motive to advance human welfare
- Contributed by individuals or communities of migrant origin that remain engaged with their country of origin or ancestry even while absent from it

Diaspora philanthropy is not...

- Directed exclusively to the donor's own family or friends
- Intended to generate direct commercial gain for the donor(s)
- Given for the primary purpose of achieving political power

Philanthropy is not only for the rich

		Donor Aggregation	
		Individual donor	Multiple donors
Donation Size	Small	Some remittances, individual donations	HTAs, online platforms, small foundations
	Large	Direct donations from magnates, celebrities, sports stars; large foundations established by such individuals	Professional associations, family foundations, venture philanthropy funds

Source: Kathleen Newland, Aaron Terrazas and Roberto Munster, *Diaspora Philanthropy: Private Giving and Public Policy* (Washington, DC: MPI and USAID, 2010).

Philanthropic intermediaries in the diaspora

- **Hometown Associations:** Mexico, El Salvador, Mali, Philippines
- **Internet-based giving platforms:** Kiva, Global Giving, Conexión Colombia
- **Faith-based groups:** Seventh Day Adventist congregations, fund for Armenian Relief
- **Professional associations;** American Association of Physicians of Indian Origin in the United States, Association of Thai Nurses
- **Alumni associations:** College of West Africa Alumni Association, Rhodes University Trust USA
- **Diaspora foundations:** US-Mexico Foundation, PhilDev, Rafik Hariri Foundation

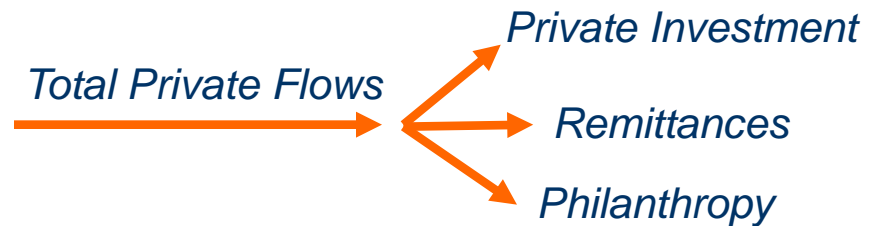
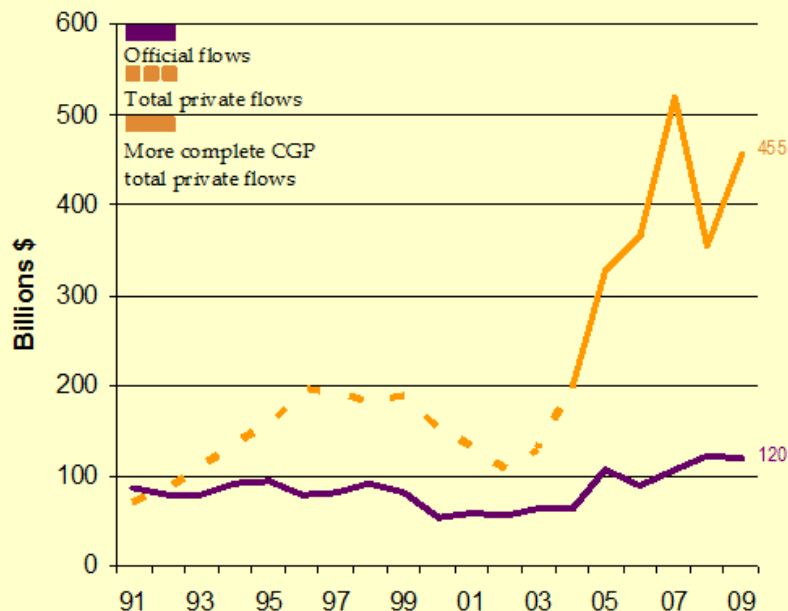
Yulya Spantchak

Research Fellow

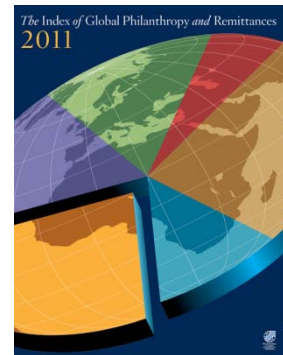


All Financial Flows from Developed to Developing Nations, 1991-2009

Total Official and Total Private Flows — Philanthropy, Remittances, Investment— from OECD Donor Countries to Developing Countries, 1991-2009 (Billions of \$)

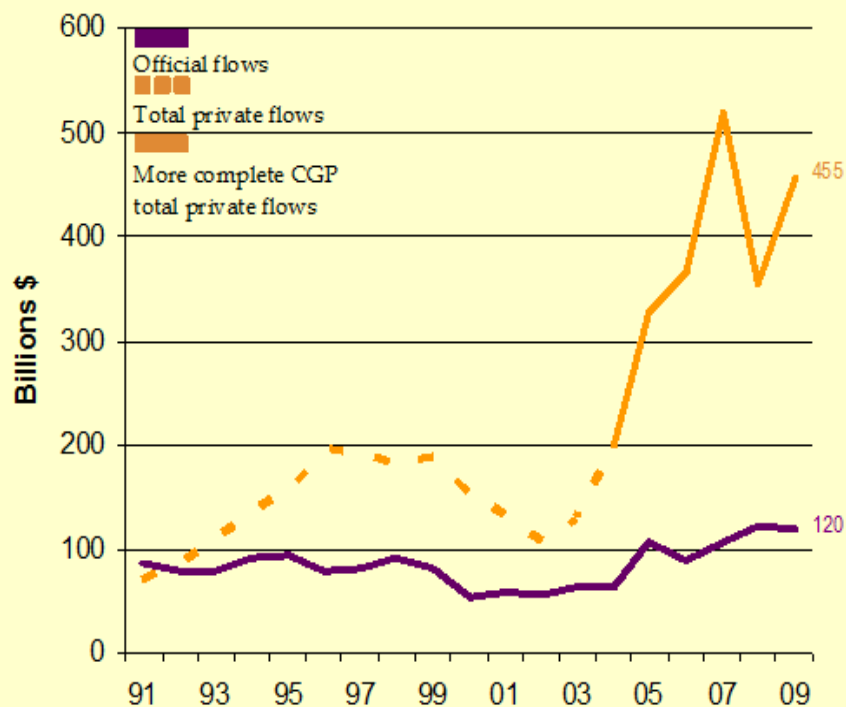


(Data from the 2011 Index of Global Philanthropy and Remittances)



Private Flows from Developed to Developing Countries by Type, 1991-2009

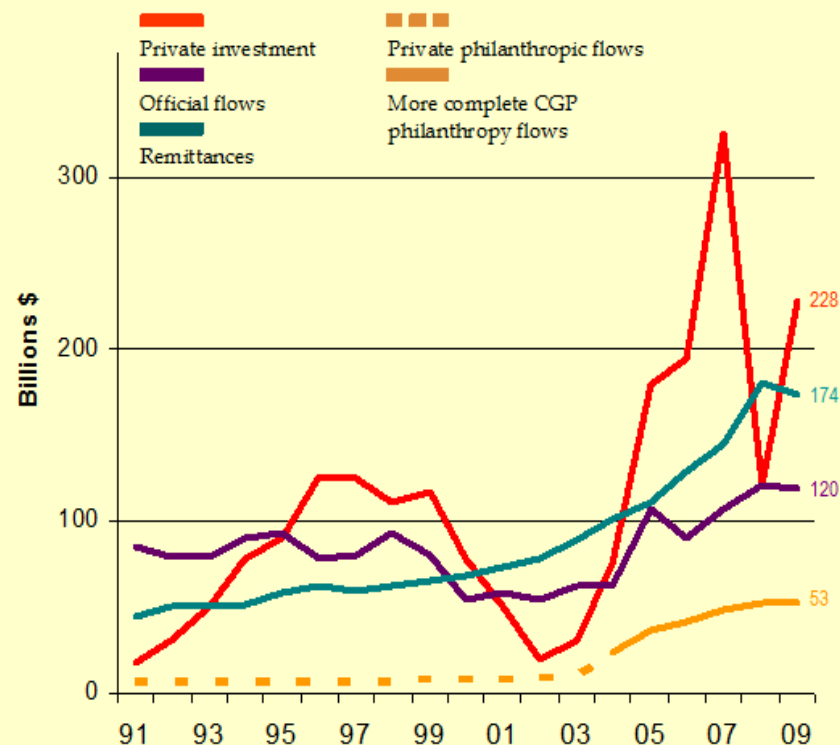
Total Private Financial Flows



Private Investment

Remittances

Philanthropy



Total U.S. Economic Engagement with Developing Countries, 2009

U.S. Total Net Economic Engagement with Developing Countries, 2009

* Variation due to rounding

	Billions of \$	%
U.S. Official Development Assistance	\$28.8	13%
U.S. Private Philanthropy	\$37.5	17%
Foundations	\$4.6	12%
Corporations	\$8.9	24%
Private and Voluntary Organizations	\$12.0	32%
Volunteerism	\$3.0	8%
Universities and Colleges	\$1.8	5%
Religious Organizations	\$7.2	19%
U.S. Remittances	\$90.7	40%
U.S. Private Capital Flows	\$69.2	31%
U.S. Total Economic Engagement	\$226.2	100%*

\$30.2B in 2010

2010 figures currently being calculated

An estimated half is from Gates

Majority from US pharma

Excludes donations from foundations

Abroad and in the U.S. for an int'l org.

\$ for int'l students studying in the U.S.

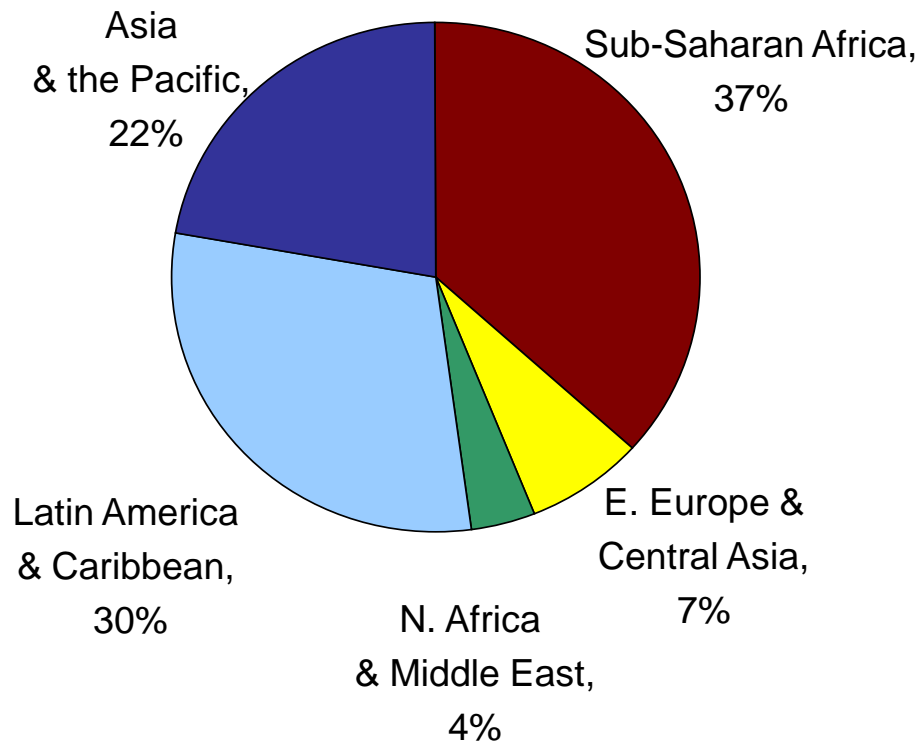
Excludes \$ to U.S. NGOs

\$95.8B in 2010

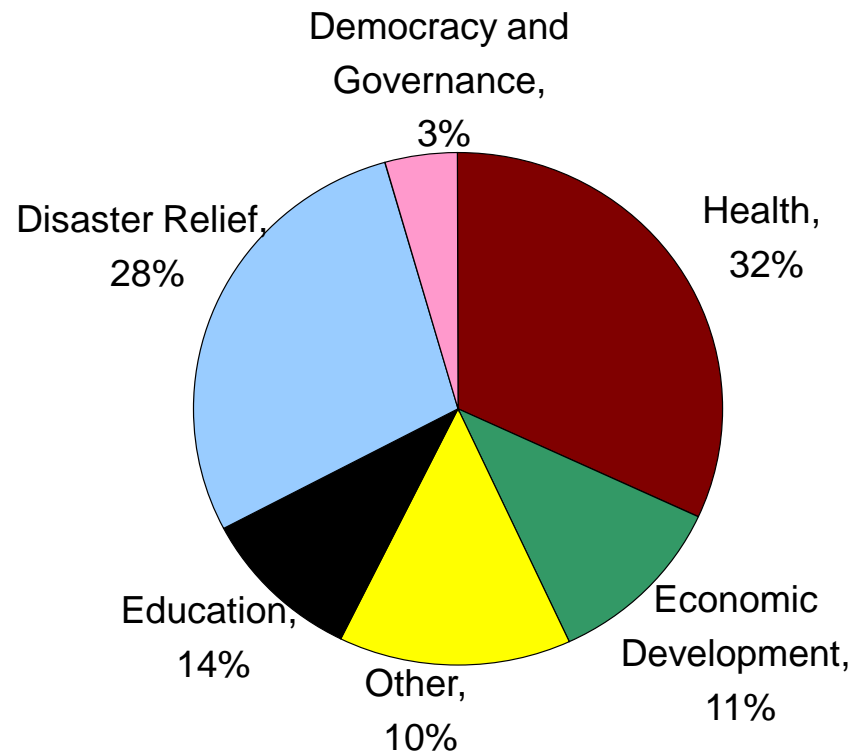
FDI & bilateral portfolio investment

Regional and Sectoral Breakdown Of 2009 U.S. Philanthropy: \$37.5 Billion

Regional



Sectoral



Regional Breakdown of 2009 U.S. Remittances to Developing Countries

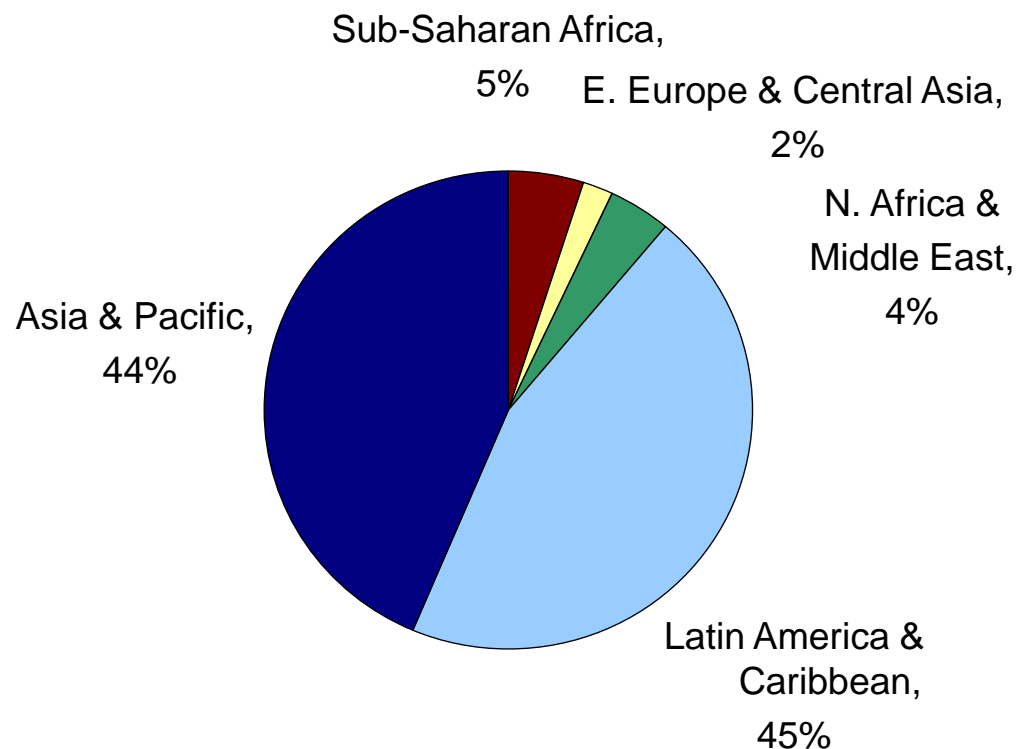
Table 2

Remittances from the United States to Developing Countries by Region, 2009
(Billions of \$)

Region	Remittances Received
Latin America and the Caribbean	41.1
Mexico	20.4
East Asia, South Asia and the Pacific	39.4
Philippines	11.1
India	10.1
China	9.8
Sub-Saharan Africa	4.6
Middle East and North Africa	3.8
Europe and Central Asia	1.7
Total	90.7*

*Variation due to Rounding

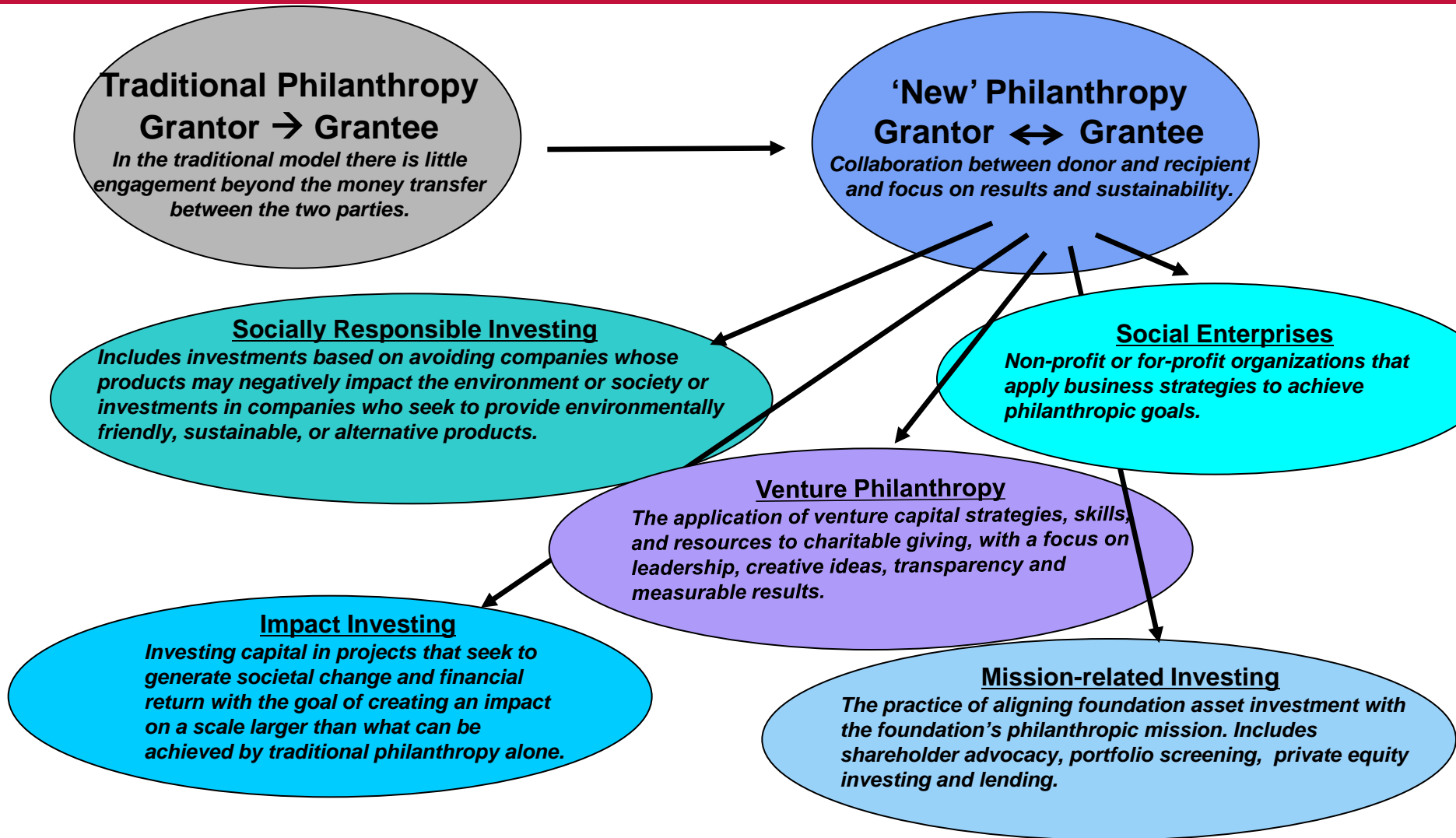
Source: World Bank, Migration and Remittance Team.



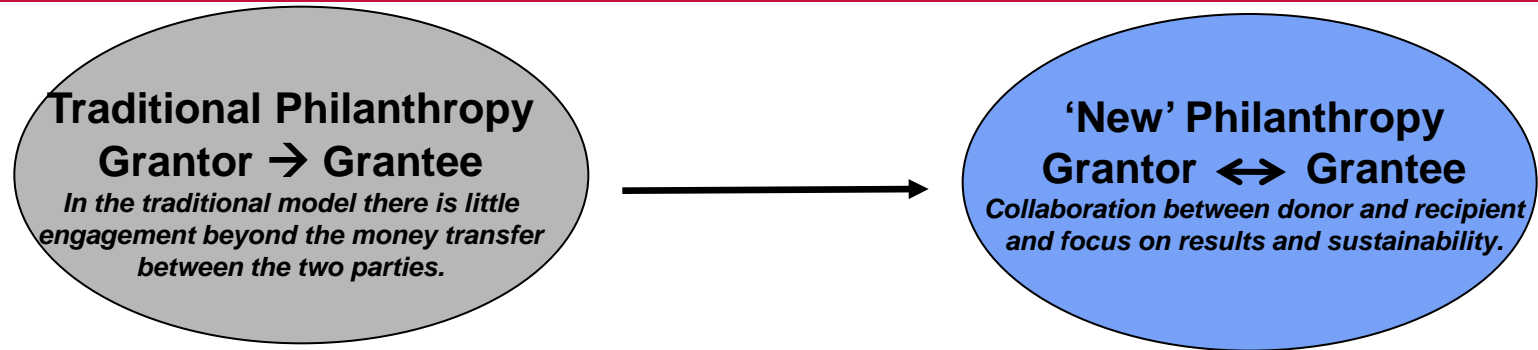
Impact of Private Flows on International Development

- **New landscape of aid (the government → government model no longer dominates)**
- **Public-private partnerships**
- **Recipient participation in development**
- **Remittances and diaspora involvement**
- **Technological innovation**
- **Efficiency and transparency**
- **Fragmentation (see H. Kharas at Brookings)**

The Shift in Philanthropy



The Shift in Philanthropy and Diaspora Philanthropy



Traditional Diaspora Foundation Model:

The American India Foundation
The PhilDev Foundation
US-Ukraine Foundation
Hariri Foundation

'New' Methods for Diaspora Involvement:

Diaspora Bonds
Hometown Associations
Diaspora Focused Mutual Funds
Homestrings.com

Danny Pins

**DIRECTOR, IMMIGRANT INTEGRATION DIVISION
DEPUTY DIRECTOR, JDC-TEVET**



Setting the Stage

- Diaspora donors as newly recognized international development actors
- How to maximize upon the potential of diaspora philanthropy?
- Jewish diaspora contributions to Israel provide example of decades of commitment and billions of dollars of transformative philanthropic support
- Key: community, infrastructure, partnership

American Jewish Joint Distribution Committee

- Diaspora organization
- Ad hoc Committee to Board of Directors
- Budget \$330 million
- Partnership key to operations all over the world
- Israel unique model of operation
- Development of services for vulnerable populations

Different Yet Similar Paradigm

- Different Diaspora / Jewish – Israel
- Philanthropy based on values - Tzedakah (charity/justice)
- Similarities:
 - Connection to place
 - Community identification and organization
 - Commitment to change
- What are community structures, government policies –role, underlying values and principles, partnership

Diaspora Community Organization

- Ties with extended family – *landesmenschaften* and Jewish Federation (community umbrella organization)
- Caring for immediate local needs – education, welfare, employment, religious
- Caring for Israel needs

Homeland Partners: Government and Civil Society

- Government institutions and policy
Coordinating Committee
- Civil society partners
JAFI, JDC, Hadassah
- Mutual trust and accountability
recognition of mutual need and benefit

Mechanism for Partnership

- Steering Committees
- Twinning Cities
- Project Renewal to Partnership 2000
- Missions – connection, site visits and monitoring
- Campaign
- Coordinating Bodies vs. Individual efforts

Lessons learned

- Importance of cultivating Diaspora community identity and commitment
- Formal representative institutions need to be augmented by independent/transparent mechanism for the transfer of philanthropic funds
- Collaborative activities require joint institutions to identify priorities and govern projects
- Philanthropy is not an only an end unto itself but serves the development of partnerships
- Challenge of getting Diaspora donors to focus on national development priorities
- Policies to promote Diaspora philanthropy: incentive funds, capacity building, support for formalizing organizations, support for umbrella organizations and organized visits

Center for International Migration and Integration

- CIMI founded JDC Israel
- Developing and sharing knowledge
- Seminars, Consultations and projects
- Sharing Diaspora – Homeland modalities
Guatemala, Ecuador, Moldova, Philippines
- Research on Diaspora (Moldovans in Europe)

Danial Noorani

Chief Executive Officer



A Personal Journey



Apna Ghar, Inc. (Our Home)

www.tcfusa.org
www.apnaghar.org

Mobilizing The Diaspora

- Mobilizing the Pakistani Diaspora for Education in Pakistan
- Mobilizing the South Asian Diaspora to fight Domestic Violence in Chicago

Relevant Statistics

Pakistan Centre for Philanthropy

- 500,000 Pakistanis reside in the United States
- They contribute about 1 billion dollars in money, goods, and time.
- \$250 million given in cash and \$750 million in time volunteered.
- On average, Pakistani-American households contribute 3.5% of their income.
- Give to organizations that support arts and culture, sports and recreation, community support, institutions of faith, professional fraternities, and research.
- Pakistani-Americans also prefer to give directly to individuals in need vs. contributing to foundations or other intermediary sources.
- Many Pakistani-Americans attribute their interest in giving to their faith but largely give to support social issues.
- The study also found that 60% of Pakistani-American giving is concentrated within the USA.
- 40% of the cash and in-kind giving goes to Pakistani causes in Pakistan
- 20% to Pakistani causes in the U.S. and
- 40% to causes unrelated to Pakistan. Demonstration of a level of civic engagement within the larger American communities that Pakistani-Americans live in.

Reference: **Diaspora Philanthropy: Influence, Initiatives and Issues. Paula Doherty Johnson. The Philanthropic initiative Inc and Global Equity Initiative, Harvard University. May 2007.*

- 1. Study of Pakistani-American giving, research findings clearly indicated “the single most important giving impulse is the desire to directly help individuals in need”.
- 2. A study of Kenyan Diaspora emphasizes that a strong societal ethic of sharing with individuals who have less is a primary motivator for Kenyan philanthropy.
- 3. Survey conducted by the Sampradaan Indian Center for Philanthropy found that the most important reason for giving was a feeling of compassion, and that 90% of the respondents donate directly to individuals while only about half tend to support organizations.

4. In a survey of giving among wealthy individuals in six Asian countries, many respondents indicated that the most important impact of their philanthropy was the visible difference it made to individual lives and well-being (APPC Asia-Pacific Philanthropy Consortium).
5. Diaspora philanthropy and philanthropy in general is directed towards individuals primarily because (A) Philanthropy is largely faith based and seeks a direct relationship between the giver and the needy (B) Non profit institutions have not been able to inspire confidence (C) In the APPC six country study, a governments' lack of commitment to equitable human development and pervasive corruption were key obstacles to giving.
6. Rapid economic growth in Brazil, China and India has opened up avenues for institutional giving. Low levels of trust in institutions have also been ascribed to low economic development.

The Continuum of Growth

- Allegiance to the Home Country
 - Allegiance to the Country that is now Home
 - Concerns of a World Citizen
-
- ☐ Giving to Individuals
 - ☐ Giving to Institutions

The Next Generation

- Passing the Torch
- Activism at a Younger Age
- How are they Different?



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December 15, 2011



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THANK YOU!

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Microlinks and the Breakfast Seminar series are products of Knowledge-Driven Microenterprise Development Project (KDMD), funded by USAID's Microenterprise Development office.