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The 2022 Global Philanthropy Environment Index Iran

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QUICK FACTS

Legal forms of philanthropic organizations included in the law: Association, Endowment, Foundation, Society

Five main social issues addressed by these organizations: Basic Needs, Early Childhood Education through High School, Workers' Rights, Students' Associations, Women's rights, Arts and Culture

Average time established by law to register a philanthropic organization: More than 90 days

The law remains unclear about the time frame required to establish a philanthropic organization (PO). According to the NGOs Executive Bylaw of Iran, Oversight Boards decide about operation license applications without any defined/expected time frame (Article 8, Clause 5). According to the available data, it will take a minimum of 10-12 months to establish a PO in Iran.

Oversight Boards operate at national, provincial and county levels. On the provincial and county levels, the board is composed of the governor, a representative of the city or province's Islamic Council and a representative of the city or province's POs. On the national level, the Oversight Board is composed of a relevant aide to the Minister of Interior, a representative of the province's Islamic Council, and a representative of the POs. The law does not define who is the representative of POs, what the criteria are for this representative, or who appoints this person.

Once the application is submitted, it will take 30 days for the National, Provincial or County Oversight Boards to issue the PO's establishment permit. This is the only time frame defined in the Executive Bylaw. However, this does not mean that the PO can start its operations.

There are multiple organizations that issue PO operation permits, including:

1. Interior Ministry issues operation permits in all areas and all national, provincial and county levels;
2. Law Enforcement Force of the Islamic Republic of Iran issues operation permits for charities;

3. State Welfare Organization of Iran (there is no explicit and clear information on the type of POs to whom the State Welfare Organization of Iran issues operation permits);
4. Ministry of Culture and Islamic Guidance issues operation permits for cultural and religious POs; and
5. Ministry of Sports and Youth issues operation permits to youth POs.

There is no information available on the average time established by law to register a PO through these organizations.

Average cost for registering a philanthropic organization: USD 60¹

The average cost for registering a PO varies since no nominal cost is specified in the NGOs Executive Bylaw. The registration cost may be lower in smaller and marginalized provinces and cities than in big cities. The registration cost also depends on which body is processing the PO's registration, as each organization sets its own internal registration cost. For example, the registration through the Ministry of Youth and Sports cost USD 6.5 in 2018. It was reported that a PO needed at least USD 120 to complete the registration process in 2020.

Government levels primarily regulating the incorporation of philanthropic organizations:
Central/Federal Government, Local Government

The Oversight Board that is composed of government officials at the national, provincial, and county levels primarily regulates incorporation of POs.

Philanthropic Environment Scores:

Year	Ease of Operating a PO	Tax Incentives	Cross-Border Philanthropic Flows	Political Environment	Economic Environment	Socio-Cultural Environment	Overall Score
2022 GPEI	1.50	3.00	2.00	1.00	1.50	2.30	1.88

Source: Indiana University Lilly Family School of Philanthropy, 2022 *Global Philanthropy Environment Index*

¹ The exchange rate between IRR and USD is 0.000024.

Key Findings

I. Formation/Registration, Operations, Dissolution of a Philanthropic Organization (PO)

The three indicator questions in this section pertain to the laws and regulations governing philanthropic organizations (POs). The scoring questions for this category cover three aspects of regulations: (A) formation and registration; (B) operations; and (C) dissolution.

Question One: To what extent can individuals form and incorporate the organizations defined?

Score: 1.5

The law does not explicitly prohibit formation and operation of unregistered groups: according to Article 27 of Iran's Constitution, citizens are free to gather publicly, march and act collectively "as long as the participants do not carry arms and are not involved in violation of the fundamental principles of Islam." However, the law does not clarify what violation of the fundamental principles of Islam means and fails to provide any examples of the violations. This vague term/condition leaves room for the Iranian government to interpret activities of POs that contradict the Shia Islamic narration favored by the establishment as a violation of the fundamental principles of Islam and restrict their activities. Likewise, fundamental freedoms such as freedom of expression (Article 24), freedoms of association (Article 26) and peaceful assembly (Article 27) are vaguely conditioned to the same term/condition of not violating principles of Islam.

According to Article 3 of the Executive Bylaw, POs can operate in "one or several scientific, cultural, social, sports, artistic, philanthropic and humanitarian, women's affairs, the socially injured, welfare, health and medical, therapeutic, environmental, developmental, etc. issues." However, the decision about area of activities of a PO is made by the Oversight Board explained in Q7. The result of this tight oversight over POs' activities is lack of operation in areas such as religious minorities (Bahai's, Sufis, and others) and fundamental human rights (freedom of speech, association, and opinion).

Iranian law is not permissive regarding who can serve as PO founders. According to the Executive Bylaw, the founder or the founding party should prove their obligation to the Islamic Republic's Constitution. However, Iran's Constitution is not inclusive of all Iranian minorities and restricts (basically denies) their fundamental human rights and freedoms: Iran's Constitution does not recognize all the religious minorities living in Iran such as Baha'is as formal religions and the Baha'i community does not have any representative in Iran's parliament. Only Zoroastrians, Jews, and Christians are recognized as religious minorities in Iran's Constitution (Article 13). As a result, religious minorities such as Baha'is, Dervishes, and Mendeans cannot found POs in Iran. Many civic activists and human rights defenders are also barred from forming POs because they have been charged with vague national security charges such as spreading corruption on Earth or collusion against national security by Iran's notorious Revolutionary Court for their peaceful activism. The Revolutionary Courts are held behind closed doors, they deny defendants access to lawyers of their choice, and they are notoriously known for getting forced confessions from defendants after hours of torture and threats.

Regarding a minimum amount of capital or assets required at the time of establishment, Article 16 of the Executive Bylaw requires a declaration of the amount of the initial capital of the PO in its statute but sets no minimum or maximum for the amount.

The initial list of documents required by and listed in the Executive Bylaw is clear and straightforward. However, further documentation is required by the Oversight Boards while the applications are under review. These documents are not listed in the Executive Bylaw in a clear and available manner. There is no minimum base capital required to form a PO, but the PO's declared capital determines the organization's registration fee.

The law is not inclusive of all ranges of existing POs. For instance, it does not recognize professional guilds and syndicates such as workers' unions, scientific associations, student organizations, and religious parties as POs (Article 2, Clause 3).

Processing of PO registration applications is not professional, consistent, independent, or apolitical. There are multiple governing bodies in charge of registration with low transparency and a lot of ambiguity around their procedure. They are also all dependent on the government and act as a watchdog over civil society for the Iranian government by rejecting applications that tend to work on sensitive issues such as human rights.

The law does not include appropriate safeguards, such as a fixed time period within which the responsible registration authority must review and decide upon registration. The Executive Bylaw only states that the registration application should not contradict with its articles. There is no clear and closed list of grounds on which registration may be denied, either.

According to the law, if the Supervisory Board rejects the application, it is obliged to notify the applicant in writing of the reasons for the rejection of the application within a maximum of two weeks and provides some ways for applicants to object to such rejection (Article 22). However, this is not always the final decision about the application. For instance, if a PO applies through the Ministry of Interior, the Ministry may reject the PO's application despite the Supervisory Boards. The law does not promise any written explanation in this case of denial and remains silent about the applicant's right to appeal in this case of denial.

Question Two: To what extent are POs free to operate without excessive government interference?

Score: 2.0

The law does not set specific requirements for POs to declare their organizational structures and decide about their internal governance. However, POs' activities are under scrutiny of the Iranian government and security forces. POs' activities are restricted to charitable work in areas such as education, health, and women's empowerment that are considered as approved areas of activity and in which the government needs support. Any civic areas of activities such as freedom of speech, freedom of religion, freedom of associations, minority rights, etc. are considered as serious threats to the Shia Islamic ideology promoted by the Iranian government. There was one case of such a PO that was shut down, and its executive team were all jailed. The Human Rights Defenders' Center (HRDC) was founded in 2002 to defend the rights of political prisoners, monitor prominent abuses of human rights and talk about them, and support families of human rights prisoners. The center was

shut down by Iranian security forces in 2008. Many of its founders, executive team, and members were interrogated, arrested, or jailed and one person was executed under charges of threatening national security, spreading corruption on Earth, and disrupting public opinion. Narges Mohammadi, who worked with HRDC, is a prominent human rights defender jailed for her activism and involvement in HRDC.

While the law does not explicitly ban POs' communication with civil society by private entities and government inside and outside the country, experience has shown there is considerable scrutiny over any connection with colleagues outside the country. The most prominent related case is Imam Ali's Popular Student Relief Society (IAPSRs). IAPSRs was founded in 1999 through Iran's Interior Ministry with the mission of supporting poor children and their families across the country. The society became one of the biggest and most successful POs with more than 10,000 members in the country. However, on June 22, 2020, IAPSRs's founder, Sharmin Meymandi-Nejad, and two other executives were arrested by Iranian security forces and the office of the society was closed. Meymandi-Nejad was arrested following a complaint by the Iran Revolutionary Guard Corps (IRGC) for "insulting the supreme leader" and "collusion against national security." Tasnim News Agency elaborated that IAPSRs was networking to influence different levels of public opinion under the cover of public-serving work. On March 7, 2021, Iran's Interior Ministry filed a complaint against the society and called on the judiciary to order its dissolution because of "issuing political statements amid crisis in the country, "anti-religious activities," "lack of financial transparency," and "effort to denigrate the situation of the country." One of the fundamental reasons for the charges was that IAPSRs was in communication with civil society and human rights groups outside the country to build its capacity and increase its digital security. This shows the depth of the Iranian government's sensitivity to connection with people, groups, or sectors outside the country. It was also argued that IAPSRs had broad access to impoverished areas of the country due to its work, had support of Iranian celebrities, and was raising awareness about cases of sexual harassment, child rape and murder, infant addiction, and forced child marriage. All these activities and outreach to the public led to the Iranian government's intolerance and dissolution of IAPSRs.

Participation of Iranian POs in international communities, training workshops, and exhibitions requires approval from related national, provincial or county Councils (Article 10, Note 4). The process to apply for approval is not described in the law.

The law does not talk about online forms of communication in the Executive Bylaw. However, there is high scrutiny over any type of communication and participation with networks online and offline.

Question Three: To what extent is there government discretion in shutting down POs?

Score: 1.0

According to Article 31 of the Executive Bylaw, POs can dissolve voluntarily or involuntarily and according to the articles of the POs' bylaw (Executive Bylaw, Article 20). On the other hand, the Iran Commercial Act, Article 584 allows dissolution of POs if:

1. The PO's term of existence defined in its bylaw is expired;
2. The PO already achieved and fulfilled its mission;
3. The PO cannot further achieve its mission or becomes an illegal entity;

4. A court decides to dissolve the PO; or
5. The PO goes bankrupt.

POs are banned from distributing assets, income, and profit before and after the dissolution (Executive Bylaw, Article 7). POs can file to take legal action to reverse the dissolution.

II. Domestic Tax and Fiscal Issues

The two questions in this section pertain to laws and regulations governing the fiscal constraints of giving and receiving donations domestically.

Question Four: To what extent is the tax system favorable to making charitable donations?

Score: 3.0

Iran's Direct Tax Act provides tax exemptions for making charitable donations, which is described in greater detail below. However, there are some problems with this tax system:

- There is no minimum or maximum for the donation amount defined by the law;
- Only donations to organizations that are approved by the government and named in the law are exempt from tax; and
- The process of receiving tax benefits when making donations is not clear and predictable.

The first tax exemption was enacted in Article 172 of the Direct Tax Act of 1987. According to this article, 100 percent of the sums which shall be paid to the accounts specified by the government for reconstruction, help, and the like on a gratuitous basis, and also the money paid or allocated, or aids in kind extended by both natural persons or juridical entities for the repair, mobilization, construction, or completion of schools, universities, higher education institutes and health and medical centers, or training camps, sanatoriums and social welfare centers, libraries and (government) cultural and arts centers, shall be deducted from the taxable income of the turnover for the year of payment (from the source to be chosen by the taxpayer) in accordance with the criteria to be determined by the ministries of Education; Sciences, Research and Technology; Health, Medical Treatment and Education; and Economy and Finance.

According to the Iranian Direct Tax Act (Article 139), amendment to article 172 in 1992:

- a. The endowments, oblations, dedications, aids, gifts and charities, both in cash or in kind, donated to the Holy Shrine of Imam Reza (AS), Holy Shrine of Abdul Azim AlHassanian (AS), Holy Shrine of Hazrat-e Masoumeh, Holy Shrine of Ahmad Ibn-e Mousa (AS) (Shah-e Cheragh), Holy Shrine of Imam Khomeini, the mosques, any other holy shrines, and the like shall be exempt from payment of tax. The Endowments and Benevolent Affairs Organization shall, to this end, duly specify the holy shrines;
- b. The financial aids and gifts in cash or in kind, donated to the Red Crescent Society of Islamic Republic of Iran shall be tax exempt;
- c. The financial aids and gifts in cash or in kind, donated to the retirement pension funds, Medical Treatment Insurance Organization or the Social Security Organization (SSO), as well as the employers' and employees' share of insurance and retirement premiums, and the fines and penalties collected by the said organizations shall be tax exempt;

- d. The financial aids and gifts in cash or in kind, donated to Islamic Sciences Schools shall be tax exempt. However, such schools shall be duly specified by Qum School of Theology Management Council;
- e. The financial aids and gifts in cash or in kind, donated to Islamic Revolution institutions shall be tax exempt. However, such institutions shall be duly specified by the Council of Ministers;
- f. Such portion of the income earned by the State Fund for Development of Endowments, which shall be utilized for the development of endowments, shall be tax exempt;
- g. The incomes earned by legal entities or natural persons utilizing the credits of benevolent contributions and charities of Vali-e-Faghih as well as Khoms (i.e., 1/5 of what is left over from the earning of an individual at the end of his fiscal year) and Zakat (religious tax, poor-rate or alms as prescribed by Islam) shall be tax exempt;
- h. Such portion of the income derived from public endowments which, in conformity with the principles of Shari'a shall be utilized in connection with affairs including Islamic propagation, cultural, scientific, religious researches, discoveries, inventions, education and training, health and medical treatment, construction, repair and maintenance of mosques, theology schools, Islamic sciences schools, government schools and universities, Moharam mourning ceremonies, public feeding of the poor (Et'aam), repair of archeological buildings, development affairs, tuition fees and educational loans to university and high school students, and payment of financial aids to the oppressed and those damaged in the course of force majeure incidents such as floods, earthquakes, blazes, wars and unprecedented events, shall be exempt from payment of taxes, provided, however, that such incomes and expenditures shall be duly confirmed by the Endowments and Charity Affairs Organization;
- i. The financial aids and gifts in cash and in kind, donated to the registered charity and benevolent organizations shall be exempt from payment of tax, provided that such incomes shall be utilized, as per their articles of association, in connection with the affairs mentioned in Clause (h) above amid that the State Taxation Affairs Organization shall exert supervision and control over the incomes and expenditures of such organizations;
- j. The financial aids and gifts in cash and in kind, as well as the subscription fees of the members of guilds, vocational associations, parties, non-government societies and organizations which have already obtained the required authorizations from the forums and authorities in charge, and the sums which shall be deducted from the subscription fee paid by their members and which shall subsequently be deposited in the account of the said entities, in conformity with the relevant rules and regulations, shall be tax exempt;
- k. The endowments, financial aid, and gifts, both in cash and in kind, donated to religious societies and boards established by religious minorities mentioned in the Constitution of Islamic Republic of Iran, shall be exempt from payment of tax, provided that the facts and circumstances in connection with the official recognition of such religious minorities, societies and boards shall be confirmed by the Ministry of the Interior; and
- l. The publication, press, journalistic, cultural, and artistic activities which shall be carried out and performed by virtue of the authorizations and permits issued by the Ministry of Culture and Islamic Guidance, shall be exempt from payment of tax.

Note 1: The sums which shall be earned by the legal entities mentioned in Article 139 above, with the purpose being to attain the objectives and aims of such entities, through nonprofit activities including offering training and educational courses, holding seminars, publication of books and periodicals, etc., and which shall be earned in compliance with their articles of association, shall be exempt from payment of tax, provided that the State Taxation Affairs Organization shall duly exert control and supervision over their incomes and expenditures.

Question Five: To what extent is the tax system favorable to POs in receiving charitable donations?

Score: 3.0

Iran's tax system exempts POs from tax on charitable donations and gifts (cash or in-kind), membership dues, and other contributions as long as the donations are consumed for the same purposes reflected in the Direct Tax Act. The law defines these purposes in accordance with "Islamic standards" and include culture, research, science, invention, exploration, training, and health (Article 139, Note G). They receive exemptions under certain conditions (detailed under question 4). However, there are some problems with this tax exemption:

- The process of receiving the tax exemption status is not quite clear and predictable. Even though article 139 of Iran's Direct Tax Act elaborates on these steps, the POs Executive Bylaw remains silent about this aspect of the work. There is no word about tax exemption in this legal document. Despite that the process is not mentioned in the Executive Bylaw, POs will be found guilty of a crime and will owe money to the government if they do not go to tax offices and do not submit their tax documents;
- Iran's tax law does not distinguish between "related" and "unrelated" commercial (business or economic) activities. POs are allowed to conduct business activities directly, though the law is silent as to the extent to which they may engage in commercial, business, and/or economic activities. Any such activities undertaken by POs are subject to taxes. The profits POs earn through establishing educational seminars, publication of books and periodicals, etc., are exempt from taxation, provided such activities are aimed at achieving the POs' purposes;
- The Direct Taxation Act provides no limits on contributions by either businesses or individuals to POs; and
- There are no special laws on endowments, and gifts in the form of endowments are treated as tax-deductible contributions.

It is noteworthy that any ambiguities in the Direct Taxation Act are resolved by the High Taxation Council or the Just Administrative Tribunal, which are the highest authorities on tax issues in the country.

III. Cross-Border Philanthropic Flows

The two questions in this section concern laws and regulations governing the fiscal constraints of giving and receiving cross-border donations. The scoring for these questions pertains to the donor and receiving entities.

Question Six: To what extent is the legal regulatory environment favorable to sending cross-border donations?

Score: 2.0

Iran's NGOs Executive Bylaw remains silent about sending cross-border donations. There is one article in the Executive Bylaw that talks about international POs and their interactions with Iranian POs; participation of Iranian POs in international communities, training workshops, and exhibitions require approval from related national, provincial, or county Councils (Article 10, Note 4).

There are no costs/taxes on sending cross-border philanthropic monetary (cash, assets...) and/or in-kind donations (e.g., customs, duties, Value-Added Tax) in Iran's NGOs Executive Bylaw.

There is no explicit and specific approval process mentioned in the Executive Bylaw for sending charitable contributions abroad (e.g., advance government approval procedures, post-receipt procedures and reporting requirements, foreign exchange requirements).

There are no explicit and specific restrictions mentioned in the NGOs Executive Bylaw on sending cross-border charitable donations (e.g., mandatory routing of foreign funding through government channels, restrictions on the types of activities that can be supported with foreign funding, restrictions on source country).

Question Seven: To what extent is the legal regulatory environment favorable to receiving cross-border donations?

Score: 2.0

According to Article 6, Note 3 of Iran's NGOs Executive Bylaw, receiving donations from regional and international communities and United Nations agencies that are listed by Iran's Foreign Ministry does not require any permission or approval. The law remains general in terms of the activity of international POs in Iran and does not provide any information about receiving donations. For instance, according to Article 19 of the Executive Bylaw, Iranian POs can form a network with international POs that have common missions and/or areas of activities. They can also become a member of international PO networks as long as:

- The POs have been registered for at least two years;
- They have no previous legal records such as registration approval suspension or dissolution request from a court;
- They submit their annual financial and work reports a maximum two months after the end of the fiscal year;
- They hold Iranian nationality; and
- There are at least five Iranian POs among the founding board of the network.

Furthermore, Article 29 of the Executive Bylaw requires permission for activity and operation of foreign and international POs from a council consisting of one representative from each of the following ministries: Foreign Ministry, Interior Ministry, Intelligence Ministry, and the ministry related to the PO's area of activity. International POs are required to follow the Executive Bylaw after they receive their operation permit from the above-mentioned council.

There are no costs/taxes on receiving cross-border philanthropic monetary (cash, assets...) and/or in-kind donations (e.g. customs, duties, Value-added Tax).

IV. Political Environment

The four indicator questions in the next three sections concern the political context, economic conditions, and socio-cultural characteristics that influence the environment for philanthropy.

Question Eight: To what extent is the political environment favorable for philanthropy?

Score: 1.0

To understand the dynamics between the Iranian government and the philanthropic sector, it is important to know about the theory of Guardianship of the Islamic Jurist. This theory belongs to Shia Islam and teaches that Islam gives the Islamic Jurist (Faghih) custodianship over people during the occultation/absence of the Twelfth Shia Imam (Imam Mahdi). Based on this theory, the ultimate decision-maker in the country is the Islamic Jurist and people do not have qualifications to represent themselves and act individually and freely. Supreme Leader Ali Khamenei is the current Islamic Jurist in custodianship of the Iranian society.

Therefore, there is an inherent conflict between Iran's political system and the philanthropic sector. The government refuses to recognize the existence and independence of the philanthropic sector, while the sector strives to establish itself and grow following a long-lasting and rich philanthropic tradition in the country. Since the 1979 Islamic Revolution, and especially during the last decade, the government adopted a security-oriented attitude toward POs and tried to be the only decision-maker about POs to maintain its tight control over Iranian civil society. As an example, Keyhan, a conservative newspaper close to Khamenei, once named people-instituted organizations (what POs are called in Farsi) as "enemy-instituted organizations" in an article. In another example mentioned earlier in Question 2, Iran's Interior Ministry called for a court decision to dissolve Imam Ali Student Society Against Poverty because of threatening national security and disrupting public opinion through its philanthropic activities. Many of the Iranian philanthropists and human rights activists have been jailed under security charges for their peaceful activism.

Article 14 of the Executive Bylaw states that POs can share effective or proper solutions to governmental and public non-governmental entities at the national, provincial, and county levels according to their areas of activities. The article also allows POs to provide suggestions to governmental and public non-governmental entities about impacts and consequences of the entities' activities and to notify related legal authorities of those entities' flaws and problems. Finally, POs can help governmental and public non-governmental entities implement programs and projects through mutual agreements. However, this opportunity has never been fairly and equally implemented for all POs in Iran. There are some POs close to the government and its Internet, which can work with governmental entities. However, this opportunity is not provided for all POs inclusively and without discrimination.

Since 2018, Iranian society has witnessed one nationwide protest against the establishment along with daily demonstrations across the country by different groups such as workers, teachers, retirees, students, nurses, women activists against compulsory hijab, and minorities against corruption, economic deterioration and lack of fundamental freedoms. The regime is dealing with a legitimacy crisis and is struggling to survive through suppressing methods such as nationwide Internet shutdowns, mass arrests, and executions. At the same time, society is showing more and more discontent with the regime. This political crisis could inspire and encourage more public mobilization and collective actions through—or independent from—POs.

Question Nine: To what extent are public policies and practices favorable for philanthropy?

Score: 1.0

The Iranian government promotes only Islamic charitable traditions such as Waqf, Zakat, Nazr, and Sadagah. Other philanthropic traditions that are basically Iranian are suppressed or banned by the government. This is because Iranian philanthropic traditions include ceremonies and public gatherings, which look like national security threats to the government.

There is no coherent and consistent national policy in support of PO development in Iran. According to the Executive Bylaw, the National Council of Associations' Support and Development is the prime source of policymaking and development of POs at the national, provincial, and county levels. The council has a secretariat in the Ministry of Interior and all of the country's governorates. The council is composed of the social deputy of the Interior Minister, representatives from ministries of Cooperation, Labor and Welfare, Sport and Youth, Judiciary, Department of Environment, Department of Cultural Heritage, Ministry of Cultural Heritage, Tourism and Handicrafts, and deputies to the President in Women and Family Affairs, with four other representatives from related governmental entities depending on the PO's requested area of activity (Article 1). The council is dominated by representatives from governmental bodies and is not an independent entity. In other words, the council functions as a supervisory mechanism to closely monitor and control the formation and operations of new POs, and the patterns and tendencies within the civil society. This council is the final decision-maker regarding whether a PO's registration application should be approved or rejected, along with its power to monitor operations and functioning of the registered and active POs (Article 22). As a result, donors' freedom to support causes of their choice is limited.

Different government agencies in charge of POs' registration and operation have no written and explicit cooperation guidelines to follow. Therefore, there is a considerable amount of confusion around government procedures and support mechanisms for POs.

V. Economic Environment

Question Ten: To what extent is the economic context favorable for philanthropy?

Score: 1.5

Iran's economy is not growing and the outlook of it is not promising, either. There are different factors contributing to economic deterioration in Iran:

- Iran is dealing with different crises: a water shortage, environmental issues, pension system issues, banking system problems, government budget shortages, and unemployment. At the same time, Iran's economy is facing a downturn while struggling with five major recessions: macro-economic recession, structural decline, institutional recession, global recession, and decreasing oil revenues. According to Iran's latest data, 11.18 percent of the total labor force is unemployed;
- Corruption has taken over the country and hindered economic growth and entrepreneurial initiatives, and therefore products of social wealth. Iran is among the 30 most corrupted countries, being ranked 149 out of 180 in the 2020 Corruption Perceptions Index of

Transparency. Not surprisingly, corruption and economic deterioration decrease social capital and trust, and weakens the philanthropic sector;

- Tax evasions and unpaid bank loans have lowered government income, especially during the past four years; and
- The private sector is small (20% of the economy) and not independent; Iran's military runs the sector through more than its 800 companies in oil and energy, telecommunications, , transportation, and banking among others.

As a result, Iran's middle cultural class that has supported the philanthropic sector for the past few years is under pressure now more than ever.

VI. Socio-Cultural Environment

Question Eleven: To what extent are socio-cultural values and practices favorable for philanthropy?

Score: 2.3

Iranian society is dealing with a dual identity crisis. On one hand, there is the long-standing tradition of compassion, trust, and community support in the Iranian culture. This tradition is inspired by ancient Iranian religions such as Zoroastrianism, and remained powerfully in effect through ceremonies, literature, and arts. But, on the other hand, materialistic values such as mere self-interest and individualism have grown into popular morals in society. Research suggests that after the 1979 Islamic Revolution, Iranians moved toward more materialistic and less immaterial principles. As a result, people choose actions with a short-term return, surrounding their transient interests. The notion of public good has been weakened during the past four decades, and people feel less responsible and motivated to help each other for the greater good. Besides this duality, the Islamic Republic has deliberately encouraged charitable causes and practices in society to block the development of civic engagement and POs. For instance, charitable Islamic traditions such as Nazr are now widespread among Iranians, while volunteering in local POs is not.

Another critical point here is the prominent Iranian demeanor. According to research, minimal trust, lack of a culture of group work, and fatalism are among the first major cultural problems of the Iranian people. Even though there are historical reasons for these characteristics, such behaviors and attitudes cause passivism and social apathy that translate into low civic engagement, minimal volunteerism, and a weaker philanthropic environment.

From a short-term perspective, current socio-cultural values do not encourage philanthropy in Iran. However, from the long-term outlook, old and established altruistic and collective values still are powerful enough to maintain the spirit of giving and caring in society.

VII. Future of Philanthropy

These questions are used to provide a general picture of the future of philanthropy in this country as well as recommendations to improve the philanthropic environment.

Current state of the philanthropic sector

Philanthropy is not institutionalized in Iran. What does this mean? First of all, the Islamic Republic does not support and promote philanthropy because voluntary action for public good leads to a robust civil society, and civil society is the enemy of the core idea of a Shia government. The Islamic Republic defines society based on Shia Islamic values, which deny agency of individuals and instead considers people in need of an Islamic Jurist custodian (Velayat-e-Faghih). Second, the Iranian public does not look at philanthropy as a medium to solve societal problems and to create a desired society. The society has not yet experienced, or even exercised, the power of civic participation, volunteerism, and POs' operations. Therefore, there is no public education and awareness of philanthropy among the public.

What is seen in Iran is mostly charity. Charity is what the government supports and finds harmless, and what the people are familiar with due to both Iranian and Islamic charitable traditions.

In Iran, philanthropy is an infant, to be optimistic. However, there is hope for transition from charity to philanthropy for two main reasons: the international community, including Iranian activists and rights defenders outside the country, is working to educate the public on civic values and to build capacity of Iranian POs to become more sustainable and civically oriented. Second, Iranian society is going through many changes such as women's rights and democracy movements. Iranian youth and women, minorities, and the poor, are all engaged in these movements and already practice voluntary action for public good.

Three major recent events affecting the philanthropic landscape between January 2018 and December 2020

- 1) Dissolution of Imam Ali Society of Students Against Poverty in 2020.
- 2) Economic deterioration due to internal corruption and sanctions.
- 3) COVID-19 crisis.

Future development trends in the philanthropic landscape

- Online campaigning has become common among the practitioners in the nonprofit sector to raise awareness, fundraise, and bring change in areas of activities approved by the government.
- Professionalism of philanthropy sounds like an emerging effort in Iran. There are a few websites such as www.wikiniki.org that share updated educational content on fundraising and nonprofit management. These are very new concepts and practices in the Iranian context.
- There is a new form of philanthropy, called Nazr-e-Farhangi (cultural Nazr), promoted by the Iranian government, that encourages professionals to share and/or donate their time and knowledge with target groups in need of their areas of expertise. This form of philanthropy has been offered to the public by the Tehran Municipality, an organization dependent on the government and with low transparency over its income and services.

Three key recommendations to improve the environment for philanthropy

- Educate the Iranian public about philanthropy (what philanthropy is, why people should volunteer, what POs can do and why they exist, and how people can use POs to enjoy their human rights and build their desired community)
- Build the capacity of Iranian POs (train POs' staff on nonprofit management, fundraising, volunteer recruitment, networking, communication with other sectors, finance, etc.)
- International community (NGOs, United Nations bodies, policymakers, analysts, human rights activists and lawyers) should hold the Iranian government responsible to implement ratified conventions of:
 - International Convention on the Elimination of All Forms of Racial Discrimination (ICERD, 1965), ratified by Iran on August 29, 1968.
 - International Covenant on Civil and Political Rights (ICCPR, 1966), ratified by Iran on June 24, 1975.
 - International Covenant on Economic, Social and Cultural Rights (ICESCR, 1966), ratified by Iran on June 24, 1975.
 - Convention on the Rights of the Child (CRC, 1989), ratified by Iran on July 13, 1994.
 - Convention on the Rights of Persons with Disabilities (CRPD, 2007), ratified by Iran on October 23, 2009.

And, to ratify and implement these conventions:

- Convention on the Elimination of All Forms of Discrimination against Women (CEDAW, 1979).
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT, 1984).
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (ICRMW, 2003).
- International Convention for the Protection of All Persons from Enforced Disappearance (CED, 2006).

The international community should prioritize development of civil society and protection of human rights (including the right to free association and assembly, freedom of speech, etc.) and implement maximum measures to hold the Iranian government responsible to internationally recognized and cherished civic values that help develop philanthropy in Iran.

VIII. Philanthropic Response to COVID-19

These questions are used to provide a general picture of the philanthropic response to the COVID-19 pandemic in this country and recommendations for improving cross-sectoral collaboration.

Areas where the nonprofit sector and philanthropy are playing a role in responding to COVID-19

Based on limited available data, it seems that Iranian POs have been mostly engaged in the following activities in their efforts to combat the pandemic:

- Raising public awareness about the pandemic and required health measures.
- Supporting the livelihood of impacted low-income families.
- Distribution of medical and protective equipment and face masks for hospitals and individuals.
- Providing psychological support for the public and the affected families and individuals.

Innovation and new trends in the nonprofit sector and philanthropy related to COVID-19 responses

According to the limited data and resources available, these trends and innovations have been observed in the non-profit sector:

- Increased and more efficient cross-sectoral collaboration between the public, private and nonprofit sector:
 - Iran's Yazd province's broadcasting Health Network channel joined Meybod (city in Yazd province) city's community and religious leaders and formed a group called COVID-19 Response by Practicing Self-care in 2020. One-third of the families of Meybod became members of this group to serve local people affected by the pandemic through awareness raising, psychological support and financial support for the families affected by the virus.
 - Culture House, a PO in Yazd province, raised USD 100,000 in collaboration with the local government and supported local hospitals and emergency rooms in 2020.
 - The Iranian government and Iranian Red Crescent Society (IRCS) collaborated to recruit more than 95,371 volunteers and establish COVID-19 test centers (including mobile test centers). According to the data available in a research study, about 21,640,866 people were tested and monitored during 2020. IRCS supported the Iranian government through sharing healthcare facilities including ambulances, raising public awareness about the pandemic, psychological support, fundraising, and financial support of affected families. IRCS also worked with a network of Iranian POs by assigning each PO to one hospital to distribute medical equipment and provide them with relief assistance.
 - A giant Iranian distribution company, Digikala (similar to Amazon in the U.S.), cooperated with four POs to raise money for homeless people and children during the pandemic. Digikala offered a 50 percent discount on products to allocate the discounted amount to its partner POs.
- Development of new online modes of donation and support:
 - Mahak, one of the most well-known and credible Iranian POs dedicated to helping children with cancer, launched a new website with more online ways to facilitate public donations.
 - The University of Tabriz collaborated with a number of local POs to create portals to distribute updated and credible information about the pandemic and health measures to the public. This portal was a case study, as accessible and trustworthy modes of communication are currently lacking in Iran for the public to interact with other sectors and organizations.
- National campaigns: Decent Philanthropists Foundation launched a national campaign to raise funds to combat COVID-19 and support the poor affected by the pandemic in 2020. The campaign has so far raised enough money to equip hospitals in the Sistan and Baluchistan Province, among the poorest provinces of the country and the home to the Baluch ethnic minority.
- Local associations: according to limited available data and news, the Iranian people responded to the COVID-19 pandemic through religious and ethnic minority associations.

Impact of COVID-19 on the philanthropic environment

A reliable response to this question requires much more data and news about how the different sectors have been affected by the pandemic. The Iranian government refuses to provide detailed information about the real and exact effects of the pandemic and it is very difficult to analyze the situation.

However, based on available information, the pandemic forced people (and especially local communities) to gather and take collective actions to support their communities throughout this crisis. Volunteerism has improved in some areas of the country since the pandemic started. On the other hand, Iran's economy has been adversely affected by the pandemic and the country experienced negative economic growth in 2020. Many people have not only lost their jobs but also never were covered by any COVID-19 insurance plan. The financial capacity of a considerable number of people decreased, which would obviously affect donation amounts. One such group affected financially by the pandemic are workers.

Anticipated impact of COVID-19 on the philanthropic environment in 2021

Lack of trust between different sectors of society, especially among the government and civil society, will remain the biggest problem in the philanthropic response to the COVID-19 pandemic. Since the first case of COVID-19 was identified in late February 2020, the Iranian government followed policies of denial of the disease and spread of disinformation about the magnitude and depth of the pandemic. The Iranian government also refused to provide COVID-19 vaccines approved by the World Health Organization. Iranian Supreme Leader Ali Khamenei said that "American and British vaccines are not trustworthy" and banned Iranian authorities from allowing use of WHO-approved vaccines. As of now, less than 1 percent of the Iranian population has been vaccinated, and according to Iran's Health Ministry, more than 63,699 have lost their lives to the virus. Experts and analysts believe that the real number of COVID-19 deaths is at least two to four times more than what Iranian authorities announce. As a result, it is anticipated that more informal and local groups with higher levels of mutual trust and transparency will continue to form and support their local communities to combat the pandemic.

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