



# Region Report

## Middle East and Northern Africa

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With contributions from staff at the Indiana University Lilly Family School of Philanthropy

### Overview of the Region

Economy	Population 2016*	Capital	GDP Per Capita* (US \$)	Official Language	Most Represented Religion**	Number of Registered POs	Registration Levels
<b>Egypt</b>	95,688,681	Cairo	3,514.5	Arabic	Muslim (90%)	47,312 (1)	Central & Local
<b>Israel</b>	8,547,100	Jerusalem	37,292.6	Hebrew & Arabic	Jewish (75%)	36,000 (2)	Central
<b>Jordan</b>	9,455,802	Amman	4,087.9	Arabic	Muslim (97.2%)	4,869 (3)	Central
<b>Kuwait</b>	4,052,584	Kuwait City	42,996.4 (2014)	Arabic	Muslim (70%)	115 (4)	Central
<b>Lebanon</b>	6,006,668	Beirut	7,914.0	Arabic	Muslim (57.6%)	8,500 (1)	Central
<b>Morocco</b>	35,276,786	Rabat	2,832.4	Arabic	Muslim (99%)	116,836 (1)	State and Local
<b>Qatar</b>	2,569,804	Doha	59,330.8	Arabic	Muslim***	Unknown	Local
<b>Saudi Arabia</b>	32,275,687	Riyadh	20,028.6	Arabic	Muslim (85%)	900 (1)	Central
<b>Turkey</b>	79,512,426	Ankara	10,787.6	Turkish	Muslim (99%)	111,485 (5)	Central
<b>United Arab Emirates</b>	9,269,612	Abu Dhabi	37,622.2	Arabic	Muslim (85%)	Unknown	Central & States (Emirates)

\* Current US \$. World Bank 2016

\*\* US Department of State. Bureau of Democracy. International Religious Freedom Report for 2016.

\*\*\* Percentage is undetermined.

(1) ICNL Civic Freedom Monitor

(2) Jewish Funders Network. Of these only 15,000 are eligible for public funding (closest equivalent to US 501(c) (3) status)

(3) The country expert reports 4,869 societies in 2016, of which 3,353 were under the supervision of the Ministry of Social Development.

(4) The country expert reports 115 organizations (27 charitable associations and 88 charitable organizations). Cited source: Ministry of Social Affairs and Labor.

(5) Department of NGOs in the Ministry of Interior (October 2017). The Third Sector Foundation of Turkey (2016) estimates 109,000 associations and 5,075 foundations.

The Middle East and North Africa is a fluid transcontinental region comprising about twenty countries ranging from Morocco in the West, Iran in the East, Turkey in the North, and Yemen in the South. This ten-country report of the above region includes two countries in northern Africa (Egypt and Morocco), and eight countries in the Middle East (Turkey, Israel, Jordan, Lebanon, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates). The last four countries in the list (along with Bahrain and Oman) form the Cooperation Council for the Arab States of the Gulf (aka Gulf Cooperation Council or GCC) – a political and economic alliance created in 1981.

These ten countries have varied forms of government ranging from absolute monarchy (Saudi Arabia), constitutional monarchy (Jordan, Kuwait, Morocco, and Qatar), federal emirate (United Arab Emirates) and republic (Egypt, Israel, Lebanon, and Turkey).

The Economist Intelligence Unit's Democracy Index scores countries on a scale of 0 to 10 based on five categories including electoral process and pluralism, civil liberties, the functioning of government, political participation, and political culture. According to the *Democracy Index 2017*, these ten countries were scored variedly: Saudi Arabia is at the lowest ranking with a score of 1.93, while Israel is at the highest with a score of 7.77 even though it is still considered in the Index as a flawed democracy. The Index labels Israel as flawed democracy; Lebanon, Turkey and Morocco as hybrid regimes; and Jordan, Kuwait, Egypt, Qatar, Saudi Arabia, and the United Arab Emirates as authoritarian regimes (though the United Arab Emirates is a federal Emirate where state power is shared by the rulers of seven constituent Emirates (states) forming the Federal Supreme Council). The Index reports positive developments of democracy in 2016 for Egypt and Morocco. Israel, a country that has worked to strengthen its public institutions, still maintains a climate of huge disparities between the rights enjoyed by Jewish citizens and the growing Muslim-Arab population. The level of education in the countries also varies widely, measured in terms of the percentage of population age 25+ with at least a completed short-cycle, tertiary degree (ISCED 5 or higher). In 2015, 47.1 per cent of the world population had completed short-cycle tertiary degree, while in Turkey it was only 17.4 per cent (UNESCO Institute for Statistics). Available statistics also show that the figures are low in the other countries on the list: 16.2 percent in Jordan (2010); 9.6 percent in Kuwait (2012); 20.9 percent in Qatar (2012); and 21 percent in Saudi Arabia (2013).

The wave of the civil protests and uprisings (the “Arab Spring”) that took place in the Middle East and North Africa early in 2011 led to the removal of the dictators in Tunisia, Yemen, Egypt and Libya, and influenced the political environment in several countries in the region. Six years later, the Arab Spring has turned into the so-called Arab Winter, giving way to stagnation in the transition to democracy, together with rising Islamic extremism; economic stagnation; political turmoil; and civil wars in Syria, Libya and Yemen that have resulted in the deaths of hundreds of thousands of civilians.

Nevertheless, political turmoil has not obstructed significant growth of international philanthropy in the region in the form of humanitarian assistance to stabilize a particularly volatile socio-political environment. Major violence, conflicts and persecution in Syria, Yemen and Iraq have displaced millions of people internally, and created a need for humanitarian help in the region (Internal Displacement Monitoring Center, 2017). These emerging needs have raised the interest and concern of governments and private donors (individuals, corporations, trusts, foundations and/or national societies) for contributions to domestic and regional stability. According to the Global Humanitarian

Assistance Report (Development Initiatives, 2017), in 2016 the “largest numbers of refugees were in three countries neighboring Syria: Turkey (host to approximately 2.87 million refugees), Jordan (2.83 million) and Lebanon (1.47 million)” (p. 18). In 2015 and 2016 the Syrian crisis was the largest recipient of private funds, and private donations to “Greece, Macedonia, Serbia and Turkey reached a combined total of US \$71 million—approximately 13 percent of total international humanitarian funding for the crisis” (Development Initiatives, 2017, p.50).

The internally displaced persons (IDPs), and the refugees who have been crossing into the neighboring states following political instability in Iraq, and civil war in Syria, fueled the now-defeated non-state actors and affiliate radical groups to force many countries in the region to place restrictions to the operation of civil society organizations (United States Agency for International Development, 2016). Some of the countries in this report have experienced varied forms of internal civil rights disparities and longstanding ethnic and religious conflicts that have resulted in changes in governmental action and influenced the philanthropic environment. Amid these political crises in the region, the GCC countries have been making efforts to modernize their economies and engage in social reforms that may provide opportunities to increase women’s economic empowerment and participation in the labor force. The recent royal decree issued in September 2017 in Saudi Arabia allowing women to drive starting from June 2018 is a move towards important economic and social reforms in this country.

Many governments sponsored campaigns, like the Year of Giving and Dubai Cares in the United Arab Emirates, Vision 2030 in Saudi Arabia, and the creation of the Higher Committee for Charitable Work in Kuwait, that have contributed to raising awareness of the impact of charitable giving. Further, many royal foundations and billionaires have helped to elevate the philanthropic profile of the region. In 2015, the Sheikh Mohammed, Vice-President and Prime Minister of the United Arab Emirates and Ruler of Dubai launched the Mohammed bin Rashid Al Maktoum Global Initiatives (MBRGI). At a larger scale, billionaires like Sunny Varkey (Dubai-based entrepreneur), PNC Menon (Dubai-based), and Prince Al-Waleed bin Talal (Saudi Arabia), Hamdi Ulukaya (Turkey) have joined the Giving Pledge, a movement founded in 2010 by Warren Buffet and Bill and Melinda Gates to pledge portions of their fortunes to philanthropic causes.

Nonetheless, the fact of the matter is, as concluded in the Democracy Index 2017, the democratic environment worsened in the world. The changes in the democratic environment are likely to impact the philanthropic environment in the world as well as the Middle East and Northern Africa region—the focus of this report.

## **Summary Report**

The Middle East and Northern Africa (MENA) region has witnessed major incidences of youth agitation and collapse of (or major changes in) many governments since 2010. These events were spurred by the self-immolation of a fruit-vendor protesting against the government’s failure in Tunisia in 2010. Citizens’ organized or impromptu activities during these civil movements have forced many governments to change their policies toward philanthropic activities. Countries with liberal policies towards the philanthropic sector (such as Israel and Turkey) have tightened the laws, others—especially those with a hereditary system of executive power—have expanded both the space for and monitoring of philanthropic activities (such as United Arab Emirates). As a result, the gaps in philanthropic environment among the economies in the region have narrowed.

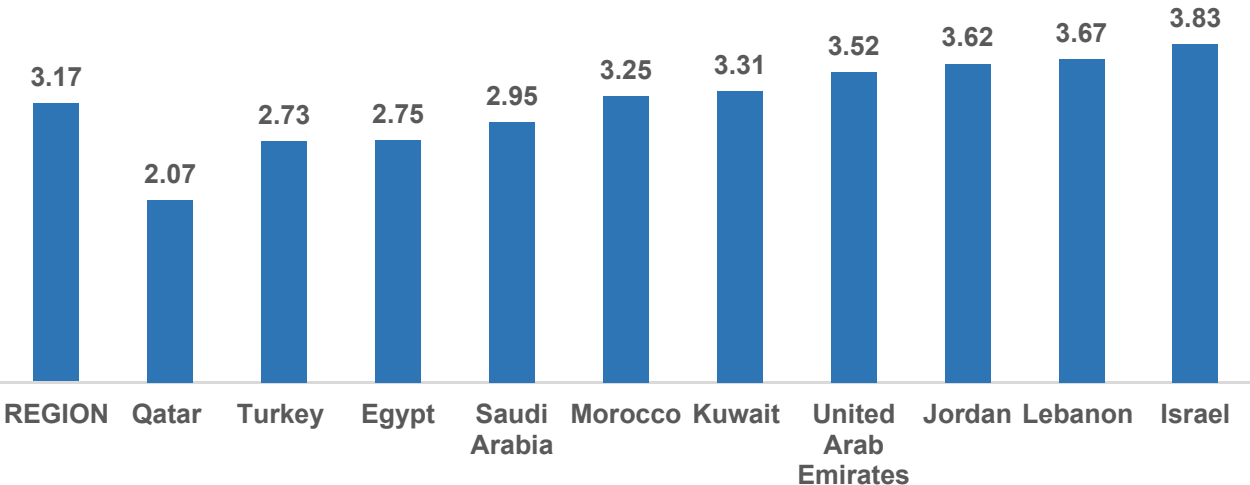
This report includes about a half of the twenty or so economies included in the MENA region, but, because of the inclusion of a wide variety of countries, the report portrays a representative picture of philanthropic environment in the region. With an overall score of 3.17 out of a possible 5.0, philanthropic environment in the region is not encouraging.

Peoples’ traditions and religion in all countries of the region promote giving to individuals —albeit, primarily to members of the extended family. Further, the tribal leaders see supporting the kin as their responsibility. Many government leaders, being tribal leaders, did not see any need for philanthropic organizations because that may imply the government’s failure in fulfilling its responsibility. Eventually philanthropic organizations create a challenge to the government’s authority, or, at least, become a vehicle of misusing public funds or trust (like the *awqaf* or Islamic trusts). As a result, the potential benefit of the high score earned by many countries in ‘socio-cultural environment’ (average 4.1) is mitigated due to the unfavorable ‘political and governance environment’ (average score 2.63). The resultant ‘philanthropic infrastructure or operation’ score in the region remains low (average 2.8) and cannot be compensated by better tax regime score (3.15) or cross-border philanthropic flow score (3.17).

There are major differences among the economies in the region in overall country-level score: the scores range from 2.07 (Qatar) to 3.83 (Israel). Mainly because of the absence of any income tax on individuals or organizations, and the liberal laws for cross-border philanthropy, the score of philanthropic environment in the United Arab Emirates is among the highest in the region. Turkey, on the other hand, since the failed attempt at dislodging the government in 2016, has restricted the activities and monetary transactions of all forms of philanthropic organizations, pushing its score to the lower end.

The current volatile and tense political situation and the drying up of overseas funds for philanthropic organizations, due to increased restrictions on cross-border philanthropic support in the OECD countries, are unlikely to help improve philanthropic environment in the MENA region soon.

**Figure 1. Global Philanthropy Environment Index Overall Scores, by Economy**



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

## Key Findings

### 1. Weak philanthropic infrastructure

The lack of official data in some of the countries makes it difficult to accurately estimate the exact size of the sector in the region. Based on the information collected, it is safe to say that the philanthropic sector in the region is relatively small. Based on the ‘third sector density (TSD)’ analysis proposed by Hasan (2015) i.e. number of philanthropic organizations for every 100,000 people in a country, it can be said that Israel and Morocco have the highest TSD, 421.2 and 331.2, respectively. All other countries in the MENA region have much lower density of philanthropic organizations ranging from 2.8 in Saudi Arabia to 141.5 in Lebanon; the density of philanthropic organizations in Turkey has gone down in the last couple of years to 140.2.

The region also lacks a strong legal framework to support the growth and development of institutional philanthropy. Both the legal and administrative framework, as well as the infrastructure, to support philanthropy are comparatively more developed in Israel and Turkey. However, even in these two countries philanthropic organizations face multiple challenges. Information about the performance and size of the sector in Turkey is not widely available (Balkan Civil Society Development Network, 2015), but according to the most recent report on Individual Giving and Philanthropy in Turkey (TUSEV, 2016), only 12 percent of the population give through organizations.

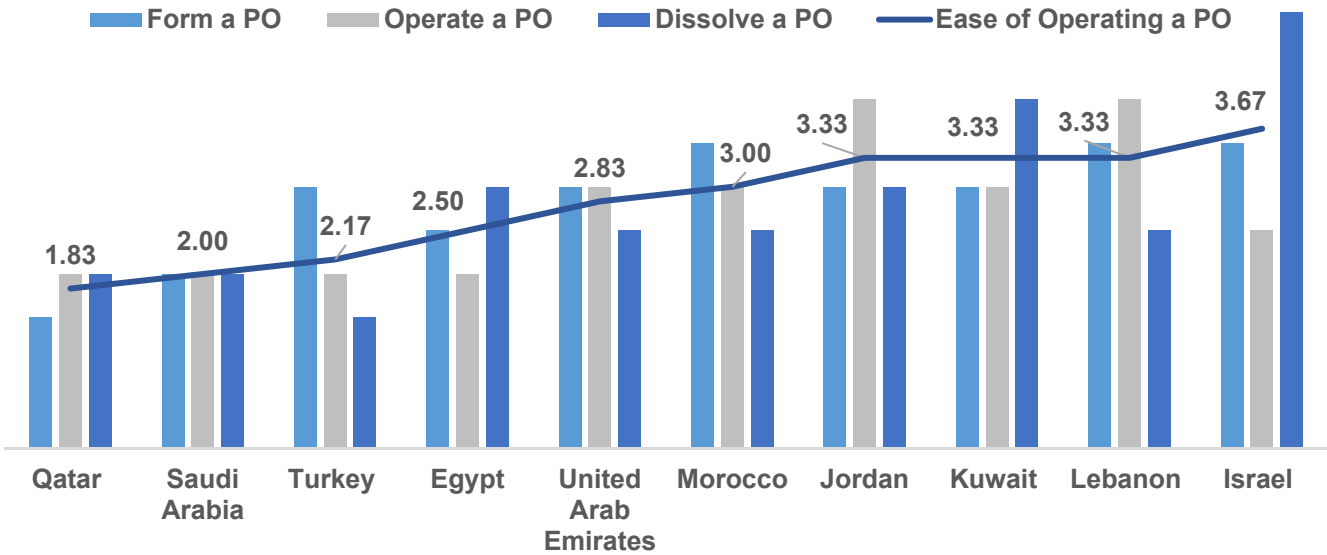
The country reports provide a general picture of the weaknesses that must be overcome in the next years to institutionalize philanthropy in the region. These reports reveal the need to scale up philanthropy to address the high social demands not yet resolved and to surmount vulnerabilities such as lack of reliable information about growth and impact. This information could be valuable particularly in countries where the growth of the sector has hastened to respond to internal and external demands. There are also needs for more a progressive and encouraging legal framework, and for specialized training e.g. in fundraising. Other issues highlighted in several country reports include the lack of inter- and intra-sectorial collaboration and coordination, reflecting a need for umbrella organizations.

### 2. Tight government control over the operation of philanthropic organizations

Among the most noticeable features in the Middle East and North Africa region is the operation of philanthropic organizations under tight government control. In no country, other than Turkey, are philanthropic organizations allowed to operate without government approval; registration is a must and generally a responsibility of the central government (except for the federal state of the United Arab Emirates where state or emirate governments have the authority to approve POs). Even though, in almost all countries, the constitutional framework provides for freedom of association, the laws governing the non-governmental organizations are restrictive and allow for arbitrary, inconsistent or intimidating government practices. For example, Jordan has arbitrarily denied registration of or rejected requests for receiving foreign funds by many organizations. The law in Jordan only allows registration to Muslim and Christian entities. In Qatar, Saudi Arabia, and Kuwait the founding members of associations must be mainly nationals. In Egypt, Morocco, and Lebanon, the governments may take months to approve registration, or deny registration without any explanation. In Saudi Arabia, the law does not guarantee freedom of association and the registration of NGOs is denied to organizations that are not considered culturally and politically appropriate.

However, according to the specific laws in each country, the cost of registration of associations is either free or very low in these MENA countries, except Qatar, where a 3-year registration fee may cost as much as US \$20,000.

**Figure 2. Scores on Ease of Operating Philanthropic Organizations, by Economy**



Economy	Ease of Operating a PO	Form a PO	Operate a PO	Dissolve a PO
Qatar	1.83	1.5	2.0	2.0
Saudi Arabia	2.00	2.0	2.0	2.0
Turkey	2.17	3.0	2.0	1.5
Egypt	2.50	2.5	2.0	3.0
United Arab Emirates	2.83	3.0	3.0	2.5
Morocco	3.00	3.5	3.0	2.5
Jordan	3.33	3.0	4.0	3.0
Kuwait	3.33	3.0	3.0	4.0
Lebanon	3.33	3.5	4.0	2.5
Israel	3.67	3.5	2.5	5.0

Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

Engaging in activities considered anti-government is illegal in all countries, and receiving funds from and collaborating with entities overseas are highly restrictive under the laws in Egypt, Kuwait, Qatar, Saudi Arabia and Israel. Government intervention in the operation of non-governmental organizations is particularly significant in Egypt, Jordan, and Turkey (since 2016). In Jordan and Egypt, the relevant Ministry must be notified of the date, place, and agenda of any meeting two

weeks prior to the meeting, and government representatives are allowed to attend. Associations must send a copy of the decisions issued by their general assemblies to the government. In Turkey, although associations and foundations are not prohibited from directly engaging in political activities, opposition and/or rights-based organizations are reportedly facing more government interference in practice than others are.

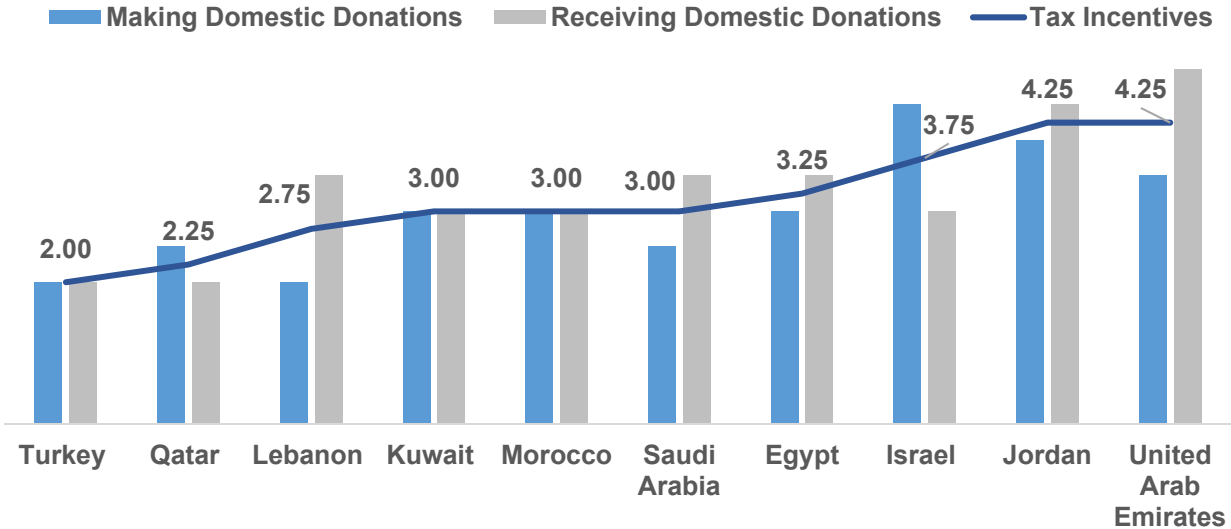
The process and reasons for voluntary termination of a philanthropic organization is specified in the laws in most of the countries (except in Saudi Arabia and Morocco), and in case of involuntary termination these laws usually include the right to appeal (except Morocco, Saudi Arabia, and Turkey); although in some countries, the conditions for appeal may not be optimal (e.g. in Qatar; where the time to appeal is considered to be too short). The number of involuntary terminations of non-government organizations has grown in the last two years in several countries in the region. For example, the increasing number of banned nongovernmental organizations in Turkey, reported to be 1,125 since the promulgation of the Extraordinary Decree (7/22/2016, “in the context of coup attempt and fight against terrorism”) has been termed alarming (Al-Monitor, 2016; Amnesty International UK, 2016)

### **3. Limited tax incentives for domestic giving**

In this section, it is important to distinguish between countries that have a tax incentive system in place (Egypt, Israel, Jordan, Lebanon, Morocco and Turkey) and those where there are not individual or corporate taxes on income, or where taxes on sales, or value added are very limited e.g. Qatar, Kuwait, Saudi Arabia and the United Arab Emirates. The last group of countries do not levy income taxes; therefore, in these countries donors do not receive tax incentives. This creates a situation that is widely favorable for grantees who do not need tax exemption from charitable incomes, but not necessarily for donors, who do not receive any kind of tax incentive for giving. In such cases, countries use different mechanisms to incentivize giving.

To date, the only movement away from not having taxes is the VAT Framework Treaty signed by the States of the Gulf Cooperation Council (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) to introduce from January 2018, a new sales tax (VAT) to revitalize their economies. The Treaty allows a basic rate of VAT of five per cent, except for certain supplies of goods and services that will be zero-rated or VAT exempt depending on the decision of each government. Businesses with annual revenue of over US \$100,000 (in equivalent local currency) will be required to register for VAT purposes.

**Figure 3. Scores on Tax Incentives, by Economy**



Economy	Tax Incentives	Making Domestic Donations	Receiving Domestic Donations
Turkey	2.00	2.0	2.0
Qatar	2.25	2.5	2.0
Lebanon	2.75	2.0	3.5
Kuwait	3.00	3.0	3.0
Morocco	3.00	3.0	3.0
Saudi Arabia	3.00	2.5	3.5
Egypt	3.25	3.0	3.5
Israel	3.75	4.5	3.0
Jordan	4.25	4.0	4.5
United Arab Emirates	4.25	3.5	5.0

Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

In several countries with no tax incentives, governments regulate and incentivize donations using other mechanisms. In the United Arab Emirates, the Zakat Fund is a federal program created in 2003 to raise awareness among Muslims about the concept of Zakat or charitable donations, and is channeled towards social development and help for the needy. As per the Saudi law, Saudi and GCC country Muslims and their businesses in the Kingdom must pay zakat to the government collection agency. The government of Qatar uses a similar national Fund to support the poor and needy families, but zakat payment to it is not mandatory. For obvious reasons, Zakat money received by the charities is not taxed, but it has to be given completely to the beneficiaries.

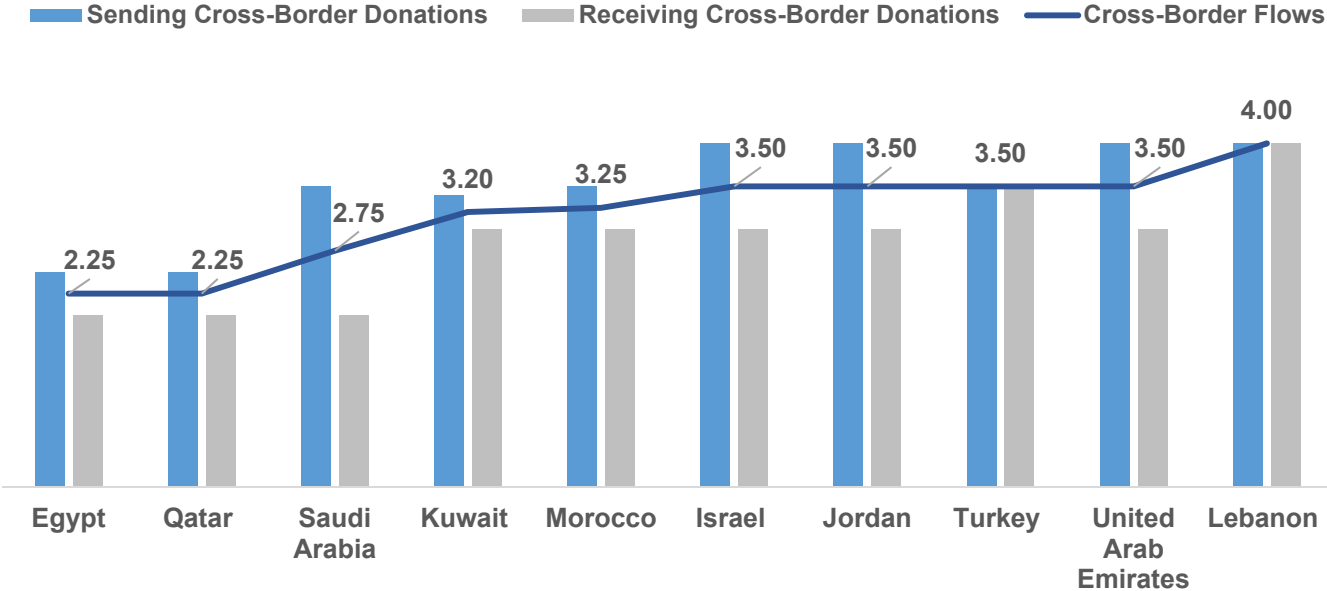


In the rest of the countries (Egypt, Israel, Jordan, Lebanon, Morocco and Turkey), individuals and/or corporations receive tax incentives when donating to public benefit organizations but under limited conditions. Tax exempted status is, most of the time, given to a limited range of organizations and the approval of tax exempt status is under the responsibility of the central authorities. For example, in Turkey, tax exemption is given only on recommendation of the relevant Ministry; thus, a very low proportion of the foundations and associations receive tax exemption. Philanthropic organizations are only exempted from income tax, and only national foundations can receive tax exemption. In Lebanon, there is no tax incentive for the individuals, and corporations' donations are tax-deductible only if given to public benefit organizations. In Jordan, Egypt, Israel and Morocco tax laws provide that donations by individuals and corporations to registered tax-exempted organizations are tax-deductible, but the mechanisms for approval of tax-exempted organizations sometimes lack transparency or are significantly burdensome and time consuming.

**4. Controlled cross-border donations**

The MENA is a transcontinental region, with important financial hubs, extensive flows of money and in-kind donations coming in and out of the countries, and large amounts of money provided for humanitarian aid going to other countries and coming from outside the region. The proximity of some of the countries in the region to politically unstable areas increases their vulnerability to illicit financial activities like funding a terrorist organization. Therefore, the issues related to cross-border donations are of primary concern to maintain the political stability of the region and each government has regulations to combat terrorism financing and money laundering. In this way, while the governments find more strict ways to cut the oxygen to the illicit activities, the burden of donating, receiving, and reporting donations through cash to support philanthropic causes, can increase in similar proportion for the individuals, organizations and states.

**Figure 4. Scores on Cross-Border Flows, by Economy**



Economy	Cross-Border Flows	Sending Cross-Border Donations	Receiving Cross-Border Donations
Egypt	2.25	2.5	2.0
Qatar	2.25	2.5	2.0
Saudi Arabia	2.75	3.5	2.0
Kuwait	3.20	3.4	3.0
Morocco	3.25	3.5	3.0
Israel	3.50	4.0	3.0
Jordan	3.50	4.0	3.0
Turkey	3.50	3.5	3.5
United Arab Emirates	3.50	4.0	3.0
Lebanon	4.00	4.0	4.0

Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

In reference to outbound donations, the countries with the most restrictive environments for sending cross-border donations are Egypt, Qatar, and Morocco, especially because there is a strict requirement for approval from a central authority to either receive or send donations abroad, there is no tax benefit, and donations are subject to the same fees as any other customs transaction. In Israel, the organizations receive tax incentives although not as favorable as the incentives received for domestic donations. In the rest of the countries included in this report, there is no regulation or fees for sending donations, and the tax regulations are favorable to sending donations.

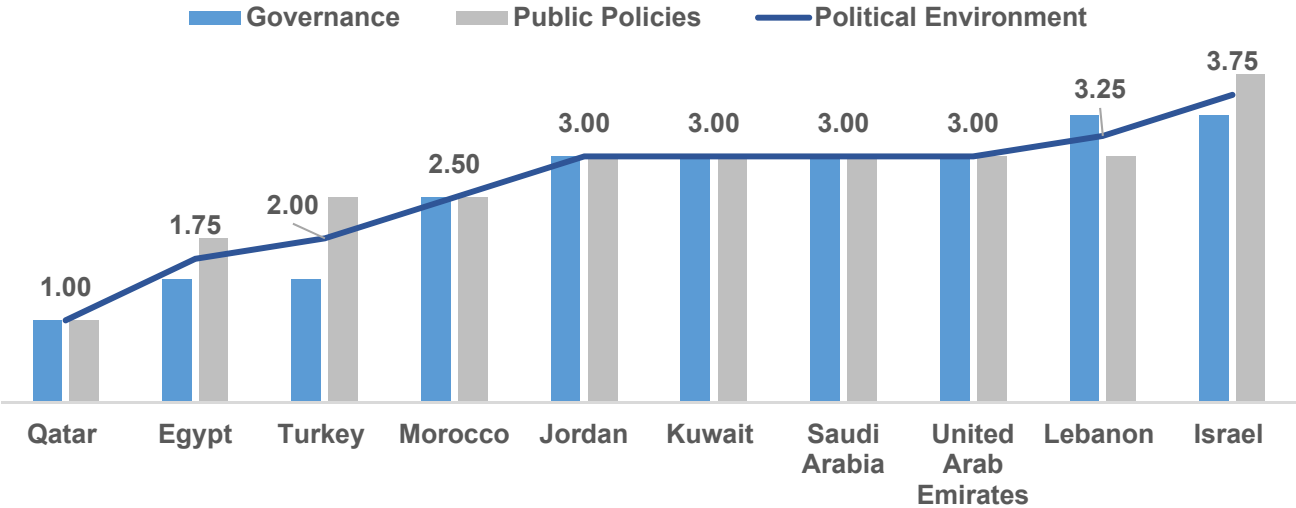
Incoming donations find a more regulated environment reflective of the characteristics and nature of each government. In Turkey, Morocco, Jordan, Kuwait, Egypt, and the United Arab Emirates, philanthropic organizations either require the approval of a central authority or need to notify the reception of foreign funds. Qatari philanthropic organizations and organizations in several other countries like Turkey, Morocco and the United Arab Emirates require fundraising license; violations to this regulation may lead to the closure of the organization, jail sentence or financial penalty in almost all cited countries in the region. Although Lebanon and Israel appear to provide the most favorable environments for cross border donations in the region, it is important to note that the new restrictions, in terms of no or limited tax incentive, and the intensified efforts to disrupt and dismantle money laundering and terrorist financing activities may harm cross-border movement of donations in both countries.

## **5. Restrictive government policies and practices challenge the sustainability of the philanthropic sector**

The political environment and legal and administrative restraints intended to increase security in all countries in the Middle East and North Africa pose major challenges to philanthropic organizations. The countries showing major restrictions and unfavorable practices towards philanthropic

organizations are Egypt, Jordan, Qatar, and Turkey. Restrictive practices may include denying legal registration; harassing human rights organizations (i.e. using travel bans or denying them permission to carry on events), exerting control on funding (i.e. funding to only certain organizations to advance the governmental political agenda, limited access to funds, or control over use of funds received).

**Figure 5. Scores on Political Environment, by Economy**



Economy	Political Environment	Governance	Public Policies
Qatar	1.00	1.0	1.0
Egypt	1.75	1.5	2.0
Turkey	2.00	1.5	2.5
Morocco	2.50	2.5	2.5
Jordan	3.00	3.0	3.0
Kuwait	3.00	3.0	3.0
Saudi Arabia	3.00	3.0	3.0
United Arab Emirates	3.00	3.0	3.0
Lebanon	3.25	3.5	3.0
Israel	3.75	3.5	4.0

Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

Israel, Lebanon, and the United Arab Emirates are comparatively better positioned in this respect. Morocco has gone through gradual changes that have opened the space for civil society organizations at the grassroots level to emerge. However, there are still challenges affecting freedom of assembly and association. Similarly, Saudi Arabia has started to show positive changes towards supporting the role of philanthropic organizations in social development and the professionalization of the sector.

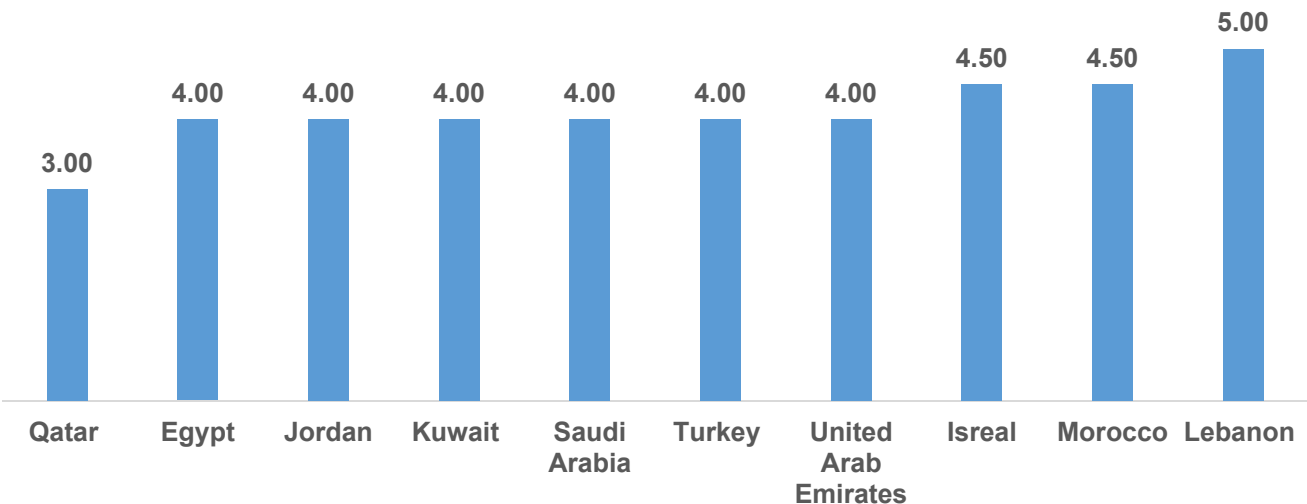
In Israel, Lebanon, and Kuwait collaborations between government and independent philanthropic organizations are common, the government is more systematically involved in the promotion of philanthropy, and donors are generally free to support any philanthropic cause without government pressure. This has not impeded the implementation of restrictive policies like preventing collection of cash donations in Kuwait, or the application of the Transparency Requirements for Parties Supported by Foreign State Entities in Israel in 2016. The law forces organizations that receive more than half their funding from abroad –including countries of the European Union- to disclose it in official reports.

**6. Religious motivations drive individual giving**

In general, the region is characterized by a longstanding tradition of giving, as promoted by all religions followed by the people in the region. According to Arab Giving Survey (2016), 58 per cent of individuals in the GCC countries give spontaneously and 51 per cent donate to individuals over charities. The report highlights that individual giving is mostly determined by religious motivations and religious occasions like Ramadan, and people, in general, give, although not necessarily through organizations. Country experts report low levels of public trust in philanthropic organizations, which is in part connected to the low level of institutionalization of the sector due to the fact that charity is an integral part of the religious and community values in the region. Muslims believe that *zakat* must be given to the eight categories of activities mentioned in the Qur’an and that the receiver must ‘own’ it, not an organization (Hasan, 2015).

However, religion is only one among other driving forces cited by scholars and the country experts. Donors are also motivated by social solidarity and an urge for solving the social problems. The aforementioned survey reveals that the three most important causes for charitable giving are poverty alleviation in developing countries, giving directly to an individual in need, and aid to the refugees (the number of which has increased due to social movements and political unrest in the region).

**Figure 6. Scores on Socio-Cultural Environment, by Economy**



Source: Indiana University Lilly Family School of Philanthropy, 2018 *Global Philanthropy Environment Index*

The recent work of El Taraboulsi-McCarthy (2017) discusses the importance of the Islamic culture of giving in Saudi Arabia as a powerful factor in Saudi humanitarianism. The need for sustained regional political stability and ties to international actors also shape philanthropic giving in the region. This has created an ambivalent culture of very strict Islamic policies and practices leading philanthropic development within the countries in coexistence with international standards to operate efficiently in the relief and humanitarian sphere, which includes enhancing women's participation in the economic sphere in some GCC countries.

## 7. The future of philanthropy

**Persisting challenges within conflicting social and political climate.** Some of the countries in the region have witnessed an expansion of their philanthropic sector basically due to drastic changes in other countries that increase the need for humanitarian aid. This growth has not occurred without challenges. In Egypt, the new laws impose additional restrictions on funding from abroad and on international NGOs operating in the country, and criminalize peaceful civic activism. In Israel, the continued political, cultural, class and religious divisions in society threaten to create distinct and separate systems of philanthropic organizations, and deepen alienation among the groups.

**New hybrid models.** Social entrepreneurship, business-like philanthropic organizations, and hybrid models are observable trends in the region. In Lebanon, philanthropic organizations are currently turning to a social entrepreneurship model to guarantee financial sustainability. In Israel, there is growing pressure towards the adoption of business principles and practices originated by the donors and other stakeholders. Emerging inter-sectoral collaborations, such as social impact bonds and roundtables, are also expected to increase. In the United Arab Emirates, the idea of impact investment has gained ground among young people.

**Modernization.** As the philanthropic sector expands, experts have called for strategies to increase the accountability and organization of the sector due to internal and external demands. This trend is especially visible in Lebanon, with the growing interest in specializing philanthropic work in well-identified themes and topics and increasing attention to organizational development. This same trend seems to be emerging in Saudi Arabia, and in the United Arab Emirates, the consolidation of zakat through the Zakat Fund is expected to increase strategic use of the money raised from Muslim communities.

**Use of online tools.** As in other parts of the world, online fundraising and donations will expand in the countries where fundraising is not strictly regulated. Countries like Jordan and Kuwait will increasingly use online tools to communicate impact and be able to increase engagement and participation of donors and supporters in philanthropic causes.

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