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**Philanthropy in Developing Nations;
Gifts and Giving in the Caribbean
(Kingston, Jamaica)***

Mr. Chairman, Ladies and gentlemen

First I wish to add my words of welcome to this Conference which promises to open new avenues, at least of thinking about the role of philanthropy in the development of our nations. The international flavor, both in terms of participation and themes brings home the clear message that the developments in this field, like many others are becoming more and more global in reach as we appreciate the interconnectedness of many of our problems and therefore the nexus that we must seek for the solutions.

Let me congratulate Ms. Nicole Sharpe for her tenacity of purpose and apparently boundless energy in organizing this Conference and also recognize the support of the various agencies and organizations, both local and international which have collaborated in putting this together. I must also thank Dr. Dennis Lalor, chair of the Endowment Fund not only for his support to this endeavor, but also for being a constant source of help and advice to the University and at a personal level to me as its Chancellor.

As I prepared for this Conference, my surprise grew at the depth of the field and how much is there to learn about philanthropy –it seems that the business of giving is one of the fastest growing businesses and I was pleased to note a prediction by the usually conservative *Economist*¹ that a new golden age of philanthropy may be dawning. I hope this means that the time I have invested in learning more about philanthropy will not be wasted. In the USA the giving from all sources is increasing and according to the *Economist*, the number of private foundations has risen from about 22,000 in the early 1980's to 65,000 today. The number of the wealthy in the developed world is increasing, corporate profits are booming and the sums of money that will be transferred from this generation to the next in the next few decades are staggering. All of this bodes well for philanthropy.

My reading reminded me of the pristine meaning of the term philanthropy-love of human kind, although it has always intrigued me how love of humankind came to be equated with giving. I was reminded through a recent lecture by Rebecca Rimel, the President and CEO of the Pew Charitable Trusts that the first philanthropist was

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¹ The Economist. July 31 – August 6 2004. Special Report – Philanthropy – Doing well and doing good. p.57-59. This issue also deals with remittances from migration in economic Focus/Monetary Lifeline. p66.

Prometheus who, according to ancient mythology gave man the gift of fire which led to the first great transformation of our circumstances and perhaps started us along the path of modifying nature and improving the quality of our life.²

Without going back to Prometheus, many of our Caribbean peoples can claim a long history of philanthropy, as the practice of giving and sharing is very much a part of our cultural heritage, as evidenced by the “meeting turns” of Barbados, the “su su” of Trinidad and Tobago and the “partner” of Jamaica that were commonplace in the social environment of my generation.³ But this was very much an individual, or person to person form of giving and sharing. We now have to see philanthropy, even that which comes from individuals more in the nature of giving that impacts primarily on groups of people rather than on individuals. In this new world of ours when we are looking for the solution of serious global problems, it is natural to see whether giving can contribute to some of the global solutions.

Lincoln Chen who once headed a project at a major philanthropic organization—the Rockefeller Foundation asked two very important questions in a conference similar to this.⁴ He agonized over whether philanthropy as we know it could really make an impact on the major social problems, especially of the developing world, as it was essentially a transfer of resources from one elite group to another. He also asked whether the wealth accumulated and predicated on the basis of inequality in the global system of exchange could really ever seek to reduce those inequalities, as in some sense it would be biting the hand that fed it.

I am rather more sanguine about the prospects for philanthropy and that derives from my having a much broader view of what is philanthropy in and for the developing world. However, we must begin by recognizing that the vast majority of the philanthropic enterprise of the developed world is directed to its own problems. It was estimated recently that of \$240 billion in total annual giving in the United States, less than two percent is directed to the social problems and the institutions of the rest of the world and we should note that only about one eighth of that total amount came from grant-making foundations.⁵ The obvious conclusion is that if indeed the practice of giving is important to our development, then we have to look at novel approaches that seek to increase both the size of the giving, but also the number of actors involved locally and internationally.

² Rimmel RW. Charity and Strategy: Philanthropy’s evolving role. Proceedings of the American Philosophical Society. Vol 145 No. 4 December 2001. 587-595.

³ These forms of sharing have different names throughout the Caribbean but represent an early form of “banking” in which individuals contributed a set sum of money that went to each one “in turn”. This clearly implied considerable amount of social trust.

⁴ Chen LC. “Philanthropy and social change in Latin America: Strategies and Lessons.” [http://www.fas.harvard.edu/~acgei/PDFS/Philanthropy PDFS/Phil_Change.pdf](http://www.fas.harvard.edu/~acgei/PDFS/Philanthropy%20PDFS/Phil_Change.pdf)

⁵ For remittances, giving and its relation to US Foreign Aid. See Adelman CC. The Privatization of Foreign Aid. Reassessing National Largesse. Foreign Affairs 82. November/December 2003. 9-14. See also Brown M. Giving USA 2004: The Annual Report on Philanthropy. New York: AAFRC. Trust for Philanthropy, 2004.

But I do not wish to give the impression that the Caribbean has not benefited from external philanthropy. There are numerous foundations and individuals that have contributed importantly to our development. If I had to single out one that affected me most, it would be the Carnegie Foundation that established public libraries in the developing countries. It is from this institution that as a youngster I could quench my thirst for reading, and even now I marvel at the range of topics the Barbados public library covered. I still record with affection the day I graduated from the junior to the adult library and could enjoy adult literature in the days when that adjective had a connotation different from the one it enjoys now.

I am familiar with many examples of philanthropy contributing to the solution of some of our health problems in the Caribbean. The Rockefeller program to eliminate yaws and its creation of the Trinidad Virus Research Laboratory that is the forerunner of the present Caribbean Epidemiology Center comes to mind. The Wellcome Trust has been a major and consistent contributor to health research in the University over the last thirty years. The Kellogg, Ford and Milbank foundations have provided critical support. I am sure that the University has been the beneficiary of considerable international as well as domestic philanthropy in many other fields and every year the Development Funds on our three main campuses record significant philanthropic contributions to our programs. I could find record of the Grace Kennedy Foundation for example, funding several scholarships and two professorial chairs.⁶ There are several other examples throughout the University of awards, bursaries and scholarships given annually through private and corporate contributions.

Much of the advantage of the philanthropic contributions in general is their flexibility and the readiness of the donor to take risks in supporting a cause or project that would not qualify for government support. Of course this flexibility does not entail lack of accountability, the need for the recipients to be conscious of their fiduciary responsibility and the need to adhere faithfully to the terms of the gift. The pressure on the part of the philanthropic organizations to build in appropriate monitoring and evaluation practices into their projects and programs is increasing, which is good for both the donor and the recipient.

But I would not wish our visitors to leave here believing that the Caribbean has always been only on the receiving end of philanthropy. There were times when we gave and gave generously to worthy causes abroad. I will go beyond the area of the contribution that our ancestors made to the development of the industrial north as that can not be counted as philanthropy. That contribution was not willing and was certainly not based on love of humankind.

I have a much more specific example.⁷ The first Medical School in the USA was established in Philadelphia, and soon found itself in financial difficulties. The trustees sent the Professor of Medicine-John Morgan to the Caribbean to raise money to support

⁶ Grace Kennedy and Company Limited http://www.gracekennedy.com/grace/corp_Citizenship.htm

⁷ Hill KR. Parboosingh IS. The first Medical School of the British West Indies and the first Medical School of America. A historical relationship. West Ind Medical Journal 1:21-25:1952.

the school. In 1772, he directed himself to “*The inhabitants of Jamaica and British West Indies, Friends of liberty and Science and well wishers to the interest and advancement of useful literature*”. The deed of authority that Professor Morgan bore from the University officials said that they “*cannot but turn their eyes towards their neighbors in the West India Islands, a people blest with opulence and known to delight in acts of liberality and kindness*” I trust we are still so regarded! Unfortunately a hurricane swept the Caribbean that year, but in spite of that Professor Morgan returned in 1773 with the princely sum of 860 pounds. Thus the first Medical School in the USA was supported in its time of difficulty with money from the Caribbean. I once asked my colleagues in Philadelphia if they would consider repaying the principal and we would negotiate an equitable return of some of the interest. I have not been successful—yet! But it may not be inappropriate to remind Philadelphians from time to time of that generosity.

Both from my previous position as Director of the Pan American Health Organization and now as Chancellor, I have appreciated the difficulty the Caribbean faces in attracting major philanthropic support from the traditional sources. Our Region is perceived as being well endowed compared with other parts of the developing world, and the arguments about our vulnerability by reasons of our geography and size do not resonate well. The fact that there are high transactional costs for our operations and therefore we need special consideration is not always viewed positively. In addition, much of the worlds’ focus is on the relief of poverty at a level that does not obtain here.

We face another problem with relation to mobilization of domestic philanthropy, as our development to date has not allowed the accumulation of the massive personal fortunes that have been the genesis of many of the most notable foreign philanthropic institutions. There are no Bill Gates or Ted Turners in the Caribbean—at least not to my knowledge.

Perhaps the Caribbean has been influenced significantly by the British concept of philanthropy that has tended to see it as more of a private activity and as an act of charity, in which there is distance between the giver and the recipient.⁸ This is of course different in the USA where philanthropy is more of a public activity, is regarded as proper generosity and tends to focus on specific causes in which the donor has some strategic interest. Some of this British and Caribbean attitude may be based on the view that many of the areas that merit support are the responsibility of the government.

I believe that local Caribbean philanthropy which is both corporate and private is beginning to look more like the North American model as more and more of our business contacts are in that area. It has been pointed out to me that areas such as education and sport benefit tremendously from domestic philanthropy, although I have been unable to find the empirical data. One point to be made here is that this whole area should be a proper field of study for the University of the West Indies.

⁸ Wright K. Generosity vs Altruism. Philanthropy and Charity in the US and UK.
<http://www.jhu.edu/~istr/conferences/dublin/workingpapers/wright.pdf>

Our efforts to stimulate philanthropy directed to our problems will have to develop some novel approaches. We have to recognize the tendency in the American foundations at least to be adopting a more strategic approach to philanthropic giving. There is more emphasis on partnerships that seek to address root problems and a greater use of non-governmental organizations and non-traditional institutions as partners.

The most intriguing and promising avenue being opened to us is that of diasporic philanthropy which is also attracting serious academic study as I found from a recent paper by Kathleen Dunn on “Diasporic Giving and the Future of Philanthropy”.⁹ One of the sequelae of the enhanced global interconnectedness is the increased movement of people. One estimate puts the number of migrants at about 200 million persons annually. These persons maintain ties with and affection for their places of origin and in terms of philanthropy, this is played out in two important phenomena—personal remittances and support of Home Town Associations.¹⁰ I separate this form of organized and sustained philanthropy from the often substantial and spontaneous support that comes in the wake of natural disasters as we know too well from our recent experiences.

Remittances globally accounted for between 80 and 100 \$US billion in 2003 and was significantly higher than all other forms of external assistance. The data for the Caribbean for 2002 show that remittances for Jamaica, Guyana and Trinidad and Tobago were 1.2 billion, 100 million and 50 million USA dollars and represented 15, 14 and 0.76 percent of GDP respectively. In the case of Jamaica, 70 percent of the remittances came from the USA.

Diasporic giving is mainly by individuals, and when it is not in the form of remittances for family support, is usually directed at some special project or cause in which the individual has an interest. There are of course the diasporic associations that support activities and causes at home. But the diasporic philanthropy must not be seen only in terms of financial contribution, as there is a tremendous pool of expertise and ideas that might be mobilized to address some of our problems. Volunteerism is increasing as a form of philanthropy. I applaud the excellent initiative of Jamaica to recognize the value of an organized approach to diasporic philanthropy.

The value of Home Town Associations is being recognized and researched in Latin America where they have even attracted government matching funding. The home town develops projects which are then funded by the diasporic group. I suppose the closest Caribbean experience might be the “Old School Associations” which apparently do very well in North America.

⁹ Dunn K. Diaspora giving and the future of philanthropy.

<http://www.tpi.org/karoffcorner/invited@20commentary/dispора>

¹⁰ Orozco M. Lapointe M. Migration, remittances and the rural sector in Latin America.

http://tcdc.undp.org/coopsouth/2003-2/coopsout_E82-96.pdf

Note. Manuel Orozco has an extensive bibliography on migration in Latin America and the Caribbean. See Orozco M. Hometown associations and their present and future partnerships: New development opportunities. Inter-American Dialogue. Report commissioned by USAID. Washington, D.C. September 2003.

I see the timing of this conference as particularly important for the University of the West Indies as it coincides with our renewed interest in philanthropy and the possible sources of philanthropic giving. There can be little debate in the Caribbean as to the value of the University as a regional institution. As I pointed out recently, it is the unique provider of some regional public goods and at the same time is responsible for both providing and assisting in the provision of the kinds of private goods that are derived from tertiary education. But it is becoming clear that governments are finding it increasingly difficult to support the current activities and the difficulty is increased when one contemplates the new developments that are needed to maintain the University as a premier teaching and research institution. It is small comfort that we are not alone in this predicament, as public universities all over the world are facing similar problems. It therefore behooves us to look for non-government sources of funds apart from the contribution of students. Therefore, investigation of philanthropic giving will increasingly be an important feature of our activities. I was intrigued although not comforted to read a comment in the same *Economist* to which I referred earlier. It said:

“few of Europe’s impoverished universities employ professional fund-raisers. Top American universities employ hundreds. At least two of Britain’s best university fund-raisers, at the London School of Economics and Bristol University, are American imports.”

I am afraid we are more like Europe than America—so far!

I can see four main areas of action for the University. First we need to understand better the nature and direction of global philanthropy, but more specifically we need a clearer appreciation of the details of Caribbean giving. There is no equivalent of a Foundation Grants Register for the Caribbean. This is a proper area for academic enquiry, but it is also indispensable for any structured approach to the development of philanthropic giving to the University as a whole. Perhaps my search was too narrow, but I could find no major scholarly work on Caribbean philanthropy. If there is one, I would be delighted to know of it.

Second we must enter decisively into the field of diasporic philanthropy. There are two aspects to this. There are persons in the diaspora who can be mobilized to be our agents and actors, remembering that diasporic philanthropy is not restricted to financial contribution and there is a tremendous value to be derived from diasporic volunteerism and contributions in kind. There must be ways of tapping the goodwill the diaspora has for the Caribbean and its institutions and I hope the forthcoming World Cup for example, will present an opportunity for the University to bring itself to the notice of the wide diaspora. I hope that during the Conference we will hear some ideas of how through careful marketing of what we are and what wish to become we can channel some of the diasporic philanthropy to the University

Third, we must mobilize our alumni, both those who are in the diaspora as well as those who reside in the Caribbean to support the University and again the effort must not only be directed to mobilizing financial resources. The most successful Universities call

upon their alumni for annual regular giving as well as for planned giving. This latter is foreign to most of us and it refers to the process of making a charitable gift of estate assets that requires consideration and planning in light of an overall estate plan. Our University is acquiring professional expertise in this area.

Finally, there has to be a considerable effort to strengthen corporate relationships, and have a much better picture of the kinds of legal arrangements that will facilitate corporate and individual giving. The Caribbean corporate world has a stake in the University that goes beyond providing graduates to fill its jobs. I hope it will continue to see that it is in its interest to support a regional institution that has helped and will continue to help create the Caribbean consciousness and climate that are essential to regional business.

Given the collection of talent here, I am sure the Conference will go well and I would only ask that you end not only with declarations of good intent but also with firm plans to stimulate philanthropy in and for the Caribbean.

I wish you a successful Conference