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Revista

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Giving and Volunteering in the Americas

From Charity to Solidarity

DAVID ROCKEFELLER CENTER FOR LATIN AMERICAN STUDIES, HARVARD UNIVERSITY

ing and Volunteering in Latin America

local philanthropy. may come largely from foreign sources, over time they stimulate ditionally been lacking in the NGO world. While initial funding foundation staff learn management and financial skills that had traference, as in Ecuador's Fundación Esquel. It has also helped obuseut issues has educated key people about ways to make a difgrounds onto their boards and exposing them to community develand involve multiple donors. Bringing people from diverse back-

their own associations of foundations to further stimulate organized as Argentina, Brazil, Colombia and Mexico have now established have gone far beyond their traditional philanthropy. Countries such their culture. In part through peer influence, more Latin Americans to options for involvement that had not previously been part of tutional. This has exposed many potential Southern philanthropists Southern and Northern philanthropists, both individual and instithe European Foundation Centre have stimulated interaction among Finally, in the past few years, the Council on Foundations and

changes must occur in the regulatory and tax frameworks. Where To inspire further growth in philanthropy in Latin America, philanthropy within those countries.

itable contributions constitute disincentives for giving. selves by making contributions. And lack of tax exemptions for chartaxes are not paid, people are reluctant to draw attention to them-

Philanthropy has started to make a difference in Latin Ameri-

as donors, recognizing the need to address issues of poverty become can communities and can be a far more significant force in the future

more strategic in their giving.

issues in Latin America and elsewhere. She is also a member of the viried promotes philanthropy and partnership to address poverty Peggy Dulany is Founder and Chair of the Synergos Institute

DRCLAS Advisory Committee.

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Cover photograph by Denise Muschel/Habitat for Humanity Copyright © 2002 by the President and Fellows of Harvard College.

> community action for the good of the whole. The intent, however, mous term "minga." These terms imply more than giving money poor communities, rural and urban, than among the wealthy. In Mex-Interestingly, this concept has historically been more developed in specific concept and term for what we call philanthropy exists. increasingly significant reality. In every country a culturally

tion, institutionalized private philanthropy is a growing and

HITE BHILANTHROPY IN LATIN AMERICA IS STILL IN EVOLU-

in philanthropy, it has until recently mainly been with a charitais very much the same as philanthropy: love of humanity as does philanthropy. The meanings encompass mutual self-help and ico it is known by the Indian word "tékio"; in Ecuador, by the indige-

necessary, his connections. charitable activities, bringing in their husbands' money and, where wealth through family businesses, who occupied themselves with wealthy individuals, most of whom until recently inherited their ums, symphony orchestras or ballet. It has often been the wives of Some support has also gone to cultural institutions such as art museble orientation: supporting orphanages or hospitals for the poor. To the extent that wealthy Latin Americans have been involved

and Mexico, a more institutionalized, development—as opposed to This situation is changing quite dramatically, however. In Brazil

charity-oriented philanthropic ethos—is emerging among many

wealthy individuals and corporations.

ty to address these problems. This has led to the emergence of strong rate leaders realized they had to involve themselves beyond charikidnapping had an impact. Many wealthy individuals and corpothemselves with bodyguards day and night for fear of robbery and alike. In Brazil, for example, the fact that people had to surround between rich and poor is making life untenable for rich and poor One factor in this change is the growing extent to which the gap

of a corporate social responsibility group called Ethos. and innovative foundations such as the ABRINQ Foundation and

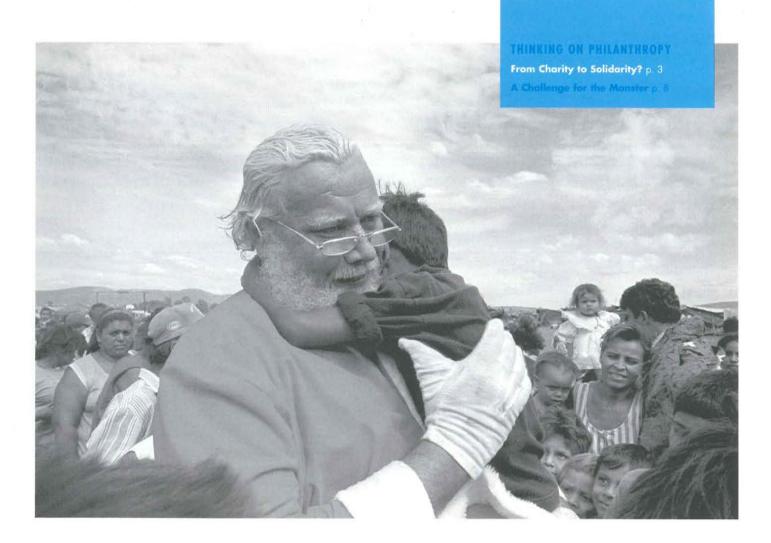
A second trend affecting the growth of strategic philanthropy in

in government or business and another in the civil society, capaing numbers of "cross-over" individuals (or couples) with one foor lished themselves. This phenomenon may also be attributed to growon a more prominent role in many countries, as democracies reestabchurch groups, labor unions, community organizations, etc.) rook because civil society organizations (non-governmental organizations, rich and poor mentioned above. It was probably also facilitated sense of desperation caused by the effects of the growing gap between hold in Latin American countries, perhaps partly inspired by the It was not until the late '80s that this same trend started to take a belief in parenership approaches emerged in the United States. of society. After the confrontational decades of the '60s and '70s, and dialogue across different sectors and, to a lesser degree, levels many countries has been the increasing possibility for parenership

foundations respond to the needs of people in poor communities A third trend is the emergence of community foundations. These

ble of bringing different groups together.





From Charity to Solidarity?

Latin American Philanthropy in Changing Times

BY CYNTHIA SANBORN

HEN I FIRST MOVED TO LATIN AMERica fresh out of college in 1981, I was filled with ideals about working for human rights and social justice, like many of my generation. If anyone had suggested that I consider working in "philanthropy," I would have scoffed at the idea. Filantropia at that time conjured up images of factory owners who offer food baskets to their workers each Christmas instead of decent salaries, or ladies who attend the charity balls and auctions that fill the society pages of major newspapers. Promote philanthropy, for social change? You must be kidding!

Ten years later, I was back in the region working for a private foundation. Philanthropy began to take on a new meaning for me, as well as for many of my Latin American friends and colleagues. Today, as you will see in the pages of this *ReVista*, phil-

anthropy includes factory owners who involve their companies in public education reform, business associations that campaign against child labor, women of privilege who run modern foundations (and don't have time for charity balls), students and housewives who get out the vote, and entire communities organizing against hunger and crime. In other words, *filantropia* is shifting from charity to solidarity, to the giving of time and money for the common good.

So, what happened? It's true that the opening of markets and privatization of public enterprises brought tremendous gains to some sectors of Latin American private business, as well as bolstering overall growth through much of the 1990s and reviving the flow of international investment. Along with increased private wealth came increased public expectations that the corporate sector

(and the rich in general) be more socially responsible. Increased private sector investment towards resolving this region's many social problems did occur in some countries, often in response to the demands of new social movements and NGOs. Given the limited credibility of most public sector institutions and political parties in the region, civil society organizations—supported largely by their members or private donors—have also moved beyond protest to assume greater responsibility for a wide array of public goods, from the protection of basic citizen rights to the delivery of social services.

Yet, how realistic are these expectations? Now that the economic boom in many countries has turned to bust, will private philanthropy dry up as well? Is the concern for corporate social responsibility reflected in sustained business practice, especially

when owners and their workers fall on harder times? Do the younger generations of wealthy Latin Americans give away more or less than their forebears, and do they do so in more strategic ways? Are poor communities today better able to tap new sources of external support, as well as pool their scarce resources for addressing local needs?

These are the kinds of questions addressed in this ReVista by a diverse group of philanthropists, business and civil leaders and scholars from different disciplines. Through essays, case studies and personal testimonies, the authors discuss the new forms of corporate and elite philanthropy that have emerged in the region, as well as old and new forms of community organization and selfhelp, and potential relationships between the two. They also talk about the challenges and rewards of giving time, rather than money, and discuss innovative programs that recruit and mobilize volunteers. A special section focuses on Brazil, a country that has some of the world's highest levels of social inequality and violence, but also some of the most significant private and multi-sector efforts to address these problems.

What can we learn from these experiences? First of all, contrary to what is often believed, Latin America clearly has a long history of voluntary and charitable activity and civic engagement. Varied traditions of community self-help and solidarity stretch back to the region's pre-Hispanic cultures, and include the mutual aid societies, trade unions and professional associations that emerged in the 19th and early 20th cen-

turies. This history also includes the social movements and NGOs that emerged on the scene in the late 20th century, involving millions of poor people, women and other formerly excluded members of society.

Of course, the Catholic Church and its doctrines have played a leading role in the development of Latin American philanthropy. As Felipe Portocarrero and others point out, ing and volunteering. Surveys in Argentina, Brazil, Chile, Colombia and Peru show that 80 to 95% of the largest corporations undertake some kind philanthropy, including financial or in-kind donations, employee volunteer programs and direct operation of social programs. Mexico and Colombia today boast nearly 100 grant-making foundations each, while Argentina has at least 40

Philanthropists, business and civil leaders, and scholars look at the issue of philanthropy.

the first public-private "partnerships" in this region date to colonial times, when the Church had primary responsibility for most education and social welfare. Today Catholic churches, schools and charities are still leading recipients of private donations and public subsidies in the region. At the same time, over the last century the Church has evolved dramatically in its defense of equity and social justice, and church support underlies many of the region's human rights organizations and grassroots social movements.

Despite this rich history, most of the authors here accentuate the new over the old, and argue that major changes have occurred in Latin American philanthropy over the past decade. What is so new here? Based on the limited empirical evidence available, there does appear to be a significant increase in the amount of secular philanthropic activity in the region, including the number of new private and corporate foundations and new forms of private giv-

and Brazil more than 30, some of which are active partners with the likes of Ford and Rockefeller. Grant makers' associations such as GIFE in Brazil and CEMEFI in Mexico also play a new role in shaping the field and promoting a more favorable legal and tax environment for philanthropic activity.

BEYOND NOBLESSE OBLIGE?

Among the new generations of wealthy Latin Americans, various authors cite an important cultural change. While religious obligation has long motivated the privileged to be charitable, for example, Roberto Andrade argues that a new sense of *civic* obligation is evident, based on a greater degree of solidarity and shared purpose with citizens of less privileged backgrounds. This is expressed in the preference of corporate leaders for the term "social responsibility" rather than philanthropy, and in their efforts to move beyond what Manuel Arango calls "checkbook philanthropy" towards more strategic forms of giving and alliance-building.

Nonetheless, recent research suggests that the discourse of social responsibility has evolved much further than actual practice. Latin America lags well behind the developed world and also many developing regions in overall levels of private giving. In most countries, elite and corporate giving in the 1990s remained fairly low in relation to profits, and it remains extremely sensitive to fluctuations in the global and national economy. Furthermore, "strategic philanthropy" appears to remain the exception rather than the rule, as most private donors make little effort to evaluate the impact of their giving or incorporate it into sustained company practice.

Existing data also suggest that most of Latin America's elite donors remain oriented towards basic charity, or activities that primarily benefit their own social group, such

FROM THE EDITOR

The floods were raging in the rivers near author Maria Eugenia Choque's home in La Paz, Bolivia. *ReVista* writers suffered viruses, both of the technological and biological types. Another author broke her hand. As I sat in my comfortable office in Cambridge, Massachusetts, I became painfully aware of the fragility of life.

And it is that fragility of life—of all of our lives—that leads us to think long and hard about Giving and Volunteering in the Americas.

This issue of ReVista is a very collective effort of academics, practitioners, and philanthropists, both Latin Americans and North Americans. It would not have been possible without the individual efforts to overcome personal disasters and ordinary daily hassles for the common good. And it never would have happened without the hard work, guidance, and generous sharing of contacts and knowledge by Cynthia Sanborn and Rodrigo Villar. I thank them both from the bottom of my heart.



Previous spread: Dressed as Santa Claus, community member Victor Cienfuegos, receives a hug from a young Hurricane Mitch refugee in the refugee camp Nueva Vida, in Ciudad Sandino, just outside Managua, in December 1998.; above: Local volunteers work on a Habitat house in Guatemala (1992)

as private schools and universities, recreational and social clubs and the fine arts. These are all worthy endeavors, and represent patterns of giving similar to those in the U.S. and other wealthy countries. However, in societies with such severe disparities and such limited public sector resources and capacity, this pattern is of greater concern to policymakers and civil society leaders. It also presents an obstacle to obtaining the tax incentives and favorable legal regimes that many philanthropists call for.

NONPROFITS, COMMUNITIES AND VOLUNTEERS

As Peggy Dulany notes at the outset, the concept and practice of philanthropy is more extensive among poor communities than among the rich in Latin America. Over the past two decades there has also been an explosion in the number and variety of private, nonprofit organizations emerging in the region. These groups address issues of critical importance to people's daily lives and mobilize thousands of new citizens. Researchers with the Johns Hopkins University Comparative Nonprofit Sector Project identified 190,000 nonprofit organizations in Brazil in 1995, 135,000 in Colombia and 110,000 in Peru, and this

data under-represents the most informal and locally based associations.

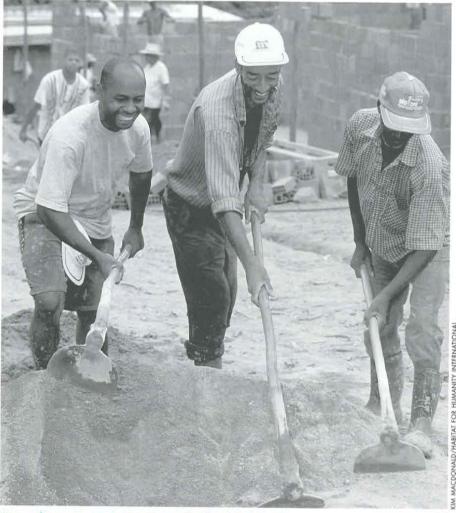
Nonetheless, the relationship between philanthropy and civil society remains problematic. Associative life in this region is tremendously fragmented and disperse. Most of "civil society" is also self supporting, with neither the State nor economic elites making significant contributions. In practice, this means most nonprofit organizations are institutionally precarious and resource poor, with a limited capacity to influence public agendas, hold governments accountable or shift the distribution of resources and power within their communities.

Private philanthropy provides only a small fraction of the income and resource needs of nonprofit organizations in this region. According to the Hopkins project, in Latin America most nonprofit income (74.4%) comes from fees and sale of services, while just 15% comes from the public sector and 10.3% from private donations. When international donations are separated out, the overall share of national private philanthropy, and national government support for secular nonprofits, decline to single digits.

Most estimates of the size and scope of the nonprofit sector in Latin America do not include the value of volunteers. Indeed, researchers have yet to adequately assess the amount of non-elite giving and volunteering in this region, or even to clearly define it. However, national surveys in Argentina, Brazil, Peru and elsewhere have helped to dispel the notion that volunteering is just the pastime of wealthy societies or individuals. Overall, the average percentage of adults who do volunteer work in Latin America is 28%, compared to 24% in France (but 55% in the United States). Peru leads the region with 34% of its adult population volunteering in 2000, while 51% made donations (financial or in-kind). In Brazil 50% of adults made donations (21% financial) and 22.6% did volunteer work. Interestingly, people from the lower middle classes and the working poor appear to volunteer most.

Despite this voluntary spirit, until recently there were few organizations with formal programs to recruit, train and use volunteers in a sustained way. This has also changed, as entities such as the *Hogar de Cristo*, *Opción Colombia* and the *Futbol y Barrios* program mobilize young people to work with poor communities and help the needy.

Transparencia and similar organizations mobilize volunteers not only to address social welfare needs, but also defend democracy and human rights.



Men working on a community project in Paraiba do Sul, Brazil

Nonetheless, much of the voluntary activity of the poor in Latin America might be best classified as self-help, involving activities aimed at improving the educational, nutritional and income levels of their own families and neighbors. There are still relatively few wealthy people or foundations that support sustained efforts to improve economic opportunities for the poor. Even fewer national donors are willing to support organizations that defend human rights, women's rights and opportunities, or work against racial and ethnic discrimination. For the most part, both poor people's organizations and those who advocate for social justice continue to depend on their members, their local parishes, or a small number of foreign donors.

In recent years, however, the authors here do point out some trends that have helped communities increase their resources and strengthen their self-help capacity. Community foundations, such as the Puerto Rico Community Foundation and the Fundación Comunitaria del Bajío in Mexico (see ReVista, Fall 2001) have boards that combine business and community leaders, and pool resources from many small donors as well as large contributors. And "diaspora philanthropy" today involves not only wealthy Latin Americans in New York and Miami, but also poor and middle class immigrants who found new opportunities in the

PROGRAM ON PHILANTHROPY

Civil Society and Social Change in the Americas (PASCA)

Harvard's David Rockefeller Center for Latin American Studies (DRCLAS) and the Hauser Center for Nonprofit Organizations have combined forces to establish the *Program on Philanthropy, Civil Society and Social Change* in the Americas (PASCA). One of the concrete products to emerge from this alliance is the *ReVista* you hold in your hands. Another is the PASCA-sponsored seminars, visiting researchers, and workshops on these topics aimed at deepening knowledge on these subjects.

Recently, both scholars and development experts have begun to pay new attention to the role of private philanthropy, and of organized civil society, in the development of Latin America. Latin America has witnessed the emergence of increasingly active and diverse civil societies, including new interest groups, grassroots and civic organizations, and grant making and operational foundations. However, there is still a paucity of research on such organizations, on their past histories and current practices, and few materials are available for

training Latin American leaders in the nonprofit sector.

PASCA, which began as a collaboration between the two centers in 1998, aims to tap Harvard's convening power and multiple resources to promote greater understanding of Latin America's philanthropic and voluntary traditions, and to assess the nature and impact of private philanthropy and nonprofit organizations in this region today. It also seeks to promote stronger networks of scholars and practitioners in these spheres across the Americas, to address specific social as well as institutional challenges.

Cynthia Sanborn, the William Henry Bloomberg Visiting Professor of Philanthropy and PASCA Director, and Rodrigo Villar, PASCA Program Coordinator, have developed a series of activities to promote these objectives. For example, the lecture series, "Philanthropy and Social Change in the Americas," open to all interested participants, included Nelson I. Colón, president of the Puerto Rico Community Foundation, on philan-

U.S. and are able to give something back to their communities of origin.

In his closing reflections, Lincoln Chen argues that inequality—socially intolerable and morally unacceptable inequality—is the major challenge of our times. Therefore, reducing the tremendous gap between rich and poor should be the major challenge of

Hunger, the land rights movement, and numerous other grassroots efforts. More recently, protests have been joined by tentative new alliances between these actors to achieve broader political and social change.

Yet private actors, however broadly allied, cannot assume sole responsibility for tasks that are still primary functions of the State.

Philanthropy can only be effective when coupled with equity and empowerment.

the next wave of philanthropy. But is this not a fundamental contradiction? Can those who most benefit from the unequal distribution of wealth and other resources really be expected to reverse this situation?

Notably, most of the Brazilian authors here believe this is the case. The violence and social decay in that country, they say, has galvanized a growing number of wealthy and professional Brazilians to work for social change, as expressed in the work of Instituto Ethos, the National Forum of Social Leaders and other venues. However, they also note that many of these efforts began in response to pressures from organized civil society, from religious leaders, and from their own employees and consumers. Such pressures included the anticorruption movement that impeached President Coller, the massive Campaign for

In Latin America these include basic education and health care as well as legal protection against discrimination. Another change in Brazil, according to Ruth Cardoso, is that the government has taken steps to both encourage private initiative in the social sphere, and establish effective partnerships with business and civil society.

Similar efforts have been made in Chile, Colombia and elsewhere, and enjoy support from the IDB and the World Bank. Nonetheless, as Andrés Thompson notes, "partnership" is easier said than done, given historical mistrust among the parts and the weakness of most representative institutions. Even where private foundations or NGOs have been successful partners with government in social policymaking, María Cristina Rojas raises important questions about

what this means for longer-term state capacity and democratic accountability. Does the delegation of public responsibilities and funds to private intermediaries, however efficient and well intended, represent a decline in the public's ability to hold them accountable? Over the long run, does it strengthen, or undermine, the legitimacy and capacity of the public sector?

So ultimately, can philanthropy really help address the region's persistent poverty and social injustices? Reading through this *ReVista*, the answer here appears to be yes, but not alone. Partnerships are needed, in which government is an active and legitimate partner. Political will is needed, on the part of the haves, to recognize and address the root causes of today's problems. And empowerment is needed, empowerment of the have-nots, to become more equal partners and to make themselves a place at the table.

Cynthia Sanborn is William Henry Bloomberg Visiting Professor of Philanthropy (2001-2003), and Director of the PASCA Program, Harvard University. She is on leave from the Department of Social and Political Sciences, Universidad del Pacifico, Lima, Peru. The author wishes to thank her colleague Rodrigo Villar for his helpful comments and additions to this article.

thropy and community development, and Ignacio Irarrázabal, member of the Chilean Citizen Council for Strengthening Civil Society, on that country's recent public-private initiative to strengthen civil society, with support from the IDB. The spring lecture series focused on "Citizens, Entrepreneurs and NGOs: Private Actors and the Public Good in Brazil."

The PASCA program has sponsored a series of international conferences open to the Harvard community and the general public, as well as smaller workshops for interested specialists. These events generally focus on an original piece of research, a new policy proposal, or a set of specific questions, and allow more in-depth discussion. For example, two workshops (in 2000 and 2001) have focused on controversial public policy issues related to nonprofit development, including freedom of association, tax incentives for nonprofits, and regulation of this sector.

PASCA also provides short-term residential fellowships for leading scholars and practitioners from Latin America, for periods averaging two to six weeks. During this time they may conduct research, prepare publications, establish contact with counterparts at Harvard and in the Boston area, and share

their experiences with interested faculty, students and community members. The program also maintains ongoing contact with worldwide networks of scholars and civil society activists, promotes the development of case studies and other teaching materials, and provides support for Harvard faculty and students to research issues of philanthropy and civil society.

In late May, an invitation-only workshop for donors and practitioners is slated to examine "Philanthropy and Social Change in Latin America: Strategies and Lessons." The objective is to discuss strategies for the promotion of philanthropy for social change, and lessons from existing philanthropic initiatives aimed at addressing the causes of poverty and inequality, not just the consequences. For example, specific sessions will examine the role of philanthropy in community development and education reform. Indeed, as the name suggests, the relationship (or lack thereof) between philanthropy and social change, is what PASCA seeks to address through its activities.

For further information on PASCA, contact **Cynthia Sanborn** <cynthia_sanborn@harvard.edu> or **Rodrigo Villar** <rvillar@fas.harvard.edu>.

A Challenge for the Monster

New Directions in Latin American "Philanthropy"

BY ANDRÉS THOMPSON

T WAS IN AMSTERDAM IN THE WINTER of 1978 when I first came into contact with an animal that would later become a monster with multiple heads. It was a time of exile and hundreds of people were literally escaping from the massacre taking place in Argentina and other Latin American countries ruled by military dictatorships. It was a time of struggling for human rights and for building solidarity committees. Coming from an experience of militancy in political parties with a clear ideological identity, the simple idea of sharing a common cause with political rivals was an entirely new feeling. We started to discover that that animal was called a "non-governmental organization" (NGO) and that by linking and networking with other similar animals one could achieve perhaps more than by joining a political party.

Once back in Argentina in 1984 with the democratization process, I realized that a similar phenomenon had also taken place there. Feminists, environmentalists, human rights activists, social developmentalists and neighborhood leaders of various kinds were building organizations to provide an institutional channel for what started as a "movement."



emocracy and

of Philanthropy at the Graduate School of the City University of New York came to me and offered the chance of a fellowship in New York to study and write about Argentine "philanthropy." That was the term she used to refer to what I was trying to understand. My confusion was great and it increased when I looked up the term in the dictionary: "love of human kind." In the brochure about the fellowship program she left on my desk there was some more technical explanation about the meaning of the

has to do with the struggle for democracy and human rights? How could I link my previous readings on social movements and social change theory with the guru of modern management Peter Drucker? The many heads of the monster began to emerge. So I decided to stay and grasp the subject deeper.

Once back home, the new Argentine democracy started to tremble due to hyperinflation and the subsequent chaos and popular reactions of looting supermarkets and rioting in the streets. NGOs got organized and started to provide food for the soup kitchens that were springing up all over. They were campaigning and openly asking for donations to buy food but with very little response. Was this philanthropy?

When years later the W.K. Kellogg Foundation invited me to work in the field of philanthropy and volunteerism in Latin America and the Caribbean, my first reaction was positive. Working at a grant-making foundation you can do a lot, I thought. That was a time when there were no apparent signs of local philanthropy in the region beyond the traditional benevolent activities of the rich and the religious charity. Neither were there support systems (university programs, NGO coalitions, texts, training programs) to foster its development.

Today the Latin American landscape of philanthropy is quite different. Some facts:

In a little more than a decade, the social and institutional map of Latin Amerca has changed substantially.

These "new" social movements were quite different from trade unions and parties. They were concentrating on single-issues and looking for changes on a small scale. They were going beyond the traditional boundaries of ideological or labor identity. The NGO animal was already turning into something else, yet without a name.

Some years later in 1988, while sitting at my small desk in a NGO doing research on this new organizational landscape of NGOs, I received a visit. It was not Alexis de Tocqueville but in a sense was talking his same language. Kathleen McCarthy, then and still director of the Center for the Study

term: "the giving of time and money for the common good." All of what I had heard until then about philanthropy was just giving money for the only God. The monster started to take shape.

To cope with the intrigue I accepted the challenge and went to New York. My first day of my first time in Manhattan I attended a course at the New School on "nonprofit management." After a couple of hours of exercises, my first reaction was to immediately take a flight back home. What does all this talk about boards of trustees, fund-raising, marketing, human resource administration, accountability, missions and visions



Opposite: active citizenship through volunteer election monitoring in Peru; above: tradition and solidarity in Mexico

there are several university-based research programs and centers on the nonprofit sector; in almost every country, third sector coalitions have been formed, providing a space for NGOs to exchange and share experiences and to advocate for common interests; volunteerism has expanded and specialized volunteer centers have been created; grant-makers associations are emerging; corporate social responsibility concepts and practices are expanding at a fast pace; the media attention to "solidarity" is rising and the participation of civil society in public policies is a common language in politicians and governments; some changes in the regulatory framework of NGOs have contributed to their strengthening.

Why and how was this change achieved? There are a variety of reasons. The incorporation of nonprofit programs in higher education, both in the social sciences and in business administration, reveals the need of universities to open new career paths in a new field but also a closer connection of universities with civil society issues.

The building of NGO coalitions and umbrella organizations is a response to the perceived weaknesses of isolated actions in the field as well as to the stimuli of international cooperation agencies seeking more effective channels to invest their development dollars in developing countries.

The expansion of volunteerism is associated with the questioning of traditional channels of participation such as political parties and labor unions. This trend also places greater value on the notion of an active citizenship as an essential tool of a vibrant democracy.

The emergence of new private and corporate donors is not only the result of wealth creation but also an expression of the process of globalization with its associated need of stronger and better marketing strategies (i.e. cause-related marketing).

Finally, the increasing relevance of communications and new technologies like the Internet has fostered the inclusion of social and nonprofit/philanthropic issues in the mainstream media, in particular, "good news" about voluntary and community efforts to survive and develop.

In other terms, in a little more than a decade the social and institutional map of Latin America has changed substantially. Not only NGOs and foundations have bloomed but a whole infrastructure to support their

activities has been developed. The monster started to walk.

Although the many heads of the monster are now clearly seen, the expected results of the growth of philanthropy are at least contradictory. There are more NGOs combating poverty, but poverty has increased. There are more attempts to increase civic participation in public affairs, but the democracies of the region are being weakened by corruption and economic crisis. There are more sophisticated corporate foundations, but the distribution of wealth continues its unequal path. At a first glance there are no clear signs that more philanthropy means more democracy and less poverty.

When I ask this kind of question to NGO or foundation officers, there is always a straight and similar answer: "we cannot do it alone, we need the state, we need the business people." In theory, the model works like this: the third sector provides the expertise to solve social problems and the close-

ness to the people, the state should transform every single nonprofit action into a public policy, while the business sector should help with dollars and management skills. This approach has a name: partnerships. Based on the assumption that "nobody

favorable to recognize nonprofit activity as an essential part of a democratic system. There is a new legitimacy for actions stemming from private organizations having common good purposes. From a nonprofit perspective the conditions are better than

Social movements are leading the path toward increased and expanded citizenship.

could do it alone," the philanthropic system (NGOs, funders, leaders, support systems) is willing to provide the platform for these alliances. From my perspective, this is the main idea behind all the efforts of the philanthropic community in Latin America and the Caribbean. Simple on paper, but very difficult in practice.

As discussed above, the last decade has witnessed the building of an institutional infrastructure for the development of philanthropy and has created an environment ever to partner with governments and business, but it does not seem that they see the reality the same way. In Latin America, the main purpose of business is still business (and profits! at any cost) beyond the many positive undertakings of "social responsibility." And still the main purpose of governments is governance and economic stability. The quest for partnerships to address the main and many social problems of the region seems far down in their agendas.

Along with continuous learning and experimentation by nonprofit organizations, the main challenge at this time is to more forcefully advocate the convening of the forces of social change. Increased local giving and expanded volunteerism are good in themselves but insufficient to provoke the desired and needed changes in the distribution of wealth. Stronger voices and leadership are also part of the menu.

The many social movements emerging in the region around crucial issues (landless, anti-corruption, human rights, unemployed, peace, justice) are leading the path towards increased and expanded citizenship. They are even questioning the capacity of the political systems to deliver the minimum welfare for the survival of the large majority of Latin Americans. These forces are the natural allies of the nonprofit and philanthropic community and empowering them may be their best investment in the near future. Will the monster take the challenge?

INTERCAMBIO DE SALUD HONDURAS

he Intercambio de Salud Honduras (Honduras Health Exchange) is a health program in Tegucigalpa, founded ten years ago by Dr. Juan Almendares. The program offers a variety of services, the best-known of which is a free clinic offering medical consultation with both conventional and alternative therapies, serving approximately 8000 patients per year. The clinic, which is open from 5 to 9 p.m. (or until the last of the patients has been seen) Tuesdays to Thursdays, is staffed by volunteer physicians. In addition, it has its own free pharmacy, stocked with donated conventional medicines as well as homeopathic and herbal treatments. Patients are primarily unemployed or underemployed residents of the barrios of Tegucigalpa. Although the Honduran government offers free medical and dental care at public health centers, the wait for an appointment can be very long. Many of the patients at the free clinic attend because their medical problems have not responded to treatments available at the state health centers.

The free clinic deals intensively with human rights issues, especially women's rights. Many of the women patients have experienced domestic violence, and may have spouses or partners who offer no financial support for their children. Physicians staffing the center include a component of social work in their consultations, referring these women to centers for women's rights, as well as to legal resources they can use to claim child support.

In addition to the clinic, the program operates *brigadas de salud* (health care outreach), approximately on a monthly basis, to communities with little access to health care facilities. I participated in one of these outreach brigades, often directed to populations affected by human rights violations, in particular indigenous communities. Finally, the program offers training sessions for midwives, as well as seminars in massage therapy. The program's primary funding source is Trocaire, a Catholic foundation based in Ireland. It receives additional assistance from Enable, a Chicago-based non-profit, and privately from faculty members at various universities.

Anje Van Berckelaer, Harvard Medical School, received a DRCLAS research travel grant last summer to study the health effects of a goldmine on the population of El Porvenir, Honduras.

Andrés A. Thompson is Argentinean. He joined the W.K. Kellogg Foundation (Battle Creek, Michigan) as Program Director for Latin American and Caribbean Programs in 1994. He has written and published several books and articles on social development, non-governmental organizations and philanthropy. He is also director of the magazine Tercer Sector and member of the Executive Committee of the Argentine grant-makers association.



Changing the Rules of the Game

Soccer and Youth Leadership in Peru

BY ALDO PANFICHI

T'S SUNDAY AT 2 P.M. IN LIMA, PERU. MY FRIENDS AND I MEET to go to the stadium, as we always do on weekends. Nobody has watches or wallets, only the white and blue striped t-shirts we have worn since we were kids. We decide to take one car to avoid being trapped by the heavy traffic, the barras bravas (violent fans), and the human sea that converges from different districts of the city on to the stadium. Taking a short cut, we suddenly face exactly what we feared: a crowd of ragged looking youths, jumping and singing fanatically, war paint on their faces and flags waving in the wind. They surround us in a threatening manner and rock the car as though trying to overturn it. We lower the windows and despairingly show them the team colors on our chests and begin to sing together, loud, ever louder, until little by little they move aside, forming a corridor of bodies and songs that we urgently pass through. The mounted police arrived late but nevertheless violently crush the young crowd. We arrive on time to the stadium, but in the streets the game had already begun.

It's rather ironic that soccer is often linked to violence in Latin America (and other places where it's a sport of the multitudes) because soccer itself is a fairly non-violent sport, in which the basic rules of democracy and fair play are applied more often than in real life. Individuals of all social classes and ethnic groups, organized in two opposing teams, meet each other in equality of conditions, in public spaces built for this purpose, where the authority of the referees and the rules of the game are clear and widely respected. Furthermore, soccer clubs in Latin America are generally longstanding civic associations that are a fundamental part of civil society, linked to the history of a specific city, *barrio* or ethnic or social group. Precursors of the most modern idea of philanthropy, they create solidarity between individuals of different social classes organized around a given club.

Nonetheless, the attraction towards soccer frequently results in street fights between followers of rival clubs, as well as fan violence and harassment within the stadiums themselves. The failures of democratization and the histories of political violence and social exclusion often add additional fire to the passions of the fans. In societies with strong social divisions, the followers of rival clubs (called *barras bravas* in Latin America, *hooligans* in Europe) build their own identity on the troubled histories and identities of their beloved teams. In Peru, these fans are largely poor urban youths

organized in rival gangs, who head to the stadiums to "do battle" in an effort to "change their destiny" and obtain victories. The "enemies" are both the contenders and authorities who are always perceived as powerful and corrupt. In this sense, the passion for soccer has a contradictory outcome. On one hand, it encourages integration and social solidarity. On the other, it is one of the most important mechanisms of social differentiation in Latin American societies, reinforcing societal divisions and historical fault lines. Furthermore, the violent and undemocratic practices of soccer fans can affect many beyond their members and can come to threaten civic coexistence itself.

This recognition of the contradictory nature and potential of soccer fanaticism drove me and a group of fellow Sunday stadium-goers—mostly professors and students from the Catholic University of Peru—to develop a project called "Soccer and Barrios: Youth as Promoters of Local Development" (Futbol y Barrios: Jovenes Gestores de Desarollo Local). Launched in October, 2000, with support from the AVINA Foundation, this unique initiative combines corporate philanthropy with student and professional volunteerism. The project seeks to channel the energy and passion of young soccer fans in more productive directions, converting the barra leaders into instruments for the development of their own communities. Through various forms of civic and vocational education and social interaction, the program's aim is to undermine the violent and anti-democratic culture of these fans, while at the

same time encouraging their enormous capacity for mobilization and leadership.

To help achieve these goals, we called on volunteer professionals in such areas as technical and vocational training, civic education, communications and psychology. Equally important, we harnessed the energies of another subset of Peruvian youths-middle and upper class student volunteers who participate alongside their streetwise peers in various forms of training and development. For the barra leaders, some of whom already have criminal records longer than their job records, this project offers educational resources and civic experience that can increase their self-worth and future prospects, as well as increasing the social capital of the communities in which they live. The resources of this project go beyond the important financial contribution of AVINA (a Swiss-based corporate foundation) and other private donors. They bring together players who are normally detached from each other, but who share the same objective of ending violence in soccer: students, professors, volunteer professionals, civic and religious leaders, and the barra youths themselves.

In Peru as in many countries, some violence has always been associated with organized sports. However, this phenomenon emerged as a major social problem in the early 1990s, after the defeat of the Shining Path guerillas by the Armed Forces and national police. The political violence that shook the country during the prior decade left more than 30,000 people dead or disappeared and



exacerbated deep social wounds. The regime that emerged to deal with it, under Alberto Fujimori's authoritarian rule, also applied radical economic adjustment measures that drastically changed the labor market and rolled back many social functions of the State. These factors had a negative impact on the youths who came of age in the 1990s, kids who faced violence all around them and few prospects for a viable personal future. During these years, there were

significant changes in the composition, forms of organization and collective behavior of the soccer *barras*. Historically, "crazed" soccer fans in Peru, as in Argentina and elsewhere, have been middle-aged, often mid-

dle class men. However, the barras that emerged in Peru in the early 1990s—the so-called *barras bravas*—involved primarily poor urban kids. Over the last decade, these organizations have become spaces for building strong identities among such youth, as well as for reinforcing their aggressive and masculine styles.

Based on studies for UNICEF and the Catholic University, we found that the majority of these youths are secondary school dropouts, with early experiences of family violence and few marketable job skills. Some deal and use drugs, while others seek out temporary employment in the informal sector to survive from day to day. The media has generally sensationalized these characteristics and transforming these kids into feared social actors condemned by public opinion and undeserving of any kind of social assistance. This social exclusion reinforces not only their distrust of the authorities and public institutions, but also their sense of belonging to the *barra*, a form of organization that few outsiders know anything about. These *barras* operate as a community that allows members to cease being anonymous, gives them shared goals, and provides them with a sense of order in their lives, establishing firm

routines and commitments, factors that are unusual in their normally de-structured lives.

Today, the soccer *barras* are well-organized networks that extend throughout the poor *barrios* of Lima and other major cities. The mission of the *barra* is to unceasingly cheer its soccer team on, following it in an almost religious pilgrimage through all the stadiums of the country, pressing the players to gain victories, watch-

Soccer fanaticism has a contradictory nature of violence and democratizing potential.

ing over the conduct of the referees or authorities, and defending their flags and colors against the opposing barristas. To do this, the barristas manage collective funds, attend coordination meetings, settle internal disputes, plan fundraising activities, and distribute various resources among their members, such as free tickets to the stadium and team paraphernalia. Barras even provide economic support for members who are wounded in fights or jailed because of their activities in the group. Their leaders are also well known in other civil society organizations in the neighborhoods where they are based, and they coordinate with neighborhood boards, soup kitchens and local sports clubs. These activities make the barristas social actors with an enormous development potential.

To tap this potential, the *Futbol y Barrios* project proposed to work with 120 *barra* leaders over a two-year period. Participants were selected on the basis of the leadership potential they display in their neighborhoods, and their willingness to commit themselves to a number of training activities. Their engagement has been possible because of the mutual trust developed between the *barristas* and the university students involved in the project, a trust that

Previous: Barras at the stadium; opposite: local barra "Expansión" in the district El Agustino; below: going to the stadium; celebrating a victory





A barra filming for a communications program

was built up during two years of prior fieldwork I supervised as part of a Research Workshop on Youth, Sports and Violence at the Department of Social Sciences of the Catholic University.

The *Futbol y Barrios* project is organized around four simultaneous lines of action. The first is to learn a trade or technical occupation that will allow the youths to be in better condition to join the labor market. After an evaluation of their occupational skills, the young men receive scholarships to prestigious technical training institutes, and special trainers who will help them learn a trade. The trainers, in turn, have been sensitized to the need to take a bet on these unconventional students.

The second line of activity is a civic training workshop that seeks to make the youths conscious of their natural leadership skills and of their rights and obligations as citizens. They are also given training in techniques for the settlement of disputes and criteria for com-

munity organization. The workshop begins by self-analysis of their own life experiences, and breaking down parts of that experience into different subjects that serve as modules. For example, one recurrent subject is police

abuse on the way to the stadium. Professionals from NGOs specializing in rights and democracy guided discussion of this issue, seeking to teach them citizenship rights and to underscore how mistaken it is to respond to police violence with more violence of their own.

The third area is communications training to help these youths have a voice of their own that can be heard by society. The barrista intensively use graffiti and paint murals on the streets of their barrios and near the stadiums. They also produce their own designs or iconography that they stamp onto t-shirts and banners. Some barras even design their own Web pages and produce cassettes with songs and testimony to self-finance themselves (as an example, see <www.comandosvr.com/portada.htm> The communications program encourages these expressions, offering new and better techniques and seeking to influence the content and messages they convey. The barristas are also preparing to host a radio program to offer their opinions on subjects of youth interest and share information on their activities. In this way, youths

who have been stigmatized as unredeemable have the opportunity to directly express themselves.

Finally, the fourth line of action involves local community development, in which the *barristas* propose initiatives that benefit their *barrios*. Volunteer university students help them translate these ideas into actions. These initiatives include frank talks on sexually transmitted diseases, art workshops for street children, cleaning and physical improvement of their *barrios* and paper recycling activities to help support themselves. These activities are one of the few spaces for encounters between youths who share the same generation, the same passion for sports, and similar vocations for social service, but whose educational and life experiences are radically distinct. In this encounter between student volunteers and *barristas*, we seek to reduce the vast social distance and distrust that marks Peruvian society, strengthening in a modest way the idea of citizenship, as well as promoting a fruitful exchange of knowledge.

Although this project was based on prior research (and fanatical participation) in the soccer world, it is still in the initial stages; we consider it a promise rather than a final solution. What we have observed so far, however, is encouraging. First of all, the participants have demonstrated a gradual decline in their drug consumption, as well as in their participation in street fights and violent conflicts. In most cases, they have also ceased to be seen as a risk to their neighbors and are gaining new respect in the community. Furthermore, the project has generated some healthy new forms of competition among the rival barras. For example, the Comando SVR barra, associated with the Alianza Lima club, has developed its own project entitled "Barrios Blanquiazules" (white and blue barrios, the official team colors), which combines the establishment of soup kitchens to fight malnutrition with anti-drug campaigns. Their leaders have submitted this project to a government agency and to potential private donors. Meanwhile, their traditional rivals, the "Trinchera Norte" group associated with the Universitario club, has started its own project on "participatory citizen-

Soccer organizations have become spaces for building strong identities among urban youth.

ship" (ciudadania participativa), with the support of a consortia of private universities, in the crime-ridden neighborhood of El Agustino. This effort is run by the leaders of "Locura," the local branch of the barra and a youth gang that until now has been largely known for its highly antisocial behavior. Additionally, the "Extremo Celeste" group associated with the Sporting Cristal club has requested support from the Backus Corporation, which owns the club, to sponsor an occupational training program for their members.

While these programs alone may not eliminate youth violence in a society as troubled as Peru, we believe they are a step in the right direction—or to put it in sporting terms, "un golazo de media cancha."

Aldo Panfichi, is a Visiting Scholar at DRCLAS, and a professor of Sociology at Catholic University of Peru. His current research focuses on civil society and politics in Latin America. He is also an honorary AVINA civic leader, and member of the Board of Alianza Lima soccer club.

Option Colombia

Colombian Voluntarism More Alive Than Ever

BY MARGARITA MARTINEZ

HILE MANY COLOMBIANS ARE DEsperate to escape the bombings and kidnappings that have ripped into daily life here, others want to stay, roll up their sleeves and make a difference.

At least this is the case for more than 3,000 college students volunteering for "Option Colombia," a Peace Corps-style program that for 10 years has sent students to communities all over the country—peaceful or in conflict, poor or prosperous, tucked into deep jungle or perched in the rugged Andean mountains.

This effort continues while Colombians, especially well-educated ones, leave at record rates because of skyrocketing kidnapping rates, high unemployment and violence.

But this is not the case for Enrique Chaux, who was a physics student at Bogotá's University of Los Andes with his mind set on a natural sciences career when he volunteered in Vigia del Fuerte, an isolated town near Colombia's tropical Pacific Coast inhabited mostly by descendants of slaves and Embera and Cuna native Colombians.

He arrived in this rainy town in 1994, just after a deadly earthquake with the mission of supervising reconstruction projects. But he soon realized he had walked into a life-changing experience, in a place so remote and forgotten that a police inspector once asked him what had happened with the plans to send a man to the moon.

He had also entered a hive of corruption. He learned that on paper the government was supposed to be reconstructing 12 schools, but nine had never existed. In addition, resources were being plundered and several unnecessary projects were underway.

Chaux, 34, says his job as watchdog of public spending was complicated by the suspicion that most of the town's gasoline—essential for travel on the river that is the town's main artery—was ending up with the guerrillas. The numbers didn't add up and the people felt that it was difficult to change things.

"After I came back to Bogotá I was empowered, I felt that there was a lot to do but that I could contribute to it" said Chaux, who finished his doctorate in education with emphasis on violence prevention at the Harvard Graduate School of Education last year.

He said his Option Colombia experiences convinced him to shift the direction of his life from neuroscience to community work. Now he works as professor and researcher for an education research center at Bogotá's University of Los Andes.

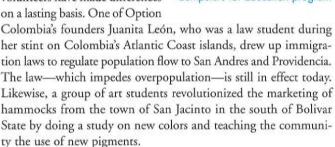
As with all volunteer experiences, it's hard to evaluate how much good-willed students leave behind on a permanent basis. Volunteer experiences can sometimes be plagued by amateurism, culture gaps and shock, and the inability to really make a difference over time. Option Colombia director, 25-year-old David Llanos, points out that there's a lot of technology transfer by volunteers, although it doesn't



always have "sustainable impact" after the volunteer leaves.

About 4,810 computers have been installed in almost 500 schools throughout Colombia. The program accepts donations of old computers, revamps them and installs them at impoverished schools across the country.

Beyond technology, student volunteers have made differences on a lasting basis. One of Option



Yet, as Llanos readily admits,"After ten years of existence, Option Colombia has made some important contributions in some towns. But more than anything else, it is the students who have changed, who have fallen in love with communitarian work."

Today's volunteers sometimes find themselves in touch with the violence that many urban Colombians only see on television.

Engineering student Erica Prieto, who returned in December from her placement in Almaguer, a beautiful colonial town high in the southern Andes, experienced an attack by a division of the FARC, the biggest rebel group of the country. The group launched its seventh attack on the town while Erica was there, bombing a police outpost and several homes nearby.

"I came back with different feelings, on the one hand every time I hear a strange noise, my knees start shaking fearing another attack," said Erica. "But on the other hand I learned to love Colombia more because I got to know it better, in its good and its bad side."





Clockwise from top left: painting a community mural; volunteer Enrique Chaux holds local crabs; Computers for Education program



Clockwise from left: Nueva Esperanza "New Hope" community with volunteer Vilma Zárate; volunteers on the river; navigating down a tropical river

Working with the program "Computers to Educate," run by the presidency, Erica also faced many daily challenges. She had the computers, but many of the outlying villages don't have electricity and had to be equipped with generators.

She also supervised public works in the schools and helped educate teachers, students and even parents about the new possibilities that technology can bring.

Erica said she found it rewarding to see the people working together to safeguard their new computers, after feeling initially a very passive environment. But she also felt moved by the gifts of passion fruits from peasant mothers, thank-you notes and the feeling of making a small difference. She now says her heart—and probably her future—is now working with people, trying to improve the lives of others.

WHAT THE EMPLOYERS SAY

Students say it's an incredible opportunity to satisfy a burning desire to make changes, to do something for the country, to live with different cultures, to leave their parents' home for perhaps the first time even to earn money. But Option Colombia employers love their work.

María Isabel Mejía, the director of "Computers to Educate," observes, "The combination of the knowledge, enthusiasm and the desire to go to any place makes them a fundamental part of the program," said Mejía, whose project is now the biggest employer of optionists. More than 200 students are scheduled to be hired by this program in 2002.

HOW IT ALL STARTED

Ten years ago, while drug lord Pablo Escobar was setting off bombs all over Colombia as part of his campaign to avoid extradition, a group of students, mostly from the University of Los Andes, founded Option Colombia.

"We didn't want anything revolutionary," said León, who is now a journalist. "We felt that more than changing the world, we wanted to change ourselves."

She was one of the founding group of about 13 people, tired of the violence but with no pretension that they knew the solution to all the problems.

"The purpose was more humble," said Leon. They wanted the university to come closer to the towns and narrow the gap between academic theory and reality. Also, the group wanted to help strengthen the new 1991 constitution's incipient decentralization process by helping transfer the technology skills and knowledge that advanced students had.

But more than anything, they wanted to do something that would make them happy, that would liberate them from the feeling that they were in a privileged bubble and even the fear of becoming bureaucrats or yuppies.

That's when, in 1991, they created the Option Colombia Corporation, which is still managed by students. The corporation pro-





vides both the government and non-governmental organizations with college students willing to work anywhere for twice the minimum wage (around U.S. \$ 300).

The idea started spreading and little by little groups of students all over the country promoted it in their own universities. Ever since, between 300 and 400 students have gone each year to small communities all over Colombia.

Other programs were born from this. The most important of all has been Option Latin America, supported by the Organization of America States, which has helped create national chapters in Chile, Nicaragua, Ecuador, Bolivia and Mexico.

The program remains strongest in Colombia, where the everpressing realities of an escalating conflict are proving an obstacle, even though the desire to go to the countryside, to the jungles, to the little towns near the sea, keeps motivating the students.

"Now we have to have meetings with their parents to let them know where their children are going and often there are tough questions about security that we don't have answers for," says Option Colombia director Llanos. However, he adds that no volunteers have encountered serious problems on that score.

The 10-year review of Option Colombia concluded that people who have gone through this experience are more likely to be more socially responsible, remaining engaged in outreach programs and voting more, for example.

"If it weren't for this experience, important human capital contributing to the country wouldn't be doing it, because the potential these people had inside them would have been squelched," says Chaux. "Once you know your country from the inside, its cultures, its nature, you cannot abandon it."

Margarita Martinez is a Bogotá-based writer who works for the Associated Press. A graduate of Columbia Graduate School of Journalism, she has learned first-hand how experiencing different countries and regions changes one's perspective. Colombians and foreigners who wish to change their perspective by volunteering for Opción Colombia can find out more at <www.opcioncolombia. org.co> or e-mail <comunicaciones@opcioncolombia.org.co>, attention David Llanos, executive director.

Volunteer Action

Defending Democracy in Peru

BY MARCIA BERNBAUM

HEN CITIZENS THROUGHOUT THE WORLD CAST THEIR votes—be it in a presidential, congressional or municipal election—they are exercising a fundamental right and responsibility: to participate in selecting the leadership that they believe will best represent their interests. However, the rights and responsibilities of voters do not end at the polls. Working side by side with international observer delegations, groups of citizens are increasingly exercising their right to pressure governments and assure that the elections they participate in are transparent, free, and fair.

In Latin America, citizens have formed electoral monitoring organizations in 12 countries. Chile's *Participa* was the first in 1988 followed by Paraguay's *Saka* in 1990. Alianza Civica in Mexico—a coalition of civil society organizations—has been observing elections since 1994. These organizations are mostly staffed by volunteers—private citizens from all walks of life who are committed to promoting and defending democracy in their countries.

This article focuses on one of these organizations, Peru's Asociación Civil Transparencia, founded in 1994 by a group of Peruvian intellectuals and religious figures, who believed that citizens needed to play a more active role in assuring transparency in Peru's elections and in promoting a better understanding of democratic processes. Transparencia has now mobilized more than 70,000 people, mostly volunteers, to observe in all types of elections, including three presidential and parliamentary elections (1995, 2000, 2001). Between elections, Transparencia has tapped on its broad volunteer base to assist communities and civic associations to organize and observe their own elections, train high school students to carry out democratic school elections, promote citizen vigilance of elected officials and prepare a high school civic education text-book widely used throughout the country.

Peru's 2000 presidential and parliamentary elections—among the most irregular and fraudulent in Latin American history—provided *Transparencia* with what was one of the strongest challenges faced to date by any domestic election observation entity. By early 1999, *Transparencia's* board of directors knew that they would be entering a highly charged electoral environment. Alberto Fujimori, then completing his second consecutive term as president, was determined at all costs to be elected for a third (and illegal) term. In fact, *Transparencia* and other civil society organizations had evidence that Fujimori had been preparing the way for this since his 1992 self-coup which increased direct executive control.

With this in mind, *Transparencia's* board decided to adopt a bold and comprehensive observation strategy that included numerous risks for the organization and its volunteer base.

Their agenda included: (1) taking on a wider range of observation functions before and after the elections, as well as traditional election day monitoring (2) nurturing and expanding existing coalitions with other civil society organizations, and (3) establishing a close relationship with international observers and foreign governments also concerned with the credibility of Peru's 2000 electoral process. *Transparencia's* board also realized they had to draw on the good will of thousands of Peruvians, most of whom would be serving as volunteers, to reach these ambitious goals.

In spite of sometimes high levels of tension during the 2000 election, the core *Transparencia* staff and their thousands of volunteers throughout the country provided the Peruvian public and the international community with invaluable information on various aspects of the electoral process—the candidates, the electoral



From top: Volunteers interested in becoming observers arriving at Transparencia training event; Transparencia volunteers in Abancay

registry, scrutiny of the votes, and the outcome of the voting process. *Transparencia's* quick count on April 9, carried out almost entirely by volunteer pollwatchers, was said to have more legitimacy than the official vote tabulation and became the standard that influential Peruvians and the international community used to keep Fujimori from being elected in the first round.

However, *Transparencia* and international observers, unable to stem the escalating irregularities between electoral rounds, decided to withdraw from observing the second May 28 electoral round. Although Fujimori was elected for his third term in this widely questioned second round, by November, the new Fujimori government had collapsed, sparked by electoral corruption and corruption that came to light after the elections themselves. A transition government subsequently called new presidential and parliamentary elections in April 2001, and *Transparencia* again assumed a fundamental role as impartial elections observer. This time, *Transparencia* and its thousands of volunteers were able to document an electoral process that was free, fair and transparent.

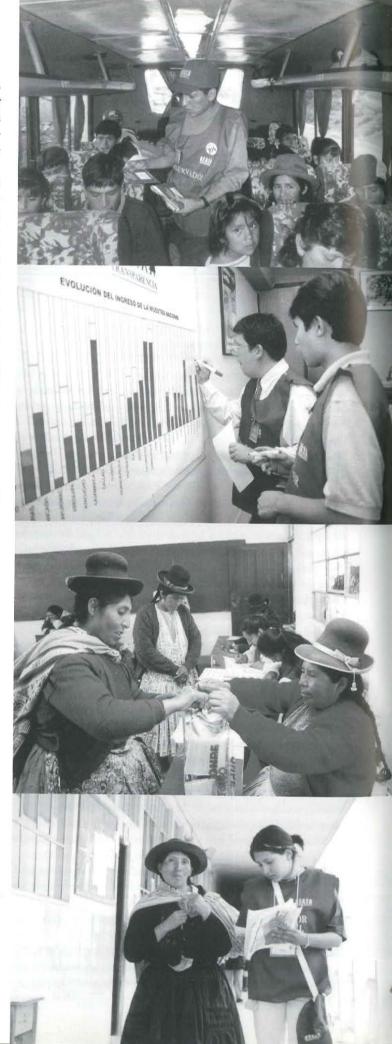
Today, *Transparencia* is gearing up to use its large reservoir of knowledge and human energy to promote electoral reform legislation, and to mobilize citizens throughout the country to take part in active vigilance of elected officials.

HOW CAN VOLUNTEER OBSERVERS SUPPORT DEMOCRACY?

Nearly 20,000 volunteers collaborated directly with Transparencia in observing the 2000 elections. Several thousand more formed the cadre of some 400 Peruvian civil society organizations joining with Transparencia to assist in the observation process. Opportunities for collaboration ranged from providing input for Transparencia's statements on the legality of government actions involving the electoral process, to assisting with a myriad of activities at Transparencia's Lima headquarters, to preparing for and observing on the day of the elections. Collaborators, mostly on a volunteer basis, ranged from among Peru's most highly respected lawyers, political analysts, and media experts (who were actively involved in Transparencia's extensive pre-electoral observation) to high school students, university students, schoolteachers, accountants, small business owners, and housewives (who played a particularly critical role observing on elections day). Of the nearly 20,000 volunteer poll watchers election day, 57% were men and 43% women. Volunteers ranged in age from 18 to over 60, with 60% between 18 and 30. By occupation 43% were high school and university students; 17% were teachers; 7% were employed in the wage and salary sector; 6% were self-employed professionals; 6% were self-employed blue collar workers; 5% worked in agriculture; and 4% in commerce.

WHAT IS IN IT FOR THE VOLUNTEERS?

One might ask: how have *Transparencia* and other election observation organizations been able to draw so many eager volunteers to observe in electoral processes? I set out to find the answers through followup interviews with more than 60 individuals, ranging from the president of *Transparencia's* Board of Directors to volunteers in the field. Although the sampling is relatively small, the data collected provide useful insights into why individuals in Peru and in other countries take time out from other activities, often at a significant personal expense, to participate as volunteers in an electoral observation process.



1. A VALUABLE LEARNING OPPORTUNITY

Many of the volunteers found that participating in the elections observation process provided them with a valuable opportunity to learn about democracy in general, about the electoral process, about people from different backgrounds. Wendy Agustín (21 years old, a third year sociology student at a university in Lima and a volunteer trainer for *Transparencia*) comments,

"The fact that I was able to visit and become acquainted with so many areas of my country. My trip to Pataz, in particular, had an impact on me because I had never been to such a poor community. For people who live in Pataz it is hard to leave their community. They have one fax, three telephones that function until 6 p.m., there is no national radio station, just (the state-controlled) channels 2 and 4 on television. The only people with higher education are the school teachers. It takes 17 hours to travel from Pataz to Lima. I returned to Lima sick, alarmed with what takes place in my country. As a social worker I wouldn't have had an opportunity to be exposed to these types of realities. Transparencia has given me this opportunity."

2. AN OPPORTUNITY TO EDUCATE OTHERS

Participating in the electoral observation process provides an equally important opportunity to educate others—colleagues, friends, and family members. In the words of Sujey Piscoya—a university student in communications who worked full-time as a volunteer at *Transparencia* headquarters during the 2000 elections:

"My collaboration with Transparencia has permitted me to educate other members of my family, my friends in my neighborhood, my colleagues at the university. My friends were never concerned about politics and how important their vote is. Now, when I meet with them, they ask me questions. I feel good."

3. CONTRIBUTING TO A CAUSE ONE BELIEVES IN

Electoral observers gained a sense that through collaborating with an organization such as *Transparencia* one is supporting democracy, contributing to a cause one believes in. Carmen Rosa Arevalo, a preschool teacher who was elections 2000 alternate coordinator for *Transparencia's* provincial committee of Maynas in the northern jungles of Peru observes,

"The challenge of participating in Transparencia is that you are strengthening democracy especially given that in this region we are living very difficult moments given the political context. We commit ourselves when we see and dialogue with people who gave us their testimonies. The population, once activated, takes on its own conscience. People say 'Caramba, where is Transparencia?' Everyone has spoken of Transparencia."

4. A CHANNEL FOR INDEPENDENT POLITICAL PARTICIPATION

In 2000, *Transparencia* was one of the few games in town for those who do not trust or identify with the political parties. Francisco Eguiguren, a member of *Transparencia's* General Assembly and currently the head of Catholic University Law School says,

"Transparencia has given me the sense that I can do something to contribute to the political process and to democracy in my country with-

From top: Distributing Transparencia information on a bus; Election observers charting progress of Transparencia's simulation of the quick count on March 3-4, weeks before the April election; casting a ballot in the rural areas; volunteer consulting with a voter.

out being a politician. Uniting forces with others who, without ambition for achieving a political position, can collaborate to achieve democracy in our country."

LEARNING FROM THE VOLUNTEER EXPERIENCE

Many lessons learned from the experience of *Transparencia* apply to elections observation in other countries: even when international observers are necessary you need good volunteers and vigilant citizens on the ground to make that observation work; elections observation provides an important channel for concerned citizens to participate in strengthening democracy; volunteers can play a very important, and effective observation role, regardless of the electoral environment; *Transparencia* and other elections observation organizations are only as good and as credible as their volunteer base.

Volunteer-based election observation entities also pose challenges such as the quick organizational and logistical capacity required to effectively mobilize thousands of volunteers throughout the country on elections day. The organization must also be careful not to raise unrealistic expectations among volunteers for continued involvement in promoting post-electoral democracy.

LIVING DEMOCRACY IS MUCH MORE VALUABLE THAN SAYING THE WORD

The *Transparencia* experience highlights the fact that giving and volunteering in Latin America is not only focused on addressing poverty and basic social needs (fundamental though they are), but is also fundamental to any effort to defend and consolidate democracy. *Transparencia's* experience observing Peru's 2000 elections is one of many over the past decade in Latin America in which civil society organizations have drawn together thousands of volunteers from all walks of life to serve as neutral and non-partisan observers of their countries' electoral processes.

Thus, citizen volunteers can, through their participation in observing an electoral process, play an important role in assuring that the conditions are in place for a key democratic process like an election and, if these conditions are not in place, to help bring these conditions to public light. Volunteer citizens can play multiple roles in observing an electoral process; it can also be a personal education for them, an opportunity to "live" democracy.

María del Pilar Ramirez Mora, a 16-year-old high school junior who volunteered her time to provide electoral information to voters, reflected on her hopes for future involvement with *Transparencia*:

I would love to continue participating with Transparencia all the years that I can. When I have children I hope there is an institution like Transparencia so that they can have the same opportunity that I have had to have a more real experience. Living democracy is much more valuable than saying the word."

Marcia Bernbaum has been working in development in Latin America for more than 20 years. She has authored several evaluations and case studies focusing on the role of civil society in promoting democracy. The case studies, upon which this article is based, along with additional information on Transparencia, are available at <www.transparencia.org.pe>. Bernbaum may be contacted at <Mbern362@ aol.com>. The author wished to thank Transparencia and Pat Merloe (NDI) for their input on this article.





Venture Philanthropy in the Americas

A Personal Journey: Youth Orchestra of the Americas

BY HILDA OCHOA-BRILLEMBOURG WITH DONNA LAUDERDALE

HE BRASS BLAZED AND THE STRINGS SOARED AS THE EXCITEMENT grew among the 350 young musicians from two continents. Only three days before, musicians from the New England Conservatory Youth Philharmonic and Sinfónica Juvenil de Venezuela had first met to prepare their joint concert in Caracas, Venezuela. The training styles, repertoire preferences, and number of encores were quite distinct, but watching the young people play together was an inspiration that guided all parties to bridge cultural and musical differences. As the concert began in the huge hall in Caracas, the powerful force that great music has to lift the human spirit above the ordinary aggravations of life took the lead. Neither the audience of 3000 from all over Venezuela nor the musicians wanted the concert to end; it stretched to more than four hours, followed by a celebration until the wee hours of the morning. The concert launching the Youth Orchestra of the Americas (YOA), was June 19, 2001, less than nine months after a press conference at the Washington D.C. headquarters of the Organization of American States, announced the formation of the YOA.

Philanthropy, by simple definition means "good will toward all people or an effort to promote human welfare." Venture philanthropy, which adds the enthusiasm and energy of the entrepreneurial spirit, can change people and nations. This is especially true when projects are directed toward children and education—projects that

make you invest in their future, with a high rate of return on investment. Cellist Yo-Yo Ma, a champion of music education and a member of the YOA Advisory Council, summed up YOA's mission:

"Music is an interactive language that draws performers and audiences together like no other art form. Using music as a tool of international communication and good will, the Youth Orchestra of the Americas will enable talented young musicians to explore and share their cultures while pursuing their love of music...."

Youth Orchestra of the Americas, a venture philanthropy organization we helped create, is one of the most rewarding with which we have worked. It has the potential not only to change the lives of the participating young musicians, but it also can expand the hopes and horizons of other children and adults throughout the Western Hemisphere. Because we have secured the endorsement of many hemisphere presidents, as well as involving government and business leaders and varied grass roots groups and individuals, YOA is becoming the vibrant strand in a strong cable that can unify the diverse countries of North, Central and South America, in a common, transcendental vision of individual and collective achievement. As Boston Philharmonic Orchestra Conductor Benjamin Zander, a YOA Advisory Council member, observed,



"Here, what's celebrated is the human spirit...what we'll find is that the differences in our culture and in our education become wiped out when we settle down with our instruments to Tchaikovsky or Mahler. ...It's an important message politically and it's an important message for the business community and it's an important message psychologically for humanity. And the kids will always teach us that."

YOA's mission is an ambitious one:

- To showcase the Americas' best young musicians from the Yukon to Patagonia in a world-class symphony orchestra
- To inspire the Americas' youth, leadership and its people to achieve their best in a spirit of harmony and high creativity
- To provide exceptional music and intercultural education to the Americas' most gifted youth

YOA, with those two essential ingredients of enthusiasm—youth and education—began as a "simple" idea. Bring together 120 exceptionally gifted young (ages 14-24) musicians from every country in the hemisphere. Let them study and rehearse for several weeks each summer under the best instructional faculty and leading conductors, live and learn together in cross-cultural sessions and then travel and perform in the most renowned concert halls in an eightcity tour, as well as special ensemble performances at other times during the year.

FROM IDEA TO IMPLEMENTATION: THE LAUNCH

New England Conservatory's (NEC) Dean of Continuing Education, Mark Churchill, convinced several NEC trustees to provide seed capital for the organization; he approached Debra McKeon, former



From left: Placido Domingo, Artistic Director for the Washington Opera and YOA Artistic Advisor, instructs violinist Dietrich Paredes during rehearsal for the March 6 YOA performance at the Americas Society; Youth musicians in concert participating in November 2001 hemispheric cultural exchange event, Cuban Music Festival. Students are from New England Conservatory Youth Philharmonic and Musica Eterna of Havana.; Student receives flowers following concert at Cuban Music Festival, sponsored in November 2001 by YOA founding institution, New England Conservatory, and Musica Eterna of Havana.

New York Philharmonic Assistant Manager and general manager of the American-Soviet Youth Orchestra, to spearhead the effort. What followed happened quickly and effectively. Debbie contacted Steve Reifenberg at the David Rockefeller Center for Latin American Studies (DRCLAS) and Steve suggested she speak to me as an active member of the Center's Advisory Board with an interest in hemispheric arts. I got Debbie's first call in May 2000. Representatives from the New England Conservatory and Debbie soon met in Washington at our firm, Strategic Investment Group, via conference call with Maestro José Antonio Abreu. Founder and director of the Sinfónica Juvenil de Venezuela for the past 20 years, Abreu had become my friend since the days when he was my macro-economics teacher at Universidad Católica in Caracas. Ana Milena Gaviria, "first lady" of the Organization of American States (OAS), also at that initial meeting, became an instant enthusiast. YOA is a natural extension of the formidable work the OAS already has under way in promoting young children and music education among the less privileged of Central and South America. From this first meeting, it became clear that the NEC, the Venezuelan Youth Orchestra and OAS had been thinking alike in terms of creating a cross-continental youth orchestra, each working independently within their sphere of influence. YOA combined their forces on this mission.

In September 2000 we had a major launch with a master class conducted by the charismatic Benjamin Zander and fine string players from North and South America. The occasion was the annual meeting in Washington D.C. of the Group of Fifty (G50), a group of Latin American industry leaders with broad community and global

projections, sponsored by the Carnegie Endowment for International Peace. While an audience of businessmen and politicians watched, the magic of inspirational leadership through a master class transformed the group of young musicians. By November we had incorporated YOA with the help of attorney Roberto Dañino of Wilmer Cutler & Pickering and his associate Leslie Sturtevant, and Strategic's legal council, Harvard Law School graduate Lourdes Lopez Isa. In the process we created the not-for-profit Vision, Inc., which would serve as counter signatory of the agreement with the New England Conservatory.

With the immediate positive response, cash and in-kind contributions, YOA began to build a network of support by enlisting the financial help, advice and commitment of artists such as Placido Domingo and Yo-Yo Ma, U.S. government officials including President George W. Bush and his wife, leaders from international corporations such as Booz Allen and Hamilton, which contributed the initial strategy/feasibility plans, and organizations such as the American Symphony Orchestra League and the Americas Society. YOA has recently signed a protocol agreement with the OAS, in which the OAS formally supports mutually approved projects for YOA. In January 2002 Deutsche Bank became the sponsor of YOA's inaugural tour.

WHERE WE STAND NOW; WHAT COMES NEXT?

In the months since that first concert, YOA has developed rapidly. Auditions are underway to select the 120 musicians who will form the orchestra for the 2002 concert tour, which will play in the U.S., Mexico, Costa Rica, Brazil, Argentina, Chile and Venezuela. Each participating country, according to population size and the local quality of music education, will sponsor at least one musician. Every musician will participate on full-scholarship including travel, accommodations and expenses in order to facilitate merit-based selection. In Latin America, the youth orchestra network and ministers of culture are promoting open auditions and supporting the costs students incur to participate in the auditions. In the U.S. and Canada, YOA has contacted schools and private teachers and issued press releases to increase awareness. Every student will reapply to participate each year. Country teams, under the guidance of YOA Managing Director, Debra McKeon, and with the help of an actively involved multi-country board, are meeting with government groups, foundations, corporations, and individuals to raise the \$10,000 scholarships needed for each student and ongoing administrative costs. The YOA teams also are working with major corporations to obtain sponsors for travel and accommodations during the tour, as well as to secure venues for special performances.

The 2002 tour, which will play in the United States, Mexico, Costa Rica, Brazil, Chile, Argentina and Venezuela, will begin with a Boston concert following three weeks of rehearsal and cross-cultural educational sessions at the New England Conservatory. We are planning a June Inaugural Tour Gala honoring major supporters in Washington, D.C. The July 30 launch concert, "From Mahler to Mambo," at Wolf Trap will feature Yo-Yo Ma and National Symphony Orchestra conductor Leonard Slatkin, both founding YOA Advisory Council members. The entire evening, including receptions sponsored by Western Hemisphere embassies, will be an opportunity for the audience and performers to learn more about the diverse cultures we share in the Americas, our musical roots and

more importantly, the world-class quality of our young musicians.

TECHNOLOGY HELPS MAKE IT HAPPEN

Technology has played a major role in the YOA's rapid development. We could not have advanced so quickly without it. Teleconferencing and e-mail allow members of the board of directors and country teams to meet regularly without extensive travel. Our most recent telephonic board meeting connected about 20 members in six cities. The production of CDs also helps disseminate the work of the Youth Orchestra.

HOW FAR CAN YOA GO IN PROVIDING SOCIAL GROWTH?

Where will this venture philanthropy project lead? The possibilities are very exciting. Through YOA's network, discussions have begun to pilot the unique and highly successful and internationally acclaimed Venezuelan Youth Orchestra model to inner city schools in the U.S. Maestro Abreu has offered his extensive experience in Venezuelan schools.

Music can broaden the horizons of children from even the remotest villages of Central or South America or the most poverty-stricken neighborhood in the United States. It can inspire a child and change her life, with the ripple effect of changing everyone and everything around him. Jorge Saade, cultural attaché at the Embassy of Ecuador, testifies to the dramatic effect his experience as a member of a youth orchestra had on his life. In addition to a love of fine music, he learned discipline, order, cooperation, and a wider view of the world. A Venezuelan youth from a detention center stated in an interview that he had no idea how much more rewarding holding a clarinet could be than a holding a gun. A former gang member, he could not believe anyone would even let him hold an instrument—thinking he would steal it. He said the youth orchestra totally changed his life, teaching him how to treat people, act in a group and get along in the community. A teacher in a small Venezuelan village agrees that while music doesn't always change the physical conditions, it changes how children think, what is in their hearts and minds.

We have also begun work on a book/CD "Read Me the Music" to allow parents and teachers to read poems, fairy tales and essays while listening to age-appropriate works of classical music, as a means of introducing the magic and beauty of classical music to young children. Before the end of the year, we hope to have launched a hemispheric competition for an "Anthem of the Americas" among young classical and popular composers.

We have our hands full, but everyone's spirits are soaring. With not much money and overtime effort we feel we can make a historic difference in creating a new vision for the Americas, a vision that brings the best of our very diverse and new cultures and transforms our hopes and dreams into real individual and social growth.

Hilda Ochoa Brillembourg, President and CEO of the Strategic Investment Group, is Chairman of the Youth Orchestra of the Americas. She is also a member of the DRCLAS Advisory Committee. Donna Lauderdale is Assistant to the President of Strategic Investment Group and a Board Member of YOA. For more information see <www.youthorchestraoftheamericas.org>. If you are interested in becoming actively involved, the authors can be reached by phone at (703) 243-4433 or via e-mail at <ochoa@2strategic.com> and <dlauderdale@2strategic.com>.

Chile's Hogar de Cristo

Tradition and Modernity

L HOGAR DE CRISTO—CHRIST'S HOME—ministers to the sick and dying, tends to the homeless, the mentally retarded, and the poorest of slum dwellers. Volunteers visit the elderly, cutting their fingernails, shaving them, providing lunch, and taking them to doctor's appointments. They work with street children and orphans.

If it seems like 19th century church-run charity, look again. While the 56-year-old Chilean Catholic institution has many elements

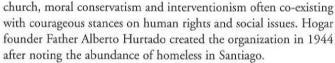
of "traditional" giving and volunteering, it's also a highly successful modern charity using sophisticated fundraising techniques and the latest technology. The organization is also placing more emphasis on community and development work. Even as early as 1951, the organization was already running a carpenter workshop alongside its homeless shelters, a move away from the purely assistential model.

Last year, the Hogar de Cristo in Chile sponsored 848 programs, assisting 28,254 people throughout the country and mobilizing 112,000 volunteers. The programs run the gamut from old-age homes and homeless shelters to community organizing in the slums and agricultural cooperatives in the countryside.

In a country where the actual amount of private giving and volunteering appears to lag behind much of Latin America, part of the organization's success comes from the traditional and lasting power of the Catholic Church in Chile. The founding of Hogar de Cristo actually reflects the diverse strands within the Chilean



—Benito Baranda, Hogar de Cristo



"What has the Catholic Church in Chile done so that its sons in Christ are not sleeping under bridges at night?" he spontaneously protested during a mass.

By 1951, he had housed \$\tilde{0}0,000\$ people and given out 1,800,000 food rations.

The organization readily admits that Chile today "confronts a different type of poverty than when Hogar de Cristo was founded in the 1940s." Poverty today, according to the organization's official website, is often the result of globalization. It now seeks to help those who have been left behind by progress and those—such as miners—who have been rendered obsolete.

Benito Baranda, Director of Social Programs for Hogar de Cristo,



Helping the handicapped

told University of Chile journalism student Ricardo Figueroa Salas that the organization still "falls short" in "creat(ing) ties between community and poverty, commit(ing) society to overcome poverty." In the future, Hogar de Cristo has plans to get much more involved with conditions of extreme poverty. One of its goals is now "to collaborate effectively to eradicate shantytowns in Chile." Baranda said that the organization also plans to strengthen its more traditional work with senior citizen programs.

The organization is aware of the institutional power of the Church as a driving force, even though Hogar is increasingly positioning itself as a "diverse" operation. Jesuit Father Josse Van Der Rest, chaplain of the Hogar de Cristo's Housing Foundation, who for years taught postgraduate students in Medellin, Colombia, observes, "Here (in Latin America) if I'm in jail a bishop could take me out. That is not possible anywhere else."

When Pope John Paul II visited Hogar de Cristo on his trip to

Chile in 1987, the organization experienced rapid growth. However, this very increase in visibility and resources brought its own share of problems, including increased demands on resources. "We do not want to make

'gifts', we don't look to make people depend on us. We aim to help poor people to defeat poverty with their own work, giving them everything they might need to do it," observes journalism student Figueroa, who worked at Hogar as a public relations volunteer.

Building up the volunteer program is a priority for Hogar, as it reaches out to recruit young males with professional skills, as well as the more traditional service-oriented female volunteer.

"The work of our volunteers is fundamental," director Baranda told Figueroa. "When you see the guiding principles used by Rev. Hurtado to create the Hogar de Cristo, one of them is the aim to generate solidarity within our society. The best way to do this is to bond people from different social layers, so they change their lifestyle through that contact with poor people. That bond will change their lifestyle day by day, bringing it closer to the Gospel if they are Christians, and closer to universal values of solidarity, if they are not."

Chile has low volunteer work statistics compared to other coun-

tries. In the United States, 56% of citizens volunteer; in Germany, 34%; in Ireland, 33%; and Japan, 26%. Peru leads the region with 34% of its adult population volunteering in 2000. In Argentina it is 26%, and Brazil 22.6%, according to published surveys. Chile barely reaches 4%.

Observes Figueroa, "This could be explained by the lack of opportunities to volunteer, poor marketing, or because, as a developing country we work longer hours. Or maybe because in Chile people prefer to spend time with their families rather than volunteering. The Hogar de Cristo is one of the most successful institutions attracting volunteers, along with the Red Cross and Fire Service."

Even the fact that the organization would have journalism students volunteering indicates something about the sophistication of its techniques. It garners state, corporate, and

individual member's financial support in part because it is a "safe" charity with Catholic values. On the other hand, it uses very professional fundraising techniques ranging from company giving and matching programs to annual telethons featuring Chile's most popular television personalities. Hogar de Cristo runs ads on the inter-



Learning to sew: Hogar's Youth at Risk Program

de Cristo has emphasized that it is not exclusive to Catholics, but open to "anyone who wants to collaborate in overcoming poverty."

The strong church inspiration of Father Hurtado and the emphasis on traditional Catholic values keep the predominant image a Catholic one, although Chile's Hogar has apparently faced no con-

troversy over its effort to become inclusive. Press reports indicate that in neighboring Peru, where the Hogar de Cristo was inspired by—but not affiliated with—the Chilean organization, this tendency towards ecumenicalism has been criticized by some sectors of the church.

While the Hogar de Cristo is Chilean-based, it has inspired many like-minded organizations, particularly in Peru, Ecuador, and Guatemala, where they bear the same name, but have no formal affiliation.

Josse Van Der Rest, now chaplain of the Hogar de Cristo's Housing Foundation, promoted the idea with many of his postgraduate students in Medellin, Colombia, who later returned to their home countries.

In an interview, the priest told journalist volunteer Figueroa, "They called me from these countries to try to help starting the same idea, and I'm much more interested in the two thousand million poor than in the eight hundred thousands poor in Chile. I started building homes for children in Guayaquil in 1970, imitating the family shelters for kids in Chile. Then I started to work with the homeless, giving them a roof, but always follow the example of what we had done in Chile."

Hogar de Cristo is streamlining its image towards diversity, modernity, and participation, using sophisticated techniques.

national Canal Sur and its bilingual website is set up to receive international donations and recruit volunteers. While teaching the able poor how to fend for themselves, Hogar de Cristo itself goes beyond receiving handouts. It runs a funeral service of its own, profits from which go to benefit Hogar's work with the needy.

It also sells greeting cards, sponsors a fundraising bread and wine dinner, and markets web-based charitable symbolic funeral wreaths. Even with these entrepreneurial efforts and additional alliances with corporations, 55 % of the financing of Hogar de Cristo comes from monthly membership dues, according to statistics obtained by Figueroa. Hogar offers many different levels of membership, including children and youth members.

The commercial services account for 21 % of income, while Chilean federal government support makes up 11%. Various national funds for health and education provide 7 %, and various other forms of aid make up the rest. Meanwhile, the number of members has nearly doubled from 385,000 in 1995 to 568,327 in 2001.

As it streamlines its image towards diversity, modernity, and participation, Hogar de Cristo conducts a website poll asking how the organization can best raise more funds: increasing member dues, more effectively using publicity, showing what it's accomplished, or establishing corporate partnerships. The viewer merely has to click a button to vote.

In recruiting volunteers and dues-contributing members, Hogar

This article was based on a report by University of Chile journalism student Ricardo Figueroa Salas, and supplemented by information from the Hogar de Cristo website http://www.hogardecristo.com. The author, ReVista editor-in-chief June Carolyn Erlick, also consulted a study by Elisabeth Acha, Los Guardianes de la Caridad, El Caso del Hogar de Cristo en el Perú, which Acha wrote for the Universidad del Pacífico's research center in Peru.

Social Responsibility in Latin America

An Evolving View

BY DIANA BARRETT

issues is essential to business, both in the United States and Latin America. In recent years, most people—although certainly not everyone—seem to agree that business concerns should become more "socially conscious."

Yet there is little agreement on what this means. Confusion is inherent in the term itself: social responsibility, corporate community involvement, corporate citizenship and social investment are only some of the terms used to shed light on behaviors embarked upon that go beyond conventional strategic and profit objectives. "Social responsibility" encompasses a wide variety of attitudes and behaviors within corporations as well as between the corporation and its external stakeholders. Let's examine these terms more closely with particular emphasis on Latin America.

First, it's interesting to note that not everyone agrees to whether corporations should think beyond the profit motive at all! Milton Friedman argues rather convincingly that the business of business is to maximize profit, leaving all other activities aside. While executives are certainly welcome to engage in community activities as volunteers or as donors, these activities should be performed outside of the workplace.

However, the predominant argument, perhaps more convincingly, suggests that corporate involvement is in fact good business because it supports and improves core business functions. Tying activities directly to perceived benefits is difficult however—causal relationship can seldom be established.

As competition increases, as technological advances continue to proliferate, and as businesses merge, it becomes more important to examine these concepts of corporate responsibility and to think strategically and systematically about effective community involvement.

Let's revisit these definitions again and

examine them, using both a Latin American and a U.S. lens. Examples abound in this country. Timberland continues to work closely with CityYear, a national youth building organization and has continued and in fact deepened the relationship during a difficult business downturn. Cisco initiated its Corporate Fellows Program which allows some of its highly skilled technology staff to work for a year with a non-profit organization at reduced salary. Monsanto works closely with small farmers to help them increase production; at the same time, the company benefited by learning how best to service this new and large market of farmer-consumers. While U.S. corporations are generally convinced about some tangible benefits, the intriguing question remains whether these efforts are applicable to Latin America. There appears to be a widespread trend for businesspeople in Latin America to keep their philanthropic activity distinct and separate from their core business. At the same time, data suggest that communities in Latin America tend to view large corporations with some element of distrust; therefore, effective corporate involvement might have a positive impact. This artificial separation between what an executive gives on his own and what the corporation does makes it difficult for corporations in Latin America to assess community need, develop plans to strategically address these needs and learn from these ongoing associations. This type of assessment and planning have been key factors for successful and effective collaboration in the United States. This artificial separation also has the unfortunate effect of limiting existing business initiatives. If these efforts are not accepted as strategically important and considered to be superfluous or outside of "normal" business activities, then they are particularly vulnerable to economic down cycles as well as to changes in leadership.

Perhaps it might be helpful to use a simple framework that defines some of the terms

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presented and uses examples for each. If one thinks of a continuum, on the far left we have corporate social awareness. A corporation has gradually come to understand that its stakeholders go beyond its vendors and customers, that they include employees, families of employees and the community at large. This awareness is by no means automatic and a range of organizations, such as Forum Empresa, a web-based organization for social responsibility in the Americas, and the Abring Foundation, a large Brazilian foundation for the improvement of children's lives, are trying to mobilize corporations around issues of social justice. Moving towards the right, we have corporate social responsibility, initiatives that link business decisions to ethical values and respect for people, communities and the environment. The range of these activities generally exceeds commercial and public expectations. Examples of this might be Natura Cosmeticos in Brazil, recognized as a leader for its commitment to the communities in which it operates, supporting human rights locally. Empresas Interamericana, in Chile is another example, providing ten monthly grants for dental services to impoverished women. Moving again towards the right, we have corporate social involvement, describing corporate activities that make these beliefs concrete, moving beyond the advocacy role, such as forming partnerships with non-governmental organizations (NGOs) or acting independently to make changes. A corporation might encourage employees to become more socially active, such as Shell in Chile, where employees manage initiatives to build low income housing. These efforts however, are separate from the core activities of the company. Finally, on the far right, we have corporate citizenship, where social responsibility has become part of business norms and strategy. At this point decisions need to be made about the locus of these activities. Where should they be housed? Who should be in charge? How closely should activities be to corporate strategy? How will careers be affected by attending to this area? Issues of a target audience need to be addressed as well. While U.S. companies have taken on seemingly intractable social problems such as urban schools and employing welfare mothers, traditionally Latin American philanthropy and corporate interests have most often provided support for activities benefiting middle and upper income groups such as fine arts and cultural awards. In Brazil, this situation has begun to change, with many corporations newly involved in activities that benefit the lives of children.

Data suggest that Latin American initiatives tend to cluster towards the left of the continuum. Clearly, examples do exist of the corporate sector's proactive transformational activities. One such example is Pollos Ariztía, a large chicken producer near Santiago, Chile, where company president Manuel Ariztía has taken a lead role in improving education including professional teacher development. Initially a one-person effort, this initiative is now reflected throughout the company and is an intriguing example of a corporate-NGO-municipal collaboration that has gone beyond "philanthropy" to real corporate citizenship.

In general, however, there appears to be more intermediation in Latin America. Foun-

dations or NGOs are often established to encourage corporations to begin moving along the continuum, by raising awareness about poverty or human rights and providing opportunities for more corporate involvement. Numerous examples exist; in Mexico the Centro Méxicano para la Filantropia showcases companies that have a real concern for the lives of their workers, and in El Salvador, eighty two founding members of a new organization, including individuals, companies and foundations have come together to encourage business philanthropy. These intermediaries are playing a key role, raising difficult issues, building community and perhaps changing expectations about possibilities for further involvement.

While the number of companies playing important roles on each point of the continuum is quite different in Latin America, compared to the United States, corporations in both regions will be driven by similar mandates during the next decade. Customers will continue to be drawn to brands and companies considered to have good reputations in areas of social concern. Sophisticated ways of measuring the economic value of these activities will continue to be developed, making it easier for senior managers to introduce these activities as part of the corporate "core" and not "add-ons." Companies in both

regions will find ways to develop new products, test new technologies and enter new markets while also being responsive to external needs and demands. IBM and its initiative on Reinventing Education and Bell Atlantic's work on wiring a school are good examples of these benefits. Additionally, as more courses become available in business schools in the area of social impact management and as the media plays a stronger role in disseminating new initiatives and successful ventures yet more corporations will move towards the right of the chart. Finally, as we move towards a more global economy, the value of brand image and reputation will become more valued assets. A strong position on the right side of the continuum, in the area of corporate citizenship, whereby employees as well as consumers share concern for social issues and are willing to build long term partnerships around these concerns, will be viewed as beneficial for corporations. Traditional philanthropy will become less important than strategically determined initiatives that will change priorities and improve lives.

Diana Barrett teaches in the Social Enterprise Initiative at Harvard Business School and works with a range of philanthropic organizations in the United States, as well as in Latin America.

VIGILANTES DEL LAGO

e arrived in Villarica on a clear blue day—a good omen, I suppose, and a rare treat in Southern Chile in the wintertime. Indeed, the dry air and open sky was a welcome surprise both to me and my companion Yael, utterly unsure of what to expect, and to everyone else in Villarica who had seen little more than clouds and rain for the past two months.

Even as we unloaded our suitcases and backpacks from the back of Victor Durán's red pickup truck, we had only a vague idea that we would be doing some sort of an environmental project, teaching kids how to be "Lake Monitors." We would be designing a curriculum on lake protection for a group of elementary school students, introducing them to the skills and concepts they need to assess the level of lake water contamination and work with the community to take appropriate action.

Exhausted after a ten-hour overnight bus ride from Santiago, we tried to decipher all of Victor's plans as he drove us the last one-and-a-half hours to Villarica. As he mentioned meetings with the mayor and the local media, I began to grow more nervous. Doesn't he know we're not environmental experts? We're only two jovenes, halfway through our college careers and studying fields only tangentially related to environmental protection. What were

we doing there anyway?

Our Chile trip grew out of a contact with Hector Jorquera, an Ashoka Fellow working in environmental protection, education, and citizen participation through his two non-profit organizations, Gente Expresa and Red-Eco-90. Ashoka, a Washington D.C.-based non-profit organization, supports social entrepreneurs, individuals like Hector who see a need in their communities and design social change projects to meet these needs. Hector's contacts led us to Victor and his program "Vigilantes del Lago," modeled after a program he'd seen in an internship in Washington State.

In Washington State, community members monitored the level of contamination in their local lakes; Victor's idea was to train young people to do the same. And that's what we did. In four weeks, we transformed a dream into reality. We turned Victor's ideas, initially a loose connection of thoughts and goals, into something that is actually happening. A pilot class of ten students, two high-school age assistants, and three teachers are now Vigilantes del Lago.

Scott Rechler, a Harvard undergraduate in Anthropology, received a DRCLAS grant to work on this community development program focusing on environmental education in Chile.

Corporate Philanthropy

A Reflection Based on the Colombian Experience

BY CRISTINA ROJAS

S IT THE GOVERNMENT OR THE PHILANthropist that should lead the way in combating poverty? It's an old debate, with special relevance for today's Latin America. In his Memoir on Pauperism (1835) Alex de Tocqueville opposed "legal charity" because "any measure that establishes legal charity on a permanent basis and gives it an administrative form thereby creates an idle and lazy class, living at the expense of the industrial and working class." On the contrary, "individual alms-giving established valuable ties between the rich and the poor. The deed itself involves the giver in the fate of the one whose poverty he has undertaken to alleviate."

Industrialized countries had to wait until the 20th century to solve this controversy in favor of the welfare state. In the developing world, however, a plethora of government and private arrangements are still in place. Wealthy entrepreneurs, community organizations, trade unions, churches and especially women contribute to ameliorate the situation of the poor. I don't intend to place a value on the merits of these arrangements; that history is not yet written. Instead, I will concentrate on the case of Colombia.

Colombia's corporate philanthropy is one of the oldest and strongest traditions in Latin America, taking into account the size of economic contribution, its diversity and innovative capacity. In 1997 there were 94 corporate foundations with assets nearing one billion dollars, 1% of Colombian GDP and 5% of total public expenditures. However, a high proportion of resources concentrated in the largest foundations. The 10 largest foundations account for 97.7% of the total assets of all foundations in Colombia. This situation raises the question of how these few powerful foundations compare to other NGOs or membership associations with fewer resources. It also raises the question of the empowerment of the private sector to which these foundations are linked in a country with high levels of concentration of capital: in Colombia the four largest companies in each sector concentrated 62% of production and more than 67% of income (World Bank, Colombia: Pri-



vate Sector Assessment, 1994).

Another reason for examining the Colombian case is the historical precariousness of the state measured by its weak presence in the territory and its difficulty in mediating the interest of powerful actors. Private sector support for social programs can be understood as a reaction to the lack of presence of the state. It is also a reflection of the saying "there is no healthy business in a sick society," an imperative to better the social environment where business is conducted. The state has increased the contracting of social services with foundations and NGOs. I contend that while contracts with corporate philanthropy increases economic resources and provides innovative solutions to social ills, it has not similarly contributed to the democratization of the decision making process nor to the strengthening of state legitimacy. Programs in the hands of foundations are not accountable to citizens nor do they increase the capacity of the state to act as an intermediary of powerful interests. I examine this problematic using the most successful experience of private philanthropy: the micro-credit program. Although it is a worrying situation, I believe it is one that has a solution.

THE NATIONAL PLAN OF MICROENTER-PRISE DEVELOPMENT (NPMD)

The 1980s economic crisis made evident the

vulnerability of the development process. Both government and private sector circles regarded poverty, unemployment and informal sector growth with concern. It's not surprising that the Carvajal Foundation, which had worked with micro-entrepreneurs since 1976, lobbied the national government to launch the National Plan of Microenterprise Development (NPMD) in 1984. The NPMD co-finances training, support centers for microentrepreneurs' credit and marketing activities. The NPMD launched a private corporation, the Corporación Mixta para el Desarrollo de la Microempresa to strengthen these projects and distribute economic resources. The private sector, especially corporate foundations, carried out the plan for the most part. Colombia thus found itself at the vanguard of countries in the region. When approved the NPMD had US\$7 million of Inter American Development Bank-(IADB) financing and US\$3 million from national resources. In 1990 these resources doubled. Presently, there are two million small enterprises, which contribute 25% of GDP.

The NPMD gave corporate foundations leverage in terms of its financial resources, since the government co-financed 50% of its projects. The plan also gave foundations more decision making power by allowing them to influence the orientation and distribution of economic resources. With half of the seats

on the *Corporación Mixta* board of directors where the policy for the sector is developed, foundations are over represented in the NPMD's decision-making and policy boards. Foundations are also members of the *Asociación Nacional de Fundaciones Microempresarias*, a non-profit organization, which is an active member of the board of directors of the *Corporación Mixta*. There is also an over-representation in the board of directors of the Association where the largest foundations have five of the seven seats.

In 1998, from the total amount of resources assigned by the Corporación Mixta, foundation members of the Asociación received 60% of the resources approved. Seven of the largest foundations received 25% of the yearly resources. This concentration of power explains but does not justify their resistance to the creation of an organization of micro entrepreneurs that participate at the same level as the Asociación. As one study concludes, "political empowerment was not a priority in the agenda of corporate foundations in their work with micro-entrepreneurs" (Rodrigo Villar, La Influencia de las ONG en la Política para las Microempresas en Colombia, unpublished, 1999).

Without a doubt, foundations reach an important segment of the small proprietors in Colombia and they contribute with important resources. Twenty corporate foun-



UNE CAROLYN ERLIC

Previous: View from the Candelaria's Botero Museum in Bogotá, above: street scene in San Francisco de Cunolinamarca outside Bogotá

dations have micro-enterprise development as their main activity and most foundations have programs for small entrepreneurs as part of their activities. The program has been able to combine the liberal principles of self-responsibility and creation of wealth while increasing the ties between the company, the poor and society in general. As a result, pri-

for public scrutiny. In those cases where they are available, these balance sheets do not discriminate between the sources of funds nor their destinations. Beneficiaries are rarely informed of public support for these programs. Reporting about the nature of the funds would make foundations more accountable to citizens in their quality of adminis-

Being identified as a company with altruistic activities provides significant image-making benefits.

vate philanthropy is gaining important social recognition. The December 3, 2001, issue of the important Colombian magazine Semana dedicated an entire section to social responsibility. The publication mentions the case of Fundación Santodomingo, which granted a quarter million credits worth US\$28 million in the past 20 years; Fundación Compartir had trained 103,000 micro entrepreneurs and Fundación Corona did the same for another 32,000. Being identified as a company with noble causes or altruistic activities provides significant benefit to a company in terms of image vis-à-vis consumers. Dinero magazine undertook a survey of 301 Colombian businesspersons (August 1998) and the firms that garnered the most admiration were those that maintained foundations. The three highest ranked were Bavaria, Carvajal and Exito, all of which maintain their respective philanthropic company. This admiration contrasts with recent polls of public perception of trust, where private companies outrank government and political parties: on an index of 10, the evaluation is 4.98 for larger companies; 3.9 for the national government and 2.77 for political parties. The latter's rank is higher only than that of guerrilla and paramilitary groups. (John Sudarsky, Colombia's Social Capital).

Far from attributing the de-legitimization of the state to the private sector, I ask how much the state is missing the opportunity for building a public discourse that allows it to recover its fragile political legitimacy, especially when much of its legitimacy derives from social programs. This does not mean to suggest stopping government support to corporate foundations. Legitimacy is not a zero sum relationship. The solution is to find mechanisms that acknowledge the presence and contribution of the state to these programs. For example, not all corporate foundations' financial balance sheets are available

trators of public and not just private funds.

A similar consideration can be applied to the methodologies guiding the relationship between providers and beneficiaries of the program. Most of the foundations adopted the methodology developed by Carvajal foundation: three weeks of training courses in accounting, investment and management as a requisite to obtain credit. This methodology has been questioned because it tends to select the beneficiaries more likely to remain in the program, such as those with higher income.

Some foundations build donor-beneficiary relationship in a paternalist and affective way, while others are more participatory. An example of the latter is Fundación Social's program Integral Local Development whose objective is "the consolidation of the poor as social subjects." The methodology includes a political dimension allowing the beneficiaries to negotiate their projects. However, the methodology used by most foundations is assistentialist to ensure the loyalty of the beneficiaries. Some programs are overloaded with experts ranging from economists, accountants, psychologists and social workers in charge of evaluating the economic and social aspects of the beneficiaries like "living conditions, family conditions, how they live and what are the condition of the house."

Following Tocqueville's dictum on private giving, the deed "involves the giver in the fate of the one whose poverty he has undertaken to alleviate." What he missed is that it is not always in the interest of the giver to develop in the beneficiary the capacity to negotiate the poor's collective interest. This transformation is better negotiated when beneficiaries are participants of a public service where government and private sector participate. A solution is for government to provide standards for selection of beneficiaries and instances of negotiation

based on rights rather than affects.

Last but not least in importance is the issue of evaluation and monitoring of the NPMD. Three partners conducted a recent evaluation: Departamento Nacional de Planeación, Fundación Corona, Corporación para el Desarrollo de las Microempresas, (Evaluación de los Programas de Apoyo a la Microempresa, 1997-1998, 1998). The study was conducted under the leadership of Fundación Corona, a highly specialized, technical and perhaps the leading corporate foundation in terms of quality of interventions and capacity for innovation. According to the study the program did not generate employment nor pull out people from poverty. The program helps beneficiaries to remain in their position. The study found that this was more true for the poorest and women. The most successful cases occurred in educated men with a higher socioeconomic level. According to the study the best solution is a separation of those with 'potential' from those that need 'income.' In their view "employment generation and wealth, on the one hand, and the support of the poorest, on the other, are two objectives that can not be dealt with the same instruments." The latest Development Plan (1998-2002) reflected this solution, calling for providing a "differential attention for micro enterprise with potential for development and micro enterprise for generation of income." Without evaluating the impact of the proposed solution, I want to call attention to the fact that this is a political decision where beneficiaries have a stake. Without questioning the professionalism of the study it is worrying that foundations are acting in all the instances of the NPDM: design, allocation of funds and evaluation. Beneficiaries are absent.

This explains my call to democratize the process of decision-making, accountability and legitimacy of the collaboration between the state and corporate philanthropy in Colombia.

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Corporate Social Responsibility in Chile

Some Issues That Count

BY SOLEDAD TEIXIDO

s far back as the colonial period, the history of Chile records some kind of philanthropic initiative. However a clear and a strategically designed relation between business companies and civil society—known as Corporate Social Responsibility (CSR)—has only been established in a systematic fashion in the last three decades.

The increased interest, expressed by a considerable number of business companies in our research work on philanthropy in Chile, indicates a gradually improved environment in the pursuit of social responsibility.

As executive director of Fundación PROhumana, a Chilean foundation promoting corporate responsibility, my team and I have conducted two recent studies to understand philanthropy trends in Chile.

The first investigation in 2000 brought together seven round tables with 70 participants representing the business private sector, the government and civil society. These round tables sought to provide a setting for dialogue and reflection in order to assess the promotion of CSR in Chile.

The second investigation last year was a case study on Chilean business companies, which were already implementing CSR policies either internally or externally. A Fundación PROhumana team, made up of of women researchers with expertise in socioeconomic fields, carried out this research.

The women conducted in-depth interviews with more than 100 individuals working in business corporations. The study focused on 10 business corporations select-

ed by its interest in the area and two Corporate Business societies.

The team interviewed ten people in each company, ranging from members of the board of directors to employees and trade union leaders. In addition to these interviews, the team assessed background information provided by the company.

Using this study and other material, PROhumana has suggested several ways to improve CSR in Chile, building on the different stages of philanthropy we've managed to identify:

- 1. Emerging strategy: Building on spontaneous acts of charity, taking into account the historical background dating from colonial times with its roots in Christian values
- **2. Strategy in actual development:** In this case, companies begin reflecting on their actions and decide to set up a foundation to help formulate a policy on CSR.
- **3. Formal strategy:** when CSR forms part of the Company Mission Statement or values, as well as when it forms part of its strategic planning. In this case the firm has clear policies on CSR either internally or externally. In addition, the firm has developed a set of communication strategies in order to promote CSR as broadly as possible.

Generally, we've found that Chilean firms and their corporate leaders are located in an intermediate level between the first category (emerging strategy) and the second one (strategy in development). This is not set in stone, since we've found that each company focuses on different issues and adopts different depths of strategy. However, businesses representing formal Strategy are scarce, although they are our crucial point of reference.

We found that to understand how this environment of differentiation is generated, one has to take into account the "co-existence" of distinctive approaches, which relate to each other at different levels and affect their actions.

Within this context, specific and concrete languages and actions are created that influence the company's formal strategy. The prevailing approaches were a Christian approach with emphasis on charity; a marketing culture approach; a community-based approach; and the approach of strategy.

The variety of juxtapositions that emerge out of these four approaches, as well as the stages of CRS strategies evolution, represent a particular model in the Chilean companies case.

EMERGING STRATEGIES

The emphasis on charity and community, at the core of the Christian approach, prevail under these strategies. This approach conceives CSR more as a personal challenge strongly linked to value-related issues rather than the result of a strategy or a policy process. These approaches are determined by philanthropic practices that date from the 19th century. These practices are maintained in the 20th century and still solidly ingrained in the ethos of today's business leader.

STRATEGY IN DEVELOPMENT

The marketing approach and strategic thinking prevail when a company sees philanthropy as integral to its own development. Threats and opportunities emerging more from the market environment rather than from personal values form the basis of this approach. This approach reduces the dependence on the personal will of a particular corporate leader. Under this category CSR is viewed as an integral part of the business agenda, and often is incorporated into the firm organigram.

CHILEAN BUSINESS FOUNDATIONS

A Strategy of Social Responsibility

The creation of foundations by Chile's business sector in Chile is a fairly new phenomenon, as Fundación PROhumana 's book *Mapeando las Fundaciones en Chile: Características y Desafíos para el Siglo XXI* (Teixidó, S. y Chavarri, R., 2000) points out. According to interviews carried out in 94 foundations, it can be noted that 19 are related to a business (business foundations and foundations that originated with businesses), and that of these, only five were created before 1990, while the other 14 were established within the last decade.

TWO STREAMS ENVIRONMENT

All said, these two approaches do not operate exclusive of each other. It is the intersection created by the time factor and these approaches that generates the Chilean model. The two approaches somehow interact mutually supporting each other. In general terms, in Chile, the process CSR strategy development, is determined by these two streams, which would interact and prevail according to each one's strength.

HOW THE CO-EXISTENCE TAKES PLACE

Although heads of large companies adopt emerging strategies for CSR on the basis of their historical and cultural background, personal values and traditions remain strong factors. However, the managerial teams of the same companies, the professionals or the directors, adopt a strategy in development, based on technical instruments and strategic planning rationale seeking business benefits.

INSIGHTS ON CORPORATE BUSINESS ENVIRONMENT IN CHILE REGARDING CSR

Chilean business owners and leaders often lack the theoretical and practical knowledge needed to adopt CSR. When corporations are sensitized about the importance of CSR, an intuitive and spontaneous movement often takes place. The absence of clear guidelines that elicit the formulation of CSR policies is a major factor in this types of operations.

The detection of this perceived need has prompted the PROhumana team to systematize a basic minimum-requirement set of concepts to start adopting CSR policies and strategies within and outside the company. This set would consist of these elements:

- 1. There is a need to build trust among peers and between subordinates and managers, and company owners and directors. A strong thrust built on trust among main actors is the key to strengthen a common path or corporate development that do business with social responsibility. This thrust does not exist in Chile with the necessary consistency.
- 2. Generate an in-depth analysis within the firm about the social and business advantages of adopting CSR strategies. In Chile there is an emphasis on the external role of CSR for the business, but the benefit for company employees as the starting point in the business chain has been overlooked.
- 3. Promote an in-depth conceptualization on CSR within the enterprise. PRO-

TRADITIONS IN SOCIAL RESPONSIBILITY

Chilean Security Association

In 1957, a workplace accident took place in Chile once every 27 seconds. This situation led the Society of Factory Development to approve the creation of the Chilean Security Association (ASCH), a private non-profit corporation set up to provide complete insurance coverage for workplace accidents and to develop risk prevention programs. Since its creation, the organization has actively practiced the philosophy of social responsibility through different outreach programs, which range from stimulating Chilean arts to training risk prevention monitors in the prison system. Along with these programs, in 1975, ACHS became a pioneer both in Chile and the Latin American region in setting up an internal social balance sheet designed to measure the quality of workplace life inside the company.

THE CASE OF CMPC

A Good Neighbor Program

The showcase program of the Compañía Manufacturera de Papeles y Cartones' (CMPC) is the Good Neighbor Plan. This initiative forms part of the outreach responsibility of the paper company and consists of a plan of incorporating 200,000 poor or extremely poor families into the community. Implemented by Mininco Forestry Company, a CMPC subsidiary, concentrated in the region of Bío Bío, this plan has three main thrusts: to keep the company's actions from having negative effects on the community; to get company employees involved in the community, and to help community members overcome poverty. This last item was achieved through affirmative action in which at least ten percent of the company's workers should come from the local community. Along with this measure, there are 12 projects designed for education in the communities where the businesses are located and four additional projects to train local families.

THE CASE OF THE MINERA ESCONDIDA LTDA. FOUNDATION

Community Involvement

Minera Escondida Ltda. believes that a policy of social responsibility is one of the factors that will determine a company's success. Thus, the company created a foundation that emphasizes health, education, and technology as its areas of action in order to contribute to the development and improvement of the quality of life in the Antofagasta region in the north of Chile, some 700 miles from Santiago. The foundation provides training and resources to benefit the less privileged sectors of society.

Between 2001 and 2005, the company—which belongs to the Broken Hill Proprietary, Rio Tinto Plc, Jeco Corporation and International Finance Corporation (a branch of the World Bank)—will earmark \$15 millon dollars for the foundation's operation.

The vision and development of the work of this foundation breaks profoundly with the assistential welfare-like and paternalistic model. It has become one of the most emblematic cases for the national reality, putting into practice the concept that the beneficiaries of aid should be the ones who determine what they need and work with foundation resources to meet those needs. In keeping with this vision, the board of directors of the foundation is made up of six company representatives and five community members, who are in charge of giving the final approval to all projects the foundation finances.

humana believes that CSR should form part of the strategic thinking and language of the company culture. It should not remain as buzzword or fashion, as it has been detected in the research. Within this context, the enterprise must clearly define the objectives of the CSR plan; the basis on which it has been drawn; the stage of development of CSR; and the expected goals to achieve from CSR implementation.

To achieve efficiency and effectiveness in communication about CSR within the company and towards the general public, the company must reach out to the government, business associations, civil society and public in general. Communications policies must be built and be consistent. The basic ethic of CSR should be understood in the same way by all involved.

Our research shows a marked tension between the media and the business firms about just much CSR has achieved in Chile. Firms are always criticizing the media about how little attention they pay to their efforts in the area of corporate responsibility. The media, for their part, point out that to report on corporate CSR actions is to provide the firm with free publicity. What is truly out of the ordinary is that most general circulation newspapers and audiovisual media

belong to the same business conglomerates as the corporations adopting CSR. To learn more about concrete development and experiences in CSR will elevate awareness among the general public that CSR implementation is a sound policy for both business and consumers. This tension between media and the firms hampers the possibility of increasing the number of practitioners of CSR at all levels, big and small firms.

The inclusion of CSR in the Pro Growth Agenda of Chile's major business association (SOFOFA: Society for Manufacturing Promotion) has been a major milestone. This agenda has been tabled for discussion with the government and is the main issue to redress the economic crisis effects.

The inclusion of CSR in the agenda of business firms and the government is one element of trust mentioned earlier in this article, and is unique in Latin America. CSR has gradually become an element in the negotiations between government and business associations. This will provide coverage in the media and in turn more business firms will incorporate CSR in their agenda. Society will become more sensitive about issues of corporate social responsibility.

In general, Chilean businesses must redefine their role within a context of solid

accountability and corporate ethics. The development of mutual trust, accompanied by improvement of ethics and social development, will sustain the growth of CSR. Instruments to design strategies and monitor real achievements are necessary. This environment of CSR-supported growth is still a new one in Chile.

CSR has to evolve into society and get ingrained within its roots. It should become a bottom- to- top process and not the other way round—the currently prevailing style.

Here at PROhumana, we believe that CSR is viable in Chile, if it evolves as indicated above. The business community is assuming a new major task and awareness has been raised. To do business is not only to build a money-making machine. Doing business with the CSR approach is also an opportunity to develop new senses an discover a new reality, thus contributing to create a different society, focused on the human well being. To sum it up, the new business concept helps to mold the way we live.

Soledad Teixido is executive director of Fundación PROhumana in Chile. More information about the organization can be obtained by e-mailing <fundacionprohumana@prohumana.cl>.

PHILANTHROPY AND EDUCATION

Agrícola Ariztía

When the Chilean government gave community control in education to municipalities, a local poultry company became one of the leaders in making it work.

As a member of the community board regulating the school system (CMM), Manuel Ariztía, head of Agrícola Ariztía, promoted community involvement and job training.

According to a January 2002 Harvard Business School case study, Agricola Ariztía had developed a strong relationship with the local vocational school since the early 1990s, when Don Manuel had suggested adding an agricultural branch to fulfill the need for skilled workers in this region. Ariztía's engineers conducted a feasibility study and Don Manuel connected the school to a tractor manufacturing company that agreed to make an inkind donation to support the project. Ariztía also hired professors and students from the vocational school to do repairs at the company, offered internships, and even hired the best students.

Don Manuel believed strongly that parent involvement was also crucial to a successful educational system. Additionally, he brought his successful business practices to the management of the school system. The HBS case study, Education in Chile: A

Venue for Individual, Business and Community Involvement, recounts that Ariztía believed that his collaboration with the CMM "would contribute to correct the perception that business people do not have a soul." Convinced that he had to help his community beyond making a monetary donation, he recalled that, " It was not a matter of making a grant, but a matter of committing a lot of hours. At the beginning we had to look at the smallest details...making sure that we saved some bucks changing light bulbs from 40 watts to 25 watts...."

A fervent Catholic, Don Manuel, who had made donations throughout his life to various charitable projects, had always demonstrated a deep interest in education. "One has to feel concerned with one's community to make sure that the education is as good as possible," he had maintained. "The adequate amount of money has to be spent in order to make it happen."

The father of eight children and grandfather of 41 grandchildren, Ariztía, who comes from a family with a strong history of philanthropic tradition, received the 1999 ICARE Prize from the Chilean Institute of Rational Business Administration.





Philanthropy in Mexico

Challenges and Opportunities

BY MANUEL ARANGO

HILANTHROPY. IT IS DEFINED IN THE New Expanded Webster's Dictionary as "the love of man or of mankind; benevolence towards the whole human family." And a philanthropist? "one who exerts himself in doing good to his fellow men."

In today's Mexico, these are basic concepts upon which to build a discussion about philanthropy. Historically, as in other countries, many people considered philanthropy exclusively in economic terms, for example, donating money to traditional worthy, charitable institutions such as hospitals, orphanages, museums and schools. The image of the philanthropist was the retired, balding and bespectacled man who, having made a fortune, was now willing to dedicate a portion of it to the benefit of others.

Fourteen years ago, the *Centro Mexicano* para la Filantropía (Mexican Center for Philanthropy or CEMEFI) was founded. Its mission is to promote a philanthropic culture in Mexico, and to strengthen the organized participation of society in its integral devel-

opment and in the solution of community problems. Its programs now address issues such as the legal framework for the nonprofit sector, the strengthening of relationships between the nonprofit sector and government agencies training and capacity building, communication, corporate social responsibility and research.

More than ten years ago, CEMEFI set out to promote a broader and more inclusive vision of philanthropy, one that moved beyond the traditional role of charity. CEMEFI, which has developed expertise on nonprofit issues in Mexico, understands philanthropy as:

- The expression of the generous impulse that surges from every human being, throughout time and in all cultures;
- All acts of respect, attention and service directed towards the development of the human being and to protect his/her surroundings;
- The generous commitment of people, institutions and companies that give time, talent and resources to benefit the integral

1920) the power of the State was consolidated. Policies focused on the needs of the poor and were implemented through large government agencies responsible for education, health, welfare, and housing.

The dominance of these institutions resulted in a weak civil society and a paternalistic culture that produced dependency and little citizen participation.

The third period represents the past forty years of Mexico's history and is characterized by greater citizen participation to resolve social problems. Organizations of all shapes and

Philanthropy is any private, voluntary, nonprofit work for the public good, and should include voluntary citizen participation.

development of the community;

- Collective, unpaid actions oriented toward social development that leverage talent and human capacity;
- An efficient vehicle to stimulate voluntary participation, distribute resources and create work promoting a balanced and harmonic development of society; and
- All generous and voluntary action realized in benefit of the community without profit or individual interest.

In summary, philanthropy is any private, voluntary, nonprofit work performed for the public good. This definition goes beyond the traditional aspects and seeks to promote organized participation—voluntary citizen participation.

To understand the current culture of philanthropy in Mexico, it is helpful to have a historical perspective. Three distinct periods in Mexican history influenced the development of civil society, beginning with the conquest of Mexico by Spain.

The period from 1521 to 1860 was characterized by a strong presence of the Catholic Church in the creation of charitable organizations. The Church became the majority landowner in the country and generated income to finance schools, hospitals and social programs in the areas of poverty, health and education of indigenous people.

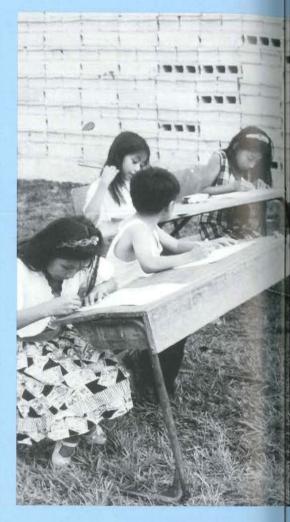
The second period (1861-1960) was marked by a strong presence of the State. In 1861, a liberal government nationalized the holdings of the Church, and acquired with it the responsibility of providing social programs. After the Mexican Revolution (1910-

forms have emerged to address many different issues including community development, human rights, environment, civic education and the struggle for democracy. This growth and development of the number of civil society organizations (CSOs) is explained in part by the increasing social problems, along with the growing civic awareness of a better and more informed public.

In Mexico, where 23% of the population lives in what is considered extreme poverty; where the average income of a poor home is approximately U.S.\$70 monthly, half of which is spent on food; where one in three children suffer from malnutrition for a total of seven million children; and where there are 201,000 registered towns of which 92% have fewer than 500 inhabitants and yet represent 12% of the Mexican population.... in this Mexico, it is encouraging to see the growing volunteer commitment of citizens toward their communities.

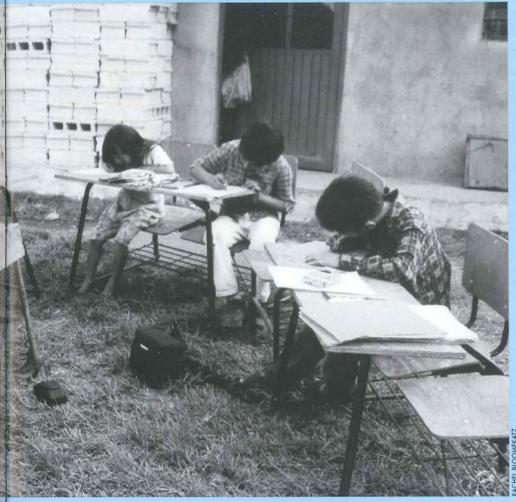
CSOs have played an important and growing role in Mexico's move toward democracy. No longer is the sector's profile that of traditional service-providing institutions. Election reform and civic participation are new areas that have produced dynamic alliances of citizen groups with a voice that is being heard and respected.

At a time when government agencies are faced with significant budget cutbacks, CSOs are being looked to for their creativity, talent and new perspectives to address social ills. Citizens are building a new social force that, if well directed, can become a catalyst for the processes of social modernization.



Civil society today can be understood as those organizations, institutions and individuals that are not part of the government. CEMEFI has defined two important groups within civil society: the forprofit sector, composed of companies that produce goods and services, and the nonprofit sector that has also been called the voluntary sector or third sector. The nonprofit sector has four key pillars: religious institutions, mutual associations, political parties and organizations providing services to third parties. More than 20,000 CSOs in Mexico appear to fall into this last category of nonprofit service providers, although a large number of them are not legally registered with the appropriate government entities.

Although progress has been made towards a more open and active philanthropic and civil society sector in Mexico, there are still many challenges. Among others, the Mexican Center for Philanthropy has identified the following issues:



Previous page: Youth group; Above: learning for future citizen involvement

LEGAL FRAMEWORK

Current legislation for civil society organizations is disperse and discretional. It does not promote citizen action, and it does not even provide tax deductible status for more than half of current civil society organizations, especially those working in community development, the environment, human rights and civic education. CEMEFI and a group of nonprofit organizations have worked for more than six years to actively promote a more favorable legal framework for the nonprofit sector. It will continue to do so until new legislation is passed.

RESOURCE MOBILIZATION

As in many other countries, civil society organizations in Mexico suffer from a chronic lack of economic resources. The primary cause is the lack of a philanthropic culture. The paternalistic culture has impeded the development of a social consciousness. Many citizens expect and wait for the government to take action and provide funding.

PROFESSIONALIZATION/TRAINING

In general, low levels of staff professionalization have been found in civil society organizations. A vicious cycle between scarce resources and a lack of training makes it difficult for these institutions to offer services in an efficient and effective manner. Specific difficulties and needs have been detected in the areas of planning and evaluating projects, administration of resources, fundraising, accounting procedures and the training of professional staff and volunteers. Advances in information technology and the ability to communication with donors and the community are also issues that challenge the sector.

VISIBILITY

Until recently, civil society organizations have limited their communication primarily to their donors. There was never really a compelling reason to disseminate their activities to society at large.

This has changed in recent years for a

variety of reasons. As civil society organizations take a more active role in public debate and as technology facilitates access to information, society has become more demanding about CSO transparency and accountability. Donors are becoming more informed and exigent, since they have more choices as to where they invest their contributions.

VOLUNTEERISM

One of the most unrecognized and undervalued resources in Mexico is time and talent committed by thousands of people on a volunteer basis. In times of crisis, such as a natural disaster, Mexican citizens readily contribute to relief efforts as volunteers. None the less, when it comes to a more institutionalized form of volunteering, there is much less awareness and participation.

Again the influence of the paternalistic system is reflected in the attitudes of many citizens. CEMEFI has a registry of persons who have offered volunteer time. However, in many cases, they will only participate if provided with specific instructions as to where, when, what time. The people are very willing to help, but lack the initiative to pursue their own volunteer activities. This, combined with the fact that many organizations do not have formal volunteer programs or do not know how to effectively capitalize on the time and skills offered by volunteers, creates a significant bottleneck in placing people with institutions.

The CEMEFI program MIRA por los demás, loosely translated as "Look after others," seeks to promote a culture of philanthropy and volunteerism. It encourages individuals to dedicate one hour per week to a volunteer activity. To date, more than 60,000 persons from 31 States throughout Mexico have committed to the program. It is one of many initiatives designed to increase voluntary citizen participation.

RESEARCH

Data about the size and composition, as well as social and economic impact of civil society organizations, is practically nonexistent. This kind of valuable information helps make the case of the importance of the sector in discussions with government and private sector entities.

Recent efforts have been made to document these diverse aspects of philanthropy. Some of them include the CEMEFI Directory of Philanthropic Institutions listing nearly 7,000 registered nonprofit organization in Mexico; Johns Hopkins Comparative Study of the Nonprofit Sector—Mexico; CIVICUS Civil Society Index—Mexico; Grantmaking Foundations in Mexico, a collaboration with The Synergos Institute; and Best Practices in Corporate Social Responsibility; and Philanthropic Habits, the results of a 12,000-person poll conducted by the Center of Public Opinion Studies.

While there are still significant challenges to the growth and development of philanthropy in Mexico, there are also encouraging trends.

COMMUNITY FOUNDATIONS

The establishment and growth of community foundations has accelerated considerably in the past decade. By definition, community foundations involve diverse participants including nonprofit and business leaders, and in some cases representatives of the public sector. They focus their interest, time and resources on a specific geographic region. There are about fifteen community foundations in Mexico, located in cities such as Tijuana, Cozumel, Oaxaca, Puebla, San Luis Potosí and the Bajío region.

This movement is particularly positive because it recognizes the importance of building community spirit and raising local funds for local projects. It is also an effecThere has also been a growing awareness of the value of CSR and in turn, an institutionalization and professionalization of CSR practices and programs in both Mexican-

Mexican paternalistic culture has impeded the development of social consciousness.

tive vehicle for engaging citizens in crosssector dialogue about community issues and priorities as well as encouraging and channeling their participation.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In a recent report, the nonprofit organization Business for Social Responsibility defined CSR as "operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business." Its value can be measured and companies can see bottomline benefits in a variety of ways including, among others, improved financial performance, reduced operating costs, enhanced brand image and reputation, increased sales and customer loyalty, increased productivity and quality, and increased ability to attract and retain employees. owned and international companies. While there has been a long-standing tradition of giving in many enterprises, programs are being expanded to incorporate a broader definition of social investment that goes beyond checkbook philanthropy. They also recognize the important contributions they can make of time and talent and as a result, employee volunteer programs are on the rise.

There is reason to believe that more and more companies will jump on the bandwagon of CSR. In May, 2000, Forum EMPRESA, an alliance of organizations that promote corporate social responsibility in the Americas, along with business organizations in Mexico, convened the "Third Conference on Business and Social Responsibility in the Americas" in Mexico. More than 200 leaders from 15 countries participated in the two-day event which served as

SEEDS FOR THE FUTURE

ometimes when I tell the story of my summer volunteering for a Mexican non-governmental organization, Servicio, Desarrollo, y Paz A.C.(SEDEPAC), I reminisce about running down the mountain to find emergency doctors, night time encounters with thieves, or midnight walks through mountain paths watching fireflies consume the landscape in glistening waves like the sea.

But most often, I tell a story of how much I learned about Mexican culture and gained from the community through close friendships.

I was living with nine other people in a room without water and electricity in Xilitla, San Luis Potosí, Mexico, and learning about the power that community organization can have among local indigenous people. I experienced how a non-profit, through partnerships with two local organizations, Sociedad Cooperative Agropecuaria la Igualdad de Xilitla (SCAIX) and the Unión de Mujeres Campesinas de Xilitla (UMCX), can make a difference in the wide-ranging issues of health, education, coffee production, immigration, political action, community identity, and the environment in the rural communities surrounding Xilitla.

As a volunteer in the summer program Semilleros de Futuro, I worked alongside Mexicans, Europeans, and other U.S. Americans, on community initiatives in a rural village. I learned about solutions to the coffee crisis, such as organic coffee certification and expanding the local coffee cooperative. I helped with an immi-

gration survey to find out about who had left my 120-member community of Rancho Nuevo in search of jobs because of falling coffee prices. We organized a *mapa comunitario*, a mural project that was designed and painted by community members to not only be a physical map of their community, but also to represent, promote, and document community identity.

With the local families, we built more ecologically safe and efficient stoves called estufas lorenas. We taught talleres each day, organized workshops on ecology, played futbol, and set up knowledge exchanges—cakes for tortillas, and English for the local native language. We helped the Women's Union build a place to raise and sell chickens and cleaned out the slime-filled water tank of the coffee cooperative. We not only learned about the culture, but were involved in a collaborative process concerned with justice and creative solutions to the challenges of building sustainable communities in the midst of economic and ecological crisis.

The key words of this summer were *compartir* (to share) and *convivir*, (to live together). They set the tone for an amazing summer of learning, friends, and moonlight walks through the mountains.

Rachel Bloomekatz, a Harvard undergraduate majoring in Social Studies, received a DRCLAS summer internship grant to work on sustainable community development with Semilleros de Futuro in Mexico.



Semilleros de Futuro, working in rural Mexican communities

a catalyst for the creation of a similar Mexican initiative, AliaRSE. The Alliance for Corporate Social Responsibility in Mexico (AliaRSE) boasts the participation of six leading business organizations in Mexico, with a combined membership of nearly 40,000 people. In addition, last year the CEMEFI launched a recognition award for those companies that, through a process of self evaluation, comply with a minimum of 60 CSR indicators in the areas of community development, environment, codes of conduct and workplace. The prestigious business magazine Expansión is also now including CSR as one of the measures for ranking the Top 500 Companies in Mexico.

DIALOGUE WITH GOVERNMENT

The election of President Vicente Fox in July, 2002 stimulated change in Mexico on many fronts, including the area of philanthropy. The Fox transition team established a dialogue with civil society representatives to discuss the relationship between the government and CSOs, as well as the legal

framework for CSOs. Monthly meetings took place and the civil society representatives perceived a general attitude of openness and willingness to collaborate on the part of government, a change from previous administrations.

The Fox government has made an effort to seek the opinion of CSOs and has formed Commissions for Citizen Participation in many federal government agencies. The administration is now working to develop and carry out mutually beneficial partnerships with CSOs in which neither party loses its identity or autonomy.

President Fox, in his remarks as a keynote speaker at the 2001 CEMEFI Annual Conference, said, "The nonprofit sector or third sector should be recognized today as a part of society that is as legitimate as the public or private sector. The value of its work comes not only from the importance of the issues it addresses, but more than anything from the impulse it generates toward community participation as the best way to resolve shared problems and to elevate the quality

of life of all citizens."

Poverty, insecurity, water, malnutrition, a deteriorating environment and the widening gap between rich and poor are only some of the enormous social issues faced by Mexico today. No single sector can tackle it alone and there are not enough philanthropic monies that could even make a dent. It is the responsibility of all citizens to take part in the solution. That responsibility is citizenship—citizens participating in the solutions of the problems of their communities; indeed philanthropy must function at all levels and throughout all institutions of society. Even though there is a long way to go, there is great cause for hope in Mexico.

Manuel Arango, member of the DRCLAS Advisory Committee, is the founder of the Mexican Center for Philanthropy, serving on diverse boards of nonprofit organizations in Mexico and abroad. He is a well known business leader and is also active in the issues of environmental education and the protection of water resources.

Social Enterprise Knowledge Network

Advancing the Frontiers of Knowledge

BY JAMES E. AUSTIN

HEN YOU THINK OF HOW TO improve the lives of the poor in Latin America, you might first think of food, education, and health. However, one of the most pressing needs—even if not as obvious—is to teach leaders of non-governmental organizations (NGOs) how to be more effective managers. After all, those leaders are the movers and shakers for socioeconomic change and betterment.

Business leaders also urgently need an enriched management education to increase their interest and capacity to engage effectively in the social sector, thus fostering sustainable development. Societies will achieve meaningful progress only when there is a dynamic and responsible business sector and a vigorous and capable civil society. Furthermore, development possibilities are even greater if these two sectors are able to join forces in collaborative undertakings. Adding the public sector into the collaboration equation can often increase the potential good still further.

The Social Enterprise Knowledge Network (SEKN), a collaboration formed last year to address this need for generating intellectual capital developed in the region itself, came about through the participation of a group of leading Latin American business schools and the Harvard Business School in partnership with the AVINA Foundation.

THE MISSION

The Social Enterprise Knowledge Network (SEKN) seeks: To advance the frontiers of knowledge and practice in social enterprise through collaborative research, shared learning, case-based teaching, and the strengthening of management education institutions' capabilities to serve their communities.

Social Enterprise is defined as organizations or undertakings with an embedded social purpose. This encompasses NGOs or private or public sector businesses engaged in activities or producing goods or services of significant social value. The underlying social purpose of the enterprise, rather than its par-

Por medio de la Fundación queremos agradecer a todas las personas que de diferentes maneras han respondida e edda pedido que fue publicado en Clasificados Solidarios. Heme recibido la donación de ropa, impreseras, cubiertas para el camido, además de mucha gente que se interesó en nuestro trabaje y se comunicó para conocernos más."



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"Clasificados Solidarios" in La Nación, Argentina

ticular legal form, determines whether it falls into this category or not. SEKN prioritizes the generation of knowledge about social enterprise, but the Network's purpose is also to convert that new knowledge into training that will improve management practice in social enterprises. That process occurs by increasing the capacity of educational institutions to carry out research and to implement teaching programs for their degree program students, as well as for the continuing education of practicing managers. SEKN has two particularly distinctive characteristics. First, it emphasizes inter-institutional collaboration. It is based on the premise that there is great power in carrying out closely coordinated research and in engaging in lateral learning. Second, the research has a field-based orientation and the teaching has a strong focus on case studies and discussion-based learning.

THE FOUNDING INSTITUTIONS

SEKN founders include the following management education institutions:

- Harvard Business School, U.S. (HBS)
- Instituto Centroamericano de Administración de Empresas (INCAE), Costa Rica
- Instituto Tecnológico y de Estudios Superiores de Monterrey—Escuela de Graduados en Administración y Dirección de Empresas (EGADE), Mexico
- Pontificia Universidad Católica de Chile
- Universidad de Los Andes, Colombia
- Universidad de San Andrés—Universidad Torcuato Di Tella—CEDES, Argentina
- Universidade do Sao Paulo, Brasil

Each of the members of SEKN considers social enterprise as central to its mission and has made a major institutional commitment to developing social enterprise research and courses as an integral part of their educational programs. Other schools will be invited into the Network at the beginning of each two-year research cycle.

RESEARCH FOCUS

SEKN researches high priority areas in the Social Enterprise field in several different countries. Members collectively select a single research topic, design a set of common research questions, and then engage in field-based research. The research in each country examines in depth four or more situations of social enterprise practice in the chosen topic area. These case analyzes result in a paper for each country drawing the experiences together and reaching conclusions related to the specified research questions. In turn, these country-specific papers provide the basis for cross-country comparative analyzes to identify commonalties and differences.

The research topic for the 2001-2003 research cycle is on collaborations between businesses and NGOs. As one of the principal theoretical and empirical reference points, this research is using the findings and constructs from research on such cross-sector alliances in the U.S.

The case studies in each of the countries identify the motivations for these alliances and analyze the key factors shaping their evolution and effectiveness. The cross-country comparisons aim to identify commonalties and differences among the Latin American countries and with the United States.

These analytical cases will be also used to create teaching cases for Social Enterprise courses being developed by each school. Each institution's cases will be available for use in the other schools, thereby accelerating the development of sufficient materials to mount courses. The cases will also be accessible to institutions outside of the Social Enterprise Knowledge Network through the

HBS case distribution publishing system.

To illustrate the types of Latin American cross-sector collaborations between NGOs and businesses currently being researched, we offer the following examples from the SEKN institutions:

ARGENTINA: UNIVERSIDAD DE SAN ANDRÉS; UNIVERSIDAD TORCUATO DI TELLA; CEDES

La Nación, one of the most influential newspapers in Argentina, started a few years ago to include articles about the social sector and to cover innovations from community based organizations in dealing with pressing social needs. In this process, La Nación journalists and management have worked with Red Solidaria, a grassroots group that emerged in 1995 with the mission of spreading the culture of solidarity in Argentina society by connecting those who experience a need with those who can help. Through this relationship, they have identified cases and examples to report in the newspaper, have developed sections for the newspaper and the weekly magazine, and since September 2000, have launched "Clasificados Solidarios," at least a half page of free classified advertising daily for nonprofits to advertise their needs for goods and services. Volunteers can also take advantage of the free ads to offer services to nonprofits. This joint project has proven to be a very powerful tool to connect donors and social sector organizations.

BRAZIL:

UNIVERSIDADE DO SÃO PAULO

Banco Itaú, founded in 1945, is the second largest private bank in Brazil. As part of its social responsibility strategy it created a Community Assistance Program aimed at projects in education and health. The bank established cross-sector alliances with partners selected for their technical expertise to operate these programs and to establish relations with the communities. Education and Participation, one of the two programs, helped civil society organizations to assist needy students with supplementary schooling programs. Itaú's partners included the Ministry of Education, UNICEF, Unilever Company affiliates, Universidade do São Paulo, and CENPEC, a nonprofit organization strengthening public education. CENPEC provides technical direction and establishes contacts with community organizations. The Program includes the Itaú Prize in Education and Participation and constitutes one of the most competitive selection processes in Brazil's Third Sector.

CENTRAL AMERICA: INSTITUTO CENTROAMERICANO DE ADMINISTRACIÓN DE EMPRESAS (INCAE)

The Instituto Nicaragüense de Desarrollo facilitated the development in 1991 of the Young Nicaraguan Entrepreneurs program, an affiliate of Junior Achievement International (JAI). This program focused on atrisk youth rather than the more typical target group of university students. The traditional training materials were redesigned for this new group of youths with the assistance of UNICEF. This effort earned the program the JAI prize for innovation in adapting educational materials. As a result of the program, UNICEF has made basic changes in its assistance to these types of programs. Pizza Hut, Texaco, and other companies are involved by providing its executives as teachers in the program.

CHILE:

PONTIFICIA UNIVERSIDAD CATÓLICA DE CHILE

Agrícola Aritzía, one of Chile's leading poultry producers, engaged in a partnership with Corporación Municipal de Melpilla (CMM), a nonprofit entity that managed the public health and education system of this municipality of 100,000 inhabitants south of Santiago. The company viewed the community as one of its central stakeholders. The head of the company played a leadership role on the board of CMM and the company had provided in-kind and financial assistance to create a vocational school within the municipality's educational system, as well as donations to reward high performing teachers. CMM also provided health services to the company's employees. The leaders of both the company and the CMM faced succession issues with the corresponding challenges for the continuity of the partnership. (See related article, p.25).

COLOMBIA:

UNIVERSIDAD DE LOS ANDES

The Lideres Siglo XXI project was born seven years ago from the initiative of a group of business leaders of the Foro de Presidentes of the Cámara de Comercio de Bogotá. Ten companies and private schools found a common goal of improving the quality of edu-

cation in Colombia. Today, 187 private and public schools have partnered with 109 companies in 9 cities to strengthen their organizations benefiting over 100,000 children. The project helps schools adopt best practices in management and in 2001 they held the First Meeting on Quality of Educational Management to highlight the experience of the schools that had made the most progress. In addition to quality themes, they also have worked on planning and policy implementation.

MEXICO:

ESCUELA DE GRADUADOS EN ADMINISTRACIÓN Y DIRECCIÓN DE EMPRESAS (EGADE)

HEB, a family-owned Texan retailer, is the twelfth largest supermarket chain in the U.S.. In expanding its operations into Mexico in 1997, the company transferred not only its products and services but also its social strategy of working with food banks. El Banco de Alimentos de Monterrey, one of Caritas' social service programs, began in 1989 with the purpose of providing nutritional assistance to needy families regardless of religious affiliation. The collaboration of HEB with the Monterrey Food Bank enabled this operation to move from a basic to a world class level in terms of new storage and handling facilities and administrative systems. The partners perceived significant benefits for each other and the community. Strong leadership and interpersonal relationships contributed to the development of a considerable mutual trust that has fostered a vigorous and growing partnership.

FUTURE

The Social Enterprise Knowledge Network will hold its first SEKN Research Conference in mid-2003 in which the final results of the first research cycle will be presented and discussed. Plans are to publish an edited volume in English, Spanish, and Portuguese. This will be the first in the SEKN Series, to be followed by subsequent volumes focused on other important topics and carried out in two-year cycles.

James E. Austin, a DRCLAS Policy Committee member, is the John G. McLean Professor of Business Administration at Harvard Business School and the cofounder and chair of the Harvard Business School Initiative on Social Enterprise.



Coming Together

Hurricane Mitch and Disaster Relief

PHOTOESSAY BY ANITA BACA

This page (from top): Headed away from the Posoltega mudslide, Nicaraguans pull together to cross the River Izapa carrying their personal belongings, 1998.

As construction goes on in the background, Nicaraguan refugee Anelka Ortiz, 15, carrys water to her tent, a bucket she must fill 24 times per day to fill two tanks of water which will be used for cooking, bathing and washing dishes, just north of Posoltega, and 70 miles northwest of Managua, February 10, 1998. Anelka and her family who were left homeless by Hurricane Mitch expect to move out a tent and into a home donated by the Nicaraguan government come February 15, 1999. The site where a 100 shells of the donated homes were inaugurated by Nicaraguan President Arnoldo Alemán, who promised that a 140 more homes would be built.

Nicaraguan refugee Manuel Osorio, 4, (center) waits in line for cooking oil with his mother, Ana Diaz, 36, (left) at a temporary shelter in Leon, 54 miles northwest of Managua, August, 1999. Manuel and Ana are two of 1,500 Nicaraguans who were evacuated from their homes after several craters from the Cerro Negro erupted dramatically.







Left: Religious volunteer workers look on as Nicaraguan Perla Dormas, 21, holds her one-year-old son Jose Dormas at a refugee center in Ciudad Sandino, 1998.

Below: Nicaraguans Yonelka Ordoño, 9, Maylin Ordoño, 11, Janeli Ordoño, 6, and Josefina Ordoño, 7, sit on their grandmother's bed in La Tapia, Nicaragua, October, 1998, 40 miles southeast of Managua. The constant rains had left the cousins' grandmother's home flooded for a week.

Bottom: Nicaraguan Francisco Landera pulls his horses past a house engulfed by mud in Jinotega, 100 miles north of Managua, Friday, November 13, 1998. After Posoltega, Jinotega was the next largest Nicaraguan population to be affected by Hurricane Mitch.





Migrant Philanthropy in Latin America

Move Over United Way

BY PEGGY LEVITT

HEN WE THINK OF PHILANTHROPY IN THE UNITED STATES, we might think of the photographs of the rich and famous attending fundraising dinners that appear on the society pages of *The New York Times* or *The Washington Post*. Or we might think of the numerous charitable appeals that fall through our mail slots every day. But a different kind of philanthropy is emerging in Latin America. Rather than elites, ordinary individuals who migrate to the U.S. are making major contributions to local development in the communities they come from. Instead of working through well-established organizations, they are creating their own groups, raising their own funds, and using their own labor to bring about these changes.

What enables these individuals to do so? Since 1965, Latin America has become one of the primary regions sending migrants to the United States. Rather than severing their ties to their communities of origin, many migrants continue to sustain strong ties to their homelands even as they are incorporated into the U.S. Like the Italian hometown society and Jewish benevolent association members of the past, these migrants also contribute large sums of money, equipment, and ideas toward making their communities better. In some cases, they act independently and do not collaborate with other Hometown Associations (HTAs). In other cases, sending governments learning of these collaborations are putting programs in place to ensure their continuation and enhance their effectiveness.

The Dominican Republic is a case in point. In the late 1970s, migrants from a small Dominican town outside the city of Baní that we'll call Miraflores, created the Miraflores Development Committee (MDC). Sunday social gatherings gradually evolved into a formal organization dedicated to community development. Over the years, the MDC has raised close to \$150,000 to build an aqueduct, a baseball field and stadium, and a funeral home. The Committee's efforts also paid for renovations at the local school, health clinic, and park. Its next project will be to fix up the local community center.

The MDC has a positive impact that goes way beyond physical improvements. It builds upon the informal solidarity that is

Dollars raised in New York mean health clinics, parks, and community centers in Mexico and El Salvador.

an integral part of community life but has never before been harnessed successfully to promote the collective good. By shepherding community improvement projects to completion, the MDC demonstrates to Mirafloreños that the combined efforts of those at home and those abroad can work. Second, migrants introduce

U.S. management and administrative techniques. that make the MDC more effective and efficient. The checks and balances between home and host community members help ensure that contributions are distributed fairly and guarantee some level of transparency and power-sharing. Third, the MDC generates modest employment when it hires bookkeepers, watchguards, and manual laborers to work on its projects. Finally, the efforts of MDC members in Boston and Miraflores enhance villagers' ability to make demands of the Dominican state. In some cases, such as health care, the community provided for itself what the government did not provide for them. In the case of the park and the aqueduct, the community leveraged the monies it raised to convince municipal and national officials to give them the money they needed to finish their work... In this way, the MDC's activities move beyond simple charity to community mobilization.

The Dominican case is not unique. Many migrants from all over Latin America and the Caribbean make major contributions to the communities they leave behind, though the targets of their efforts are not always as locally focused as in the Miraflores case. Dollars raised in New York also mean health clinics, parks, and community centers in Mexico and El Salvador.

Alejandro Portes, Patricia Landolt and Kay Eckhoff 's work on HTAs in El Salvador revealed a variety of different types and levels of activities. The *Comite de Amigos de Santa Elena* (Committee of the Friends of Santa Elena), for instance, has chapters in Los

> Angeles, San Francisco and Washington that work together to support sports, education, and health activities. Rather than raising funds to finance development projects, other Salvadoran groups support their sending

communities by mobilizing political pressure. They write letters to political officials when a clinic or ambulance is needed or when roads still need repair. Both labor migrants and professionals are engaged in these activities. The Salvadoran American Medical Society includes more than 250 Salvadoran physicians in the U.S. who





A truck loads up donations from Boston's Jamaica Plain to the Dominican Republic

donate clinical services, training, and equipment during yearly visits to El Salvador.

In contrast to the Dominican government, which has done relatively little to promote HTA efforts, the Salvadoran and Mexican governments both actively encourage migrant philanthropy. Luin Goldring, Robert C. Smith, and Gaspar Rivera-Salgado have all written extensively about the Mexican case, highlighting the ways in which governments both at the federal and state level act to stimulate migrants' continued activism. National government resources helped create statewide federations of hometown associations like the Federation of Zacatecan Clubs of Southern California, which in the mid- to late-1990s included 35 to 45 dues-paying home-town clubs. These federations continue to finance hometown projects and to act as catalysts for better communication between migrants and

U.S. and Mexican political authorities. They sponsor student scholarships, soccer tournaments, and political lobbying such as efforts to block the passage of Proposition 187 in California. At the same time, they continue to finance hometown projects, beauty pageants, and cultural events, and to lobby Mexican political authorities in favor of hometown interests. The Mexican government also encourages migrants' continued involvement through programs such as the *Programa para las Comunidades Mexicanas en el Extranjero* (PCME, The Program for Mexican Communities Abroad) which matches federal funds with dollars raised in the U.S.

Both the municipal and national levels of the Salvadoran government have also formed ties with Salvadoran HTAs. Municipal candidates for mayor have campaigned among HTAs in the U.S., promising them goods and services in exchange for their political

GIVING AND VOLUNTEERING

support. The mayor's union (*Gremio de Alcaldes*) held a meeting with a group of approximately 40 HTAs in Los Angeles. In 1999, the Salvadoran Government also formed the *Dirección General de Atención a la Comunidad en el Exterior*. This office, modeled after that of Mexico, seeks to ensure that migrants continue to contribute to their hometowns, to encourage them to invest in El Salvador, and to help link El Salvador with U.S. markets.

Migrant philanthropy and the nature of the state-migrant relations within which these activities develop have stirred much debate. We need to learn more about the relationship between household remittances and the level of community-oriented money flows. Furthermore, some researchers assert that migrants' greater financial clout imbues them with greater political voice, while others claim that these relations simply recreate old power hierarchies and that migrants and

The boundaries of community development and political participation are changing with migration dynamics.

those who stay behind continue to end up footing the bill for services that the government should provide. Clearly, there is no one simple answer. Sending communities generally get better facilities and services, and they may be given a seat, albeit temporary, at the decision making table. But these gains generally come at some cost.

First, when communities get better at solving their own problems, it lets the state off the hook. Because migration enables them to meet their own needs more effectively, national governments can continue to pursue policies that inhibit local development and cause migration to begin with. While communities sending large number of migrants may be in a better position to withstand state negligence, those sending smaller numbers have no comparable safety net and are thus double victims. They have fewer resources to bargain with the state and officials have fewer incentives to help them.

Second, because migrants contribute the bulk of the funds supporting HTA projects, their interests often take precedence over those who stay behind. While at first, both constituencies generally share a vision of their community's future, migrants gradually come to see sending communities as places for rest and retirement while non-migrants still want jobs and better services. The power dynamics behind decisions concerning what is in the community's best interest and how it should be acted upon often privilege migrants' concerns.

The decision to build a funeral home in Miraflores is a case in point. Though pleased with the final product, both migrants and non-migrants felt that far too much money had been spent on this project. They seemed perplexed when asked about how the actual

> decision to build the funeral home had come about. Each group accused the other of being the project's most ardent supporters.

> Some supported the project because El Llano, a neighboring village, already had a

funeral home and villagers did not want to be outdone by their long-standing rival. Others felt that it was migrant community members who had pushed for the project because they now saw Miraflores as a place where they would ultimately come back to retire and die and they wanted a place where they could comfortably do so. Others, such as Gustavo, 43, a returned migrant argued the project was misguided.

"If they had left it up to me to decide, I would not have built it. We are going to break a tradition that we have always had, and we are going to bring a modernization here that we don't have and that we don't need...If you ask other Mirafloreños, I bet there would be 70% who would prefer to be laid out and mourned in their own homes. They wouldn't want to





Left: A baseball field in the Dominican Republic built with migrant funds carries ads for Jamaica Plain businesses; right: A community health center in the Dominican Republic built with migrant philanthropy

LEARNING ABOUT SUSTAINABLE DEVELOPMENT

orking for the Costa Rican Foundation for Sustainable Development (CRFSD) last summer gave me a greater insight into the field that I hope to be working in internationally in the future. Founded by former president José María Figueres, CRFSD is a nonprofit organization with the fundamental mission of enhancing people's well being in developing countries by promoting and advancing unique technological applications and environmental approaches within a framework of sustainable development.

A current focus of the Foundation is to design, develop, and operationalize a Central American Center for Air Quality Monitoring, Evaluation, and Management Technologies, CENTAIRE. I worked mainly with the directors of the CENTAIRE program, writing inquiry letters to foundations that would possibly be interested in helping

fund this project. I was also able to work with the LINCOS project by preparing presentations in English to present to U.S. corporations. LINCOS—Little Intelligent Communities—is a project designed for communities in developing nations which integrates multiple information technologies in a single portable unit that can easily be transported to a designated site, with the intention of making these technologies accessible to rural communities. Working with local children and staying with a host family—where my mother stayed 31 years ago—brought me close to Costa Rican daily life. Introducing children to the use of a computer was an experience I will never forget.

Leah J. Aylward, a Harvard undergraduate with a major in Environmental Science and Public Policy, received a DRCLAS grant to work with the Costa Rican Foundation for Sustainable Development in Tres Rios, Costa Rica.

go to a funeral home... I also realize that when people die in the U.S. and are sent home to be buried, if they are laid out in the homes, all of Miraflores goes. But if it is in a funeral home, women have to go to the beauty parlor, men have to wear ties, and you have to have the right clothes and this destroys something about it. Many people prefer not to go. They wait until the family goes back to their home to pay their respects. I know that this is going to happen. It was not a priority."

While HTAs support important social welfare and infrastructure improvements, they have been less successful at stimulating long-term economic growth. A recent study on Oaxacan Hometown Associations in Los Angeles by UCLA's North American Integration and Development Center examined the extent to which

HTAs promoted productive investments in Mexico above and beyond their contributions to social welfare and public works. It also analyzed the role of Mexican government programs in stimulating these activities. The authors concluded that while respondents supported important physical and social improvement projects in their sending communities, they found few examples of efforts that created jobs or that stimulated the local economy. Respondents claimed that the business climate in the region was inhospitable and that they lacked the access to capital, technical assistance and trust in government programs it would take to mount successful ventures. They believed that migrant-driven initiatives to promote regional economic development had great potential but they were skeptical, given their current resources, about their ability to make such schemes work.

Finally, the question of whether migrant philanthropy enhances migrants' political position is particularly complex. Luin Goldring concludes that programs like the PCME imbue groups with enhanced autonomy and encourage greater political participation. She argues that political authorities have been motivated to include migrants in the national and state communities because of the importance of migrant dollars and as a buffer against Mexico's perennial economic and political crises,. Both Goldring and Robert C. Smith, however, stress that not all migrant groups are equal. In Smith's comparative work on Zacatecans and Oaxacans, he found that Zacatecans were better positioned to exercise their Mexican citizenship rights and to participate politically in the U.S. and in Mexico.

If nothing else, these dynamics bring to light the changing boundaries of community development and political participation. Clearly, the links between sending-community and immigrant-community development will only grow stronger. Furthermore, the character of the state-subject relationship is increasingly shaped by factors outside the nation state.



Peggy Levitt is an Associate Professor of Sociology at Wellesley and an Associate at Harvard's Hauser Center for Nonprofit Studies and DRCLAS. She is author of The Transnational Villagers and coeditor (with Mary Waters) of Salsa and Ketchup: The Transnational Lives of the Second Generation.





Puerto Rico Community Foundation

A Community Philanthropy Strategy

BY NELSON I. COLÓN

ot-for-profit housing, teacher training, and leadership training are philanthropic goals throughout much of the Americas. At the Puerto Rico Community Foundation, we seek to achieve these goals and more by the development of social capital, by creating alliances and networks among participating organizations and the private and public sector.

This island, among the most densely populated countries in the world, faces special challenges. Officially the Commonwealth of Puerto Rico, the island has a population of 3.8 million in a perimeter of 3,500 square miles. While the average cost of an affordable house unit is \$70,000.00, the mean family income in Puerto Rico is less than \$10,000.00, with 59 % of the Puerto Rican population on the island below the U.S. poverty level.

In the last seven years, community housing development organizations in Puerto Rico have built or rehabilitated 1,647 housing units at a market value of \$145,180,000. That is, grass-roots community based housing developers generated value in excess of \$100 million in 24 communities in Puerto Rico. This is one dimension of the strategy implemented by the Puerto Rico Community Foundation in more than 50 communities in Puerto Rico to increase community capital.

A PROFILE OF THE PUERTO RICO COMMUNITY FOUNDATION

A group of local leaders, with the support of four U.S. foundations—Ford, Rockefeller, MacArthur, and Mott—and the National Puerto Rican Coalition established the Puerto Rico Community Foundation ("PRCF") in 1985. The PRCF originally sought to channel philanthropic resources from corporations and individuals to address the pressing socio-economic needs of the island. Since then, the Foundation delivered to the community programs \$19,843,919 in grants and built an endowment of \$19 million. This one-to-one ratio exceeds by far the 5% payout rule of the Internal Revenue Service. IRS regulations require that foundations under 501c3 exemption distribute at least 5% of their total assets each year. Within the IRS framework, the Puerto Rican socio-economic context shaped a foundation highly driven towards community impact.

A 15-member board of directors governs the Foundation and closely monitors community impact through the approval of strategic and yearly goals and the scoring of progress in quarterly meetings. In addition to the chief executive officer, three department directors manage the program, development, and administration departments. Within the program area, program officers head respectively the areas of Economic Development; Community Develop-

ment; and Education, Art, Youth and Health.

In 2000, the Foundation's new leadership put forth a new vision for building community capital anchored in the development of community capacities and the strengthening of local philanthropy. The mission of the Foundation calls for developing community capacity for social transformation and economic self-sufficiency,

stimulating investment in communities and maximizing the yield of each contribution. The PRCF's four-fold strategy for increasing community capital focuses on building capacities in the human, financial, social, and physical aspects of the community.

A frequently asked question about the Puerto Rico Community Foundation is what makes this foundation different from other foundations. The configuration of foundations in the United States encompasses four major categories: national foundations, family foundations, corporate foundations and community foundations. The Internal Revenue Service defines Community foundations as "public charities," that is, private monies used for public good. A community foundation holds assets in a number of "components" funds that may include funds intended to support particular field of interest; designated nonprofit agencies; or funds for unrestricted purposes. The IRS Public Support Test for Community Foundations requires diversified community support in any given period: more than 51% of contributions to the Foundation in a three year period must come from diverse sources; a single entity cannot control the majority of assets in a Foundation.

Within this framework, the Puerto Rico Community Foundation is a "sui generis" institution in Puerto Rico; it was the first Community Foundation organized in the Caribbean and Latin America. Puerto Rican society and its philanthropic traditions shaped Puerto Rico Community Foundation in four unique and particular ways.

First, the community participates actively in the grant-awarding process. A case in point is the Youth Serving the Community Program. Last spring, a distribution committee integrated by four community youths, two Board members; and the President of the Foundation awarded seven grants for four "project factories." Second, about half of all

program activity is technical assistance and capacity-building.

Third, the transferral of organizational knowledge to community based organizations through ongoing seminars and training on Board organizing and development. A good example is the 23 community housing development organizations trained by PRCF since the inception of the program in 1992.

Fourth, the Puerto Rico Community Foundation focuses on a

new community wide philanthropic culture and an innovative set of strategies to stimulate it. Puerto Rico Community Foundation is fostering a new philanthropic culture in Puerto Rico based on long-term giving and a set of culturally specific strategies such as family funds; towns and cities funds; and stars fund.

The family fund facilitates the traditional Puerto Rican pooling

of funds among family and friends to support a cause or honor the deceased. The towns and cities fund brings together residents to develop their communities. The third strategy, the "Stars Fund", is geared toward the new wealth generated by highly talented Puerto Ricans who reach a celebrity status. Whenever possible, these strategies are linked with the Foundation's programs through grant-making and capacity-building.

In this article, I will profile three of these programs to illustrate the dynamics between grant-making and capacity building strategies, and their impact on the community.

SUMMARY OF IMPACT

44

Business created or sustained

314

Existing businesses to which services were offered

36

Initiatives of self-employment that were generated

29

Jobs created

27

Number of loans awarded

\$2,137,128

Total amount of loans awarded to businesses

9,560

Individuals oriented for home acquisition

119

Total number of housing loans awarded or facilitated

\$2,526,706

Total amount of housing loans awarded

\$4,565,575

Avoided cost for the sale and rent of social interest housing

THE CONSORTIUM FOR COMMUNITY ECONOMIC DEVELOPMENT

The Consortium for Community Economic Development, the primary program for the development of financial assets, brings together seven banks, three foundations, and one university in a concerted effort to support community development organizations. The Consortium also follows Puerto Rico Community Foundation's two-fold strategy for developing community capital: grant-making and capacity building, focusing on three components: grants, education and training, and lending. Carefully crafted grants are awarded to enhance organizations' internal capacities for economic development. Many organizations used the grant as seed money for developing their economic development units or to pay for economic development specialists in existing units. The education and training program is aimed at building the capacity of community organizations through training in business and leadership development. The lending program aims to develop financing skills in Community Development Organizations (CDOs).

In the year 2000, PRCF commissioned a study of 11 of the 17 organizations supported by the Consortium to assess community

impact. The assessment showed that the ratio per dollar invested was \$1 to \$9.66. That is, for each dollar awarded by to Consortium the organizations generated an additional \$2.68 for operational funds; \$1.57 for loans to businesses; \$1.86 for housing repair loans and \$3.55 as avoided cost. The organizations leveraged over \$13 million in added value to their community based on the initial PRCF investment of \$1,357.861.



Previous spread: PECES, a pun for "fish" in Spanish, is PRDF's educational community development project; above: Villas de Peregrino housing for the elderly

THE MIDDLE SCHOOL RENEWAL PROGRAM

The flagship program for the development of human capacities is the Middle School Renewal Initiative, seeking to encourage innovation in education to improve student retention and academic performance. The program focuses on school re-structuring and teacher education. The program organizes planning teams in schools to implement four guiding principles:

- Strengthening of the learning community
- Integrated curriculum based on student experience
- Peer education among teachers
- Digital technology as a teaching strategy

After three years in the program the first eight schools reported significant increases in "As" (23%) and "Bs" (13%). A significant reduction in "Ds" (14.5%) and "Fs" (32.2%); and 36 % reduction in teacher absenteeism. In the course of seven years, the Foundation invested \$210,000.00 in 17 schools. Through government funding, the Foundation will expand to 100 schools, representing a 25% of the 400 middle schools in the system.

THE COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

Community Housing Development Organizations (CHDO) Program is the Foundation's signature program for the development of physical assets. Since 1992, the program has invested \$894,184 in

building organizational capacity and providing technical assistance and training to 24 community housing organizations. This program aims to organize and prepare grass-root housing developers to produce housing units for low income people in Puerto Rico. Through creative financing that combines government subsidies, tax credits, and private financing, the CHDOs have been able to produce housing units at affordable prices.

Social capital is captured in all three programs through alliances and networks formed between participating organizations and the private and public sector. The CHDOs, for example, organized the first Community Housing Association in Puerto Rico. Another case in point is the \$120,000 saved through the collective purchase of health insurance for its members by the Camuy Merchant Association. The 5.43% interest rate obtained through the re-lending program is another example of significant savings compared to the 10% average market rate in commercial loans.

LESSONS, CHALLENGES AND OPPORTUNITIES BUILDING OF LOCAL PHILANTHROPY

Since its inception, PRCF has been a highly effective conduit and manager of external funding. Of the 42 million dollars raised in 16 years, a significant percentage came from U.S. corporations in Puerto Rico and foundations. This is a very successful role we have played in the past and will continue doing it in the future. Yet, in our vision of the future our positioning in this relationship will change. PRCF will empower the local community to become an active co-investor in funding long-term high impact projects. External funding will be paired with local funding to launch new initiatives that will have a systemic impact in the Puerto Rico society.

The local donor in Puerto Rico is more inclined to community impact and less to the mechanics of giving. Tax laws in Puerto Rico do not provide a significant impetus to giving. Yet the Puerto Rican donor is willing to contribute to programs and initiatives that will generate significant change in the future. This lesson provides the basis for the design of the soon to be launched endowment campaign.

Four major initiatives will drive PRCF's new endowment campaign, including the middle-school initiative mentioned above. The second endowment driver will be the Community Development Leadership Center to train community leaders in the most sophisticated strategies for building community assets and change. Scholarship program and a Community Fellows Program will stimulate both students and mid career leaders in this area.

Then there's the "Town Fund" for Community Development to provide an opportunity for citizens in Puerto Rico's 78 municipalities to set up funds for community programs. The fourth driver will be the "All for Puerto Rico Fund". This will be an opportunity for all Puerto Ricans—in Puerto Rico and the U.S.— to support, on a sustained basis, high impact programs in the fields of education, and the community economic development, housing and health.

The Puerto Rico Community Foundation is an opportunity for partnering and citizens participation. The Foundation's new stage is an open and ongoing invitation to engage with local residents in forging a new future for the island.

Nelson I. Colón, who received his doctorate from the Harvard Graduate School of Education, is President and CEO of the Puerto Rico Community Foundation.

Andean Traditions of Giving

A Vocabulary of Generosity

BY MARÍA EUGENIA CHOQUE QUISPE AND CARLOS MAMANI CONDORI

N ANDEAN TALES, THE FOX IS ALWAYS THE CENTRAL FIGURE, A hero who never wins, but who is also never defeated. His comings and goings stretch from mythical times to colonial history, when he becomes the champion of the suffering Indian peons of the hacienda, along with Pedro Urdimales, a European fairy tale character who came to the Andes in the 16th century.

In the story, the fox calls himself Antonio and is transformed into a young gentleman who wins the heart of every young lady

who crosses his path. This adventurous character with his winning ways gets nicknamed *Tiwula*, from the Spanish word *tio* or uncle. The gallant fox is always struggling and trying to become really human by marrying one

(jaqi, human) and making himself a son-in-law (tullqa). He certainly manages to win women's affection and seduce them. However, his attempt to marry a jaqi are in vain. At the last moment, the woman always dies or his real identity is discovered just before

his wedding day.

The fox is always a stranger who comes from above, *jaya* in Amayra, *jawa* in Quechua. He is the Andean sex symbol, which represents masculinity, much appreciated by both men and women. In traditional fiestas and rituals, the sons-in-law are represented by this figure, making quinoa crackers with the figures of a fox. Nowadays, these crackers are more likely to be rolls made from wheat flour. The most ritual and mythological symbol is the *lari*.

Indigenous peoples have as many words for generosity as Eskimos for snow.

Historically, those spirits who inhabit the very highest mountains in the Andean region are called *lari lari* and *chuqilas*, the last term associated with lightning. The *lari lari*, is the *sacha* or savage from the summits, barely earning a living raising native species such



A town in Bolivia anchored by its traditions.

GIVING AND VOLUNTEERING

as llamas and alpacas and dedicating themselves to hunting vicunias (vicuñas) known as wanakus and waris with riwi, a type of dart. In addition to representing lightning, the chuqila brings the frost necessary to dehydrate potato (chuño).

In this essay, we will discuss two examples of storytelling and a ritual in which the fox plays a central part, in which he symbolizes the particular relations of reciprocity that the human community establishes with this representative of nature.

In the Andean region, glossaries that spell out the indigenous traditions of giving and reciprocity are quite well known. Like the goods and services also has to do with a very particular concept of space, the transversality that crisscrosses between the flat Pacific coasts and the highlands, between the valleys nestled among the Andes and the plains of the Amazons. This transversal vision of space, expressed in storytelling and ritual, reflects ecology and the rich biological diversity through its symbolic animals, who interact reciprocally with the human community. The high mountains of eternal snow are represented by the condor, *khunu t'uru* (he who crushes the snow) in Aymara, while the high plateau is symbolized by the fox and the Amazons by the *jukumari* bear.

Andean indigenous traditions of giving and practices of reciprocity are reflected in its folklore.

Eskimos, who have many different words for snow, the Andean peoples have many different words for practices of reciprocity, words like *ayni*, *mink'a*, *waki*, *sataqa*,etc. that refer to the circulation of goods, energy, and services that make communitarian life successful in the lofty plateau known as the *altiplano*. This exchange of

ANDEAN TRADITIONS OF RECIPROCITY

Building Social Capital

A "minga" is most often understood as a communal work party. While such events take place almost everywhere, they are particularly significant in the Andes. If there is anything that singularly characterizes "Andean Indian society" it is reciprocity. Reciprocity also exists in all societies, of course. However, it is the extent to which it is institutionalized in practice and belief that makes the process stand out in such high relief in the Andean countries.

Between individuals there is the Quechua term—"ayni" that is understood as both "a favor" and " a debt." In either case it serves to establish or solidify a relationship between individuals in a highly symbolic, almost religious manner.

A "minga," in turn, is the broader, public expression of "ayni"—people doing favors for another (or the community) out of a sense of "debt." The "debt" moves throughout the community and all participate. The most common manifestation would be a collaborative effort to prepare or harvest a field, or re-roof a house. Several families would help, and the "owner" becomes morally obligated to reciprocate to those who help.

As one "ratchets up" the process, there are communal minga to build a road for the community or clean up the public square. The minga thus "builds" community, and those who do not participate would be, at least, "noted," if not stigmatized. The mere use of the term implies personal and communal obligation, in the positive sense. The minga is about as widespread a phenomena, and a set of sentiments associated with it, that one can find in the Andes, and is the ultimate expression of and means toward "social capital."

—Theodore Macdonald, Harvard Program on Nonviolent Sanctions and Cultural Survival (PONSACS)

THE FOX AS LIBERATOR

In a story published by Bolivia's Human Development Ministry in collaboration with the Andean Oral History Workshop in 1996,

it's recounted how people were suffering a lot because the puma were eating all the llamas. No one knew what to do. One day, the elders happened upon Tiwula, who immediately offered to resolve the problem if he were paid in llamas. So the people and the fox collaborated in a successful plan to capture the puma. And although the fox was paid his share of llamas, he asked for them to be left behind for the community or ayllu to take care of. He said he would be back when he needed the llamas.

Since that time, when the fox takes one animal or another, people have to accept that it's something that corresponds to him. They never mention the name *qamaqi*, which literally means "fox" in Aymara, but call him by the respectful name of "uncle," *tiwula*.

This tale indicates how reciprocity between man and nature has fostered a concern for ecology, that sometimes might even seem against the common sense interests of the community.

THE COSMIC ZORRO CÓSMICO (PACHAQAMAQI)

The Aymara's spirit—pachaqamaq or cosmic fox—inhabits his body, entering and leaving through his ears. According to a version of this story published by the Workshop, the fox travels to the pacha or cosmos on the wings of a condor. Among his many aventures, he eats the fruits he likes the best and dedicates himself to seducing women. He doesn't pay any attention to the condor's pleas that he return to earth. It gets to be very late, so the condor returns to the earth by himself. The fox desperately looks for a way to get back to earth and comes up with the idea of a rope (phala de jichhu). On his way down to earth, he comes across some parrots, k'allas, who make fun of him. The fox taunts them back, and they cut his rope with their beaks. He hurtles down to earth, yelling to the spiders to help him by hastily spinning a web to break his fall. He dies and all the fruit he has eaten falls out of his belly. Since then, the people plant and eat all the varied and rich cosmic fruits that the fox brought down to earth. In reciprocity, people celebrate the fox at the end of the harvest and have made him part of their mythical genealogical tree.

CHUQILA

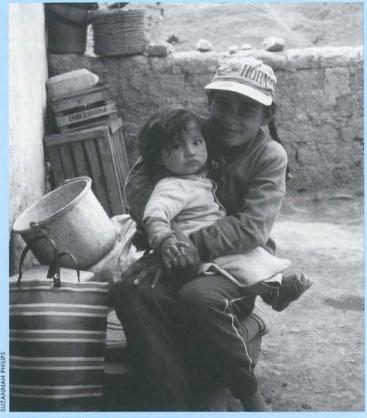
The Chuquila ritual during three days of fiesta, music, and theatre, takes place during the harvest season in the altiplano communities.

It recreates the arrival of a community of chuqilas to the pampa,

LIFE IN RURAL BOLIVIA

hree years ago, I arrived at the small town of Cirminuelas, located outside of Tarija, Bolivia. For the first time in my life, I was faced with the hardship of living without the amenities that I, as a privileged American, had begun to see as commonplace: electricity, water, even toilet seats. As I became more accustomed to life in rural Bolivia, I began to realize that these luxuries were far from the minds of the local people. The needs which plagued them on a daily basis were much more concrete, namely that their families had enough to eat and stayed healthy. As a volunteer with a public health organization, I was very much immune to these hardships: I had a mosquito net to protect me from Chagas disease, I had the luxury of traveling into the city when I was in need of medical attention, and I was always provided with plenty of food, no matter how little the family had to offer. No amount of immunity, however, could protect me from the shock of seeing those victimized by such hardships: the swollen throats or bellies of people afflicted by Chagas disease, the hungry eyes of small children devouring from a distance the large portion of soup that I, as a guest, would inevitably receive, the infant that dies as a result of a commonplace illness because the family lacks the money for treatment.

Three years later, I find myself once more spending time in Cirminuelas, and the numerous changes that have taken place in my absence have been made all the more apparent. The majority of the changes are a direct result of the projects implemented by PLAN International, the NGO with which I had been working my previous time in Cirminuelas. PLAN has been working in the communities located in the department of Tarija for the past few years in an effort to improve the general sanitation and health conditions for the people in these towns. PLAN works globally to provide sponsors, or padrinos, to children in these communities. This is beneficial to the communities in two major ways. The bonds that are created between sponsors and children by exchanging letters are highly valued by community members, whose enthusiasm is always conveyed in their excitement to show me a new postcard or photo that they have received from their sponsor. In addition to creating these relationships, the financial support that PLAN receives from the sponsors has helped to contribute to making these communities safer places in which the children and their families can live. Whereas three years ago every house in the community of Cirminuelas was constructed of adobe and had a thatched roof, now, as a result of the efforts and instruction of PLAN International, every house has a cement floor, whitewashed walls and tiled roofs. The benefits of this change are indescribable when one realizes that this is the main step towards combating Chagas disease, a rare but fatal disease which, frighteningly, an estimated 25% of Bolivia's population has already contracted and as of yet has no cure. In addition to the home improvement, PLAN also instructs each family as to how to further protect their houses from providing a haven for the vinchucas, the beetles that carry the Chagas-causing parasite. PLAN has also organized local doctors, through the Ministry of Health, to visit communities and give needed vaccinations to newborn children and women. The doctors, while visiting the communities on a monthly basis, also give talks to the people in these communities, educating them about necessary health issues. On the most recent



A Bolivian girl cares for her sister

visit, the doctor explained to the people in the town how they can recognize tuberculosis—one of the leading causes of death for young children in rural areas—and encouraging them to seek the free consultation and treatment that the Ministry's health center provides. PLAN also runs a center for children who have not yet begun schooling. This center provides a place for children under the age of six years to come while their siblings are in school and their parents are working in the fields. PLAN hires local women to cook for the children to ensure that they receive a nutritious meal, and the children are also provided with an educator to supervise them and provide them with a preliminary education.

It was remarkable for me to see the positive impact that PLAN has had on this community in such a short period of time. By organizing and educating the rural communities in Bolivia, PLAN International has managed to affect the lives of so many people, especially those within the department of Tarija. The projects that PLAN has begun to initiate are, on their own, impressive; beyond that, however, I was amazed to see how this NGO reached out to these people—who have been so long forgotten by the governmental and urban sectors of the Bolivian population—in an effort to drastically improve many aspects of their living conditions, and I was even more amazed to see how well they were succeeding.

Suzannah Phillips, a Harvard undergraduate in Anthropology, received a DRCLAS Summer Research grant to study motives behind the racialization of the "campesino," and the socio-political consequences in Bolivia. She is currently studying in Lisbon.

GIVING AND VOLUNTEERING

to look for agricultural products to exchange for animal-derived products. The encounter is synthesized in the songs and culminates in a party in which the chuqilas play instruments and dance imitating vicuñas. The participation of the ayllu, the community from the plains, is in the dance, represented most often by women. These chuqilas are travellers, most often single men. Here it is very clear that the symbolism of the fox as a representative of masculinity and, in a more subtle sense, of lari or generosity. Chuqilas come down from the hills with their herd of llamas and their traditional costumes, still used today. They are greeted by the community of the flatlands through song and an exhibit of fresh fruit.

Just before the fiesta, as a midnight prelude to the ritual, there's a foxhunt, kicked off with song and a virgins' dance. The fiesta's high point is the counterpoint in the song between the young *chuqilas* and the girls from the plains, which ends in matrimonial alliances between both groups as a sign of the ecological alliance between the

high plateau of the *altiplano* and the arid tablelands. The choreography of the dance imitates the *vicuñas*, culminating in a ritual imitation of copulation with a virgin.

The dance troupe and the community participating in the ritual carry out the symbolic sacrifice of the vicuña, which is then roasted, and a blood toast—represented by quinoa bread and wine. This ritual symbolizes inter-ethnic alliances between the two groups. Today's Aymaras hold this celebration in May or June.

María Eugenia Choque Quispe is the director of the Andean Oral History Workshop. She teaches at the Universidad Pública del Alto (UPEA) and the Universidad Mayor de San Andrés in La Paz, Bolivia.

Carlos Mamani Condori, a member of the Andean Oral History Workshop, studied history at FLACSO and is a professor at the Universidad Mayor de San Andrés.

ANDEAN ORAL HISTORY WORKSHOP

The legends and festivities so vividly described by María Eugenia Choque and Carlos Mamani Condori indicate the roots of the concepts of generosity and reciprocity—giving and volunteering—in the Andean culture.

The authors' Andean Oral History Workshop (THOA) seeks to reclaim and disseminate these indigenous traditions. It is a grassroots organization that seeks to recover traditions such as the ayllu, the community of cooperation, in order to bring about social change. Initially funded by Dutch Solidarity and OXFAM-America in 1986, the non-governmental organization now markets its research services (such as an investigation on respiratory infections to UNICEF) to raise funds to promote indigenous cultural, political, and social self-determination.

One of the basic aims of THOA is to restore the indigenous community structure of ayllu. The social and economic organizational base of most of ancient, and much of contemporary, Andean civilization was the ayllu, understood variously as a kin group, a social unit, or a village structure. Typically an ayllu, in the sierra or altiplano functioned on the idea of Andean vertical social and economic organization and broad concepts of reciprocity, emphasizing community work groups known as minga.

In addition, THOA also seeks to bring together indigenous groups and institutions to rethink the role of indigenous cultures in the society; to develop a program to disseminate indigenous philosophy and traditions; to train indigenous leaders through courses, workshops, and encounters; to investigate indigenous rights from a historical perspective; to participate in international forums to promote indigenous rights; and to reclaim indigenous traditions.

THOA hosts radio programs and broadcasts soap operas "telenovelas" in Aymara, as well as the type of legends recounted by the authors. Its program "The Andean Woman in History," a 45-part soap opera in Aymara, was the most pop-

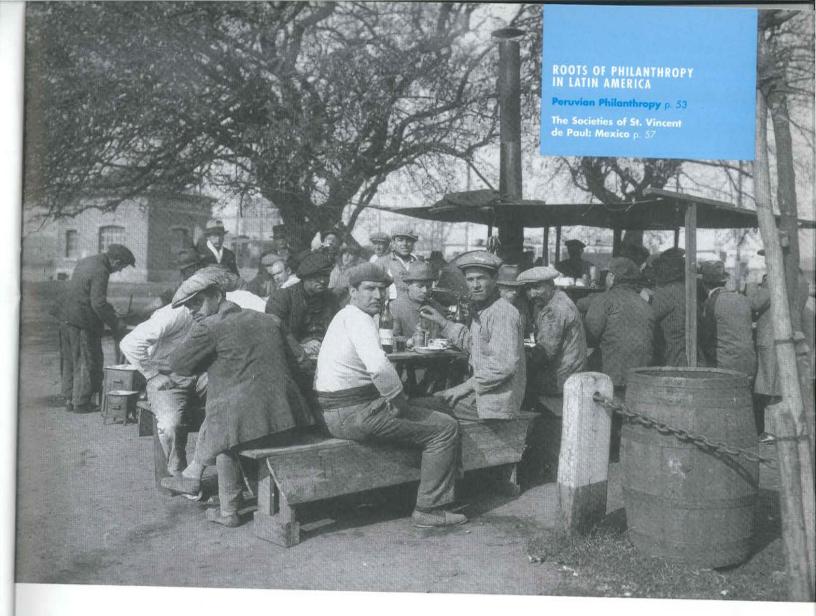


THOA: Weaving traditions with modernity

ular radio show on Radio San Gabriel one year.

The workshop also trains rural teachers in indigenous history, and researches textbooks for the Bolivian Education Ministry's Intercultural and Bilingual Project. It has also aided indigenous groups to form their own workers' unions. For further information on THOA, see http://www.aymaranet.org/thoa.html.

-June Carolyn Erlick



Peruvian Philanthropy

A Historical Perspective

BY FELIPE PORTOCARRERO

OTHERS' CLUBS, VOLUNTEER GROUPS, corporate social outreach, school organizations, and even glass of milk committees—comités de vaso de leche permeate today's Latin American philanthropic landscape. Humanitarian activity and citizen development are becoming commonplace in the hemisphere's hospitals, schools, and other social institutions. Academics and government officials, as well as the media, are discovering the potential of these organizations to provide services for people in need.

This interest in philanthropy is new in Latin America. Until recently, the top priorities for social scientists were poverty alle-

viation or economic development. Indeed, when people thought of philanthropy they conjured up images of pre-modern ways of social assistance—handing out the dole or dropping money into a beggar's cup. Philanthropy was also piecemeal; it was difficult for researchers to see how it came together and formed a common dynamic. Its successes and failures were elusive, making it hard to identify the most important philanthropic areas of concern. Governments weren't interested in the concept either; and policymakers rejected the importance of modifying legal and tax frameworks to promote more philanthropic practices as a way to solve social needs.

Despite this newfound interest in philanthropy, some might argue that the historical roots of giving and volunteering in Latin America remain the same. How much difference is there really between colonial and contemporary philanthropic practices? What has been the role of the Catholic Church in the evolution of philanthropy? How much progress has been achieved towards the institutionalization of philanthropic practices?

A COMMON COLONIAL PAST

There are indeed some common characteristics in colonial philanthropic practices of Latin America. As Andrés Thompson and

PHILANTHROPY IN THE PERUVIAN VICE-ROYALTY

During the colonial period, fraternal associations (cofradias or brotherhoods) flourished at all levels of society. Shoemakers, button makers, tailors and carpenters each had their own association with its very own patron saint. These cofradias, which lasted until the advent of the Republic and even more, focused on pious activities, property management and revenue collection. Their members learned about Christian doctrine, received sacraments and complied with cergious, to provide health services and hospitals for the dying and indigent. However, this does not indicate that there was no concern about poverty alleviation and health care. Concern about these issues had been increasing since the mid-17th century.

Church influence planted the seeds for today's giving and volunteering practices.

sidered an "innocent good," provided that it is obtained with moderation. In fact, the manner of obtaining wealth and using it was of much concern to the Church. When wealth was accrued through illegal or dubious means, it was indeed considered a source of sin. The Church also expected wealthy individuals to engage in charity practicesone of three essential theological virtues to comply with the commandment to help the suffering of human beings.

The Church also compensated poor people who demonstrated their veneration of Christ. However, during the 18th century, some church members stressed the importance of work as a sacred duty, and warned against providing too much charity because it might promote laziness. The Catholic Church maintained a symbiotic relationship with the colonial state and organized civil society, acting as a kind of right-hand man for the vice-regal administration through the organization of civil society into institutions for the assistance of the most socially deprived people. Orders such as the Franciscans, Dominicans, Augustinians and particularly the Jesuits provided education, health and assistance facilities for the poorest people until 19th century. That was the role they played in civil society; practically no one else was providing these services. Thus, the Church created new spaces, initiatives and values that later became what we call today philanthropy. Although during the 19th century, the Catholic Church was progressively and formally separated from the State, its influence decisively planted the seeds for today's giving and volunteering practices.

tain devotions. Held together by a common bond and purpose, members participated together in the lavish celebration of their patron saints' days and other religious activities. Whether the association was based on the veneration of a saint or on the common denominator of ethnic, labor or social status, these associations were natural spaces where a mutual cooperative spirit was shared and a common sense of identity and property was created.

Collective worship, however, was neither the only nor the most important reason for their members to join. These organizations encompassed a wide range of social actions, ranging from activities of mutual cooperation to acts of charity such as caring for sick people or providing funerals at the association's chapel.

Colonial elites did concern themselves with poor people, carrying out charitable activities and creating organizations to provide social services within an authoritarian and paternalistic context. Together, the Catholic Church and private elite philanthropic contributions were responsible for practically all education in colonial cities. As Pablo Macera indicates (Trabajos de Historia, INC, 1997), "...during the Colonial period, schools were created within the context of testamentary commands with charity and prayers for deceased people, to get relief from sin, as a posthumous restitution. Whether during their lives or in their wills, mayors, bishops, miners and priests returned the income accumulated in the course of their careers."

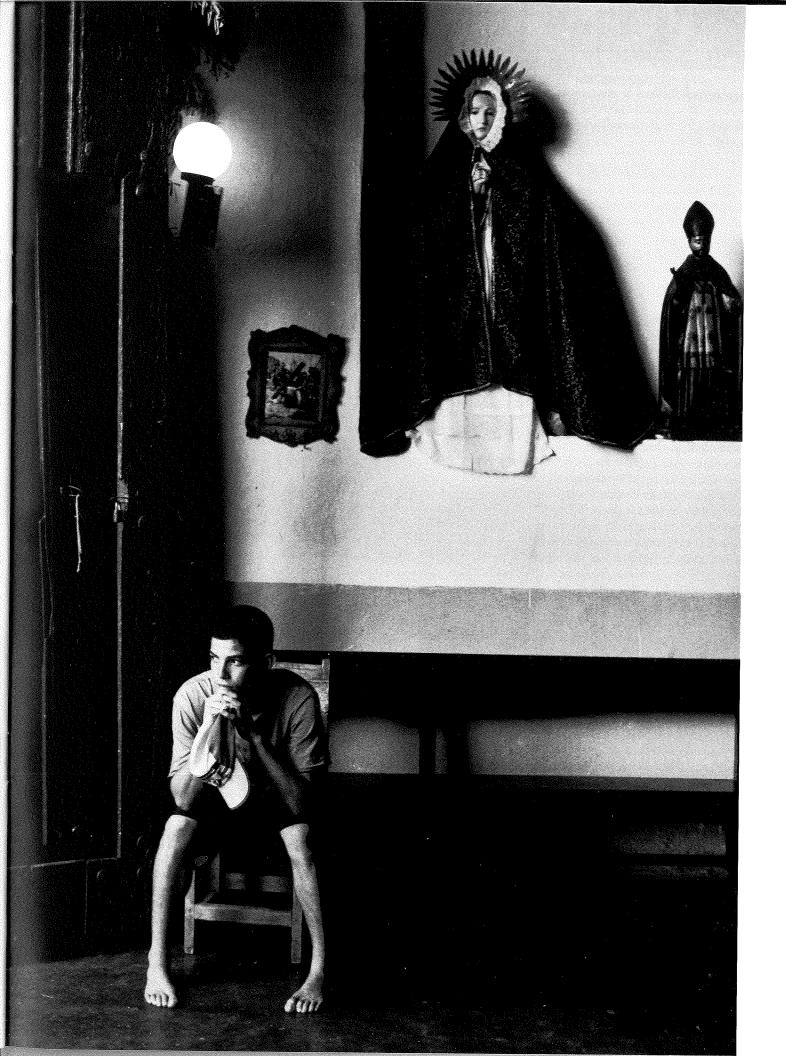
The Vice-royal State also relied on private initiatives, both nonreligious and reli-

PERUVIAN CIVIL SOCIETY IN THE 19TH AND **20TH CENTURIES**

During the first decades of the Peruvian Republic, cooperative charitable and philanthropic organizations flourished and grew in importance for several reasons. The early 19th century marked the establishment of welfare organizations. Both the State and the elite class carried out their philanthropic initiatives through these institutions, and collaborated with activities on behalf of "sorrowful mankind." Around the second half of the century, the Catholic Church's institutional activities increased notably in an effort to overcome scarcity of religious staff and to meet the challenges of its power of convocation in these foreign colonies where sectors of the society were demanding separation of Church and State. During these decades, mutual cooperation societies appeared among the working and artisan classes and contributed to the increase of non-profit organizations and philanthropic practices in Peru.

At the beginning of the 20th century, anarchism starts to overtake this concept of mutual cooperation. It began to gain influence among the working class and to disseminate its libertarian ideas through several Lima-based newspapers such as Los Parias, (The Pariahs, 1904–1909), El Oprimido (The Oppressed, 1907-1909) and La Protesta (The Protest, 1911-1926). Starting in 1905, some working class and artisan groups from Lima adopted anarchism or the libertarian ideology. Later on, anarcho-syndicalism, combining the premises of the two movements, would become the prevailing doctrine among the working class. The anarchist ideology, which argued that economic exploitation of oppressed workers could only stopped by destroying all state machinery. The syndicalist premise asserted that the organization in labor unions was the authentic liberation instrument of proletarians. With the official approval of the eight-hour

Previous page: workers' "comedor" 1930 (shown here in neighboring Argentina); opposite: the church formed charity and



workday in 1919, the anarcho-syndicalism leadership, in hands of the working class, passed on from the artisans (such as bakers) to the industrial working class (such as those in the textile industry).

Thus, traditional ideas of mutual cooperation restricted to aiding the sick, burying the dead and self-aid were displaced by more political demands. In fact, in the midmap of Peru and introduced a new dynamism into the operation of civil society.

PHILANTHROPY AND CORPORATE SOCIAL RESPONSIBILITY

Peru's oligarchical families sometimes left a great deal of money to charitable institutions in their wills, since many pillars of society believed that business prosperity and

By the mid 1950s, mass migration was changing the social face of Peru's cities.

1920s, the foundations of a clear anti-oligarchic and anti-imperialist line of thought and action emerged. Víctor Raúl Haya de la Torre and José Carlos Mariátegui became the spokesmen of a new ideology that would center itself meaningfully around the political behavior of the lower and middle classes in the following decades. In 1924, under the influence of the Russian and Mexican revolutions, an exiled Haya de la Torre founded the American Revolutionary Popular Alliance (Alianza Popular Revolucionaria Americana-APRA), seeking to ally intellectuals and craftsmen. This was also the period when socialist ideas began to be disseminated in Peru through José Carlos Mariátegui's writings and the formation of the Socialist Party, later to become the Peruvian Communist Party.

By the mid 1950s, mass migration was changing the social face of Peru's cities. Migration was also provoking a deep change in the migrants themselves by introducing them to a complicated urban and multi-ethnic modernity. Migrants kept their Andean practices of mutual cooperation and collective work as well as some of their cultural habits. Among these were the maintenance of strong family ties and large families, creating support networks that allowed these new migrants to progress. However, the migrants were not immune to change. It was a challenge to combine the idea of family with small business, family ties with productive relations, family interests with collective interests, individualism with community, associative and self-help principles. The large number of migrants and the State's incapacity to provide adequate housing provoked land invasions, resulting in marginal shanty towns constructed by their inhabitants and thousands of new neighborhood associations. These new actors radically modified the cultural growing family fortunes should be based on Christian charity and concern for the poor. A virtuous life, they felt, should not ignore the responsibility for the most vulnerable sectors—children and the insane and elderly—and those with the fewest resources—sick people, single mothers, indigenous peasants and poor people in general.

However, not all donations and such activities were attributable to religious motives. Members of the upper class had civic concerns, as well as moral and philosophic ideas, that sometimes led to important contributions to better society. It was not only the pious who indulged in paternalist attitudes and behavior. In fact, many of these donors with their sense of humanitarian obligation shared a generous compassionate concern about poor people in a society of deep economical and social inequalities.

Today the old oligarchy is virtually gone, but this philanthropic spirit has been revived among new generations of economic elites, in a limited but increasing fashion. After having experienced the agrarian reform and the nationalist tendencies of the military government during the 70s, the populism of the APRA that led the country into a state of economic bankruptcy and made it politically ungovernable in the mid 80s, and Fujimori's ethically obscure decade of neoliberalism during the 90s, the economic elite began to understand that social stability was an essential ingredient for the economic progress not only of the country but also of their own businesses. The political violence let loose by the terrorist acts of Shining Path (Sendero Luminoso) and the Revolutionary Movement Tupac Amaru (Movimiento Revolucionario Túpac Amaru) stressed the need to redefine their relationship with society.

As a result, a small but dynamic segment of the business elite began to explore differ-

ent forms of social responsibility, including innovative forms of direct giving as well as the creation of corporate foundations. According to some estimates, the top 30 mining and oil companies made social investments' (donations) for US\$21 million in 1997, which is equivalent to almost 60 percent of the total amount annually donated by corporations. From a more institutional point of view, it is worth pointing out that just a few Peruvian corporations have offices and trained staff to promote these activities, and that there is a limited tradition of involvement among employees to develop voluntary initiatives in support of the community. Without considering the mining sector, most companies do not establish annual donation funds; they do not plan their philanthropic activities and they usually do not assess the impact of their donations. In brief, even though an increasing awareness regarding social issues is emerging in corporations, institutionalized private philanthropy is still weak in Peru and the total amount of private giving remains very small. There is still a long way to go before the full potential of elite private philanthropy for civic participation and social change can be realized.

How much change has occurred in philanthropic practices since colonial times in Peru? The Catholic church still remains one of the soundest institutions in doctrinal terms, and stands out for its extensive coverage and variety of initiatives in this field. There is no doubt that the deeply-rooted and mainly Catholic culture of this country has reinforced this permanence. On the other hand, the corporate social responsibility practices require that, given the limited professional formation of those in charge of developing projects in benefit of the community, universities fill up that formation gap introducing courses and seminars on social projects management, mainly in career programs such as business administration. Likewise, even when several Latin American experiences have shown that tax incentives are not the panacea, there are legal and bureaucratic obstacles that need to be eliminated to create a more favorable climate for donations in Peru.

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Philanthropy and Its Roots

The Societies of St. Vincent de Paul in Mexico

BY SILVIA MARINA ARROM

HE MEXICAN VOLUNTEERS ESTABlished institutions such as schools, shelters, soup kitchens, lending libraries, and credit unions for the urban poor. They pioneered adult education and helped provide jobs for workers and apprentices. Some of the volunteers were well-to-do professionals, but others were farmers, laborers, bakers, seamstresses, and housewives. This is not a modern-day story of philanthropy, but the little-known story of two 19th-century organizations: the male Society of St. Vincent de Paul and its loosely-affiliated sister organization, the Ladies of Charity of St. Vincent de Paul, whose Mexican foundations date to 1845 and 1863.

Like their French counterparts, the Mexican lay men and lay women carried out individual acts of face-to-face charity and attempted to spread the Catholic faith. When they visited prisoners, hospital patients, and indigent families, the Society's members prayed with them, ascertained that the children were confirmed and the parents married, and promised proper

Catholic burials to the dying. On weekly visits to "their" adopted families the visitors took rosaries, but also food, clothes, bed linens, cigarettes (at the time considered a necessity), and rent money. They arranged for doctors and medicines. They helped place the children in school or the men in jobs, and occasionally bought tools so a breadwinner could work to support his family. Indeed, the Society's members foreshadowed the role of social workers by investigating each family before taking icon, and then evaluating its situation to determine what it needed to survive a crisis. In combination with their new welfare institutions, the Societies thus created an extensive network of local relief services that contributed to the development of the Mexican welfare system.

These organizations are nearly invisible in history books, even though they count-



The clients of the Society included impoverished families in their homes, as well as paupers in hospitals and prisons. Beggars like this young girl photographed around 1865 by Emperor Maximilian's court photographer were not among the "deserving poor" to whom the Society provided services.

ed thousands of members, lasted continuously from the mid-19th-century to the present, had chapters in dozens of cities throughout Mexico, and aided hundreds of thousands of paupers. Yet they deserve to be remembered. By viewing the 19th century primarily as a period of liberalism and secularization, historians have overlooked the Catholic revival that occurred in the second half of the century, of which these lay organizations were a part. At the same time, historians have missed an important locus of civil society as well as an important dimension of Mexican philanthropy. And they have missed an important part of women's history, for the Ladies of Charity was one of the largest female organizations in 19th-century Mexico.

Mexico was home to the first Latin American branch of the St. Vincent de Paul Society, founded only twelve years after its creation in Paris. Over time the male Society expanded from its core in Mexico City into twenty-one Mexican states and from major cities into the rural areas, although its membership remained strongest in the major cities of central Mexico. As it grew, the social background of its members became more heterogeneous. To be sure, the Society's membership excluded the urban poor who were its clients as well as most of the rural population. In his 50th anniversary review, Mexican Society secretary Jesús Urquiaga recognized the absence of Indians who "make up two thirds of our population" but are "incapable of participating in this sort of activity." However, the Society gradually moved beyond its original circle of elite founders to incorporate men from the middle and lower classes, such as empleados, dependientes, preceptores, artesanos-and even some agricultores, jornaleros, and labradores. In addition, the Society's collaborators included middle-class pharmacists, bakers, and shopkeepers who donated food and medicine, though they were not active members

who regularly visited the poor. So this was a multiclass organization whose appeal went beyond a small group of elites.

The Señoras de la Caridad prospered even more than the male Sociedad. Although the ladies' association was founded in Mexico a few years later than the men's, it quickly had more members and chapters, and assisted far more paupers each year. By 1868 the Ladies counted over 12,000 active and honorary members, compared with only 1,461 men. Both groups suffered some declines in the 1870s after the triumph of the anti-clerical Reforma. But then the Señoras recovered fully while the male Sociedad did not. By 1894 there were only 1,536 active male members in 120 conferences (as the local chapters were called). This compared with nearly 10,000 active women in some 400 conferences. The ladies reported aiding some

GIVING AND VOLUNTEERING

13,000 sick people and visiting over 70,000 families, compared to some 10,000 people served by the men.

The phenomenal growth of the Asociación de Señoras de la Caridad is partially due to the organizing efforts of Vincentian priests, who encouraged the growth of the ladies' conferences to fill the gap left by the suppression of the hospitaler orders in 1821 and the expulsion of the Sisters of Charity in 1874. Lay women enthusiastically joined these organizations, finding in them a cen-

ter for sociability, a source of prestige, and a way of serving the larger society beyond their families. Whereas Mexican women were barred from holding public office and voting until the mid-20th century, they could do both as Ladies of Charity, which elected a president, secretary, and treasurer. All members voted, not only when choosing officers but also when approving the entrance of new members.

In contrast, Mexican men had alternate avenues for forming social networks, serv-

ing others, defending their faith, and reforming the modern world. They could do so through work, clubs, government service, or—for the most devout—the priesthood, options closed to women of the upper and middle classes. As well, busy work schedules may have deterred men from active volunteering. After Liberals won the War of the Reforma, some men must also have realized that their career advancement could be hindered by joining a Catholic organization that had close ties to the defeated Conservatives.

WHAT QLEIDER TAUGHT ME

s a high school graduate from Paideia School in Atlanta, Georgia, a small private school where I had spent 14 years of my life, I decided to take a year off before starting Harvard College. My home during that year became a small shanty-town in Peru where Partners in Health (PIH) and their Peruvian counterpart, Socios en Salud (SES), sponsor a community-based infant health program, as well as one of the few programs in the world that treats Multiple Drug Resistant Tuberculosis (MDRTB).

Soon after my arrival, I went with an American doctor to visit a family we had been told needed help. Climbing up the dusty and rocky mountainous terrain to the highest part of the hillside where there was no running water, we arrived at the family's one-room hut with a dirt floor and walls assembled from corkboard, rice sacks, or whatever else seemed to have come their way. Inside we found a malnourished three-month-old baby named Qleider with a cleft palate so severe that he could not breast feed. His mother didn't have money to buy milk, let alone pay for the surgery. The doctor I was accompanying was horrified, never having seen a baby so close to starving to death. I had entered another world, a world that didn't seem real in many ways, so far from what I knew and so full of tragedy and poverty.

Through many days and months of bringing food to the baby—sometimes frustrating and sad ones, but others gratifying and inspirational—I gradually found out from the baby's mother that her baby was so malnourished in part because her husband, frightened by the baby's deformity, had wanted him to die. The mother secretly worked washing clothes to try to buy the baby milk.

Before I went to Peru, of course, I knew that PIH and SES were small, non-governmental organizations with strong Harvard links working to provide quality health care for the underserved. I understood from my high school political science class that in a civil society everybody can exercise their rights, and that one of the most fundamental rights is the right to health, especially in a world where so much is known about and spent on it. I knew that is what Dr. Jim Kim and Dr. Paul Farmer believed as well when they began Partners in Health in Boston, Zamne Lasante in Haiti, and eventually Socios en Salud in Peru in 1996.

But I was totally unprepared for what this small baby and his family taught me, not realizing all that goes into forming a civil society or providing people with healthcare. The more time I spent



Qleider as a baby with mother and brother

getting to know the family and their history, the more I could understand the problems—the poverty, domestic violence, illiteracy, unemployment—and the more I could see that feeding the baby was not going to solve everything.

Since meeting this family, one of the many that SES supports with its infant health program, SES has funded surgery for the cleft palate, sponsored domestic violence workshops in the community, and offered workshops to teach women skills they can use to go into business together, all of which contribute to improved health.

Because of the strength of the community based model, the baby with the cleft palate lives on, smiling and playing with his older brother while their parents happily run a small store together from their expanded house which now has a water tap out front; and many mothers, fathers, and kids live on, having been cured from MDRTB, able to see the world around them and continue on, having overcome one more obstacle of poverty.

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These reasons, and not necessarily women's stronger devotion, help explain why the "rechristianization" of Mexico during the Porfiriato (as Ralph Gibson called the similar recovery of the Catholic Church in late 19th-century France) had a distinctly feminine stamp. Yet the fervor of the Society's male members should also remind us that Catholic philanthropy appealed to men as well as women.

The Vincentian organizations constituted an important link between modern and colonial Mexico. In some respects the conferences resembled colonial cofradias. They had a close relationship with the Church, though the men's Society maintained much more distance than the ladies' Association. Conference members worshipped together and practiced special devotions to reinforce their faith, such as attending spiritual retreats and celebrating the feast day of St. Vincent de Paul. Yet unlike the confraternities, the new lay societies did not exist primarily to protect a particular temple or religious image, or to care for their own members in times of need. Instead, their principal activity was to assist total strangers.

Both organizations were also basic building blocks of a new kind of civil society. Unlike the disparate cofradias, the Societies had a complex national and international structure, with a central Mexican governing body that coordinated the local chapters, held annual meetings, published reports, and corresponded with the parent offices in Paris. At the bottom was the local conference, where the same men and women met together week after week, year after year-forty years, in the case of the well-known writer Joaquín García Icazbalceta. The depth and breadth of these organizations challenges the conventional wisdom of the older social science literature that held that, unlike the Americans observed by Alexis deTocqueville, Latin Americans were not "joiners." Historians have simply ignored some of the kinds of groups they joined.

Like the club, masonic lodge, or political party, the Vincentian conferences embodied a modern kind of sociability whose membership was voluntary and based on ideological affinities. Far from being "customary," some of their ideas had to be learned and disseminated. (Specifically, home visiting had to be learned. Instead of simply giving alms to the poor, members had to give their time and personal service. In fact, the

Societies' leaders had to work hard in the early years to overcome the members' resistance to visiting poor families in their houses.) In addition, these organizations were characterized by a democratic culture where members were ruled by a constitution, elected their officers, and voted on an equal basis. They were thus a training ground for democratic practices.

The Vincentian societies reflect the shift from from traditional notions of Catholic selves as merely reinforcing the status quo but as social reformers. Nor did they solely rely on individual acts of charity and proselytizing to solve social problems, though these were certainly part of their program. Like later Catholic social movements, they also created welfare institutions to achieve a greater measure of justice in society.

From today's perspective, we might denigrate the Societies' aid as paternalistic and

Vicentian societies were basic building blocks of a new kind of civil society.

charity to modern concepts of poor relief. Despite their heavy rhetoric about imitating Christ and loving the poor, it would be a mistake to dismiss the Society's works as mere throwbacks to traditional Catholic charity. The members did not accept poverty as a normal condition. Instead, they tried to prevent their clients' future destitution through elementary schooling, adult education, and vocational training-in one case including music lessons so that a blind man could support his family as a musician. The curriculum in their schools not only included Christian doctrine but also history, science, calculus, and line drawing. The credit unions that encouraged savings were designed to help their clients achieve financial independence. The job placements and provision of tools likewise went beyond palliative measures.

Unlike traditional charity, the Societies' assistance came with strings attached. Recipients of aid could no longer be left as they were. They needed to be transformed, not just to save their souls, but also to serve a larger utilitarian project. The Societies' members believed they were fighting the major ills of the 19th century: namely the immorality, materialism, individualism, alienation, and class conflict which they attributed to the separation of the Church from public life and to the loss of faith. Their solution was to propagate the Catholic religion and Catholic values, and to do it in a way that restored social harmony.

In some respects the Vincentian organizations presaged the Catholic social movements that emerged after *Rerum Novarum* in 1891. Like them, they represented an organized effort to challenge liberalism by combining orthodox Catholic dogma with a progressive critique of modernity. The Societies' members did not think of them-

controlling, since self-righteous visitors meddled in many aspects of their clients' lives. Yet it did permit some impoverished Mexicans to live with dignity in their own houses. By cooperating with the visitors, poor families got material aid during their lifetimes and in death avoided the dishonor of a pauper's funeral. Moreover, there was no shortage of poor people willing to put up with the visitors' intrusions in return for assistance—a reflection of the sorry state of Mexican welfare in general.

Too small to solve Mexico's social problems singlehandedly, the Vincentian organizations never reached more than a tiny minority of the Mexican poor. Still, organizations that helped thousands of people a year should not be scoffed at, especially when their record compares favorably with what the Mexican government offered in the 19th century. The Catholic conferences meant a great deal to tens of thousands of Mexicans of all social classes who were their members, benefactors, and clients. They helped pave the way for the militant Catholic movements of the early 20th century whose emergence is otherwise difficult to explain. And they serve to remind us that we should not discount the role of philanthropic organizations in building civil society in Latin America.

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Philanthropy in Brazil

Changing Notions, Changing Times

BY ROBERTO PAULO CEZAR DE ANDRADE

"A modern democratic society is incomplete without an independent non-profit sector that functions in cooperation and at times in competition with the two major sectors of business and government"

David Rockefeller, 1993 Rio Seminar on Citizen Participation

T SEEMS LIKE A LONG TIME AGO. SO MUCH HAS CHANGED IN the world of philanthropy. I was organizing a seminar on the subject in Rio de Janeiro, and debated with David Rockefeller and other leaders on finding the appropriate title.

The original concept was to hold a seminar on *Philanthropy*, a subject we felt was not properly understood in my country. Whereas in North America, the word has a clear and well-understood meaning of "promoting human welfare," in Brazil there was no such clear understanding. Indeed, in many cases, the word was used in a deprecatory way in connection with self-serving actions by those who took advantage of tax and other government benefits without producing the social benefits they claimed.

We finally called the seminar "Citizen Participation," with the evocative subtitle "Social and Cultural Responsibility in a Democratic Brazil." David Rockefeller delivered the keynote speech at that seminar nine years ago, emphasizing the important role of philanthropy in the discussion and definition of the importance of citizen participation. The seminar marked a turning point in understanding citizen participation as integral to dealing with the problems of poverty and inequality in Brazil and in creating the quality of life to which all Brazilians aspire. The seminar proved to be a seed falling on fertile ground. Together with a multitude of other initiatives, which sprung practically at the same moment, the seminar initiated a movement that seems to have gained an unstoppable momentum.

Philanthropy in its most traditional sense is nothing new to Brazil. The concept of *Charity* has been clear and a strong component of our culture since colonial times. Many Brazilian cities, including Rio, still have major hospitals called "Holy Houses of Mercy," mostly run by Sisters of Charity and maintained by citizen donations. To act char-

Citizen participation is integral to dealing with poverty and equality in Brazil.

itably towards the poor and needy was always a good Catholic's obligation (although not always followed with proper diligence). However, it is important to realize that charity was basically a religious obligation, rather than a civic one. The object was to save the individual soul, not the collective city. The latter was the exclusive responsibility of government: the King, the Emperor, the multiple presidents (more or less authoritarian...) and since 1960, an abstract concept epitomized by *Brasilia*, the central government.

Most citizens—and much of the Brazilian press—perceived the government as the solely responsible party for providing the common

good and advancement of the Nation. And this perception became the focus of the discussions at the groundbreaking 1993 seminar.

In the opening statement, framing the event's conceptual basis, I emphasized, "The purpose of this seminar is to affirm that in order for our country to achieve the future which we all hope for and overcome the crossroads of the present, it is necessary to have decisive and growing action on the part of its citizens, that they stake out the objectives and the outline of the nation that they desire and that they work for it, giving it their time, money and dedication, each within his possibilities, in order to make certain that it comes to be in the real world, instead of remaining just a dream passed on from generation to generation." Since that seminar, the concepts of philanthropy, citizen participation and third sector in Brazil have taken root and expanded in a truly remarkable way.



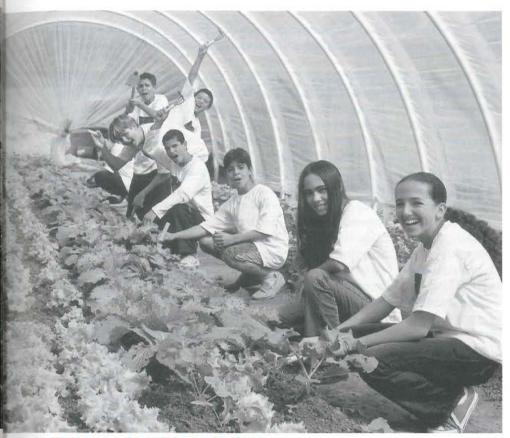
Brazil entered the new millennium with significant improvement in its social indicators. From 1991 to 2000, adult illiteracy fell from 19.7% to 12.8%. Population growth, which averaged over 2.5% a year from 1950 to 1980, dropped dramatically in the last decade, to an average of 1.64%. At the same time, household income has grown by 42% in the decade. The Gini index (which measures inequality) fell from 0.637 to 0.609, which, although still very high, reflects a move in the right direction, particularly if one considers that in absolute numbers the population grew by some 23 million people in the period.

With more than 170 million people, Brazil today has the world's fifth largest population (behind China, India, the U.S. and Indonesia). It is still a very young country with 58% of its population under

30 and 30.6% under 14 years old. It should be noted that 97% of school-aged children are actually going to school, a substantial gain from past years.

Notwithstanding all the good news emerging from the 2000 census, stark realities still have to be faced: Brazil is a poor and unequal country; half of its 44.7 million heads of family earn less than US\$230 per month and the poorest 50% share 12% of the country's income. The task to be faced (hopefully without neglecting the soul) continues to be to save the city.

Nevertheless, inequality as a static condition does not reveal much about the potentials of a society. A theoretical country where all the population is equally and miserably poor is not better off (although much less unequal) than its neighbor where half the population is miserable and half is rich. The latter is a much less *just*



Planting the seeds for a better Brazilian future

country (as President Cardoso once said of Brazil) although its potential for becoming a rich *and* just country is immensely greater. The challenge faced by Brazil is to convert the problems of inequality and poverty into the opportunity of growth and well-being.

The last decade has proven that both government and citizens (including the business community and the third sector) can contribute to this end, so long as each realizes the extent and limitations of its role. Since the early 90s, the Brazilian government—as well as business and citizens in general—have taken great steps towards readjusting their respective roles. The government has reduced its scope of action through decentralization and privatization, as well as giving support to citizen activity and the third sector. Business has not only invested and thereby created jobs and riches, but also has increased consciousness of its social obligations towards the community in general and its own employees in particular. Finally, citizens have become more aware of their own responsibility and power to influence their lives and that of their neighbors and communities.

Private philanthropy, in the North American sense, has continued to grow, with rich individuals donating scholarships and endowing new foundations and institutes in the areas of education, health and culture. However the most innovative activities towards facing the challenges of participating citizenship are being taken by two extremes: the business corporations and the small communities of citizens with common interests.

At the time the Citizen Participation seminar took place, the 1917 Civil Code was still governing the creation and operation of foundations in Brazil. When the Code was written, foundations were mainly confined to action within family law. Although by 1993 a large

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number of foundations existed, only a few had characteristics comparable to their North American counterparts. The majority of these had been created by local or foreign companies to focus their social, educational or cultural non-profit activities. Some foundations, including the Roberto Marinho Abrinq, Brascan, Kellogg, Vitae and Bradesco foundations, participated actively and contributed to make the seminar possible with funds as well as with ideas that have since born fruit.

Four years before the seminar, an informal group calling itself GIFE (Group of Institutes, Foundations and Enterprises), under the initial inspiration of Alcoa and the Kellogg Foundation, had started to meet on a regular basis, following an the American Chamber of Commerce-sponsored philanthropy conference in São Paulo to exchange information and coordinate action among

third sector entities. In 1995, Gife formally incorporated with 25 founding members (see related article, p. 70). Today, GIFE—with more than 60 members—represents a dynamic force in the Brazilian third sector. In a similar fashion, socially-oriented businesses got together to create the Ethos Institute of Business and Social Responsibility (see related article, p. 72) There's even a kind of corporate philanthropic "certification." Inspired by the Abrinq Foundation, companies benefiting the needs of children through their philanthropic actions receive a certificate of "companhia amiga da criança" (friend of children corporation) that allows them to print a special "smiling child" logo next to their publications.

Traditionally, the federal establishment as a whole has not been very cooperative towards the third sector, despite the fact that both President Cardoso and his wife Ruth Cardoso have shown great understanding about the third sector's objectives and usefulness. However, the bureaucracy and even some higher placed public servants seem to believe that third sector activities are an intrusion on government turf by people who have ulterior motives.

In the early '90s, a major scandal in Congress erupted, involving corrupt politicians and their so-called philanthropies, which used public tax exemptions for private or political ends. This scandal reflected upon all philanthropic activities. I remember one high Treasury official stating candidly to a group of senior businessmen arguing for stronger tax incentives for philanthropy, "Gentlemen: what you are asking is to use our money for your charities." One businessman retorted that, on the contrary, the idea was to use our money in a better way than the government seemed able to.

As a reflection of the above situation, there has been an ongo-

ing scrimmage between the several Associations of Friends of public institutions (museums, botanical gardens, opera houses etc.) and the government departments charged with controlling them. Without the support of these "friends" associations, many institutions would be stretched to the limit to survive, but government bureaucracies do not seem to recognize this. Apart from personal idiosyncrasies that change with individuals, the legislation to which the government departments in question are submitted creates great difficulties for clear and smooth cooperation.

Tax deductions for philanthropic donations are highly restricted, except for the so-called Rouanet Law, that gives generous allowances for corporations contributing to cultural projects previously submitted to and approved by the Ministry of Culture. Some very good results have sprung from this law, such as the support for museums, orchestras and historical monuments preservation.

A recent law (Law n. 9970 of March 23, 1999) created the concept of a Civil Society Organization of Public Interest (OSCIP in Portuguese), following discussions by a presidential-level committee. Although the purpose of this law is to allow third sector entities to organize themselves in a way so that the Government feels comfortable in supporting them, I am still rather skeptical with regard to its practicality and concerned with its complexity. However, legislation concerning the third sector is still being actively debated.

Ruth Cardoso, a philanthropic activist in her own right, has had an extraordinary effect on the whole field of third sector and civil participation with the creation of the Council of "Comunidade Solidária" in 1995. (see related article, p. 63)The Council is dedicated to the promotion of citizen participation and of partnership between State and Civil Society in order to enhance the resources to fight poverty and social exclusion in Brazil.

More recently, the Council created a new entity "Capacitação Solidária," an association with the basic function of promoting programs to improve the quality of life of low income families through local development programs and an ample spectrum stimulating people and entities to help themselves. According to a report that I just received, in 2001, 932 courses were given all over Brazil to 27664 young men and women teaching them how to act in communal activities of the most varied nature. Ruth Cardoso also gave her full support to the creation of the third sector integration network (RITS) that has as its purpose integrating, through the web, all of the Brazilian third sector. Although still at a teething stage, this initiative holds great promise for the future. (See http://www.rits.org.br-.)

In the corporate sector also, the notion of philanthropy is growing and changing. The Brazilian business magazine *Exame's* Guide to Corporate Citizenship recently listed hundreds of corporations with important non-profit activities and discussed the current tendency of publishing a Social Balance Sheet, together with the yearly financial balance sheet and accounts. The Social Balance sheet covers the not-for-profit activities carried out by the corporation. The magazine also named 11 model companies and 20 outstanding projects, describing them in detail.

A number of surveys in several Brazilian states have shown the great expansion of corporate not -for-profit activities since the early '90s. It is interesting to observe that the strongest motivation for social action is performance. A better image in the community, with partners and with employees ends up by improving performance and

profitability providing an attractive return for the investment.

And then one should not forget the burgeoning interest in Brazil by the common citizen, the original focus of the 1993 seminar. Now citizens are volunteering in greater numbers than ever before. During 2001, the Year of the Volunteer, promoted by the United Nations, Brazil was declared the country that promoted the most consistent and persistent program of volunteer action. Some 20 million volunteers were mobilized and hundreds of corporations assumed social responsibility by declaring themselves "volunteer companies." Many cities created Volunteer Centers and the media gave full support to the movement. As a follow-up, a campaign for the Decade of the Volunteer is now being promoted by a new NGO, the Brazil Volunteer Institute.

In today's Brazil, it is increasingly common to find philanthropic activity by corporations, citizens, and the third sector. A telling example of this is the fact that in the last five years the number of professionals working for the third sector has increased by 40% (the largest increase in employment in all sectors of the labor market).

What are the main obstacles to be surmounted and objectives to be achieved? The lack of private funds beyond corporate initiatives is certainly an obstacle. Although fund raising was debated intensely at the 1993 seminar and subsequent meetings, specific actions never took root. Brazilian non-corporate foundations are all undercapitalized. Most lack endowments as those melted away during Brazil's inflationary years. The lack of endowments and distrust of their durability has stimulated the growth of direct corporate involvement and citizen group activities, rather than substantial philanthropic investments.

Proper legislation, recognizing the role of not-for-profit organizations and the fact that they can in fact use tax exemptions for the common benefit, is still needed. Such legislation has to be able to avoid fraud without being paranoid about it and thereby frustrating initiative. The best guarantee of proper action should be established by ethical standards set and supervised by the third sector itself.

An interesting final question is whether the wave of corporate social action is here to stay or is just a passing fad—focused in "social marketing"—such as many other business fads before it, or if there is a real understanding that the corporation is not only a profit seeking organization but also a true citizen, concerned with the common welfare on which its future depends. A recent booklet by David Henderson, former chief economist for the OECD, "Misguided Virtue: False Notions of Corporate Social Responsibility," commented at length in *The Economist*, has not only raised the question but argued strongly that corporate social responsibility is doing real harm to Capitalism.

For countries such as Brazil where corporate social responsibility has become a major factor in improving quality of life and reducing the expectation gap of social inequality, the answer to this question is critical.

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Building Partnerships for Social Development

Brazil's Comunidade Solidária

BY RUTH CARDOSO

N A DYNAMIC, COMPLEX AND UNEQUAL SOCIETY SUCH AS BRAZIL, processes of change may take a while to mature but once unleashed they tend to move forward at an accelerated pace.

We are presently living through one of these periods of rapid change. The patterns of relationship between State and civil society are being radically reshaped.

Now, the public/private divide is being challenged. For too long the State tended to impose itself upon society. Now civil society is calling for a more efficient and accountable government. Private resources are increasingly being invested for the public good.

These changes are being driven by the converging trends towards stronger citizen participation and social responsibility.

The history of Comunidade Solidária in Brazil reflects this new environment. Indeed, our investment in building multiple part-

nerships is the explanation for *Comunidade Solidaria*'s rapid growth in seven years from a platform for experimentation and innovation to its current position as the hub of an expanding network of programs and partners committed to social development.

Comunidade Solidária was created under my leadership at the beginning of the Fernando Henrique Cardoso Administration in 1995 as a tool to promote citizen participation and new forms of partnership between the State and civil society.

Two basic assumptions informed our decision.

First, we recognized that Brazilian society was more open, diverse and engaged than ever before in the history of our country. There is not one area of public concern around which groups of citizens do not mobilize to pressure the State and to take action by themselves.

By fighting the military dictatorship and responding to the needs of the poor, Brazilian non-governmental organizations (NGOs) accumulated a wealth of experience that positioned them as vital partners of the State. Hence all levels of government faced a demand to open fresh channels of dialogue with civil society.

The second assumption was that Brazil spends a considerable portion of public funds for social programs. But, more often than not, this money does not reach the poor. Lacking adequate targeting, public expenditure tends to reproduce rather than overcome inequality.

There was no excuse to create another governmental fund aimed at financing scattered social projects. Such centralized mechanisms result in a waste of resources. They treat people and communities as passive recipients of programs delivered from top-down.

In a country where a long history of injustice accounts for large segments of the population still living in a situation of poverty, fighting inequality and social exclusion requires:

- strengthening the capacities of people and communities to act as agents of their self-development;
- targeting social programs to the poorest geographical areas and the most vulnerable sectors of the population;
- mobilization of public and private resources through multiple partnerships;
- decentralized execution and community involvement as conditions for enhancing the efficiency and sustainability of social programs.

These key concepts are the cornerstones of *Comunidade Solidária*'s strategy. They have inspired our dialogue with government and society. They have oriented our initiatives to promote sustainable development and strengthen civil society.

Let us have a look at some concrete examples of how these guid-







Clockwise from top left: Ruth Cardoso; Youth Literacy Program; Cardoso meets students who have just learned to read and write in northeast Ceará

GIVING AND VOLUNTEERING

ing principles gave shape and substance to the programs we have launched in the specific area of youth empowerment.

The reasons for focusing on youth were compelling. Low-income young people are one of the most vulnerable segments of the Brazilian population. They are directly affected by unemployment and exposed to violence, drugs, crime, sexually transmittable diseases and early pregnancies.

Strengthening local organizations has been a key to Capitação Solidária's rapid expansion.

But youngsters are also ready to use their energy and creativity to learn what is needed for a life with dignity. Given the opportunity and the tools they play a leadership role in the improvement of their communities.

With this goal in mind *Comunidade Solidária* invested in the design of innovative programs in the areas of literacy education and professional training. Each involves a large set of public and private partners that provide the necessary capacities and resources. Methods, costs and results are carefully monitored to offer reliable guidelines for the program's replication.

One of these initiatives is Capacitação Solidária—a professional training program directed to poor urban youth, ages 14 to 21. This program has already empowered more than 100,000 youngsters with the skills required by today's evolving job market.

NGOs were selected in a competitive process, trained and financed as the direct executors of the program. Most of them were small community-based organizations close to the youngsters' environment. Strengthening these local organizations, many of which with no previous access to sources of support, has been a key reason for the project's rapid expansion.

From a pilot experience, carried out with forty NGOs from

Rio de Janeiro and São Paulo, the program jumped to nine major Brazilian cities with the participation of 2,500 NGOs.

Another initiative is the Youth Literacy Program. Alfabetização Solidária aims to

teach adolescents and young adults living in the municipalities with the highest illiteracy rates in Brazil.

By bringing together universities, private corporations, local administration authorities and mobilizing the community itself, the program was successful at the very low per capita cost of 14 dollars monthly. This investment is shared fifty-fifty by the Ministry of Education and a pool of private companies and universities.

The literacy program started in 1997 with a pilot project covering 10,000 students from 38 municipalities of the North and Northeast regions. By early 2002, it had reached out to 2.6 million students in more than 1,200 municipalities.

A support network linking 300 private and public universities was created to train 95,000 literacy teachers. These locally-recruited educators are empowered to play the role of development agents



Making Brazilian handicrafts at the Ayrton Senna Institute

within their communities.

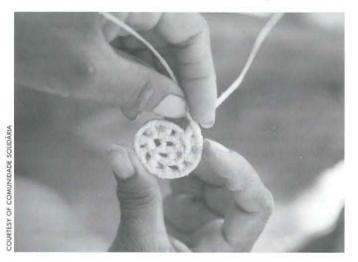
The model of the Literacy Program has been exported to East Timor and Mozambique, adapted to local conditions by Brazilian teachers. This was the beginning of a South-South cooperation that is being extended to other Portuguese-speaking countries in Africa.

The other major priority in *Comunidade Solidaria*'s Action Plan was the Program to Strengthen Civil Society.

Launched in 1996, it has three components: the promotion of voluntarism, the dissemination of knowledge and information about the Third Sector and the creation of an enabling legal and regulatory environment for citizen participation and social investment.

In Brazil as elsewhere volunteering is a habit of the heart and a civic virtue. By caring and sharing we overcome the risk of disconnection from our inner selves, from each other, from our natural environment. Far from being a nostalgic relic from the past, solidarity combined with citizenship is what enhances the moral texture of our communities, the social fabric of our societies.

In the last four years, Comunidade Solidária promoted the creation of more than forty Volunteer Centers in major cities. Their





Top: Revitalizing Tradional Handicrafts; above: "Programa Crer para Ver"—an initiative in Bahia, sponsored by the Abring Foundation and Natura

function is to mobilize people and communities to turn social problems into opportunities for voluntary action.

Having strengthened voluntary action infrastructure, the focus of the program has now shifted to the volunteers themselves. The young, the disabled and the elderly are being empowered to share their knowledge and solidarity with other sectors of society. Children are also being encouraged to express their compassion and creativity through voluntary actions appropriate for their age.

Through a process of dialogue and negotiation, *Comunidade Solidária* also has played a policy-making role at the national level. Thanks to our advocacy, new laws were enacted on the value of voluntarism, the legal status of civil society organizations, the access of NGOs to public funds and the lifting of restrictions to microcredit initiatives.

These dynamics of citizen and community participation have been facilitated by the trend towards greater decentralization of power and resources from the federal sphere to the regional and local levels.

Conditions are ripe for unprecedented synergy between government initiatives and community participation. The mind-set of the different actors involved is changing.

Alliances involving multiple partners follow a pattern of "variable geometry." They are flexible, action-oriented and problem-solving in order to build on their own success. Different people and agencies do not need to agree on everything in order to collaborate. Networking does not erase differences nor eliminates areas of disagreement and even conflict, intrinsic to any democratic society.

In a country like Brazil money may be scarce but social capital—mutual trust, webs of connectedness, expertise and will to act—is abundant. The challenge is to mobilize and invest these resources with efficiency and scale. In this sense, far from condoning the downsizing of the State, cross-sectoral partnerships actually increase government's outreach and accountability.

To sum it up, our experience and that of an increasing number of actors in Brazil tells us that a vibrant civil society is a key devel-

opment asset.

We are learning that there is no contradiction between the duties of the State and the responsibilities of the citizens. As there is no contradiction between "top-down" public policies and "bottom-up" community initiatives. Or between the provision of services by governmental agencies and the strengthening of local social capital.

And all these, for sure, are lessons worth learning and remembering.

Ruth Cardoso, First Lady of Brazil, Ph.D. in Anthropology, University of São Paulo, is president of Comunidade Solidária. Ruth Cardoso's work in the field of citizen participation and social development dates back to the '70s when she played a key role in the creation of CEBRAP, a pioneeering civil society resource and support organization. She has also been a strong promoter of women's rights and gender equality in Brazil.

On Corporate Giving and Philanthropy in Brazil

An Overview

BY SONIA AVELAR

RAZIL'S CULTURE OF PHILANTHROPY DEVELOPED DURING THE 19th and the 20th centuries, ranging from the contributions of immigrant industrialists through the establishment of charitable hospitals, museums and poverty relief institutions, to the rise of corporate foundations, corporate contributions (in cash gifts, in-kind contributions or employee volunteerism), and the diffusion of the ethics of social responsibility of companies and corporate citizenship.

FACTS AND FINDINGS AT A GLANCE

In the '90s and through 2001, businesses have increasingly joined the spirit of giving. According to the *Instituto de Pesquisa Económica Aplicada*'s 2001 national survey, the social investments of com-

panies in the formal sector (cash gifts only) in the urbanized, industrialized southeast were about \$1.5 billion dollars. This region of Brazil is home to half its companies, and represents 60% of Brazil's GDP. Two out of every three companies reported having made social investments ranging from small donations to individuals and institutions, to large structured and formalized projects.

Almost half the large companies planned to increase expenditures in social investments, and more than one third of the companies reported employee volunteerism.

A survey conducted among 1,715 companies by the Associacão dos Dirigentes de Vendas e Marketing do Brasil (ADVB), the retail sectors' largest association, found similar trends: 87% of the companies reported funding and development of social projects (community focused), with expenditures mounting to about \$60 million dollars, 67% reported employee volunteerism, 95% reported that social responsibility has been incorporated to the companies strategic vision, 62% develop programs for consciousness—raising on social responsibility issues; and 83% have partnerships with other organizations (including with the third sector).

Another corporate-based organization, *Grupo de Institutos, Fundações e Empresas* (GIFE), a donor membership organization, reported that 48 of their members together made a social investment around \$212 million in the year 2000, an increase of 15.7% between 1997-2000.

The increase in corporate giving can also be grasped through scattered figures provided by consulting firms, the rise in the number of conferences, seminars and law firms specialized in philanthropy issues; the growth of consumer advocacy groups; the increased attention to philanthropy themes in the media. The growing number of corporate, family and community foundations, the creation of a national fund raisers association and the

spread of executive education for non-profit management and university graduate and certificate courses focused on the non profit sector are other indicators of this increase. Then there is the proliferation of "awards" for best practices based on ratings of both corporate citizenship performance and of charities' performance granted by chambers of commerce, media companies, and non-profit organizations. The upsurge of corporate based organizations advocating enhancement of corporate citizenship ethics and transparency of social responsibility data (like the *Balanço Social das Empresas*—for reporting companies' portfolio on social investments) also reflects the growth of the field. An increasing demand for careers in "social auditing" accompanies the creation of special investment funds by the banking system earmarked for social-

In the 1990s and through 2001, Brazilian businesses have increasingly joined the spirit of giving.

Corporate citizenship has become important to Brazilian consumers when deciding what to buy.

ly responsible companies and projects.

The other side of the coin is the extent to which corporate citizenship has become important to Brazilian consumers when making investment and purchasing decisions (companies conduct with respect to business practices and its impact on stakeholders, community and society. An international survey last year (Indicador Opinião Publica) showed how the public sees corporate social responsibility issues: in the Brazilian case 65% of the interviewees discussed the social or ethical behavior of companies with friends and relatives with friends and relatives at least once; 51% "punished" companies with "socially irresponsible behaviors" with respect to customer services and relations, environment policy, etc. by criticizing them with colleagues, friends or relatives; and 30% refused to purchase products or services from these companies. With regards to other social responsibility issues, Brazilians gave the highest ratings to companies' commitments to environment performance in its operations and production (81%), support of community projects and charities (59%), and playing a role in reducing the gap between the rich and the poor (60%).

We also have a glimpse of public responses to recipients of charitable giving (from public or private sources) through a 2001 poll done by the *Instituto Brasileiro de Opinião Publica* (IBOPE) for the NGO association known as *Associação Brasileira de Organizações Nao Governamentais* (ABONG). The poll reveals that consumers and taxpayers apply pressures on non profit organizations, as well

as corporations, to engage in responsible practices. They showed concern about whether NGOs had a positive impact on Brazilian society with an approval rate of 58% (13% disapproval); 23% agreed that NGOs have an important role to play in Brazil, but that they should report on their sources of funding (23%), and should be overseen by the state (18%), and by the society (12%).

THE EMERGENCE OF A NEW CORPORATE CULTURE

The big picture behind these facts is a quickly evolving corporate culture in Brazil that comprehends both pragmatic and ethical concerns about social inequalities, new views on distributive justice fostering private initiative to improve societal conditions, new trends in multisectoral partnerships and changing stocks of social capital.

In searching for the sources of philanthropic giving several questions can be raised: how are wealthy individuals and corporations drawn into the philanthropic world? what do social networks and organizational involvement have to do with diffusion of notions of social responsibility of companies? How can an environment conducive to philanthropic giving be enabled, and how are beliefs and commitments to corporate social responsibility passed on to the coming generations?

To illustrate this reflection we will comment on a leading group of corporate leaders in Brazil that have taken a role of "policy entrepreneurs." They have led the way in promoting values, principles and practices that are not only good for business but also good for (corporate) citizenship, and for ensuring accountability and effectiveness in philanthropy as a cornerstone of a democratic society.

The Forum of Business Leaders of the Gazeta Mercantil—the most influential financial multimedia company in Brazil—is a network of the one thousand leading business men and women across all sectors of the economy whose companies together correspond to the largest share of Brazil GDP, and who have been elected annually the Gazeta Mercantil readers. Since 1977, readers have selected members from the national, regional business sectors using the criteria of prestige and prominence.

In its own words, the Forum's mission is "to express and communicate the thinking and beliefs of the most representative cor-

porate groups in Brazil regarding the country's economic, political and social reality." Since its beginning, the Forum had an important role in the democratic process, having publicly issued in 1978 the *Documento dos Oito*, a political statement that helped kick off the democratic opening,

and in 1983 presented the "Documento dos Doze" with a proposal for state reforms consistent with a new democratic era. In 1998, the *Instituto Forum de Lideres Empresariais da Gazeta Mercantil* was created as a non-profit organization "to better accomplish the Forum's mission."

Still in 1998, the Forum expanded its geographic scope to include an exchange on social, economic and corporate philanthropy issues through the creation of the Forum of Leaders Mercosur. Its members were elected through the *Gazeta Mercantil Latinoamericana*, to "express and communicate the thinking of the business community in the Mercosur, and with other business networks elsewhere, to promote economic integration of the bloc, prosperity, preservation of the environment, and social justice." The Foundation Forum

of Leaders of the Mercosur became a NGO in 2000, when the Forum of Mercosur Leaders included 235 leaders from the four member countries, with scheduled plenary meetings rotating between Brazil, Argentina, Paraguay and Uruguay.

More recently, young entrepreneurs and/or leaders of business associations were appointed as members of the Forum's Youth Council set up to work closely with the National Council of Young Entrepreneurs, and to coach the upcoming generations on broadening their relationships of trust with communities through social investing and to foster the emergence of new socially responsible business leadership.

The Forum of Leaders organizes its activities around thematic groups, including corporate social responsibility, and has developed several initiatives. Among these are 1) a Bank of Social Projects, to highlight companies' best practices of social investments; 2) the creation of the Forum of Community (around arts, culture, and business) aimed at community outreach projects; 3) a "Campaign of National Symbols," to foment identification with symbols of Brazilian nationality and citizenship, 4) a number of conferences and seminars around corporate citizenship issues targeting the business community.

In 2001 the Forum created the National Forum of Social Leaders, to "contribute to promoting social justice in Brazil, to diffuse best practices and lessons learned in the non profit world regarding social responsibility." Through a collaboration among the Instituto Forum de Lideres Empresariais Gazeta Mercantil, Ashoka International/Brazil chapter, and the Instituto Ethos Empresa e Responsabilidade Social (see related article, p. 72), the Forum acts to facilitate partnership among social leaders, the private and the public sectors, through the exchange of information and networking to benefit the "social entrepreneurship sector" (those individuals who initiate and develop sustainable and innovative projects which have a social impact on communities. The Forum of Social Leaders includes a Social Merit Council (besides a Senior and an Executive Council) that will conduct the election of the social leaders on an annual basis. Elected leaders in 2001 encompass liberal professionals, business men and women, Catholic

The Forum of Leaders organizes its activities around thematic groups such as a bank of social projects and a campaign of national symbols.

> activists and leaders of community based organizations and other non-profit organizations. They will debate among themselves and look for ways to improve the lives perspectives of disenfranchised populations throughout Brazil.

> A case in point is Zilda Arns, the national coordinator of the "Pastoral da Crianca," a child-oriented program of the National Council of Bishops in Brazil (CNBB). She heads up a group of 145,000 volunteers nationwide engaged in successful programs to reduce infant mortality and malnutrition in poverty-stricken areas of Brazil.

LOOKING AHEAD

The Forum's economic and financial clout and its ample network extending beyond national borders, as well as its capacity to com-

GIVING AND VOLUNTEERING

municate ideas on social responsibility and on philanthropic giving is significant, and is becoming the most influential group of opinion makers in the business community in Brazil. However, the challenges ahead are enormous in view of shifting paradigms of corporate citizenship. In briefly scanning the business environment of a globalized Brazilian economy we can identify recurring issues such as an increased public awareness and scrutiny

It's well known that women have been in the mainstream of philanthropic engagement for a long time, but with less visibility.

of corporate business practices. There's also the pressing need to go beyond business success and financial performance to account for companies' impact on the well being of communities, on ecology and on human rights; the increasing pressures on national and multinational corporations from both "internal stakeholders" (investors, shareholders, employees and suppliers) and from "external stakeholders" (customers, NGOs and communities) to comply with new codes of conduct that require the placement of social responsibility at the core of business values and of the overall business agenda; and the need to develop new modes of strategic partnership between the private, the public and the non prof-

it sectors to address large scale social inequalities and human development issues.

WOMEN IN PHILANTHROPY

It's well known that women have been in the mainstream of philanthropic engagement for a long time (as individual and cor-

porate donors of money, time, as members in non profit boards, and otherwise), but they tend to have less public visibility than their male counterparts. Little has been said about philanthropic work and social responsibility of women-led and women owned

WARRIORS FOR PEACE

The Luta Pela Paz boxing academy is located in Parque União, a favela in Rio de Janeiro, Brazil. When I visited the club last year, I noticed a sign that lists the school's rules: "Respect and help others; be disciplined and punctual; be serious about your training; be responsible with the school's material; be humble; be honest; be peaceful outside of the ring, and receive visitors with respect and politeness."

Luta Pela Paz (or Fight for Peace) is not an ordinary boxing club. It is located in a favela (or squatter community) that is part of the Complexo da Maré, a strategic point for Rio's drug trade. Wars between two of Rio's largest drug gangs have wracked the community. Just last month, two teenagers were killed in a shoot-out with the police. The boys were using an AR-15 machine gun and a G3 semi-automatic, both weapons designed for warfare.

Young men are particularly at risk to become participants or victims of this decades-long combat. Homicide is the leading cause of death for young people in Rio de Janeiro, and 92% of homicide victims are male. In 2000, the homicide rate for adolescents in Rio aged 15 to 19 was 105 per 100,000. This is more than 8 times higher than the homicide rate for adolescents in the United States.



The boys who train at Luta Pela Paz are like many other teenagers I've met in Rio's favelas: they have few opportunities for decent-paying jobs, little incentive to stay in school, want to wear nice clothes and impress girls, and have too much time on their hands. Because of the color of their skin and where they live, the police often harass them. They could easily be soldiers in the drug war or victims of violence.

To help prevent this, Luke Dowdney, a British anthropologist who works for the Brazilian non-governmental organization Viva-Rio, set up the boxing school two years ago. A former boxer, Luke realized that a boxing club could attract the attention of boys who were being missed by other social programs, and could help prevent them from becoming involved in drug gangs and reintegrate them into school and the formal labor market. So far it has worked.

The Luta Pela Paz boxing club has 32 members, aged between 12 and 21.
They train three times a week, and meet

companies in Brazil, in a way which is similar to the lesser visibility of the growing numbers of women owned enterprises and their strides in the business market. Out of a (gender) concern with fairness in the treatment of philanthropy subjects, the profiles of two outstanding women philanthropists in Brazil can be mentioned. Viviane Senna, president of the Ayrton Senna Institute, has managed a social investment of almost \$5 million dollars in the year 2000. She has developed several projects targeting children and youth, including "Acelera Brasil" program that focused on upgrading education in public schools, and "Cidadao 21," a program offering opportunities for underprivileged youth in the arts and communication. Milú Vilela is another female philanthropic leader. As president of the Museum of Modern Art in São Paulo she has championed giving and volunteering in benefit of the visual arts in Brazil for many years. Last year, Vilela, who was also president of the Brazil Committee for the United Nations International Year of Volunteers, sought and forged alliances between corporate donors, universities, foundations and nonprofits to promote engagement in volunteer work all over the country. The League of Women Voters (LIBRA), Brazil chapter, has had several initiatives in connecting women donors and charities seeking funds for their activities. Women's sections of several professional organizations including the chambers of commerce, as well as business women's associations have long had an agenda of volunteerism in social projects. These women's activism in philanthropy are clear indicators of the increasing role of business women in the emergence of Brazil's new ethos of corporate citizenship.

Sonia de Avelar was the 2001–2002 Lemann Visiting Scholar at DRCLAS and a consultant to international agencies, among others ILO and the UNDP. A Ph.D. in Political Science from the University of Michigan, Ann Arbor, she is currently researching corporate philanthropy in Brazil. She is co-author with Gina Zabludovsky of the book Empresarias y Ejecutivas en Mexico y Brasil (UNAM- Miguel Porrua 2001).







Luta Pela Pax (Fighting for Peace), located in a favela, is not an ordinary boxing club.

once a week for a workshop on non-violent conflict resolution and citizenship. Luta Pela Paz trains serious boxers, and three of its fighters have gone undefeated. But Luke hopes that their success won't stop there: "We want to create champions in the ring, but whether or not they are, we want them to take that discipline out of the ring."

Luke realizes that a boxing club is just a beginning: "With the drug trade, these kids have immediate access to money. Unfortunately we're competing with that. So we've realized that we can't just focus on boxing. This year we're looking for business partners who would agree to take these kids on as interns. It's all very well having a social program, but if a social program doesn't lead someone into a job it doesn't take you very far. It has to be a 360 degree attack."

Luís Otavio is the club's assistant trainer, and as a resident of a favela he is also all too aware of the hardships that his boxers face. In an article for the Viva Favela webzine, he said that Rio's favelas are ideal places to train competitive boxers:
"Boxing isn't just about punching someone. You have to know how to get beat
up. And only warriors can handle that."

Ben Penglase is a graduate student in anthropology. In 1998 and 1999 he lived in a favela in Rio where he conducted research on urban violence and paraded with the community's samba school. For more information on the Luta Pela Paz boxing club, contact Luke Dowdney at: <luke@vivario.org.br>.

Strengthening Civil Society in Brazil

Developing Private Social Investment in a Growing Democracy

BY REBECCA RAPOSO

RAZILIAN PHILANTHROPY IS NOT A NEW PHENOMENON. Since the Portuguese colonized Brazil as a Catholic community in the 1500s, charities have been present from the very beginning of its history. Health and education were provided for by Catholic organizations many of which were responsible (and still are in part) for the education of many generations of the elite, born, as well, in Catholic hospitals.

These Catholic institutions were, at one point of Brazil's history, practically the sole providers of quality education and health services in the country.

So, what's new in Brazilian philanthropy? Democratization. That is what has changed the face of domestic philanthropy.

In the 80s, Brazil initiated its transition from a military dicta-

torship to a democratic regime. With a "slow and gradual loosening," as the military used to characterize this process, Brazilian society began to exercise its constitutional rights, which had been suspended. Development of a new and irreversible political awareness got underway.

By the end of this decade, when the "slow and gradual loosening" process was nearly

concluded, Brazilians elected their first president in 29 years. At the same time, the American Chamber of Commerce convoked a conference on philanthropy in São Paulo, resulting in the creation of a committee on philanthropy, supported by the Kellogg and Ford foundations. Composed mostly by Brazilian companies and corporate foundations, this group was the first indication that local funding not only existed, but had behind it powerful corporations willing to carry the movement towards a strong domestic philanthropic sector. The group includes companies such as Bradesco, Iochpe, Odebrecht, Roberto Marinho, Itaú Cultural and Vitae, as well as multinationals such as Xerox and Alcoa.

In 1992, the recently elected government underwent an impeachment process, which turned out to be a great opportunity for the exercise of citizenship by this young and eager civil society. A series of reports on corruption, some of which involved philanthropic institutions connected to elected officials, prompted the process.

This new democratic scenario called for a strong sense of citizenship understood as a set of rights and responsibilities. The Catholic charity approach of Brazilian philanthropy was based on the efforts of very committed individuals moved by strong personal convictions. Although unquestionably honorable, these efforts were a response to the lack of access by low-income groups to basic rights such health and education. The question of responsibilities, until then only a matter for the State, remained untouched by this traditional concept of philanthropy and the probing needs for the development of autonomy, unanswered.

The need for a civil society organization capable of demonstrating to the Brazilian society that community involvement was part of citizenship and that philanthropy could be, and was, done in an ethical manner, prompted the committee on philanthropy to formalize the group in 1995. GIFE—Group of Institutes, Foundations and Enterprises—was incorporated by 25 of today's 64 members, with the mission of "improving and disseminating the concepts and practices of the use of private resources for the development of the common good."

So it is not by chance that GIFE's first formal decision was the approval of its Code of Ethics. Aside from establishing standards of conduct for the interaction of its members with all stakeholder groups, the Code pushes the social agenda one step further

The new democratic scenario called for a strong sense of citizenship understood as a set of rights and responsibilities. Community involvement is part of citizenship, and philanthropy can be also.

by defining social investment as the result of a sense of responsibility and reciprocity with society. A clear distinction is made between social investment by business and other activities such as marketing and sales promotion (for profit) and human resource policies and benefits intended to develop and retain the work force because these, in fact, are in the interest of the business, rather than the community.

This distinction is particularly important if one takes into account the development stage in which the Brazilian not-for-profit sector finds itself today.

Brazil's greatest challenge is its concentration of wealth. Our economy grows, but so does the unjust distribution of its resources. While ranked as the world's tenth largest economy, with a Gross National Product of U.S.\$ 742,8 billion, by UNDP - United Nations Development Program (World Development Report, 2000/2001), Brazil is the 69th country in wealth concentration, behind 11 other countries in Latin America.

The official agency IBGE—Instituto Brasileiro de Geografia e Estatística (Brazilian Institute for Statistics and Geography)—and the World Development Report (World Bank) indicate that we entered the 21st century with 10% of the population having 46.8% of the country's wealth while 20% subsists on 3.6%.

With such shameful figures, any civil society organization truly committed to reducing Brazil's social inequalities of—especially one related to the business sector such as GIFE—must think long and hard about this fact. It is mandatory for these civil society organizations to guarantee that the practice of social investment will

contribute to the wealth distribution, or at least, not aggravate the inequity—a very real possibility if all this mobilization turns into a simple business strategy.

Obviously, and while we are on the subject of fairness and justice, it must be said that GIFE understands that a true social investor is entitled to "expect, as a sub-product of a successful social investment, a greater added value for its image" (principles of GIFE's Code of Ethics). If our core business is social change, it is not only ethical but also just that businesses and corporate foundations gain from their social investment activities after the community has gained from the investments made. In other words, once community has ownership over the social change, GIFE understands that it is a true win-win situation.

If the unjust social-economic Brazilian scenario were not enough to sustain the importance of clarity for this concept of private social investment, two other factors reinforce this need.

The volume of funds being channeled by the private sector into social activities is one of them. IPEA—Instituto de Pesquisa Econômica Aplicada, (Institute for Applied Economic Research), an independent national agency, has found that three of the country's wealthiest regions have donated funds equivalent to 10% of their gross product. The Southeast alone, the wealthiest of the regions, donated approximately US\$ 1.75 billion (precisely R\$ 3.5 billions) in 1998. That's a considerable figure for a developing country. If invested properly, this sum could effectively result in social change.

The fiscal framework is the second factor reinforcing the need for clarity in the concept of social investment. Today's environ-

ment is, to say the least, unfriendly. The improvement of such a reality is an important challenge, one upon which GIFE has been working intensively with other representative organizations. When advocating for better fiscal incentives, we need clarity in the concept of private social investment. Distinction must be made between social investment activities-private funds for public interests-and investments with social characteristics, but for private interests, such as defined in GIFE's Code of Ethics. Otherwise how can we assure government and society as a whole that the requested tax exemptions are destined for public and not for private interests? Since tax money is public, GIFE is contributing its share of responsibility by making sure its members share the same, consistent concepts. We hope government will do its part recognizing the important role that the nearly 220,000 Brazilian civil society organizations have played in the last few years to improve the quality of life of many excluded Brazilians citizens.

Brazilian civil society has managed to move forward its social agenda, transforming, in the last decade, references and paradigms centuries old. The amount of money being donated is significant. The fact that philanthropy exists in spite of the lack of tax deductions for charitable purposes indicates an even higher level of commitment on behalf of the private sector. The decision to support sustainable projects that bring communities independence and autonomy has been made. The time is right and ripe for a stronger participation of local funding. The figures above indicate that this is not only a desirable, but also a possible scenario. It is strategic for Brazil to have its society developed and fully empowered.

I believe that as the economy globalizes more and more each day, leading governments to define and articulate policies to protect such interests, civil society organizations should, as well, go global. Although maintaining their local focus, from where notfor-profit organizations derive their legitimacy, going global through the various networks available is strategic. It is in the international arena that civil society can play its most important role: to help regulate the interests of both government and business in favor of a more balanced international community. As the interests of the three sectors intertwine, I also believe that transparency, accountability, information and engagement—the basic elements of a sustainable society—should be valued by government, NGOs and businesses alike. GIFE welcomes this interaction.

Rebecca Raposo has been GIFE's executive director for the last three years. Previously, she worked for a private foundation based in São Paulo and for the Brazilian Social and Economic Development Bank—BNDES. She can be contacted at <diretoria@gife.org.br>. For further information, see <www.gife.org.br>.

AFRO-BRAZILIAN YOUTH

Meeting a New Wave of Leaders

Throughout my life, I have had two lives: politics and art. More specifically, I have always been drawn to poetry, film, and dance and have always worked to empower people on life's margins through grassroots community organizing, teaching, and mentoring. Grupo Cultural Bagunçaço (CGB) in Salvador, Brazil, was a program that allowed me to unite all my passions and to build the foundations for a non-profit youth leadership development organization, DAYLIGHT (Diaspora Alliance of Youth Leaders Initiating Growth, Hope & Transformation) that I'm thinking of launching some time after graduating from the Kennedy School of Government.

Bagunçaço, a 10-year-old nonprofit youth empowerment organization that seeks to empower youth through art and music. They provide services for more than 200 youth in Alagados in northeastern Brazil, where the predominantly Afro-Brazilian residents face unemployment, hunger, poverty, and a lack of basic sanitary conditions and medical attention. At Bagunçaço, I led workshops on leadership development for a group of program administrators and faculty and another set for the music staff—which was made up of teenagers as young as 13 leading their own bands. I was later invited to do a similar set of workshops with another organization, Instituto Cultural Steve Biko, which offers college preparatory programs for Afro-Brazilian youth. I know I learned as much, if not more, as I was able to teach. It was an amazing experience, a confirmation that I've chosen the right career path.

Lorelei Williams, a student at Harvard's Kennedy School of Government, received a DRCLAS grant to intern with Grupo Cultural Baguncaco.

Corporate Social Responsibility in Brazil

The Emerging Market

BY VALDEMAR DE OLIVEIRA NETO

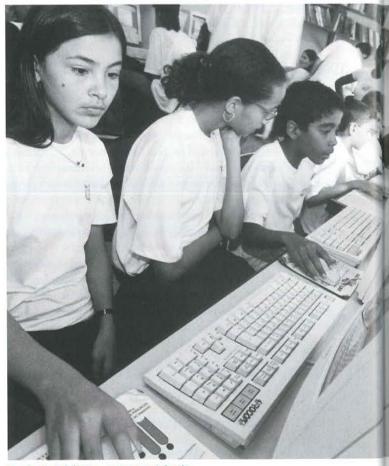
RAZILIANS DON'T DO VERY WELL WITH THEIR TEETH. ON AN average, every Brazilian is waiting for treatment for almost five dental problems each. Although the situation might have something to do with the Brazilian love for sweet milk fudge, in all likelihood, these dental problems are a much more serious health indicator.

Dental problems in Ipatinga, an industrial-gray, mid-size city in the hinterland of the vast, dusty central plains of Brazil, contrast sharply with this average: according to World Health Organization's latest statistical abstract, *ipatinguenses*, as those from Ipatinga are called, have just 0.3 dental caries per person, a rate that is better than even Finland (1.2 problems per person). The responsible party for Ipatinga's record is Usiminas, a giant steel maker that was privatized in 1991, and is the city's biggest employer, with 33,000 workers. All Usiminas workers and their dependents are entitled to free dental treatment, thanks to Fundação São Francisco Xavier, a foundation maintained by Usiminas.

Usiminas is just one example among 230 selected to appear in a special edition of business magazine *Exame* that is devoted to the emerging market of social responsibility in Brazil. The magazine described in detail projects created by large, medium and small corporations in the areas of education, health, environment and culture, as a sample of what companies are doing in an emerging tide of corporate social responsibility. Ordinary citizens, as well as companies, are beginning to understand that they must take in their own hands the quest to correct long standing social problems in Brazil. In terms of money, the lion's share come from corporations: according to a study made by Instituto de Pesquisas Economicas Aplicadas (IPEA), a think tank of economic research in Brasilia, they are investing more than four billion of reais (approximately 1.6 billion dollars) annually in projects like the dental care program of Ipatinga.

With one of the worst records of income inequality in the world, Brazilians can no longer afford to wait until government takes initiative to address problems of such magnitude. A recent study commissioned by the United Nations showed that countries with income per capita close to Brazil's rank much lower in terms of rates of poverty. Nothing less than 34% of Brazilians live in poverty, against 19% in Costa Rica, 15% in Mexico and 4% in Bulgaria.

Brazilians are increasingly showing that they are tired of waiting. After the "lost decade," as the 1980s became known in Latin American economic history, Brazil experienced an economic bonanza in the second half of the 1990s. The fruits of growth, however, con-



Fundação Telefônica, Internet in Schools

tinued to be unfairly divided, and income inequality only grew worse. It would be bad enough for a country with a stable population. But Brazil experienced rapid rates of growth in the last decades, almost doubling its population from 1970's 90 million to the current 170 million. With explosive demographic growth like that, things get worse on their own daily without doing anything.

Social problems are not new in this Latin American giant. In fact, social inequality is a heritage of colonial times, which dates back to slavery. Because urbanization and industrialization had different impacts on different levels of society, the distance between have and have-nots only became greater and greater with time. In the past, however, most poverty was a phenomenon of the rural world. Now, with more than 80% of Brazilians living in the cities, poverty became a more visible phenomenon.

What is really new is the way Brazilians are responding to the old challenge. Instead of turning their backs and saying that government should do something about it, society is more and more taking social problems into their own hands. A myriad of NGOs emerged in the last years and scores of corporations are also doing their part. From the Amazon forest to the Southern *pampas*, volunteering has become the new mantra among highly educated, well-off Brazilians.

Changes of these proportions rarely begin from scratch. The roots can be traced back in time to three decisive moments during the 1990s. First was Rio-92, the Earth Summit in Rio de Janeiro that propelled the environment to the top of the world agenda. It



brought visibility for ambientalistas and activists groups of all backgrounds. After Rio-92, NGOs began to be seen not as weird sects defending bizarre causes but as important players in the quest for a better world. More than that: NGOs begun to influence the public debate and, eventually, begun to influence public policies as well. A remarkable example is the introduction in the Brazilian law code of a whole new category, namely, ecological crimes. Ibama, the federal agency responsible for ecological law enforcement, gained a credibility undisputed by any other enforcement body in Brazil.

Another—not less remarkable—example is how ubiquitous the word RIMA—the acronym for Relatório de Impacto Ambiental, or environmental impact report—has become in business jargon. Now, every single project of construction, urban or rural, is required by law to have a RIMA statement with accurate details about environ-

mental impact. Another decisive moment was the impeachment of President Fernando Collor de Melloon on corruption charges in 1993. Collor's impeachment, the first time ever that a top government was put out of office not by a military coup but by legal, constitutional means, brought the debate about ethics to the world of politics and politicians. Since then, it is as if the level of tolerance to corruption has diminished. Until very recently, corruption was thought as a chronic, incurable social disease, like *dengue*

fever or malaria. Now, corruption is seen as something that can and must be checked in all levels of society.

Another important turning point was the

campaign against hunger, lead by human rights champion Betinho. Hunger has been one of these recurrent tragedies of the Brazilian society that are so old that they seem to be rooted in tradition, like *carnaval*, *samba* or soccer. Hunger used to belong only to the rural world, which urban elites could easily ignore. With the dramatic urbanization experienced in most of Latin American countries in the last decades, hunger moved to the big cities and could not be ignored anymore. Especially when it comes to these proportions. According to another recent IPEA study, no fewer than 23 million Brazilians currently live below the misery line—defined as having not enough to feed themselves adequately. When social drama reaches these proportions, it is easy to dismay. Pioneer Betinho refused to give up and said no, there must be something we

can and have to do to mitigate this tragedy. Soon others followed

his example: committees appeared in factories, offices and corporations of all sizes; contributions materialized in bags of rice and beans, Brazilians' favorite staple. Rapidly, the whole society was mobilized, and not by a populist politician promising bigger-than-life revolution, as usual in Latin America's political history. Betinho (whose real name was Herbert de Souza) was a victim of social tragedy himself: he died in 1997, due to an HIV-infected blood transfusion.

This was the background when Ethos Institute was founded in 1998 by a group of corporations that realized that social responsibility is a necessary condition if Brazilian society wants to survive. Back than, there were only eleven associated companies and Ethos managed a budget of 700,000 reais (equivalent to some U.S. \$280,000). Three years later, more than 460 companies have joined and its budget jumped to \$1.6 million dollars. Many public and multinational companies have joined, such as Johnson & Johnson, Pirelli, Embraer, Telefônica and Volkswagen, to name only a few. Born from such effervescence, Ethos soon gained dimensions that we believe is unparalleled in any other Latin American country.

Ethos understood that its role was to make social responsibility an ever more important issue among businesses and corporations. Beyond stimulating a new corporate ethical conscience, Ethos wanted to show companies how to align ethics with strategic thinking. To accomplish that, it has developed a set of important tools for measuring and reporting according to social ethic and responsibility norms that are finding their way to mainstream business.

Ethos' tools are being more frequently used, as investment funds increasingly take the social and environmental profile of companies into consideration for their investments. One remarkable example is *Previ*, the multi-billion-pension fund of petrol giant Petrobras workers. *Previ* has decided to use *Indicadores Ethos de Responsabilidade Social Empresarial* (Ethos Indicators of Social Corporate Responsibility) in the 110 companies where it has investments. Following the *Previ* move, research companies have been required to produce social and environmental reports with profiles of many public traded companies. Another important initiative is by ABN-Amro Asset Management, which has just announced the first investment fund based on an ethical screening of corporations. ABN-Amro Ethical Fund will take into account corporative governance, social and environmental attitudes in rec-

Hunger has been a recurrent tragedy seemingly rooted in tradition like samba or soccer.

ommending investments. As a matter of principle, the Fund excludes alcohol, tobacco and weapons companies' stocks. Companies are becoming more economically healthy in terms of the bottom line, and more prepared to take the role of vehicles for social change. This role goes way beyond traditional philanthropy. As the country approaches new general elections later this year, social and ethical issues will remain on top of the public agenda.

Valdemar de Oliveira Neto, Brazilian lawyer and human rights activist, is Executive Director of Ethos. He is a Board Member for the Institute of Social and Ethical Accountability in the United Kingdom and a former International Vice President for Ashoka: Innovators for the Public.

Philanthropy for Global Equity

The Next Wave?

BY LINCOLN C. CHEN

MONG THE SAYINGS ATTRIBUTED TO Yogi Berra is: "predictions are very difficult, especially if it's about the future!" No one, therefore, can project with certainty the next phase of world philanthropic developments. My own hope is that philanthropy—as an organized sector, a field of study, and a social enterprise—will rise to the challenge of tackling global "unfairness" or inequities. Several reasons can be advanced as to why global equity should become a central thematic of the next philanthropic wave.

Every epoch of history can be characterized by some distinguishing attributes. For our times, the lack of "global fairness," characterized by severe inequality, is perhaps the most striking. Inequality describes objective differences, but the term "inequity" introduces a normative or moral lens to inequality. Some inequalities such as birth defects may be unavoidable. Other inequalities, however, may be considered grossly unfair, such as a child's lack of schooling or the denial of life-saving drugs to an AIDS patient. The term equity captures social perceptions about the "fairness" of observed inequalities.

Social inequity erodes trust, breeds violence, disturbs the functioning of social institutions, and wastes the talent and capabilities of human resources. In today's world, huge inequalities exist according to class, gender, ethnicity, and other social characteristics. These disparities in wealth and income, health and education, and social and political participation exist in all of the major world regions, including the wealthiest. These divides can be found both among and within nation states. Massive gaps differentiate the world's richest and poorest societies, and all countries to varying degrees have disparities within their societies. Inequality and inequity within nations are particularly severe in many Latin American countries. The causes, while controversial, are both historical and contemporary. The cleavages are deeply imbedded in colonialism, but the divides have also been exacerbated by globalization in the 1990s.

UN Secretary-General Kofi Annan recently reminded us that: "We live in a world in which immense wealth and extreme poverty live side by side." Globalization of private markets, technological advances, and new ground rules are producing unprecedented wealth concentrations, manifested by growing income inequalities among and within countries. Indeed, heightened public concerns and growing political opposition over increasing inequality are among the principal threats to globalization itself. Socially intolerable and morally unacceptable inequality is perhaps the foremost challenge of our times.

CHALLENGING SOCIAL INEQUITIES

One response to this challenge was the September 2000 endorsement of the millennium goals of the world community at the United Nations. Halving world poverty and achieving associated health and educational targets by 2015 are daunting challenges that will require resources and strategies, institutions and programs, and public understanding and political leadership. None of these necessary conditions, unfortunately, is evident. Public financing for world development has been steadily dwindling for a decade. Reform of the institutional architecture for development has faltered, and few fresh policies or programs are emerging. No consensus exists on effective strategies for alleviating poverty. Most important, public support appears fatigued over past disappointments and skeptical over unattainable promises. Genuine political will, especially among the powerful and wealthy, has not been demonstrably strong. Realistic appraisal of prospects for achieving the millennium goals, therefore, can hardly be opti-

Yet, global equity is a socially-valued motive force that can be mobilized to help advance equitable world development. Established modes of international development need revitalization. Traditional development approaches underappreciate inequity within Southern societies; it relies on North-South official aid transfers implemented through donor-funded projects to correct for inequities among nations. The theory that poorer countries ultimately would attain economic growth mirroring the experience of richer countries miscomprehends the unique historical contexts and the international linkages that characterize today's world. No one today really believes that Sierra Leone will someday look like Switzerland! Rather, we appear to be heading towards a more uncertain, pluralistic, and unequal world.

A global equity approach would call for value-based mobilization of all resourcespublic, private, domestic and international-to redirect national and global institutions towards more socially-equitable outcomes in both the South and North. While broad in scope, this mission can be translated into many practical activities in education, health, and economic development. Just as globalization brings threats, it also offers opportunities. Access to new markets could help the poor generate their own wealth. Harnessing new technologies could help bridge health and educational gaps. Connectivity could empower groups to perform more effectively. Linking fresh approaches with new organizational arrangements is essential because existing institutions were crafted to solve problems of an earlier era. Governments continue to play a central role, but the public sector is being downsized. Inter-governmental organizations like the UN and the World Bank operate under similar constraints. The private sector, especially business and the media, has grown correspondingly more powerful. Civil society organizations are proliferating, reflecting the search for new solutions in democratic societies. To solve today's problem, no single actor has all of the necessary resources, incentives, or capabilities.

GLOBALIZING PHILANTHROPY

Equity and philanthropy come together easily for several reasons. They are two sides

of the same coin. The origin of philanthropy is wealth; charitable giving redistributes wealth, and strategic philanthropy addresses the root causes of unacceptable inequality. Both equity and philanthropy are important aspects of a socially-successful global economy. The former is a socially-valued goal in market economies, and the latter is a socially-desired outcome of excessive wealth accumulation. Linking equity and philanthropy can generate synergism because equity concepts can be strengthened by practical philanthropic action, and philanthropic practice can be informed by social purpose.

That social purpose urgently needs "outof-the-box" thinking, strategies, and leadership. Innovation will require flexible social investment funds, just as technology startups need venture capital. Despite the recent drop of the Nasdaq, the global economy is producing enormous wealth. The July 2001 issue of Forbes reported that the U.S. has more than 400 billionaires, 350,000 deci-millionaires, and seven million households with investable assets exceeding \$1 million. Despite changes in inheritance tax laws, about \$12-15 trillion will be transferred across American generations in the next two decades. And wealth accumulation has also been impressive in other world regions, especially in Europe and in many emerging economies.

The dynamism of recent philanthropy raises the prospect of a "second golden era." Wealth accumulation of the 1990s has been so large that philanthropy is likely to continue its growth. New actors are entering, and philanthropy is emerging rapidly in Europe and in many middle- and low-income countries. New resources have sparked fresh attitudes, new approaches, and different actor groups-spawning new models and forms of philanthropy-such as venture, e-philanthropy, and diaspora. Taken together, global philanthropy has enormous unrealized potential for promoting fresh thinking, new approaches, and sustainable solutions to some of the world's toughest problems, beyond the inflexibility of government or the narrower interests of business.

Of particular interest is that portion of philanthropy or private social investing that is strategically deployed to address world poverty and social injustice. The perspective "global" connotes a worldwide perspective; the term "strategy" implies investments for sustained solutions; and the challenges are the pre-eminent world problems of pover-

ty, inequity, illiteracy, ill health, economic impoverishment, environmental degradation, and violation of human dignity. Defined as such, globalizing philanthropy constitutes a very small share of American and European charitable giving, but a very large part of the world's social agenda.

THE FUTURE AGENDA

Is there the philanthropic will to tackle social inequities, and if so, can private social investing make a difference? The answer is a qualified yes, if social passions can be ignited and social responsibility recognized. The challenge of performance confronts the entire sector. Is an appropriate framework that of transparency and accountability, and thus the legitimacy of philanthropy in democratic societies? If so, philanthropic programs that aim to advance equity must adhere to high standards of accountability for ultimate impact. Should philanthropy be considered a "social market?" If so, philanthropy as a field suffers from severe market failures. Extremely limited philanthropic supply faces virtually unlimited grantee demand, without price or other signals for mediation. The current philanthropic marketplace can be characterized as mostly informational, relational, and reputational. Constraining all actors are the lack of information, fragmentation, competition, duplication, and limited institutional mechanisms. Feeble are the voices, views and experiences of clients, communities, and recipient organizations that would bring greater openness and equity in their access to precious philanthropic resources. A weak knowledge base translates into an inability to reach consensus on lessons learned, to disseminate best practices, and to assess philanthropic performance. Although these limitations characterize the field overall, the obstacles are particularly crippling to global philanthropy because of the natural empathy for giving closer to home, the complexity of transnational transfers, and the handicap that distance imposes on confidence and trust.

Although the field of philanthropy shares common challenges, a global approach is distinctive. There is first of all the very rich tradition of indigenous philanthropy in nearly all cultures, and Latin America is no exception to this diversity. Problem-solving in resource-poor settings calls for distinctive low-cost solutions. Private giving from rich countries for work in poor countries must over-

come diverse tax and regulatory hurdles. Differing from its local counterpart, global philanthropy engages a unique cluster of actorssome foundations, non-governmental organizations, governments in poorer countries, bilateral donor and multilateral agencies like the UN and World Bank, specialized academic units, and multinational business. Global philanthropy, moreover, encompasses not only the international giving by American and European philanthropies, but is inclusive of a growing number of new foundations in middle-income and even in some of the world's poorest countries. While conceptually visualizing people in the world without national borders, global philanthropy faces a distinctive set of questions. How to learn, monitor, and assess the impact of social investments? How to select investments for specific countries or problems? How to expand interests in global justice among predominately domestic funders in rich countries?

Geographic border are increasingly porous in our globalizing world, and political boundaries do not define our moral compass, our social responsibility, or even our enlightened self-interest. Although no society-rich or poor-has eradicated poverty, , some of the greatest inequality in the world can be found within developing countries (although more than 85 percent of world income inequality is between, not within, countries). In a shrinking world, the gaps between the privileged and impoverished are vast, and some say growing. Time and opportunity make philanthropy for global equity ripe for the next phase of world philanthropic developments. In developing countries, especially in Latin America, addressing internal disparities is essential for maintaining democratic institutions and economic development. The task is essentially local and national. But in our globalizing world, global responsibility, reinforcement, and solidarity are also vital.

Lincoln Chen is a faculty member at Harvard's Kennedy School of Government. Previously, he had been Takemi professor of international health and director of the university-wide Harvard Center for Population and Development Studies. For two decades, he worked for several of America's largest foundations, including Rockefeller Foundation (executive vice-president), Ford Foundation (representative to India), and MacArthur Foundation (chair, international advisory committee).

The Challenging Latin@ Dilemma

Marcelo M. Suárez-Orozco and Mariela Paez, Latinos, Remaking America

University of California Press Berkeley/David Rockefeller Center Series on Latin America, 2002, 465 pages

A REVIEW BY MARIA CRISTINA CABALLERO

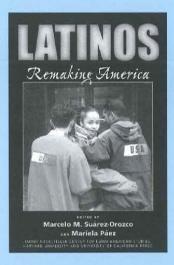
of the highest-ranking Latinos ever to serve in the U.S. government when he was a member of President Clinton's cabinet. Richardson, former secretary of energy and former U.S. ambassador to the United Nations, hopes there will be a Latino president of the United States in his lifetime. Richardson is 54. He could well live to see his dream.

Just a few decades ago, even to talk about a U.S. president with Latin American ancestry would have been quite unthinkable. But so much has changed.

Harvard Graduate School of Education Professor Marcelo Suárez-Orozco and researcher Mariela Paez provide a variety of frameworks for us to glimpse the origins and dynamics of some of the many profound changes of the Latino world—ranging from rience, will become essential reading for all those concerned or intrigued about these issues.

The book ranges from the broad to the specific. For instance, although the media hype about the "Latino explosion" lends the booming Latino presence a sense of new "phenomena", Latinos are also among the "oldest" Americans: some of their Spanish-speaking ancestors lived in the part of Mexico that is today's Southwest, making it their home well before there was a United States. As George Sanchez points out in the book, Latinos are also among the newest Americans: two-thirds of all Latinos in the United States are either immigrants or the children of immigrants.

Suárez-Orozco, who is codirector of the Harvard Immigration Project, and Paez choose to be inclusive in their defini-



grant group ever has before.

In fact, the notion of "Latino," a fairly new word, has changed dramatically. The first use of Latino recorded in the Oxford English Dictionary is from 1946, and it's worth quoting the statement that accompanies the definition: "The first program on the University's list

Well, politicians can count. In 1980, there were roughly 14 million Latinos in the United States, the book explains. Twenty years later, there were more than 35 million. The U.S. Census Bureau estimates that by the year 2050, a full quarter of the U.S. population—about 100 million people will be of Latino origin. That means that in just two generations, the United States will have the second-largest number of Latinos in the world, after Mexico.

But while politicians and merchandisers seem to have progressively embraced Latinos for their voting and buying power, some majority white Americans have been uneasy about the sharp increase in Latino population. Why? Wayne Cornelius writes that contemporary immigration might be upsetting the country's "ethnocultural balance, potentially leading to a crisis of national identity." Cornelius says that "some demographers warn that the combination of very low fertility rates among the native-born population with high levels of immigration from high-fertility source countries makes such a crisis virtually unavoidable."

The Latinos have more than a language in common. "We share the experience of being uprooted by large socioeconomic forces from our original homelands," points out Silvio Torres Saillant. "We come from societies with a history of unequal association with the United States, a country that has influenced and sometimes even dictated political behavior in Latin America."

Currently, well-educated,

Scholars examine the state of research in the emerging field of Latino studies.

new political clout to ethnocultural issues.

Latinos, Remaking America grew out of a Harvard conference hosted by the David Rockefeller Center for Latin American Studies and the Harvard Graduate School of Education. What Suárez Orozco and Paez have done here is to bring together and integrate original studies on a wide variety of topics. Forty scholars were called to examine the state of research in the emerging field of Latino studies. This book, examining multiple dimensions of the Latino expe-

tion of Latino: that segment of the U.S. population that traces its descent to the Spanish-speaking Caribbean and Latin American worlds.

But what does it mean to be a Latino? There is certainly no consensus. And academia has been certainly slow to take up the challenge of trying to broadly explore the inter-relations of the changes happening before our eyes. That's why the new book is so welcome. It makes a statement from its title until the last page that Latinos will shape the United States in ways that no immi-

is an exchange of students with Latin America. That in itself would be a fresh intellectual experience for Texas, where Latinos are usually looked on as sinister specimens of an inferior race."

President George W. Bush, of Texas, now even delivers his weekly radio address in Spanish as well as English. How did Latinos get from then to now, when they are courted by Democrats and Republicans for their votes? The *New York Times* called the Bush and Gore appeals to Latinos in campaign 2000 a "virtual love-feast."

highly skilled recent immigrants are finding good jobs in knowledge-intensive industries. However, other many Latinos have not fared so well. The Harvard Civil Rights Project found that Latino children are now facing the most intense segregation (by race and poverty) of any ethnic and racial group in the United States: 45 percent of Latinos were in majority white schools in 1968, but only 25 percent in 1996. In 1998, 29.9 percent of Latino youths dropped out of high school, compared to 7.7 percent of white, and 13.8 percent of African American youths, according to the U.S. Department of Education.

Latinos, Remaking America also addresses a number of other interesting issues, such as:

■ Latino buying power by 1999 had reached \$384 billion a year, up 65 percent since 1990, according to the Siling Center for Economic Growth of the University of Georgia.

- Latinos are now the largest ethnic group in the Catholic Church, making up over twothirds of all Catholics in Florida, Texas, and New Mexico.
- More than one in every three Latinos (37 percent) in the United States is without any public or private health insurance.

There is an increasingly segregated concentration of large numbers of Latinos in a handful of states, in large urban areas polarized by racial tensions. By the year 2000, half of all Latinos lived in two states, California (11 million) and Texas (6.6 million).

The changes are not just within the United States, but in all of America. DRCLAS director and historian John Coatsworth embraces the importance of comparing the history of diverse Lati-

no groups within the United States to that of Latin Americans in Latin America. He also points out that Latin American immigrants return to their home countries or send money home, (and they might also exercise political influence in their native countries). Therefore, they are transforming not only the United States but their home countries as well. In this regard, "Latino history is being made in Latin America, not just in the United States. Latino historians and Latin American historians need to work more closely together, " Coatsworth points out. Author Torres Saillant, on the other hand, argues that the very term Latino has meaning only in reference to the U.S. experience. "Outside the US we don't speak of Latinos: Latinos, therefore, are made in the USA", he states.

As a "Latina"—or as a Colom-

bian, now in the U.S—I stand closer to the first interpretation, the one that suggests the analysis of the experience of being a "Latino" from a more comprehensive cross-national and cross-cultural perspective. Indeed, to be Latino implies a complex dynamic across divergent worlds; and, as Coatsworth seems to suggest, deserves more than a "made in USA" stamp.

The many controversies that have been emerging from Latino studies will continue generating as much interest as new hypothesis that will, certainly, enrich the challenging dilemmas of this scholarly new field.

María Cristina Caballero is a Mason Fellow at Harvard University's John F. Kennedy School of Government. A journalist from Colombia, she was also a 1996-97 Nieman Fellow.

Conversations About Cultures

Rafael Hernández and John Coatsworth, editors, Culturas encontradas: Cuba y los Estados Unidos Centro de Investigación y Desarrollo de la Cultura Cubana Juan Marinello and the David Rockefeller Center for Latin American Studies, Harvard, 2001, 278 pages

A REVIEW BY ALEJANDRA BRONFMAN

NY NORTH AMERICAN ACAdemic who travels to Cuba in search of archives, La libraries, a dissertation topic or an enlightening conference will encounter a well-established and dynamic community of Cuban scholars. With their brilliance and intellectual agility, these philosophers, historians and literary critics have contributed to conversations and research projects in many ways. We are all indebted to the work they do and the complex understandings of Cuban history and society they elaborate. Exchanges between

Cubans and North Americans have proceeded on both formal and informal levels for years. Recently, these relationships have inspired conferences and the edited volumes that commemorate them. Culturas encontradas: Cuba y los Estados Unidos, edited by Harvard's John Coatsworth and Cuban scholar and editor Rafael Hernández, is a welcome addition to a growing collection of volumes that embody vibrant dialogues between cultures. A record of a 1999 conference sponsored both by Harvard's David Rockefeller Center for



Latin American Studies and

Havana's Centro de Investigación y Desarrollo de la Cultura Cubana Juan Marinello, the book includes the papers presented by a group of innovative scholars from both nations.

This volume stands out however, for in addition to embodying dialogue in its inclusion of work by both Cubans and North Americans, it takes on the Cuban-U.S. encounter as its object of study. All of the articles address some aspect of the longstanding and complicated relationship between the island and its neighbor to the North. The book's four sub-themes("Música entre las dos orillas"; "Educación, arte y literatura"; "Los caminos de la religión"; "Racialidades Compartidas"), with their emphasis on religion, music, the construction of race, and education point to the importance of cultural processes suggesting that they, unlike economies and politics in recent times, have emerged through continuous interaction across the waters. Although some historiographic traditions in both Cuba and the United States have insisted on distinct and hermetically sealed national trajectories, historians such as Louis A Pérez Jr. have long argued that the two countries have in fact evolved in a context of 'ties of singular intimacy'. With the transnational content and structure of this volume, Hernández and Coatsworth both make this point effectively and perpetuate those ties.

This abundant volume includes contributions that range from well-informed empirical analyses to literary criticism to theoretical interrogation of entrenched categories. In his article on music, Leonardo Acosta, a Havana-born writer, journalist and musician, demonstrates the vitality of musical links that have persisted for the past 120 years.

From the music of late nineteenth century composer Louis Moreau Gottschalk to the most recent (and somewhat controversial) incarnation of salsa in Cuba, Acosta argues, music in both Cuba and the United States must be thought of as the product of "reciprocal fertilization." With his extensive command of the details of this history and an affinity for the way music changes, Acosta offers a fas-

revisionist view of the Africanderived religions practiced both in Cuba and in the United States. It is a commonplace assertion that Cuban Santeria is the syncretic product of Catholicism and Yoruban culture. Matory argues, however, that Yoruba, usually identified as a Nigerian ethnicity present at least as long as the slave trade, was in fact a late nineteenthcentury creation. Yoruba ethnickind of centripetal quality—rather than resting on similar methodological or epistemological assumptions, the articles rely on radically different approaches and perspectives to explore the central question. But this is by no means a fatal flaw. It merely requires vigilance and flexibility in order to grasp each scholar's work on its own terms. The comments and discussions during the

Cultural processes have emerged through continuous action across the waters between Cuba and the U.S.

cinating tale. Architect Mario Coyula begins his history of architecture and mutual influences in a similar fashion, noting the networks of knowledge and influential architectural styles that contributed to Havana's eclectic look. But he also worries about the homogeneization and trivialization that results from some Cuba-United States encounters, such as the glaring yellows of new fastfood stores in Havana, or the transformation of working-class zones in Ybor City to upscale strip malls catering to Latino yuppies. Using an approach that combines anthropological with historical insights, Harvard anthropologist James Matory offers a provocative ity only crystallized in Africa after former slaves, whose own myriad ethnicities had been conflated into a monolithic "Yoruba' by slave traders and masters, returned to Nigeria and encountered missionaries who were equally eager to use Yoruba as a catch-all category. Only then did Yoruba become one of the prevailing ethnicities of the region. Matory brilliantly reevaluates one of the most entrenched assumptions of the study of Cuban religions and cultures.

As with many edited volumes, its strength is also its limitation. The scholars' work is drawn from such disparate fields and disciplines that the collection has a

conference, included at the end of each section, demonstrate sensitivity to the parameters of different disciplines and approaches. Although spirited challenges and disagreements do appear in these discussions, the interlocutors seem committed to reinforcing rather than dissolving the ties they have both observed and enacted with their participation in this project.

Alejandra Bronfman teaches Latin American and Caribbean History at the University of Florida. She has published several articles on race, social science and black activism in early twentieth-century Cuba.

When Interests, Ideals Coincide or Everybody on the Bandwagon

Jorge I. Domínguez and Rafael Fernández de Castro, The United States and Mexico: Between Partnership and Conflict Routledge, 2001, 184 pages

A REVIEW BY DAVID BEARD

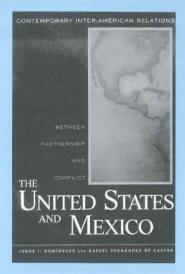
ÁZARO CÁRDENAS MIGHT have rolled over in his grave to see the post-Cold War changes in U.S.-Mexican policy that gave birth to NAFTA and a whole alphabet soup of governmental cooperation groups between Washington and Mexico D.F. in the early 1990s.

And yet, as Jorge I. Domínguez and Rafael Fernández de Castro note in their concise, informative overview of U.S.-Mexican relations, the careful pairings were fortuitous, albeit only steps toward attempting to monitor and administer migration, trade and the vibrancy of life at the nations' common border. An embrace between the two nations, the authors document, was out of the question, given a history of U.S. invasions, interference and the resulting Mexican nationalism that carried over decades after Cardenas' successful Depression-era takeovers of the U.S. oil concerns in Mexico.

Without closer moves together, however, necessary allies could have exacerbated differences and poisoned both nations' economies.

The United States and Mexico offers an unflinching survey of the nations' relations that contains surprises to the casual student of bilateral relations, such as the strident Mexican involvement in U.S. political affairs during the Lincoln administration. Its greatest value, however, rests in the recent history between the two nations, marked by the end of the Cold War, the coinciding reevaluations of relations by the incoming administrations of Carlos Salinas de Gortari and George Herbert Walker Bush; and the general view of both countries that the world was atomizing into geographical trade blocs and that neither Japan nor Europe provided the answer to a better life for North Americans. In one of dozens of informative charts, the authors show one aspect of the intensifying relationship: U.S. and Mexican presidents, who did see each other once between 1909 and 1943, met 25 times between 1988 and August 2000. Another chart shows the rise in maquiladora jobs from 75,974 in 1974 to 1,008,000 in 1998.

Domínguez, Clarence Dillon Professor of International Affairs at Harvard and director of the Weatherhead Center of



International Affairs, and Fernández de Castro, Academic Dean of the Department of International Studies at the Insituto Tecnológico Autónomo de Mexico, correctly note how Salinas' administration moved

dation for trust on both sides.

The authors attack the drug issue head-on, openly questioning the cost of greater US-Mexican cooperation this area. To a casual U.S. reader, the characterization of Mexico being victimized by the U.S. thirst for illicit drugs may come off as jarring-the exact quote: "The United States has long been an exporter of security problems to Mexico." However, the authors argue persuasively that the nation's geographical position between greatest supply and greatest demand for drugs has caused a disturbing increase in deaths inside Mexico. While U.S. media extensively covered the 1985 killing of DEA agent Enrique Camarena inside Mexico, the much higher death toll

Gutiérrez Rebollo issue and during the peso crisis two years earlier.

In attempting to shoehorn so many issues into such a small book, part of a series on contemporary Inter-American relations, the authors can be forgiven for some repetition. In a section on the American media, the authors erred in describing syndicated columnist Jack Anderson as a Washington Post columnist.

But the value to this overview is clear. As the authors conclude, describing the New Year's Eve 2000 hug and kiss at the border between Laredo Mayor Betty Flores and Nuevo Laredo Mayor Horacio Garza, "for them, theirs was one integrated region located in the two countries."

How does a very wealthy

How does a very wealthy country share a border with one with tens of millions of citizens still living in poverty? The challenge is to broaden the foundation for trust on both sides.

to change perceptions of "norteamericanos" from U.S. and Canadian gringos to include Mexicans as well. A graph on people of Mexican origin in the United States shows why Mexico's outreach to its countrymen and to Mexican-Americans was long overdue: from 1.7 million in 1960, the number of people of Mexican origin in the United States is projected to rise to 48 million by 2040).

Mutual suspicion and fears of duplicity remain huge threats, however. Hence the deathbed quote of Carlos Fuentes' Artemio Cruz, who once spoke mendaciously to his U.S. partner, is included: "Yes, yes, yes: how fortunate that our ideals coincide with our interests." The challenge, as described by the authors, is to broaden the founof Mexican security vis a vis northern colleagues in the drug war has been scantily reported. The authors do not absolve Mexico of widespread corruption in its drug-fighting ranks, duly noting the 1997 conviction of former anti-drug chief General Jesús Gutiérrez Rebollo for protecting drug lords.

Domínguez and Fernández de Castro say crises in the drug issue prompted tighter and higher level governmental ties, with Bush and Clinton respectively assigning Robert Zoellick and Thomas F. "Mack" McLarty to help. Zoellick understood Mexican sensibilities in the case of the DEA kidnapping of Dr. Humberto Alvarez Machaín, considered linked to the Camenara murder. McLarty, Clinton's former chief of staff, served as a conduit to Clinton during the

country share a border with one with tens of millions of citizens still living in poverty? "The challenge to both countries and their governments at every level," the authors write, is "to construct the institutions, rules and practices at the border that would manage these still difficult issues more effectively and with fewer costs. It should be their goal to construct, jointly with Canada, a shared life in North America that better serves the values that they affirm in their own constitutions."

David Beard, an editor at the Boston Globe, studied in Mexico and was based in Argentina and in Puerto Rico as a foreign correspondent for the Associated Press, covering the Southern Cone and the Caribbean Basin.

What is Religion?

Native Religions and Cultures of Central and South America: Anthropology of the Sacred edited by Lawrence E. Sullivan, Continuum, 2002

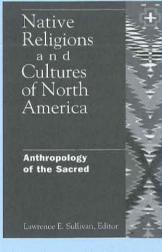
A REVIEW BY PHILIP P. ARNOLD

N MY DEPARTMENT OF RELIgion about the only thing we can agree on is the contentious nature of defining the concept of "religion." While the indeterminacy in definitively answering the question "What is religion?" has had a devastating impact on human cultures-particularly in the West-the academy sees it something of a resource for rethinking fundamental questions of human organization. Native Religions and Cultures of South America, brings together many important thinkers to theorize religion among the indigenous peoples of Latin America. Sullivan, Carrasco, López Austin, Turner, and Zuidema are among the contributors to this volume who span a number of disciplinary boundaries including religion, anthropology, archaeology and history. The book makes a significant contribution to our understanding of religion among a tremendous diversity of particular traditions, and also to the concept of "religion" in general.

The editor of the book, Lawrence E. Sullivan, points to the difficulties of studying indigenous religions, combined with the contentious nature of religion, in his introduction when he describes the haphazard process of learning about these traditions often in the margins and marginalia of official church and legal records. "The ironic result of all this indirection is that a central concern important to native peoples of the Americas, namely, the religious evaluation

of their existence in time and the rich religious imagery they conjure to handle their experiences, often remains marginal to our concern and remote from our understanding." Even more ironic is that maintaining the marginal status of these traditions has impoverished our modern understandings of religion. This book does not attempt to answer the question "what is religion?" but by describing the overwhelming diversity of religious expressions in Central and South America, among groups who have often been regarded as the most despised in their nations, this book indicates the need for, and a variety of ways to investigate that question. Nevertheless the question of religion moves Indigenous religions of the Americas from their marginal status to the center of the humanistic pursuits of the West.

An apparent theme of this



Cultural contact had a dramatic effect in Latin America on the development and character of Christianity—particularly Catholicism.

Alfredo López Austin's essay emphasizes the importance of acknowledging nearly five centuries of colonial domination of the Indians of Mexico in understanding their religion. is your religion?" the response would be-Catholic. It is usual for Catholicism and local traditions to creatively mix throughout Latin America but van der Loo's case begs the question, what is Catholicism if it is not a coherent and unified tradition (i.e., not Catholic)? The theme of cultural contact and creativity is taken up squarely in Lawrence E. Sullivan's essay. It is a comparative exploration of the meaning of millennialism in distinctive cultural and historical situations. Reactions to the oppression of Europeans resulted in millenarian uprisings which were led by prophetic visionaries. Strands of these events persist, often leading to a fierce sense of cultural independence and autonomy. Likewise Juan Ossio describes the two kinds of indigenous traditions in Peru as highland and lowland. But the integrity of these dis-

The question of religion moves Indigenous religions of the Americas from their marginal status to the center of the humanistic pursuits of the West.

book is what the historian of religions Charles H. Long has referred to as "contact epistemology." That is, how contact with Europeans and their religion has had profound impact on Native traditions by reorienting them to their world. This impact, however oppressive, did not stifle the religious creativity of the Aztec, Maya, or Inca, for example. But we may also add that the contact moved in the other direction.

Mythologies among the 6.5 million Indians who speak 59 different languages strongly indicates the persistence of pre-Columbian cosmologies. López Austin traces these developments by matching current indigenous myths with colonial texts. Likewise, Peter van der Loo's essay on the Tlapanec ties pre-Columbian codices with contemporary cosmogonic myths and ritual practices. If one were to ask the Tlapanec "what

crete areas is maintained through the creative interplay between rural and urban life. Prophetic movements among Quechua immigrants, called Israelites, for example, see it as their mission to root out the misinterpretations of Christianity that have been perpetrated by Europeans.

Another theme of this volume, which is not at all distinct from the theme of contact epistemology, are in various attempts to theorize the contributions of Indigenous people of Latin America. As mentioned above, the authors originate from a wide diversity of academic disciplines. Yet, in order to make these religions comprehensible, they have developed models for understanding religion that become valuable for thinking about religion in contexts other than Latin America. In short, they become models for thinking about the general phenomenon of religion.

Davíd Carrasco's essay on Aztec religion describes their religion as essentially an urban formulation. Starting with the classical city of Teotihuacan, and moving through Tollan and Tenochtitlan Carrasco demonstrates how the dynamic interplay between the ceremonial center and the periphery was understood to constitute and reconstitute the cosmos. Negotiations between human beings and divine beings organized the material life of their cities. Therefore, not only were the Aztec concerned with the "spiritual"

dimensions of religion but also the material and social life of the city. Mercedes de la Garza describes the Maya cosmos as also an interaction of forces that match the geometrical designs of built architectural forms; the interactions of deities; and the rituals of sacrifice and auto-sacrifice. In this and other works R. Tom Zuidema describes the geographical organization of huacas and ceques that radiated from Inca capital of Cuzco. As with Carrasco, it was the orientation of Inca with respect to their center, which organized existence. The centering effects of religion as "orientation" are also evident among the Baniwa. As Robin Wright describes, their cosmos is arranged with respect to a sacred geography, which also has vertical and horizontal centers.

Other important theories, or twists on theories of religion, are also discussed. In Edgardo Jorge Cordeu's essay on the Chamacoco, or Ishir, Indians understand their use of symbols in dance and ceremony, as having representational and not ontological status,

is similar to theories of Kant, Jung, Ricoeur and Turner. In the most important theoretical piece of the volume, Terence Turner makes an argument for understanding religion as an alienated social consciousness that opposes itself to a world of "nature." The Kayapo of Brazil are well oriented to the intricacies of their social environment. Religion, therefore, is a series of self-reflections in a long process of creatively organizing life. Alejandra Siffredi's essay on the Tehuelcha religion of Argentina is the most honestly cautious of the essays. She admits the difficulties of interpretation since for most of their existence in texts the Indians of Argentina did not have religion. But, as all the authors maintain, the Native people now have a religion which cannot be ignored any longer. Citing Turner, Siffredi describes this meta-myth as the "origin myth of inequality."

This volume was originally published in Italian in 1997 as part of a two volume work on the Indigenous traditions of the Americas. It is fortunate for those of us who are interested in the perennial question "what is religion?" that it has now appeared in English.

Philip P. Arnold received his PhD from the University of Chicago Divinity School in 1992 and is currently an Associate Professor of Religion at Syracuse University specializing in Indigenous traditions of the Americas with special emphasis on contact between Europeans and pre-Columbian Mesoamerican civilizations and Iroquois (i.e. Haudenosaunee) traditions. His articles have included topics on the ritual symbolism of food, cultural contact in the development of religion in the Americas, and 'book culture' in Native communities. His books include Eating Landscape: Aztec and European Occupation of Tlalocan (University of Colorado Press, 1999) and Sacred Landscapes and Cultural Politics: Planting a Tree (Ashgate, 2001), co-edited with Ann Grodzins Gold.

Understanding Exchange Rates

The Currency Game, Jeffrey Frieden and Ernesto Stein. Eds, International Development Bank Washington D.C, 2001, 276 pages

A REVIEW BY JUAN CARLOS MORENO BRID AND ESTEBAN PÉREZ

HE EXCHANGE RATE HAS been a crucial determinant of Latin American countries macroeconomic performance. It affects their rates of inflation, their foreign trade and even the speed and volatility of their economic growth. Indeed, in the last decades, regional policy makers have considered exchange rate policy a key instrument to meet an ample—

and sometimes conflicting—range of objectives such as lowering inflation, promoting competitiveness of exports, replenishing the stock of foreign reserves, compensating selected groups for the adverse impact of trade liberalization, and even boosting the overall credibility of some governments and their economic strategies.

The active use of exchange

rate policy has been reflected in a proliferation of currency regimes. Nowadays, some countries in the region let their currency float or "crawl" subject to—sporadic or persistent—intervention of the monetary authorities in the foreign exchange markets. Others favor a fixed exchange rate regime. Some, like Panama, Ecuador and El Salvador, have gone to the

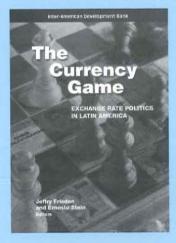
extreme of adopting the U.S. dollar as their national currency.

Given the relevance of exchange rate policy it is surprising that most analysis of its determinants focus only on economic considerations and fail to acknowledge the political pressures and constraints behind them. *The Currency Game*, edited by Jeffry Frieden and Ernesto Stein, is an important contribu-

tion that helps to fill this gap. The authors aptly identify the lack of integration between economics and politics in the literature on exchange rate regimes which hinders a better understanding of the factors, pressures and constraints that influence the decisions made by Latin America's policy makers in this matter.

As Latin America's historical experience shows, an inadequate exchange rate policy may have, not only significant economic consequences, but also deep political repercussions. Argentina, many analysts agree, is the most recent example of a case of severe economic crisis and acute political instability resulting in part from an inadequate exchange rate policy. This crisis was fueled by Argentine policy makers' reluctance or inability to modify an exchange rate policy that was distorting the efficient allocation of resources and undermining the economy's growth rate, these analysts say.

The seven-chapter *The Cur*rency *Game* helps put into context the economic aspects and political factors influencing



maximizing" agents typically assumed in the analysis of macro-economic policy. The remaining six chapters are of an empirical nature, and rely on a cross-country analysis as well as on case studies: Argentina, Brazil, Chile, Colombia and Peru. Mexico, which would have been a welcome addition, is not discussed.

The chapter on Argentina shows that the exchange rate cycles—of overvaluation and depreciation—are related to the politics of income redistribution in a context of power realignment of landowners, industrialists and urban workers. It also

valued exchange rate to stabilize inflation and influence voter opinion before elections, and an undervalued one thereafter.

According to the results collected in this book, political factors have affected Colombia's exchange rate policies, with the two main parties giving very different weights to the tradeoff between controlling inflation and promoting international competitiveness of exports. The case of Peru provides further support to the notion that the political cycle and the pressure of interest groups may be relevant determinants of the exchange rate regime. One of the exchange episodes analyzed is convincingly explained in terms of the growing interest of the local elite in industrialization and increasing urbanization. However, another shift in its exchange rate policy responded mainly to economic considerations-i.e. the lack of reserves-rather than to political factors. Chile offers a contrasting experience since the analysis indicates that political economy variables, as measured by the relative size of different Moreover it may be more relevant to adopt the political economy approach to analyze the determinants of complete macroeconomic strategies—like say the one of export-led growth—and not of just one of its policy instruments (like the exchange rate).

In synthesis, the Currency Game convincingly argues that the exchange rate policy of Latin American economies in the last four decades has been influenced by their economic structure, foreign trade patterns, exogenous economic constraints, as well as by the pressure of interest groups, electoral considerations and the political institutional framework. The extent and significance of these influences on the decisions regarding the currency choice and the tradeoff between the exchange rate's flexibility (to boost competitiveness) and its stability (to contain inflation) is not the same in a historical or a geographical perspective. The Currency Game's empirical evidence and thoughtprovoking analysis-some of it bound to spark heated debatemakes it a valuable contribution for policy practitioners, academics as well as any graduate student specializing in political science or in economics interested in understanding better the rationale of Latin America's exchange rate policies.

As Latin America's historical experience shows, an inadequate exchange rate policy may have deep political repercussions. Argentina is just the most recent example.

exchange rate policies in Latin America. The first chapter gives an analytical overview of the political economy of currency choices. Its theoretical underpinnings essentially lie in the approach known as "the new political economy," which came into vogue in the 1980s. Its basic premise is that the individuals holding government positions may be motivated by self-interest and be subject to political pressures, so that governments may not necessarily act as the "benevolent social-welfare highlights the structural weakness of public finances as a major constraint on the currency choice. The results for Brazil show that political and institutional factors played an important role in the choice of exchange rate regime. The tradeoff between under-and overvaluation was determined by the military governments' protection of producers of finished goods, the reliance of domestic manufacturers on imported intermediate goods and the political cycle. Incumbents set an over-

groups, have been of little significance to explain its shifting exchange rate regimes.

The book has some short-comings. In particular, and admitted by the authors, except for the cross-country analysis, the cases examined in the book are not comparative. Neither do they follow a uniform methodology. Thus the general conclusions that may be drawn concerning the impact of the economic structure and of political factors on the exchange rate policy may be questionable.

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the UN, he was a DRCLAS
Research Associate. His colleague
Esteban Pérez, Ph.D, The
New School, also works for
ECLAC. The opinions expressed
in this article are the authors'
own responsibility and not necessarily those of ECLAC.

Off the Bookshelf

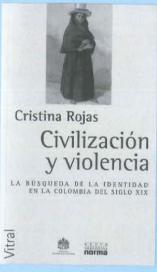


Cristina Rojas, Civilization and Violence. Regimes of Representation in Nineteenth-Century Colombia. Foreword by Michael J. Shapiro, University of Minnesota Press, 2002. 248 pages.

Cristina Rojas, Civilización y Violencia. La Búsqueda de la Identidad en la Colombia del Siglo XIX, Foreword by Jesús Martín-Barbero, Pontificia Universidad Javeriana-Editorial Norma, Bogotá, 2001. 355 pages.

Cristina Rojas, DRCLAS Visiting Scholar 1999-2000, examines the relationship between civilization and violence by focusing on post-independence Colombia. Rojas explores different arenas in which the Colombian creole elite's pursuit of a new world meant the violent imposition of white, liberal, laissez-faire capitalism.

Arturo Escobar, author of Encountering Development, The Making and Unmaking of the Third World, comments, "This wonderful book accomplishes a number of important scholarly feats by weaving together critical theories of violence in politics, psychoanalysis, anthropology, and

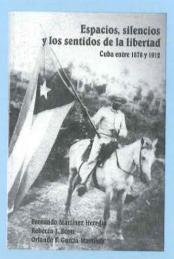


postcolonial theory. By taking Colombia as representative example, it shows at once the constitutive links between civilization, capitalism, and violence and the dire need to revamp political economy to include the analysis of meanings and representations. Going well beyond the Colombian case, the book draws powerful implications for the analysis of growing forms of global violence linked to intolerance and the denial of difference."

Cristina Rojas now teaches Latin American politics and international political economy at the Norman Paterson School of International Affairs at Carleton University in Ottawa.

Fernando Martínez Heredia, Rebecca J. Scott, and Orlando F. García Martínez, Espacios, silencios y los sentidos de la libertad, Cuba entre 1878 y 1912, Ediciones UNIÓN, Unión de Escritores y Artistas de Cuba, Havana, 2001, 359 pages

This thoughtful edited volume, a collaboration among historians from three continents, was an



outgrowth of the 1998 Workshop on Regional History in Cienfuegos, Cuba. It uses a variety of historical methods, including social history and micro-history, to take a look at many of the events at the turn of the century from 1878 to 1912, including the end of slavery, the military occupation of Cuba, and the creation of the Republican Nation-State.

Literary critic Victor Fowler comments, "This is an excellent and refreshing book which underlines the importance of culture to historical focus. The theme of race is a continuous thread throughout the book and continues the debate" (arising from recent scholarship).

Among the authors are DRCLAS Director John H. Coatsworth, New York University's Ada Ferrer, Cologne University's Michael Zeuske, University of Pittsburgh's Alejandro de la Fuente, as well as essays by the editors.

Orlando García Martinez, Director of the Provincial Archives of Cienfuegos, Cuba, was a Cuban Visiting Scholar at DRCLAS. Rebecca J. Scott is Frederick Huetwell Professor of History at the University of Michigan and a specialist on the history of slavery and emancipation in plantation societies. Fernando Martínez Heredia, is from the Juan Marinello Center for the Investigation and Development of Cuban Culture in Havana.

Maria Clemencia Ramirez, Entre el estado y la guerrilla, identidad y ciudadanía en el movimiento de los campesinos cocaleros del Putumayo, Instituto Colombiano de Antropología e Historia, Colciencias, 2001, 351 pages

María Clemencia Ramírez begins her timely book by quoting a Colombian peasant: "We want Colombia and the world to know right off that we do not cultivate the coca plant because we want to, nor because the guerrillas make us do it. It is the government that obliges us to grow coca, because there is no other alternative."

The quote is indicative of the entire tone of the book: while the author provides a thoughtful theoretical framework, she becomes a voice for the voiceless by listening to what people have to say. This well-researched book



is must reading for anyone who wishes to understand the escalating conflict in Colombia. It also provides valuable insights into all the actors—Colombian, U.S., and international—involved in the drug issue and highlights how a social movement transformed itself into a political one.

Maria Clemencia Ramírez received her doctorate in anthropology from Harvard in 2001. She has worked in ethnological research in Colombia's southern Putumayo region since 1975.

Iván Jaksíc, Andrés Bello, Scholarship and Nation-Building in Nineteenth Century Latin America, Cambridge Latin America Series, Cambridge University Press, United Kingdom, 2001, 254 pages.

This is the first comprehensive intellectual biography of statesman-scholar Andrés Bello to appear in English. Former DRCLAS Santo Domingo Visiting Scholar Iván Jaksíc (1997-1998) examines how this important 19th century intellectual made enduring contributions to the fields of international law, civil legislation, grammar, and philology. Jaksíc provides an archival-based critical account

ANDRÉS BELLO
Scholarship and Nation-Building in
Nineteenth-Century Latin America

Iván Jaksič

that challenges the celebratory literature that has dominated Bello studies.

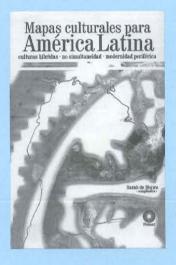
He demonstrates how knowledge of Bello's contributions illuminates not only Latin American history, but also current issues of imperial fragmentation, nationalism, and language. "Specifically," Jacksíc writes,"this book attempts to demonstrate that knowledge of the history of postcolonial Spanish America can be enriched by a closer look at the interplay between ideas and the political and institutional construction of nations."

Iván Jaksíc is now an Associate Professor of History and Faculty Fellow of the Helen Kellogg Institute for International Studies at the University of Notre Dame.

Sarah de Mojica (Ed.) Mapas culturales para América Latina. Culturas híbridas—No simultaneidad—Modernidad periférica. Santafé de Bogotá, Pontificia Universidad Javeriana—Instituto Pensar, 2001, 280 pages.

The vigorous emergence of cultural theories about hybridity and difference is a stimulating new realm of research in the social sciences in contemporary Latin America within the last ten years.

Harvard alumna Sarah de Mojica has compiled a stimulating collection of essays on contemporary debates and fashionable discourses on the latest Latin American literary and cultural theories. The volume contains essays by DRCLAS Santo Domingo Visiting Scholar Carlos Rincón (1999-2000) and Robert F. Kennedy Professor of Latin American Studies Roberto Schwarz (1999–2000), as well as a provocative essay by Erna Von der Walde, Frankfurt



University, on Rincón's contribution to literary theory. Beatriz Sarlo, Antonio Cornejo Polar, Jean Franco, and Néstor García Canclini are among the experts from three continents who are brought together in this 16-essay collection. The volume offers an accessible, persuasive and useful overview of this insightful contemporary thinking about culture as the whole way of life of Latin American people.

Sarah de Mojica, a Harvard graduate from Puerto Rico, resident in Colombia for many years, is a professor of Literary Criticism at Bogotá's Javeriana University.

Gina Zabludovsky and Sonia de Avelar, Empresarias y ejecutivas en México y Brasil, UNAM, Mexico, 2001, 203 pages.

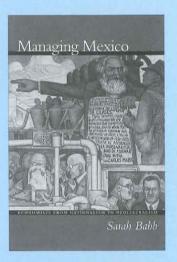
This binational study takes a look at the increasingly important role of women in business, both those owning their own businesses and other female executives. Illustrated by abundant charts and graphs, the book examines not only who is doing what in Mexico and Brazil, but the underlying causes for continued discrimination and glass ceilings. This is the first time such quantitative research has

been presented.

For example, field research by Zabludovsky shows that in 1994, almost no female executives felt there were no obstacles in their paths. Others cite machismo, decisions to have children, and husband's wishes, among many other factors.

In Brazil, Avelar contrasts the reasons men and women leave their companies. While men move, get laid off, or find better work elsewhere, women most often leave for family reasons.

Sonia de Avelar was the 2001-2002 Lemann Visiting Scholar at DRCLAS. Gina Zabludovsky is a professor at the Universidad Nacional Autónoma in Mexico City.



Sarah Babb, Managing Mexico: Economists from Nationalism to Neoliberalism, Princeton University Press, 2001, 320 pages.

Just one generation ago, lawyers dominated Mexico's political elite, and Mexican economists were a relatively powerless group of mostly leftist nationalists. Today, in contrast, the country is famous, or perhaps infamous, for being run by Americantrained neoclassical economists. In 1993, the *Economist* suggested that Mexico had the most economically literate govern-

ment in the world—a trend that has continued since Mexico's transition to multi-party democracy. To the accompanying fan-fare of U.S. politicians and foreign investors, these technocrats embarked on the ambitious program of privatization, deregulation, budget-cutting, and opening to free trade—all in keeping with the prescriptions of mainstream American economics.

This book chronicles the evolution of economic expertise in Mexico over the course of the twentieth century, showing how internationally credentialed experts came to set the agenda for the Mexican economics profession and to dominate Mexican economic policymaking. It also reveals how the familiar language of Mexico's new experts overlays a professional structure that is still alien to most American economists. Sarah Babb demonstrates how peculiarly national circumstances shape what economic experts think and do.

At the same time, Babb shows how globalization can erode national systems of economic expertise in developing countries, creating a new class of "global experts."

Sarah Babb is Assistant Professor of Sociology at the University of Massachusetts at Amherst. She is currently a Fellow at the Radcliffe Institute for Advanced Studies.

Maud Daverio de Cox and Eduardo G. Wilde, Salvados del infierno, Gofica Editora, Salta, Argentina, 2001, 127 pages (plus appendix)

This charming yet politically astute book gives a first-hand account of how a British journalist and his wife gradually become aware of the human rights abuses of the regime.



Robert Cox, editor of the English-language *Buenos Aires Herald*, became an outspoken critic of the regime, a voice for the voiceless, until military threats caused him and his family to flee.

With many upper-class society acquaintances, Maud Coxlike many others-thought the dictatorship would "bring a certain type of stability" to the country. Slowly, the couple begin to hear tales of disappearances, torture, killings; slow to believe, they blame the incidents on paramilitary groups or out-of-control underlings. In mid-1976, shortly thereafter five religious workers were murdered at a local parish, Bob Cox approaches General Videla at a cocktail reception and extends his hand, "We are very sorry for what's happened....We will continue to pray that you have the force to do away with these barbaric actions." The general said nothing.

During the four subsequent years, Maud Cox writes, "No one saw anything. No one heard anything." She weaves together two related stories: how one courageous editor at an English-language newspaper managed to summon international opinion and how she experienced the everyday travails (and joys) of raising a family of five children under these circumstances. The story is immensely readable, and will be of equal interest to those

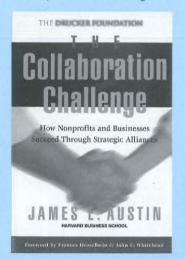
young people reading about daily life during the dictatorship for the first time and those who experienced it first hand.

Maud and Robert Cox fled Argentina in 1979, and he became a Nieman Fellow at Harvard in 1981. Now the president of the Inter American Press Association, Robert Cox is an editor at the Charleston Post-Courier. Maud Cox teaches comparative literature at the College of Charleston. Eduardo G. Wilde is a Salta, Argentina, journalist.

James E. Austin, The Collaboration Challenge, How Nonprofits and Businesses Succeed Through Strategic Alliances, A Drucker Foundation Leaderbook, Jossey-Bass Publishers, San Francisco, 2000, 203 pages

Nonprofit and business leaders interested in mutual benefit and social good who are looking for ways to partner with each other effectively can get a lot from this practical book. Nowadays, companies are finding that alliances of this nature increase customer loyalty, improve employee relations and recruitment, strengthen corporate culture, and promote brand identity,

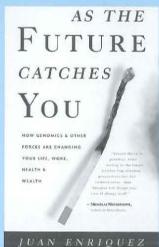
Austin predicts that the 21st century will be the "age of



alliances." He sets out to show how small beginnings can grow into significant strategic partnering. Austin gives the reader his insights on finding and connecting with high-potential partners, ensuring a strategic fit with a partner's mission and values, and managing the relationship effectively to create greater value for each partner and society as a whole.

"The entire nonprofit sector has been searching for the expertise and tools this book provides. Nothing else like it exists," writes Bill Shore, executive director of Share-Our-Strength.

James E. Austin, a DRCLAS
Policy Committee member, is
the John G. McLean Professor
of Business Administration at
Harvard Business School and
the cofounder and chair of the
Harvard Business School Initiative on Social Enterprise.



Juan Enriquez, As the Future Catches You: How Genomics and Other Forces Are Changing Your Life, Your Work, Your Investments, Your World, Crown Business Books, New York, 2001, 257 pages

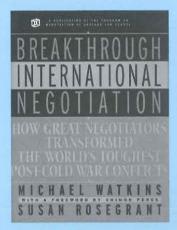
This unusually designed book takes a hard look at the impact of the genetic, digital, and knowledge revolutions on ordinary lives. Enríquez contends that genetics will be the dominant language of this century. Those who can "speak it" will acquire direct and deliberate control over all forms of life. But most countries and individuals remain illiterate in what is rapidly becoming the greatest single driver of the global economy.

Wealth will be more concentrated and those with knowledge to sell—both countries and individuals—will be the winners. Juan Enriquez's main point is that technology is not kind, it does not say "please," but slams into existing systems and destroys them while creating new ones. Although the book does not specifically focus on Latin America, Enríquez stresses that countries can either surf new and powerful waves of change—or get crushed trying to stop them.

Juan Enriquez is the director of the Life Sciences Project at Harvard Business School, where he is building an interdisciplinary center focusing on how business will change as a result of the life sciences revolution. A former DRCLAS researcher, he is also a member of its Advisory Committee and a frequent contributor to DRCLAS NEWS (now ReVista).

Michael Watkins and Susan Rosegrant, Breakthrough International Negotiation, How International Negotiations Transformed the World's Toughest Post-Cold War Conflicts, Jossey-Bass Publishers, San Francisco, 2001, 345 pages.

Since the end of the Cold War, negotiation has played a profound role in the resolution of international disputes. In this publication of the Harvard Law School Program on Negotiation, Watkins and Rosegrant explore



how leading negotiators, including James Baker, Richard Holbrooke, Terje Larsen, and Robert Gallucci, have achieved breakthoughs in situations that seem impossible. The book has a forward by Shimon Peres, who notes that "Watkins and Rosegrant's book...constitutes compulsory reading for all those who seek to develop and upgrade their skills in the complex art of negotiation."

Although the book focuses on Korea, the Persian Gulf, and Bosnia, the book makes both interesting and practical reading for those concerned about the Colombian conflict and other negotiations, past and present, in Latin America.

Michael Watkins, is an associate professor of business administration at Harvard Business School and has also taught at the Kennedy School of Government (KSG). He is the coauthor of Winning the Influence Game, What Every Business Leader Should Know About Government. Susan Rosegrant is a KSG case writer.

Benjamín Fernández Bogado, Hugo Estigarribia Gutiérrez, Fernando Pistilli, Nelson Mora Rodas, José María Ibañez, ...Cerca de Amanecer, Intercontinental Editora, 2001, 253 pages

This book looks at the political

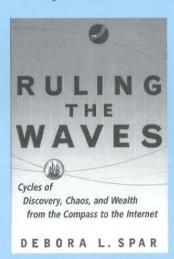


situation in Paraguay and examines opportunities for state reform in all three branches of government. Benjamín Fernández Bogado was a 2000-2001 Nieman Fellow.

Debora L. Spar, Ruling the Waves: Cycles of Discovery, Chaos, and Wealth from the Compass to the Internet, Harcourt, Inc., N.Y. 2001, 403 pages.

Harvard Business School Professor Debora L. Spar puts the technological revolution in historical perspective, taking us on a journey from the development of the compass in the Middle Ages to the advent of digital music.

A member of the DRCLAS Policy Committee, Spar does not specifically focus on Latin America. However, the book is illuminating to those concerned



about the digital divide. Spar suggests that "despite the latest round of prophecy....the advent of cyberspace is nothing but another arc along technology's frontier."

Debora L. Spar is a Professor of Business Administration at Harvard Business School.

Frances Moore Lappé and Anna Lappé, Hope's Edge: The Next Diet for a Small Planet, Tarcher/Putnam, New York, 2002

Frances Lappé and her daughter Anna set out to recreate and update the initial journeys of discovery described thirty years ago after the elder Lappé's Diet for a Small Planet changed eating habits around the world thirty years ago. In Latin America, the focus is on Brazil and Central America, but the trip through the U.S., Europe, Africa, and India also illuminate issues relevant to Latin America such as food production in times of scarcity and plenty, genetically engineered foods, worldwide famine, and growing rates of obesity-related health issues.

What we eat directly connects us to the earth and people around the globe, the mother-daughter team assert: "Food has a unique power," Lappé writes. "With food as a starting point we can choose to meet people and to encounter events so powerful that they jar us out of our ordinary way of seeing the world, and open us to new, uplifting and empowering possibilities. They call us to travel 'hope's edge."

Frances Moore Lappé, a 2000-2001 Visiting Scholar at MIT, wrote the introduction to the Spring 2001 DRCLAS NEWS (now ReVista) issue on Food and Nutrition in the Americas.

A New Presence in the Region

N NORTHERN CHILE, A BIOlogist explores how plants thrive in the world's driest desert. In a shantytown near Lima, Peru, a medical team treats multidrug-resistant tuberculosis patients in ways that are changing how tuberculosis is treated in poor communities around the world. Atop a 7,800 foot-high mountain in Las Campanas, Chile, astronomers use one of the most powerful telescopes in the world to view heavenly sights that are invisible from the Northern Hemisphere.

In five countries in the Andes, an economist and his team of local investigators study how to promote competitiveness. With the breathtaking backdrop of Cuzco, Peru, a literature specialist and a historian combine forces to teach a new course on history and culture. In ten Chilean cities, a public health researcher studies the negative health consequences of air pollution, while in Santiago, architects and urban planners collaborate on innovative designs in low-cost housing.

Then there's an undergraduate exploring study abroad in Uruguay, a medical student improving her Spanish in a clinical setting in Bolivia, a public policy student working as a community development intern in Argentina, and a political scientist writing her dissertation on women in elected offices at the municipal level in Chile.

What links these diverse initiatives? All are examples of work being done by Harvard faculty and students who plan to work with a new regional office of the David Rockefeller Center for Latin American Studies, scheduled to open in Santiago, Chile in July 2002.

"This is an enormously exciting opportunity for Harvard to strengthen its regional presence in South America," said DRCLAS faculty director John Coatsworth. "The Santiago office will provide important new opportunities for Harvard faculty to conduct research and field projects in Argentina, Bolivia, Chile, Peru, and Uruguay. The office will also expand opportunities for Harvard students to learn more about these countries through research projects and study abroad at distinguished

regional office will allow more Harvard faculty and students to participate in this work, as well as help disseminate research findings from this work through conferences and publications."

Coatsworth said that he was delighted that Steve Reifenberg, who has served for the past six years as DRCLAS Executive Director, has agreed to assume the role of Program Director of the regional office based in Santiago, Chile. "This arrangement

for Harvard nor will it offer courses for the general public. Instead, it will be a facilitating center at the service of Harvard faculty and Harvard students, complementing the role that the David Rockefeller Center has played here in Cambridge since it was founded in 1994."

Many faculty members across the University have voiced enthusiastic support for the regional office.

"Strengthening ties to insti-

"This is an enormously exciting opportunity for Harvard to strengthen its regional presence in South America."

-DRCLAS faculty director John Coatsworth

universities in these countries."

"The research mission of the regional office, with its goal of encouraging collaborative faculty activity, and the comprehensive plan for evaluation of its activities are all consistent with our goals of effective, focused activities outside of Cambridge," said Harvard University Provost Steven Hyman.

In January 2002, the Provost and a committee of four Harvard Deans approved the regional office after more than a year of discussions among faculty and senior administrators at Harvard. As part of the review process, more than 20 Harvard faculty members wrote letters describing how the office would help promote their work.

"We are currently treating patients with multi-drug-resistant tuberculosis in Lima, Peru and hope to extend treatment to the rest of the country," wrote Professors Paul Farmer and Jim Yong Kim from the Harvard Medical School's Department of Social Medicine in one letter of support. "We believe that a DRCLAS

will insure that the new office is fully integrated with the work and mission of the David Rockefeller Center and the University," Coatsworth added.

"The DRCLAS regional office represents the first time that Harvard University has created an international presence to promote the work of all of Harvard's departments and schools," said Reifenberg, who will be moving to Santiago in July. "This effort will build on the David Rockefeller Center's many years of experience collaborating with departments and schools across the University to promote the work of Harvard faculty and to engage Harvard students in the region." This new regional office will work closely with existing Harvard projects in the region, including the Harvard Business School's successful Latin American Research Center in Buenos Aires, Argentina.

"However, it should be highlighted," Reifenberg added, "that the Santiago office is a three year pilot project, and that it will not create a 'mini campus'

tutions is best done in face-toface meeting and I believe that Santiago, Chile represents a superb choice for a branch office," said Harvard Anthropology Department Chair William Fash. "There are many advantages that the creation of such an office in Chile-with outreach to Peru, Bolivia, Uruguay, and Argentina-will create for Harvard," added Fash, who is also Chair of the Committee for Study Out of Residence. "President Lawrence Summers has expressed a strong interest in creating linkages in order to facilitate study abroad for Harvard College students, and to that end I believe this office will help forge stronger links with outstanding scholars and institutions of higher education in the region."

The regional office will be located in the new building of FLACSO (the Latin American Faculty of Social Sciences) at Avenue Dag Hammarskjold 3269 in Santiago, Chile. For additional information, contact Steve Reifenberg at <sreifenb@fas.harvard.edu>

GIVING AND VOLUNTEERING



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A New Presence in the Region



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Harvard University David Rockefeller Center for Latin American Studies 61 Kirkland Street Cambridge, MA 02138

Puerto Rico Community Foundation by Nelson I. Colón

Andean Traditions of Giving by Maria Eugenia Choque

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