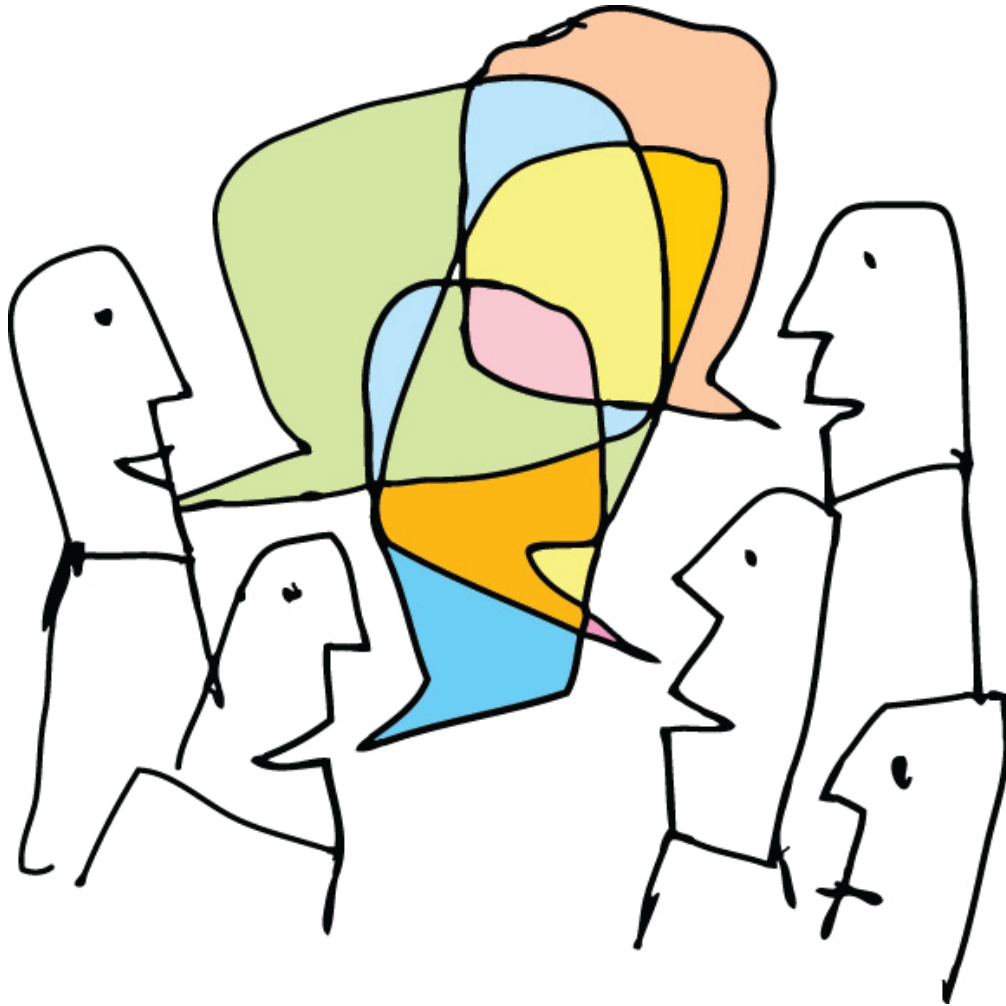


In Quest of a New Social Compact in the Muslim World



WORLD CONGRESS
of Muslim Philanthropists

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Advancing Efficient and Accountable Giving

In Quest of a New Social Compact in the Muslim World

The Declaration of the 4th World Congress of Muslim Philanthropists, *March 23-24, 2011, Dubai, United Arab Emirates*

Preface

The 4th annual World Congress of Muslim Philanthropists will convene in Dubai from March 23-24, 2011 to take on a challenging task: defining the roadmap for Muslim giving into the next decade. Recent events in North Africa and the Middle East lend urgency to this conversation about the future role of Muslim philanthropy. The WCMP has therefore reached out to government leaders, scholars, corporate executives and social investors to tap into their wisdom. The conclusions that emerged from this consultation are strikingly coherent and worth sharing.

The philanthropic sector has a historic opportunity to encourage movement away from greed and self-appropriation towards a world governed by the objectives of long-term value creation and sustainability. This progress can only occur through a carefully drawn new social compact among states, the private sector, civil society and the philanthropic sector.

Regardless of how current upheavals play out throughout the region, the serious economic, social and political challenges will not be addressed without a long-term vision for social justice and active participation among the different sectors. History has shown that uprisings fueled by frustration can often generate enough pressure to force immediate political reforms. But they do not necessarily guarantee long-term, transformational social change.

One has to study processes in Eastern Europe and Latin America to see that while political upheaval may generate tangible short term reforms, significant

negotiation among social sectors is required to bring about substantive long term change. One would argue that this type of new social compact has still not been fully realized in many of those countries. Grassroots activism and civic engagement must mature in order to deliver such change, and that maturation process needs time and thoughtful investment from the public, private and philanthropic sectors.

As the 21st century comes of age, new norms are being defined and adopted by all sectors of society to meet the requirements of our era. Globalization and technology have thrust us all into a small village. "The one constant that has been with us since the mid-nineties is the constant of change," according to Arif Naqvi, the founder of Abraaj Capital. The bipolar ideological, economic and socio-cultural tensions of the last century gave way to a world dominated by U.S. political and economic influence. But since the turn of the millennium we are seeing the emergence of a multi-polar world, as the balance of power and economic growth are shifting to new continents and markets.

In this century, influence is no longer wielded solely by governments or even large global corporations. Technology has allowed any person, anywhere in the world, to broadcast his or her views on any issue under the sun, reaching millions of people at the click of a button. Technology has accelerated the "global shrinkage" phenomenon. Different cultures exist today in closer proximity than ever before. Muslims in the Maghreb have dramatically shown how new technology can overcome ossified politics and enfranchise the powerless.

Needless to say, such a world demands a new social compact. Our governments, our economies and our peoples have become intertwined, interconnected, and indeed interdependent. Within this complex web of relationships, the multi-stakeholder society has emerged with new and powerful actors like civil rights activists, micro-donors, social entrepreneurs, and social network operators. With appropriate support and guidance, these emerging actors in our global village can create new opportunities for fraternity, solidarity and dignity.

Systems of governance must be remodeled to address the challenges of the 21st century and the competing demands of its many stakeholders. Governments must be responsive, representative, and flexible to respond to greater participation and civic engagement.

The private sector must also evolve, tap into the opportunities at hand, and play its role in making our future more sustainable. Business should consider how its bottom line can be enhanced through socially responsible activities that make an impact beyond wealth creation. As “shareholder value” is replaced by the multi-dimensional interests of stakeholders, business must promote social and environmental gain to create a broader definition of value.

The philanthropic sector will also need to re-examine its priorities and social investments. While some immediate human rights issues may be addressed in the short term with the advent of new leaders or governments, the overwhelming majority of issues will need a sustained and long term vision that engages all sectors, builds a culture and professional practice of sustained civic participation and volunteerism, and helps address the real challenges that societies in transition will face.

This is why it is so important that we transform the philanthropy mindset from a charity model to one that fosters participation in long-term social change processes. Philanthropic institutions can provide concrete assistance in the form of advocacy and by helping to establish legal frameworks and incentives for donors, so that civil society organizations have more space in which to function. Philanthropies can also facilitate training and capacity-building in the area of social and political transparency and accountability, so that non-profit groups can flourish and contribute to stable environments.

In essence, philanthropy can play a role in transforming potent “street power” into “social power” that can positively influence policy over the long-term.

Collaboration between public, private, and philanthropic sectors can close the human dignity gap. The new social compact should focus on delivering environmentally and socially sustainable economic growth, without which we shall not have the resources to achieve anything else; on reducing poverty and improving equity, since prosperity for the few, at the expense of the many, is neither morally justifiable, nor practically sustainable. Furthermore, it should focus on confronting the core sources of vulnerability (for security is the foundation of both community and progress); on sharing the norms and values that reconcile cultural differences, since appreciation of different cultures enriches our understanding of the human condition; and, finally, on improving the quality of governance and the performance of our global institutions, since the important challenges that we face in an interconnected world cannot be resolved by national governments acting in isolation.

As events in the region bring into focus the need for this new social compact, the different sectors must promote transformational change within each society. Philanthropic actors, with their close links to non-governmental organizations and movements, must establish a baseline understanding of the inequalities and deficits in access to healthcare, nutrition and education that our neighbors in this global village experience. The philanthropic sector must underscore the interconnectedness of few haves and the multitudes of have-nots and raise our collective consciousness. At the same time, the sector must examine its internal contradictions and balance the desire for growth in prosperity with the needs of others-without alienating its own constituencies.

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Tariq H. Cheema, President & CEO, World Congress of Muslim Philanthropists

DECLARATION

At a time of change and uncertainty, philanthropy is challenged to help facilitate dialogue among all sectors of society and provide the resources for implementing creative solutions to problems. Old approaches to giving that operated in isolation or only addressed the symptoms of social ills will no longer suffice. Philanthropy around the world has an opportunity to make sure that its efforts going forward are complementary and mutually reinforcing. Our gathering as the World Congress of Muslim Philanthropists this week in Dubai is about rising to meet this challenge.

Indeed, what Muslim societies call for is a rational discussion of their own situation, on their own terms. As a growing network of individual donors, foundations and socially conscious corporations, the World Congress of Muslim Philanthropists is creating a safe space for consultative dialogue among all sectors from which a new social compact can eventually emerge.

- We challenge our fellow philanthropic institutions to revisit their funding priorities in the Arab and Muslim world.
- We urge philanthropies to invest in locally generated agendas for change, whether these involve support to young social entrepreneurs with a vision for the future of their societies, or to Arab and Muslim researchers studying their own countries and developing coherent plans for progress.
- We call on governments to invest in quality services such as education, and creating jobs, especially for youth, and to formulate economic investment policies that lead to broader development opportunities for all citizens.
- We urge Islamic finance institutions worldwide to use the techniques and instruments at their disposal to address the issues of social justice, wealth redistribution, poverty alleviation and prevention of exploitation. In particular, these institutions can help unlock capital embedded in the waqfs, can improve management of zakat and can fight financial exclusion through Islamic microfinance.
- We strongly believe that these are the types of initiatives that will lead towards our common goals of advancement, through rule of law, human development and economic growth in a coherent and integrated manner. We must not leave any parts of our societies behind, and in serving equitable development, we will also achieve peace, stability, and hope for the future.

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