

# 10 Muslim Philanthropy

## **THE WORLD CONGRESS OF MUSLIM PHILANTHROPISTS: A STRATEGIC APPROACH TO STRENGTHEN MUSLIM GIVING**

Muslim philanthropy is at a crossroads. It faces the challenge of building new, global models of giving, whilst refining the old methods embedded in Islam's vibrant religious and cultural traditions. It must also address the pressures and suspicions which have fallen on Muslim philanthropy as a result of tensions and extremism in the Islamic world.

To guide and strengthen Muslim philanthropy on the global stage, the World Congress of Muslim Philanthropists (WCMP) was established in 2007 by a small group of dedicated individuals. The WCMP aspires to bring together donors to exchange ideas, deepen their understanding of challenges, and to institute an environment of enduring engagement in which knowledge, wealth and influence is leveraged strategically and effectively.

### **Muslim philanthropy at a defining moment**

Islam has a long and legendary culture of generosity. As the Aga Khan has said,

*“One of the great principles of Islam, in all its interpretations, is the elimination of poverty in society, and philanthropy’s centrality in this duty.”*

The messages of compassion, of giving, and of support of the destitute and oppressed are intrinsic to the Islamic faith. They have a long history in the Muslim world; charitable giving actually started right from the beginning of Islam as we learn from The Qur'an and the tradition of the Prophet Muhammad, and it will continue forever, since it is a Qur'anic principle ordained by God and His Prophet. The principle of *zakat*, the annual tax of purification of wealth, is one of the five pillars of Islam, and is obligatory for all Muslims who own the wealth and are capable of paying. Although the rate of giving has been debated by jurists over the centuries, most Muslims accept that 2.5 percent of one's accumulated wealth for a year is an acceptable rate.

One portion of the *zakat* is used as a public welfare system, providing support to poor members of the community, and was therefore part of a Muslims' communal duties. It was, and is, also a spiritual act: giving allows one to purify oneself of material selfishness, whilst the recipient is purified from envy and jealousy.

The practice of *zakat* is not just intended to temporarily alleviate suffering. By demonstrating an example of virtue and duty, granting *zakat* encourages all members of society to work harder, to be compassionate, and to improve the lot of the community. *Zakat* is, therefore, both spiritual and profoundly social.

Although *zakat* is one of the most fundamental tenets of Islam, it is just one aspect of Muslim philanthropy, which is a broad and diverse phenomenon reflecting centuries of change in very different cultural, social, and economic contexts around the world.

Another is *sadaqa*. Unlike *zakat*, this is discretionary, and is the personal choice of each individual Muslim. It is also not necessarily monetary in nature. *Sadaqa* is in fact a broad term, and may mean anything from a kind word, to voluntary service, to clothing and feeding the poor.

The third, rarer form of Islamic philanthropy is *kaffara*: charitable donations given as part of a penance after breaking an oath.

The fourth aspect of Islamic philanthropy is the contribution of donations for building mosques, schools, and hospitals, by establishing one of the strongest social manifestations of Muslim giving, *waqf*. The word originally meant a religious endowment, but over time the word has shifted meaning, and is now more likely to simply mean a foundation. Many of these foundations act for the public good – schools, hospitals, and mosques. Others act in a similar way to Western family trusts, allowing philanthropic wealth to be safely protected from tax and passed between generations.

Through these different forms of giving, philanthropy binds Islamic communities together, and serves as both a demonstration of faith and of community spirit. It is religious as well as social, and it illustrates the idea that in Islam, it is not the sole responsibility of the government to help the

disadvantaged members of society – it is the responsibility of all Muslims, as members of the community. That is why Islam legislated *zakat*, an annual tax levied by the government, and *sadaqah*, charity, given voluntarily to whomever we see fit; priority is given to family members and relatives.

Given the myriad types of Islamic philanthropy, worldwide, judging the scale of Muslim giving is difficult. However, some estimates hold that total Islamic giving falls between 250 billion United States dollars (USD) and 1 trillion USD annually. This is a vast sum, and it underlines the need to distribute this wealth in the most effective, strategic way possible.

### **Under pressure**

In recent years, Islam has come under pressure around the world. The spread of extremism and political tensions created opportunities for some to question the very nature of Islam and to portray it in a negative light. Muslim philanthropy too came under suspicion.

In the US, the aftermath of the September 11 attacks saw moves to clamp down on cross-border giving to charities that were seen as suspicious. Some were Islamic charities which gave to causes in the Middle East, such as the Holy Land Foundation, which had its assets frozen by the US Treasury in late 2001. The Foundation and its executive leadership were arrested and found guilty for giving charitable donations to *zakat* committees in the Palestinian territories which, the prosecution alleged, were controlled by Hamas, a designated terrorist organization under US law since 1998.

Although the Holy Land Foundation remains the only Islamic charity that was tried and convicted on terrorism related charges, such prosecutions have led to fears that create a blanket suspicion against all Islamic charities, and that traditional *zakat* is under threat in some countries. Newly elected, US President Barack Obama acknowledged the problem in a major speech in Cairo in June 2009, saying that, in the US, “rules on charitable giving have made it harder for Muslims to fulfil their religious obligation”.

This pressure and negative publicity – for Islamic giving and, unfortunately, for Islam itself – limited Muslim philanthropy’s ability to tackle global challenges. These aggressive efforts have discouraged donors from giving and made it more difficult for existing donors to give. The difficulties in addressing social injustice, poverty, extremism, environmental degradation and illiteracy have led some to question whether Muslim philanthropy requires a new set of assumptions, of operational giving, and of innovative practices which could meet these challenges.

### **The need for global, strategic giving**

Despite ongoing efforts to tackle the social needs of the Muslim world, Islamic philanthropy has yet to be properly institutionalised. Muslim

philanthropies which are intended to address the world's challenges are generally limited by skill sets, training, and development. There is a shortage of qualified, experienced philanthropists, which reduces the value and impact of each dollar which is donated.

Many donors also prefer to try and alleviate issues through short-term, *ad hoc* solutions. There is a distinct lack of focus on strategic investment and the development of the philanthropic sector – this makes it difficult for a long-term infrastructure of giving to develop, and creates barriers to achieving the real goals of Islamic philanthropy. We must move ‘from charity to change’, away from individual giving and towards addressing the root causes of the problems through strategic social investment.

### **The World Congress of Muslim Philanthropists**

These circumstances prompted the formation of the World Congress of Muslim Philanthropists (WCMP) in 2007. The first initiative of its kind, the Congress is a forum for a common voice, and seeks to encourage collective action to guard and strengthen Muslim philanthropy.

The WCMP aspires to bring Muslim donors together, in order to exchange ideas and deepen cooperation on projects of vital importance for global philanthropy, not just for Islamic causes. By doing so, it hopes to encourage a strategic framework for giving and to establish Islamic giving in its rightful place within the global philanthropic community.

WCMP believes that strengthening the Muslim philanthropic sector must be a priority, and from the outset we have committed ourselves to strategic thinking about necessary change in the field.

### **The first Congress - Facing Challenges and Finding Solutions**

The annual conference of the WCMP brings together philanthropists, government and business leaders, visionaries, and industry experts from across the world, to offer pragmatic insights and constructive responses to the global challenges of today. The forum moves beyond existing initiatives, which often simply seek to give money to problems in Islamic societies. The conference instead promotes intellectual debate and deep analysis of social challenges within Muslim societies.

The inaugural conference of the Congress was held in Istanbul in 2008. Istanbul was chosen for its historic symbolism as a bridge between the Muslim world and Europe - between east and west. Istanbul serves as the symbol of modern Turkey, a nation which has built a thriving democracy without losing its Islamic faith and culture.

More than two hundred participants attended, representing over a hundred foundations and non governmental organisations (NGOs) from around

the world. The theme chosen for the conference was “Facing Challenges and Finding Solutions”, reflecting both the enormous difficulties faced by the Islamic world – conflict, poverty, social injustice, environmental degradation, educational problems, human rights, and religious extremism – and the possibilities created by the institutionalisation, and the globalisation, of Islam’s traditional culture of charity and generosity.



The conference was attended by influential figures from all walks of life: the Secretary General of the Organisation of Islamic Conference, Professor Ekmeleddin Ihsanoglu; the Prime Minister of Turkey, Recep Tayyip Erdogan; Dr Nafis Sadiq, Advisor to the UN Secretary-General; Her Royal Highness Sheikha Al Mayassa Bint Hamad Al-Thani; and the United Kingdom’s Minister for International Development, Shahid Malik.

Underlining the urgent need for the conference, Professor Ihsanoglu stated that “the World Congress of Muslim Philanthropists has convened at a very critical juncture; it comes at a time when need to increase credibility, accountability, and capacity is paramount in the Muslim world”.

Through three days of addresses, roundtable discussions, research presentations, and networking opportunities, the conference made real progress towards a new, strategic way of giving for Muslim philanthropists. Ten key lessons were drawn from the conference:

- The worldwide community of Muslim philanthropists should be proactive in reaching out to the needy, irrespective of their race or religious beliefs
- The work of Muslim grant-makers could be greatly improved through

- enduring, sustained international engagement amongst philanthropists
- Muslim philanthropists should take a closer look at potential new challenges, ranging from the environment to political conflict, and from 'Islamophobia' to extremism, and set their giving priorities according to these challenges
  - While compassion is the most powerful driving force behind helping victims of natural and man-made disasters, there is a need for capacity building, mutual cooperation and communication among Muslim humanitarians for ensuring coordinated, economic and effective relief operations
  - Developing benchmarks - such as establishing a clearing-house of information, creating best practices, and helping charities to leverage the available capital and human resources through effective consulting and training - are vital for the growth of Muslim philanthropy
  - Accountability and transparency must be essential in any grant-making process. Educating and updating grantees on compliance and cross-border giving regulations must be a part of the responsibilities of existing Muslim philanthropists
  - Besides donating to faith-based, educational and health-care institutions, it is essential to fund initiatives that promote research, leadership development, economic and social entrepreneurial advancement, environmental stewardship, religious and cultural tolerance and effective responses to the negative aspects of globalisation
  - Muslim giving needs to shift its focus from conventional to strategic, making its impact long-term rather than short-term, through building endowments and incorporating strategic planning. As important as emergency assistance will always be, Muslim philanthropy must also engage the root causes of poverty and conflict and be ready to invest in longer term solutions
  - Strategic partnerships and alliance building with mainstream philanthropies on common global issues should be encouraged
  - Gatherings of Muslim philanthropists through annual conferences, roundtables and workshops must be promoted

### **The second Congress - Conventional to Strategic: A New Paradigm in Giving**

Building on the interest and enthusiasm shared at the first conference, as well as endorsements from across the world, a new conference was convened in March 2009. The forum took place in Abu Dhabi, and again drew a diverse mix of political figures, leading philanthropists, international donor representatives, and academics from around the world.

The second conference took place under the theme “From Conventional to Strategic: A New Paradigm in Giving”. This theme emphasised the overall purpose of the WCMP – to improve the conduct of Islamic philanthropy and to prepare it for the challenges of the twenty-first century.

The conference served as a forum to discuss innovative policies, using advanced research and practical tools to enhance philanthropic impact. As a result, the conference aims to encourage a more informed and professional workforce of Muslim philanthropists in the field; to increase collaboration, between individuals as well as between institutions; and to create new philanthropic initiatives to strengthen regional and global philanthropic communities.

The conference paid special attention to the philanthropy of the Gulf Cooperation Council, the six countries that make up the Persian Gulf states. Philanthropy in this region contributes 15-20 billion USD every year: it is one of the most generous regions in the world. However, less than 2 billion USD of this is institutionalised<sup>1</sup>. Most available funding is not properly planned, distributed, collected, or measured – it is simply passed through informal channels with no attempts at the strategic measurement which institutionalised philanthropy is able to provide.

Malaria was an area of particular focus at the conference, with Mr. Ray Chambers, special envoy of the UN Secretary-General for Malaria, in attendance. A high-level dinner on the subject was hosted prior to the conference itself. At this dinner and at the conference, participants acknowledged the dangers that malaria posed to the Muslim world. Over 40 percent of malaria victims in Africa are from Muslim states; malaria affects societies as well as health and must be addressed. Islamic philanthropists have a vital role to play in addressing the problem.

Poverty and a lack of education – not just in Muslim societies, but around the world - were also recognised as serious challenges. Despite more than 1 trillion USD in aid over the past half century, nearly half of the world’s population lives on less than 2 USD per day<sup>2</sup>. Seventy-five million children around the world are not in school. Three-quarters of a billion adults are illiterate<sup>3</sup>.

Philanthropy, and Muslim philanthropy in particular, will be essential to reducing poverty and improving standards of education. As a philanthropic

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1 McKinsey and Company (2009) *Increasing the Impact of ‘Giving’ in Saudi Arabia*

2 Chen, Shaohua and Ravallion, Martin (2008) *The developing world is poorer than we thought, but no less successful in the fight against poverty* World Bank [online], available from the World Wide Web: [http://siteresources.worldbank.org/JAPANINJAPANESEEXT/Resources/515497-1201490097949/080827\\_The\\_Developing\\_World\\_is\\_Poorer\\_than\\_we\\_Thought.pdf](http://siteresources.worldbank.org/JAPANINJAPANESEEXT/Resources/515497-1201490097949/080827_The_Developing_World_is_Poorer_than_we_Thought.pdf)

3 UNESCO (2008) *‘Education For All Global Monitoring Report’*, Oxford: Oxford University Press [online], available from the World Wide Web: <http://unesdoc.unesco.org/images/0017/001776/177683e.pdf>

culture which is rooted in the developing world, and which has a strong history of countering social injustice, Muslim philanthropy must work with national governments and international agencies to meet the challenges of poverty and poor education.

In particular, educational institutions should be established which strengthen Islamic scholarship and teach inter-religious relations. Such cultural initiatives are essential to preventing growing religious extremism and 'Islamophobia'. Supporting inter-faith action to promote peace and development is an important area for Muslim philanthropy to support in the current political climate.

### **The road ahead**

The issues and challenges addressed at the conference encouraged the WCMP to begin facilitating new initiatives in the field. These initiatives form the Congress's strategic framework, *The Road Ahead*, which aims to strengthen Muslim philanthropy through innovative structures and policies. The WCMP has identified seven critical goals which it can achieve to move the field forward.

The first is holding its annual conferences to bring together Muslim philanthropists, government representatives, researchers, and leaders from NGOs from across the world to discuss significant issues and trends in the field of philanthropy and social justice. The conference will be held in a different location each year in order to expand knowledge and learning across borders. Building on the first two successful conferences, the WCMP will hold its next conference in Doha, Qatar, in March 2010.

Second is the need to establish 'giving networks'. There is heightened interest in the development of funds that are created for the purpose of "pooling" resources and targeting them toward a common purpose, such as education or health. The Congress believes "pooling" is a creative and promising trend, and would like to expand a broader development of such funds. These newly created networks have the advantage of sharing risks commonly found in grant making activities, as well as the learning that stems from this work. The WCMP has begun moving forward by establishing the first pooled fund on global hunger known as "Hasanah Fund".

This fund will seek to gather information and expertise on the problem that global hunger poses, and the ways in which philanthropists, by sharing their expertise and resources, can seek to address this.

Third, the WCMP has identified the need for consulting and operational assistance, in order to help Muslim philanthropists be more strategic in their grants. The WCMP intends to establish a culturally diverse pool of talented consultants that are able to deliver services to both grant making foundations and individuals. For example, consultants can help to identify potential grantees who are compatible with a foundation's vision and goals;

they can help wealthy individuals to establish foundations, and inform them of the value of giving institutionally rather than individually; and they can provide technical assistance and training to NGOs and charities around the world.

The fourth critical goal for the WCMP is to support the work of these consultants by producing in-depth, innovative research and analysis on the current practice of philanthropy in the Muslim world. Currently, the level of information remains unacceptably low. The Congress will address this need by conducting research on critical questions and issues in the field, and disseminate the material through the media and through conferences and university programmes. To ensure that the research produced is truly global, the WCMP will translate the material into several languages.

The fifth critical goal is to publish a quarterly journal, alongside these occasional research papers. This journal, 'Muslim Philanthropy', will help to fill the gap in literature which currently exists on contemporary Islamic giving. It will educate readers of the latest research and trends in Muslim philanthropy, and provide information on the latest news and events occurring in the field.

The sixth goal is to establish an Academy of Philanthropy. The Academy will provide educational services that promote the professional development of Muslim philanthropists, taught by experts who can advance the effectiveness of practitioners in the field. The educational content will incorporate the best of both traditional and contemporary Muslim philanthropic practices, including the intersection between faith and social responsibility. The Academy's offices will be strategically located in both the East and West in order to effectively connect learning resources across the world.

The seventh goal, and one of the most essential, is to establish a global charity clearing-house. This clearing-house, known as *SecureGiving*, will inform philanthropists and foundations across the world about other participating charities. By acting as an intermediary to donors seeking to invest in the Muslim world, *SecureGiving* will help to identify the most effective and relevant channels of giving in an increasingly crowded field of non-governmental and civil society organisations.

While countries have adopted rules and regulations for governing the development and operations of NGOs, the regulations which govern global giving are not uniform or consistently applied. Along with the pressures which Muslim philanthropy is under today, this has charged philanthropists with the onerous, costly task of ensuring that charities and other organisations receiving their support are not linked to terrorism in any way. There is an underlying supposition amongst some regulators that charities in the Islamic world are 'guilty until proven innocent'.

*SecureGiving* will help to address this. Its listings of grantees and organisations will be based on meaningful standards of transparency which

are accepted and adopted by NGOs on a voluntary basis. This will make the task of verifying each grantee's credentials much easier for philanthropists. In other words, this clearing-house is intended to facilitate secure, sustained, and strategic giving.



### **The future for the World Congress of Muslim Philanthropists**

In only two years, despite limited resources, the World Congress of Muslim Philanthropists has demonstrated its ability to engage world leaders and Muslim donors at the highest levels. As it moves from a convening role into a catalyst for social investment, it needs to build strong partnerships across sectors. The WCMP has begun working with a number of reputable institutions such as the United Nations, the Organisation of Islamic Conference, the Islamic Development Bank, Actionaid International, the King Khalid Foundation, the Tony Blair Faith Foundation, the Network of European Foundations' Mercator Fund, and several leading philanthropists and foundations from the Muslim world. These partnerships illustrate the important recognition that the WCMP is receiving on the global philanthropic stage, and suggests an even more promising and engaging future lies ahead.

WCMP is an emerging organisation that holds enormous potential for positive change in Muslim philanthropy. Its track record to date, that of delivering highly successful international conferences that brings together leaders in the field, is impressive.

In the words of Her Excellency Sheikha Al Mayassa bint Hamad Al Thani of Qatar,

*“Now is the time to examine how we can metamorphose our generations-old culture of spontaneous, massive, personal generosity which we are so good at, so that it incorporates the kind of planned and realistic philanthropic giving which can be a powerhouse of lasting change.”*

The sense of “philanthropic identity” that is emerging among practitioners and supporters of Muslim philanthropy is encouraging, and must be built upon in the years to come as we move towards truly strategic Islamic giving. The future looks bright, but this future will only be realised through building and strengthening the Congress to face the challenges of the twenty-first century.

