



Red Cross volunteers dealing with the aftermath of the 2004 tsunami

The potential of charity for development

Summary

Over the last few years there has been a growing interest in the role of charities, philanthropic institutions and foundations in the development process. In part this has been the result of increasing pressure on donor governments support for ODA, and in part the result of the rise of major foundations, for instance the Gates Foundation. The result has been changes in the architecture of aid and increasing interest into what can or cannot be achieved by philanthropic and charitable organisations, as well as the general effectiveness of such aid.

This briefing considers the potential of indigenous forms of charity to support development activities in Colombo, Sri Lanka. This site was chosen in part

because of the high levels of charitable giving reported from Sri Lanka, and the wide range of social and economic conditions found in its capital. The report describes the main features of the Colombo 'philanthroscape'. It discusses the frequently made distinction between self-interested' and altruistic behaviour and the degree to which this is valid in the Colombo context. The report examines the relationship between religious identity, the nature of giving, the character of recipients and the impact this has on wider social relations. Finally, the developmental potential of charity in Colombo is examined and the degree to which it can move beyond an interest in social protection towards more transformative interventions.

Key findings

- In practice it is difficult to demarcate a discrete area of activity which can be labelled as 'charity'. Rather charity merges into the wider world of social obligation, local level relations of reciprocity and hierarchical relations of dependence and subordination.
- It is extremely difficult to maintain the distinction between 'self-interested' and 'altruistic' behaviour. Self-interest and altruism are frequently aspects of the same relationship or activity.
- In Colombo, the main driver determining the form and content of charitable activities is religion. All four main religions found in Colombo see charity as a central religious duty and encourage their adherents to give in specific ways.
- This leads to a tendency for charitable flows to take place within religious communities and to encourage already existing forms of social difference and opposition.
- It also leads to charity being used as a form of moral discipline inculcating certain forms of behaviour amongst recipients.
- Most charity is directed towards social protection and direct assistance to the poor and the marginal in terms of food, medical assistance and to a lesser extent housing. Little attention is paid to more transformative or radical forms of development interventions.
- This is a particular issue for organisations which have depended on foreign sources of funding and which now find it extremely difficult to mobilise local resources.

About this policy briefing

This briefing paper was written by R.L. Stirrat, Tom Widger, Sarah Kabir and Filippo Osella and is a research output from the 'Charity, Philanthropy and Development in Colombo' project, funded by the ESRC and DfID (www.charityphilanthropydevelopment.org).

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The research

The research on which this briefing is based was conducted as part of a DFID-ESRC funded project. Field research was carried out in Colombo, Sri Lanka, in 2012-2013 and involved researchers from the University of Peradeniya and the Centre for Poverty Analysis in Sri Lanka working with staff from the University of Sussex in the UK.

A key objective of the research was to identify the role that indigenous philanthropy plays and can play in development. In contrast to the activities of major international development foundations, little attention has been paid to the developmental potential of indigenous charities (as distinct from NGOs) in the development process. The project sought to assess the degree to which charitable activity in Colombo is orientated towards development rather than other objectives and the degree to which charitable actions reinforce or subvert existing systems of marginalisation and impoverishment. At the same time, the research sought to identify how charitable resources can be more fully mobilised to achieve developmental goals and what has to be done to realise this potential.

Qualitative and quantitative research was carried out in Colombo and its immediate environs. This focused on donors (both individuals and corporate), charitable organisations and recipients. A combination of research methods was employed including questionnaires and household surveys in selected areas of Colombo, structured and unstructured interviews with a broad range of stakeholders in the charitable sector, and participant observation. Historical data were also reviewed in order to provide temporal depth to the research.

Introduction

Whilst there is a growing literature on the activities of international philanthropic bodies, so far there has been relatively little interest in the activities of charities and philanthropic institutions in the developing world. This is particularly significant given the frequent calls to NGOs and other organisations in the developing world to become less reliant on external sources of funding and to increasingly tap local resources. How realistic such calls are is unclear, and the major aim of this research project was to determine the potential of mobilising local forms of charity and philanthropy to support development activities.

Sri Lanka in general and Colombo in particular were chosen as the research locale for a number of reasons. First, international figures indicate that Sri Lanka is one of the most generous societies in the world in terms of private charitable donations. Second, Sri Lanka is moving into the category of 'lower middle income country' and will become less eligible for ODA and less attractive to western NGOs who have over the last few decades mobilised charitable funds in donor countries to support activities in Sri Lanka. Third, Colombo is of particular interest because of the variety of social, economic and religious formations found in the city. This has allowed researchers to identify the factors which encourage some people and not others to give, the sorts of activities they support, and ways in which charitable actions relate to changing economic structures.

Altruism and self interest

The research reinforces existing evidence that levels of giving in Sri Lanka are high and that most households are involved in charitable activities of one sort or another. This involves a whole range of activities: from giving to beggars on the street or outside religious buildings; giving to poor neighbours, relations or friends; giving to religious organisations; supporting orphanages and homes for the elderly; donating to religious organisations; assisting poor children with school fees or with school meals.

What also stands out is that it is extremely difficult to demarcate a discrete area of activity which can be labelled 'charity' or 'philanthropy'. Rather what can be described as charity is embedded in a wider matrix of social and economic relations, and often part of a complex mesh of reciprocal relations. This helping poorer kin or neighbours is predicated on the expectation of assistance when needed in the future. Similarly donations to assist the poor through religious organisations, for instance Catholic churches, is in effect a means of claiming membership of the religious community and thus gaining access to a network of potentially important contacts. Charitable activities of the rich are similarly embedded in a wider context. So for instance would-be and practicing politicians are very frequently involved in establishing and maintaining charitable organisations which can be used to create ties between patrons and clients.

Thus what stands out is that charity in Sri Lanka tends to be highly personalised. In contrast to the anonymous relationship between giver and receiver which characterises much charitable behaviour in the Anglo-Saxon world, here charity creates and maintains identifiable social relationships. What is conventionally called 'charity' is only one element in a continual flow of mutual obligation and reciprocity.

This leads on to another important feature of charity in Sri Lanka (and almost certainly elsewhere). Much of the literature on charity and philanthropy makes the conventional distinction between self-interested and altruistic behaviour. Thus a contrast is drawn between the ethos which dominates and determines economic behaviour in the market, and an opposed ethos of disinterest which determines behaviour in the fields of charity and philanthropy. This research challenges that distinction and finds little if any evidence to support it. Seemingly disinterested donations further individuals' self-interest; seemingly self-interested activities frequently have a charitable or philanthropic element to them. Through what is conventionally seen as charity people gain status, economic and political linkages, and create insurance networks.



What development will involve: a library destroyed in the civil war

The religious nature of charity

In Colombo, most charitable activity is in one way or another couched in religious terms. Indeed, one of the presidents of a secular charity complained that there was 'too much' religion and that this severely limited the ability of that organisation to garner support. Whilst we can see charity in the material terms outlined previously, for many people the imminent motivation for charitable acts derives from the religious sphere. This is perhaps most clearly seen in the context of Islam where formal ideas concerning *zaqat* and *salaka* ensure that charity is an inherent part of the religious life. In other religious traditions represented in Colombo there is less formal routinisation of charity but an equal stress on its importance. Buddhists stress the importance of 'giving' in generating merit on the part of the donor whilst Christian groups also stress how gifts to religious organisations and the poor generate blessings. Put crudely, once again we are in a world where charity is not disinterested but brings benefits to the donor, this time spiritual rather than material.

The importance of religion as a prime mover of charitable activities has certain implications. One of these is that charitable flows tend to take place within religious communities. Muslims give to Muslims; Buddhists to Buddhists; Catholics to Catholics. There are frequently statements that charity is distributed with no cognisance being taken of the religion of the beneficiary, and whilst this is certainly true in some cases, in general donor and donee share the same religion. This at times gives rise to tensions, for instance certain Buddhist groups accusing evangelical churches of using charity as a means of converting people to a specific religion, or accusations that *zaqat* etc. give Muslims an unfair advantage in the commercial world.

A second implication of the religious character of much giving is that it tends to be directed to the 'deserving poor'. This is particularly evident amongst Christian groups where the moral character of the donee is seen as highly significant in terms of who receives and who does not receive charity and attempts are made to control random charitable actions by channelling it through formal Church organisations. In this sense charity is a means of ensuring a certain degree of 'moral discipline' amongst recipients.

Social protection versus development

Related to this is the stress running through almost all the charitable sector in Colombo on 'social protection' rather than 'development'. As far as the generality of donors are concerned what is important is the existence of people to whom donations can be given. Only rarely is there any interest in broader developmental objectives involving the transformation of the structures which generate the poverty and marginality which charities attempt to alleviate. Indeed, one could argue that a focus on development would threaten the very essence of charity and the benefits which flow to the donor as it would undermine the existence of suitable donees.

This tendency is apparent in the problems facing local development organisations. In the past they have been highly dependent on overseas sources of funding to support their development activities but such funds have become increasingly scarce. As yet these organisations have failed to identify or encourage Sri Lankan sources of funding and given the nature of the charitable sector in Sri Lanka it is unlikely that they will be able to utilise these resources.

Policy implications

- It would be a mistake to over-estimate the potential of indigenous charity to be a major player in financing development initiatives. The logics and motives behind charitable activity are frequently inimical to development interventions.
- A key challenge is how to reorient charitable activities away from a narrow focus on Social Protection towards a broader focus on development as a process involving social transformation and structural change. If this is not possible then attention should be paid to making Sri Lankan charities more effective in Social Protection activities. One possibility here is to explore the possibilities of conditional and unconditional cash transfers within the context of individual charitable initiatives.
- Whilst recognising the importance and scale of faith-based organisations, there is a danger in the Sri Lankan context that charitable activities associated with such organisations work to reinforce existing ethnic and confessional divisions. It would be naïve to see them as neutral players in the development process.
- Consideration should be made as to the potential for improving the capacity of non-religious organisations to raise and manage their own funds. This could build on existing partnerships between Sri Lankan organisations and those based outside the country.
- There is a major problem in that successful charities may be seen as a threat to the activities of the state. Individual politicians and political parties have to be prevented from making charitable organisations subservient to their interests and encouraged to support an independent charitable sector.
- There is a strong argument that assistance should be provided to strengthen the capacity of local charities to raise funds, formulate coherent development programmes, create a coordinating framework for their activities and establish the necessary expertise to replace the present amateurish approach.

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Other readings

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