

# **CIVICUS and the Challenge of International Philanthropy**

**NORAH MCCLINTOCK**

*Editor, Front and Centre, The Canadian Centre for Philanthropy, Toronto*

---

In the late '80s and early '90s, those who watch such things realized that a global "association revolution" was underway. Citizens' associations, people's movements, voluntary organizations, nongovernmental organizations (NGOs), mutual assistance groups, philanthropic foundations and other grassroots organizations were springing up all over the world, some of them in the most unlikely places—developing countries in Asia, Africa and Latin America, and former Soviet block countries. Those who watch such things, including Independent Sector and the Foundation Center in Washington, D.C., and the European Foundation Centre in Brussels, began to talk about how these efforts to develop voluntary sector initiative and private philanthropy could be assisted, nurtured and accelerated. Out of these discussions, CIVICUS was born.

CIVICUS, founded in May 1993 in Barcelona, defines itself as "an international alliance of organizations and individuals to strengthen citizen action and influence throughout the world through voluntary initiative, philanthropy and community service". Its executive director is Miklos Marschall, former deputy mayor of Budapest.

A self-described pioneer, Marschall had distinguished himself as one of the first "experts" on charities and non-profits in a country where private charity was banned for decades and private help for the poor was seen as a direct challenge to the state. "Although we used to have some formal social organizations as well as trade unions and professional unions," Marschall says, "they were absolutely not voluntary organizations in the real sense of the word. There was no room for private charity and philanthropy."

While he was a senior research fellow at the Research Institute for Culture in Budapest, Marschall attended what he regards as a life-changing event in Austria in 1986. The American-run Salzberg seminar was his "first intellectual exposure to the world of the nonprofit sector". It was a revelation to learn about the North American nonprofit sector—how it works, how it is organized and how it is funded. The concepts held great appeal for Marschall, who was struggling to find more money for organizations in Hungary's cultural and educational sectors which, he says, were underfunded at that time in Communist countries, especially his own. "The idea of private nongovernmental

organizations was very appealing as a possible way to reform the economic and social structure of the country”, he says.

After the two-week seminar, Marschall returned to Hungary full of energy and enthusiasm. This period coincided with a relaxation of the Communist system in Hungary and with some willingness on the part of the authorities to accept the idea of “charity”. In 1987, at the urging of the inventor of the world-famous Rubik’s cube, legislation was passed to allow the establishment of private foundations.

Other voluntary organizations started to spring up—organizations to help the poor, independent associations, discussion clubs, more foundations. Marschall, with his increasing theoretical and practical knowledge, became something of an expert in the field—scholar, researcher and practitioner.

In 1988-89, he won a Fulbright Scholarship and was a visiting fellow at Yale, where he studied the American nonprofit sector. In 1991, a year after his return to Hungary, he ran in the country’s first free elections in 40 years and was elected Deputy Mayor of Budapest, in charge of education, culture, child welfare and tourism. One of his crowning accomplishments was raising \$2 million in funding for culture from private sources.

His work in the sector, particularly as an advocate for its growth and development in his own country, brought him into the international limelight so that when initial discussions began about the need for an international alliance to promote nonprofit activity globally, Marschall was invited to participate. He eventually found himself in the running to become this organization’s executive director.

Marschall believes profoundly in CIVICUS’s precept that “effective societies exist in direct proportion to the degree of citizen participation and influence”. “Our world cannot survive one-fourth rich and three-fourths poor”, he says, “half democratic and half authoritarian, with oases of human development surrounded by deserts of human deprivation. I think this puts the challenge very clearly. I don’t think that the world can survive with these kinds of inequities, and although it is not the job of the nonprofit sector or the third sector to solve the problems, we have a role in it.”

He points to the global issues, such as overpopulation and the environment, facing the citizens of all nations. “It has become clear that neither governments nor the globalizing market can deal adequately with these problems. There is a need for indigenous participation from many regions. If you look at the Rio meeting on the environment, if you look at the population conference in Cairo, if you look at the social summit which was held in Copenhagen, if you look at the women’s conference to be held in Beijing in 1995, you will see that

extremely important input is provided by NGOs. It's not an exaggeration to say that NGOs have been the driving forces of these conferences. NGOs are more flexible, more receptive, and that's what is needed right now."

NGOs are also numerous: 26,000 voluntary and nonprofit organizations in the Philippines, for example; 14,000 in Thailand; 1,200 in Nepal; 27,000 in Chile; 2,000 in Argentina; 6,000 foundations and 11,000 associations in Hungary.

What accounts for this global swelling of the ranks of the third sector? (Of the many terms bandied about to identify nonprofits as a whole, Marschall prefers "third sector". "It says there is also a first sector and a second sector, and that each needs the others.") There are a number of reasons for the rise of the sector, says Marschall. He enumerates the most important: "The failure of global development programs, which were very much one-sided programs including only governments and creating huge bureaucracies—much money was spent on bureaucracy and not much help was provided; the collapse of Communism, which was a very radical way of addressing issues of equality and social health; the communication revolution that enables many small organizations to make contact with each other; a pervasive feeling that the traditional big institutions cannot do much about these problems and widespread disenchantment with political parties. The membership of political parties is decreasing in many parts of the world, regardless of whether you speak of North America or eastern and central Europe; membership in trade union organizations has dropped as well."

Marschall views the emergence of NGOs as a post-modern phenomenon. "The post-modern era is about decentralization and new partnerships", he says, "and about small indigenous groups which might come up with the agenda. People think that big governments and the mechanisms of markets cannot solve all the global issues, and that there is a need for small, flexible, receptive, independent organizations to address these problems, to come up with new ideas, and to fight for the acceptance of these new approaches. This is not an ideological movement; it is much more practical. It is not a monopolistic movement. The very essence of the sector is diversity itself. It accepts the idea that the globe is extremely diverse and that diversity of values is what we have to live with."

Traditionally, philanthropy in developing countries has meant well-to-do outsiders coming in, in the form of government aid, NGOs, and individual philanthropists and charities. This approach, Marschall says, is completely obsolete.

We need to "forget philanthropy", Marschall says, because philanthropy is based on an idea that the rich are supposed to help the poor, and is itself an unequal relationship. "What CIVICUS has in mind is partnership, which presupposes equal partners."

CIVICUS' approach is to place the emphasis on NGOs to bring about changes in their own countries. It is not alone in this approach. "Now, in big international agencies such as the UNDP or the World Bank, the prevailing notion is that if you want to be efficient, you need to rely on indigenous organizations which are really deeply rooted in the local realities." It's referred to by Marschall and CIVICUS as "NGO capacity-building". Rather than short-term charity, the emphasis is on long-term investments.

"It's not just a new language", Marschall says. It's a new approach that involves local NGOs in shaping needed programs. "We have had some good results with development programs involving local NGOs. In India, in Latin America, in South Africa, hundreds of such projects have become successful. I think it's really important to work with this new approach which is really one of equality. You have to find a local partner and the whole project should be designed in co-operation with these local partners. It's up to them to shape the program, it's not up to the international agency or the European or North American agency to decide how to go ahead with the project. I think that is the most important change in the developing world."

What concrete contributions to international philanthropy can be made by an organization such as CIVICUS?

CIVICUS can create a much higher visibility for the third sector, Marschall says. "We know how much is being done in the third sector and with the help of the third sector. We're witnessing a global explosion of third-sector organizations. But so far little is known about the sector. The political recognition and the publicity are weak."

CIVICUS has developed an action plan to help create a better global, regional, and national climate for the NGOs. The plan is based on four building blocks:

1. Regional reports on the status of the third sector in six regions. "At the very beginning, when CIVICUS was established," Marschall says, "we thought there was a need to know more about what was going on, so we decided to do reports which would summarize the basic issues and the challenges the third sector faces in the various regions." There are now seven regional reports: Eastern/Central Europe, Western Europe, the Arab Region, Africa, Latin America, North America, and Asia Pacific.
2. Regional meetings. Based on the regional reports, these meetings of NGOs in each region—Rio de Janeiro, Johannesburg, Delhi, Budapest, Cairo are scheduled so far—will bring together key organizations and key people, including groups that have not, to date, been involved with NGOs. "A strange thing in many regions", Marschall says, "is that

philanthropy and the NGO sector are a little isolated from society in the regions. There was no communication, for example, with the business sector in the regions. What we can do is bring together Latin American business people with Latin American NGOs. I think that it is very important to create a climate which is about co-operation, not about conflict, which is about the need for working together". CIVICUS and CIVICUS regional meetings will include not only NGOs and grassroots organizations but the corporate sector and donors as well.

3. A world report. The world report will, it is hoped, be a pioneering attempt to address the most important issues of the emerging third sector at a global level. It will summarize the issues the third sector faces in the region and in the global arena.
4. A world assembly, held in Mexico City in January, 1995. Discussions focussed on the world report and on what CIVICUS should do subsequently, what kind of NGO services it should offer. "So far", Marschall says, "having all these ideas about the need for an international voluntary organization which could bring together the diverse actors of the sector, CIVICUS has been rather a moving target. Everyone feels there is a need for such an organization but we are a little bit uncertain about what kind of tangible services it might come up with."

Besides raising the profile of the sector and defining services to help the sector grow and become strong, CIVICUS is also interested in undertaking international advocacy for the sector. "After meeting with many organizations from many regions", Marschall says, "we realized that there is a need for international advocacy. You have to accept the idea that the definition of the public good is not only the right of governments but it is the right of NGOs as well. If you accept that idea, then you have to provide tax benefits and solid legal advantages and legal regulations and framework for the sector. What we are trying to do is to help regional and national organizations to create a climate which will lead to a much more beneficial legal and fiscal regulation of the sector." In many regions Marschall says, new legislation for the nonprofit sector and new tax policies are being worked out. CIVICUS can help by coming up with a set of principles and a solid idea of the kinds of issues and the elements that should be addressed in tax law for the third sector.

"I think this is crucial", he says. "Local and national umbrella groups are extremely happy to get support from outside when they are negotiating with the government authorities. That's what international advocacy is all about. Tax deductibility and tax exemptions are crucial for the sector. CIVICUS can help with that. We can collect information from other regions. We can come up with documents about existing legal and fiscal regulations."

The organization is also exploring the possibility of playing a watchdog role. "We can study whether the legal and fiscal conditions which are necessary for a flourishing nonprofit sector are secured in the various regions", Marschall says. "We can undertake to evaluate whether conditions are sufficient or not. These areas are the most important ones that an international organization could act in, in favour of the nonprofit sector."

CIVICUS's goal is to become a membership organization because, says Marschall, "In the long run, if there is no interest from NGOs worldwide, it makes no sense to run an international organization, so we are eager to attract members. Right now we are approaching a very decisive time with the assembly. So far CIVICUS has been an organization with much promise, with much enthusiasm, but CIVICUS has been supported by people who were involved in CIVICUS or who were involved in the idea of setting up an international organization. Now the time has arrived to work on the concrete services...and to convert CIVICUS into a true membership organization."

This doesn't necessarily mean huge numbers. "We are more interested in quality membership", Marschall says, "which means that we would like to have the leading organizations from the various regions as members of CIVICUS. We are eager to have a couple of members from Canada, primarily from organizations which have international interests. We are eager to build up a true international organization. That's why it's important to get some funding from outside of North America. We're eager to get a grant from Europe, from Asia Pacific, from Latin America. We are eager to raise some money in the regions, although we are realistic. We know that in terms of the volume of support, North America will be the most important region. But in terms of the number of grants, we really want to get participation from other regions."

Looking ahead, Marschall hopes that CIVICUS will create a well-functioning, global network of NGOs and third sector organizations and that it will become a meeting ground for the many and diverse organizations in the sector.

"I hope that CIVICUS will represent a new model which will be extremely decentralized. It won't be about a new big headquarters, a new centre. We don't want to be the NGO UN, the international parliament of NGOs. What we would like to have is just the opposite—to facilitate worldwide communication, which is a very decentralized set of communications. Employment by the third sector is growing. It's a new professional career. There are millions of people working in the sector who need an international forum where all the questions and issues and conflicts can be addressed."